

This Offer expires at 17.40 hours CET on 15 January 2013, unless extended

OFFER DOCUMENT
Dated 12 November 2012

RECOMMENDED CASH OFFER

by

PUBLICIS GROUPE HOLDINGS B.V.

an indirectly wholly owned subsidiary of

PUBLICIS GROUPE S.A.



**FOR ALL ISSUED AND OUTSTANDING SHARES
WITH A NOMINAL VALUE OF EUR 0.25 EACH IN THE CAPITAL OF**

LBI INTERNATIONAL N.V.

LBi

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This offer document (the “**Offer Document**”) contains details of the recommended cash offer by Publicis Groupe Holdings B.V. (“**Publicis Groupe Holdings**” or the “**Offeror**”), an indirectly wholly owned subsidiary of Publicis Groupe S.A. (“**Publicis Groupe**”), to acquire all issued and outstanding ordinary shares and the Share B, with a nominal value of EUR 0.25 each, in the capital of LBi International N.V. (“**LBi**” or the “**Company**”), including any and all ordinary shares in the capital of the Company that may be issued and/or delivered by the Company prior to the Settlement Date pursuant to LBi Group’s existing global stock option plan (“**GSOP**”) and long term incentive plan (the “**LTIP**” and together with the GSOP, the “**Equity Incentive Plans**”), in each of which certain members of Boards (as defined below) and certain senior managers of LBi Group participate (the “**Shares**” and the holders of such Shares being referred to as “**Shareholders**”), on the terms and subject to the conditions and restrictions contained in this Offer Document (the “**Offer**”). Capitalised terms used in this Offer Document have the meanings as set out in Section 4 (Definitions) or elsewhere in this Offer Document.

Shareholders tendering their Shares under the Offer will be paid on the terms and subject to the conditions and restrictions contained in this Offer Document, in consideration of each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and delivered (*geleverd*), a cash amount of EUR 2.85 per Share, net to the Shareholder in cash, without interest and less any applicable withholding taxes (the “**Offer Price**”). See Section 5 (Invitation to the Shareholders). The Offer Price is cum dividend. In the event any share or cash distribution or dividend (a “**Distribution**”) on the Shares is declared by LBi (whereby the record date that is decisive for entitlement to such Distribution is prior to the Settlement (as defined below)), the Offer Price will be decreased by the full amount of such Distribution made by LBi in respect of each Share (before any applicable withholding tax).

Carlyle Europe Technology Partners, Cyrte Investments, Janivo, Red Valley and Westerduin, all members of the Boards and certain senior managers and certain other shareholders have irrevocably undertaken to tender all Shares held by them as per the Acceptance Closing Date (as defined below) under the terms and conditions of this Offer Document subject to customary conditions. See Section 6.9 (Committed Shares). On 12 November 2012, Janivo as holder of the Share B entered into a sale and

purchase and transfer agreement with the Offeror pursuant to which it was agreed that the Share B is sold and transferred by Janivo to the Offeror for a price equal to the Offer Price subject to the Offer being declared unconditional, subject to certain customary conditions. As part of such transfer in accordance with the Articles (as defined below) the Share B will convert into an ordinary Share. See Section 6.9 (Committed Shares).

On 9 November 2012, after trading, the Offeror and its Affiliates held 30,939,476 Shares (see Section 6.8 (Respective cross shareholding Publicis Groupe – LBi)). On 12 November 2012, Carlyle Europe Technology Partners transferred the Share A to the Offeror for a price equal to the Offer Price. In accordance with the Articles, with effect as of such transfer the Share A converted into an ordinary Share and therefore currently there is no Share A in the capital of the Company issued and outstanding.

Each of the supervisory board of LBi (the “**Supervisory Board**”) and the management board of LBi (the “**Management Board**”) and together with the Supervisory Board, the “**Boards**”) fully support and unanimously recommend the Offer for acceptance to the Shareholders. See Section 6.5 (Recommendation).

The acceptance period under the Offer commences at 09:00 hours CET, on 13 November 2012, and, unless extended, expires at 17:40 hours CET, on 15 January 2013, (such time, the “**Acceptance Closing Time**” and such date, the “**Acceptance Closing Date**”), in accordance with the terms of the Offer Document and article 15 of the Decree on public offers Wft (*Besluit openbare biedingen Wft*) (the “**Takeover Decree**”) (the “**Acceptance Period**”). Acceptance under the Offer must be made in the manner specified in this Offer Document.

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during an extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Takeover Decree and the right of withdrawal of any tender pursuant to Article 15a, paragraph 3, Article 5b, paragraph 5 or Article 15, paragraph 8, of the Takeover Decree.

The Offeror reserves the right to extend the Offer past the Acceptance Closing Date if one or more of the Offer Conditions are not timely fulfilled in accordance with Section 6.6 (Offer Conditions and waiver of Offer Conditions). If the Offer is extended past the Acceptance Closing Date, the Offeror will make an announcement to that effect in accordance with the Takeover Decree. See Section 5 (Invitation to the Shareholders). The provisions of Article 15, paragraph 2 of the Takeover Decree, require that such an announcement be made within three Business Days following the Acceptance Closing Date.

Unless the Acceptance Period is extended, the Offeror will, in accordance with Article 16 of the Takeover Decree, announce whether the Offer is declared unconditional (*gestand wordt gedaan*) within three Business Days following the Acceptance Closing Date (the “**Unconditional Date**”). See Section 5.7 (Declaring the Offer Unconditional (*gestanddoening*)). The Offeror reserves the right to waive certain Offer Conditions, if relevant, and to the extent permitted by applicable law. See Section 6.6 (Offer Conditions and waiver of Offer Conditions).

Announcements contemplated by the foregoing paragraphs will be made by press release. See Section 5.14 (Announcements).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and delivered (*geleverd*) (as applicable) their Shares for acceptance to the Offeror prior to or on the Acceptance Closing Time (each of these Shares, a “**Tendered Share**”) will receive the Offer Price in respect of each Tendered Share, and the Offeror shall acquire each Tendered Share within five Business Days following the Unconditional Date (“**Settlement**” and the day on which Settlement occurs (the “**Settlement Date**”).

At 15.00 hours CET, on 20 December 2012, such date being at least six Business Days prior to the Acceptance Closing Date, an extraordinary general meeting of shareholders of LBi will be convened at Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands, at which meeting the Offer, among other matters, will be discussed in accordance with the provisions of Article 18, paragraph 1 of the Takeover Decree (the “**EGM**”). In addition certain resolutions will be proposed to the EGM in connection with the Offer. See Section 6.14 (EGM) and the Position Statement in Part III of this Offer Document.

This Offer Document (Part I together with Part II, LBi Financial Statements) has been prepared in accordance with Article 5:76 of the Wft in conjunction with Article 8, paragraph 1 of the Takeover Decree and has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”). The information required under Article 18, paragraph 2 and Annex G of the Takeover Decree is included in the Position Statement (Part III). The Position Statement included in Part III, does not form part of the Offer Document and is not subject to review and approval by the AFM. However, the Position Statement is subject to review by the AFM after publication thereof.

PART I – THE OFFER

1. RESTRICTIONS

The Offer is being made in and from the Netherlands with due observance of such statements, conditions and restrictions as are included in the Offer Document. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effected in the manner as set out in this Offer Document.

The distribution of this Offer Document and/or the making of the Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholders, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Document. However, acceptances of the Offer by Shareholders not residing in the Netherlands will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Document, and (ii) the applicable laws and regulations in the jurisdiction from which such acceptances have been made. Persons obtaining the Offer Document are required to take due notice and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, Publicis Groupe or LBi, nor any of their respective affiliates or any of their respective supervisory or managing directors, employees or advisers accepts any liability for any violation by any person of any such restriction. Outside of the Netherlands, no actions have been taken (nor will actions be taken) to make the Offer possible in any jurisdiction where such actions would be required. In addition, this Offer Document has not been filed with nor recognised by the authorities of any jurisdiction other than the Netherlands.

Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intends to forward this Offer Document or any related document to any jurisdiction outside the Netherlands should carefully read this Section 1 (Restrictions) and Section 2 (Important information) before taking any action. The release, publication or distribution of this Offer Document and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this Offer Document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction. Neither the Offeror, Publicis Groupe or LBi, nor any of their respective affiliates or any of their respective supervisory or managing directors, employees or advisers accepts any liability for any violation by any person of any such restriction.

United States of America

The Offer is made for the securities of a Dutch company and is subject to Dutch disclosure requirements, which are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and thus may not be comparable to the financial statements of United States companies. The Offer will be made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”), subject to the exemptions provided by Rule 14d-1(c) under the US Exchange Act and otherwise in accordance with the requirements of the Merger Rules. Accordingly, the Offer will be subject to disclosure and procedural requirements that are different from those applicable under United States domestic tender offer procedures and law.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the Offeror and LBi are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. You may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgments.

You should be aware that, to the extent permissible under applicable law or regulation, the Offeror and its affiliates or brokers (acting as agents for the Offeror) may after the date hereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to

purchase, shares of LBi that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform United States shareholders of LBi of such information.

Each United States shareholder of LBi is urged to consult with its independent professional adviser regarding the acceptance of the Offer including, without limitation, to consider the tax consequences associated with such shareholder's election to participate in the offer.

This Offer Document has not been submitted to or reviewed by the United States Securities and Exchange Commission ("**SEC**") or any state securities commission. Neither the SEC nor any such state securities commission has approved or disapproved of the Offer, passed upon the fairness or merits of the Offer, or passed upon the adequacy or accuracy of the disclosure contained in this Offer Document. Any representation to the contrary is a criminal offence in the United States of America.

Canada and Japan

The Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada or Japan, or by use of the mailing systems, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of Canada or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Document and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada or Japan or, in their capacities as such, to custodians, nominees or trustees holding Shares for persons residing in Canada or Japan. Persons receiving this Offer Document and/or such other documents must not distribute or send them in, into or from Canada or Japan, or use such mailing systems or any such means, instrumentality or facilities for any purpose in connection with the Offer; so doing will invalidate any purported acceptance of the Offer. The Offeror will not accept any tender by any such use, means, instrumentality or facility from within Canada or Japan.

Tender and transfer of Shares constitutes a representation and warranty that the person tendering the Shares (i) has not received or sent copies of this Offer Document or any related documents in, into or from Canada or Japan and (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mailing systems or any means or instrumentality including, without limitation, facsimile transmission, telex and telephone of interstate or foreign commerce, or any facility of a national securities exchange of, Canada or Japan. The Offeror reserves the right to refuse to accept any purported acceptance that does not comply with the foregoing restrictions, any such purported acceptance will be null, void and without effect.

2. IMPORTANT INFORMATION

2.1 Introduction

This Offer Document contains important information that should be read carefully before any decision is made to tender Shares under the Offer. Shareholders are advised to seek independent advice where necessary. In addition, Shareholders may wish to consult with tax advisers regarding the tax consequences of tendering Shares under the Offer.

2.2 Responsibility

The information included in Sections 1 and 3 up to and including 5, 6 (excluding Sections 6.5(a), 6.7, 6.8, 6.9, 6.11, 6.12, 6.13, 6.14 and 6.15) and 8 of Part I has been solely prepared and provided by the Offeror. The information included in Sections 6.5(a), 6.7 and 7 of Part I, the information included in Part II and the information included in Part III has been solely prepared and provided by the Company. The information included on the cover page, on the introduction pages 2 and 3 and in Sections 2, 6.8, 6.9, 6.11, 6.12, 6.13, 6.14, 6.15, 9, 10, 11, 12 and 13 of Part I has been jointly prepared and provided by the Offeror and the Company.

The Offeror and the Company are exclusively responsible for the accuracy and completeness of the information provided in this Offer Document, each exclusively with respect to the information it has prepared and provided individually, and jointly with respect to the information they have prepared and provided together.

Both the Offeror and the Company confirm, each solely with respect to such information that it has prepared and provided, and jointly with respect to the information they have prepared and provided together in this Offer Document, that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, as of the date hereof the information contained in this Offer Document is in accordance with the facts and contains no omission likely to affect its import.

The information included in Sections 14.2(a), 14.6 and 14.8 has been sourced by LBi from PricewaterhouseCoopers, auditors to LBi. The information included in Sections 14.2(b) has been sourced by LBi from PwC Sverige, auditors to LBi. LBi confirms that this information has been accurately reproduced and as far as LBi is aware and is able to ascertain from information published by PricewaterhouseCoopers or PwC Sverige, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2.3 Presentation of financial information and other information

Certain numerical figures set out in this Offer Document, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, the totals of the data in this Offer Document may vary slightly from the actual arithmetic totals of such information.

The information included in this Offer Document reflects the situation as at the date of this Offer Document unless specified otherwise. Neither the publication nor the distribution of this Offer Document shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Offer Document or that there has been no change in the information set out in this Offer Document or in the affairs of the Offeror, LBi and/or their respective subsidiaries and/or affiliates since the date of this Offer Document. The foregoing does not affect the obligation of either the Offeror or LBi, each in so far as it concerns them, to make a public announcement pursuant to Article 5:25i of the Wft or Article 4, paragraph 3 of the Takeover Decree, if applicable.

No person, other than the Offeror, Publicis Groupe and LBi and without prejudice to the auditor's and review reports issued by PricewaterhouseCoopers and PwC Sverige, included in the Offer Document, and the Fairness Opinions rendered to the Management Board by Jefferies and to the Supervisory Board by ABN Amro Bank N.V., included in the Position Statement, is authorised in connection with the Offer to provide any information or to make any statements on behalf of the Offeror, Publicis Groupe or LBi in connection with the Offer or any information contained in this Offer Document. If any such information or statement is provided or made by parties other than the Offeror, Publicis Groupe or LBi such information or statement should not be relied upon as having been provided by or made by or on behalf

of the Offeror, Publicis Groupe or LBi. Any information or representation not contained in this Offer Document must not be relied upon as having been provided by or made by or on behalf of the Offeror, Publicis Groupe or LBi.

2.4 Governing law

This Offer Document and the Offer are, and any tender, purchase or delivery of Shares will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Document, the Offer and/or any tender, purchase or delivery of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Document, the Offer and/or any tender, purchase or delivery of Shares may be brought exclusively before such courts.

2.5 Language

This Offer Document is published in the English language. A summary in the Dutch language is included as Section 12 (*Nederlandse samenvatting van het bod*). In the event of any differences, whether or not in interpretation, between the English text of this Offer Document and the Dutch summary of this Offer Document, the English text of this Offer Document shall prevail.

2.6 Contact details

SNS Securities N.V. has been appointed as Settlement Agent in the context of this Offer. Mangold Fondkommission AB has been appointed as Swedish Settlement Agent in the context of this Offer.

The Offeror and Publicis Groupe

Publicis Groupe Holdings B.V.
Prof. W.H. Keesomlaan 12
1183 DJ Amstelveen
The Netherlands

Publicis Groupe S.A.
133, Avenue des Champs Elysées
75008 Paris Cedex 08
France

The Company

LBi International N.V.
Joop Geesinkweg 209
1096 AV Amsterdam
The Netherlands

The Settlement Agent

SNS Securities N.V.
Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam
The Netherlands

Swedish Settlement Agent

Mangold Fondkommission AB
Engelbrektsplan 2
114 34 Stockholm
Sweden

2.7 Availability of copies of the Offer Document

Digital copies of this Offer Document and any documents incorporated by reference herein are available on the website of LBi (www.LBi.com) and Publicis Groupe (www.publicisgroupe.com). Copies of the Offer Document are also available free of charge at the offices of Publicis, the Offeror, the Settlement Agent and the Company at the addresses mentioned above. The Publicis Groupe and LBi websites do not constitute a part of, and are not incorporated by reference into, this Offer Document.

2.8 Documentation incorporated by reference

The Articles, the proposed amendments to the Articles, LBi's Annual Reports for the Financial Years 2011, 2010 and 2009 and the LBi first half-year report 2012, are incorporated by reference in, and form an integral part of, this Offer Document. The documents referred to in this Section 2.8 are available free of charge at the offices of LBi and can be obtained by contacting LBi at the address mentioned above and also on the website of LBi (www.LBi.com).

2.9 Forward-looking statements

This Offer Document includes "forward-looking statements" including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that may occur in the future. Generally, words such as "may", "should", "aim", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. Each of the Offeror, Publicis Groupe and the Company, and any of their respective affiliates, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions. Nevertheless, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror, Publicis Groupe and/or the Company does business, to competitive developments or risks inherent to the Offeror's, Publicis Groupe's or the Company's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror, Publicis Groupe and/or the Company.

Publicis Groupe, the Offeror and the Company undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any competent regulatory authority.

2.10 Financial advisers

UBS Limited ("**UBS**") is acting as the financial adviser exclusively to the Offeror and Publicis Groupe, and to no one else in connection with the Offer. UBS will not regard any other person (whether or not a recipient of this Offer Document) as a client in relation to the Offer and will not be responsible to anyone other than the Offeror and Publicis Groupe for providing advice in relation to the Offer.

UBS has given and has not withdrawn its written consent to the issue of this Offer Document with the references to its name in the form and context in which they appear.

Jefferies is acting as the sole financial adviser exclusively to the Company and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Document) as a client in relation to the Offer or any other matter referred to in this Offer Document and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Jefferies or for providing advice in relation to the Offer or any other matter referred to in this Offer Document.

Jefferies has issued a fairness opinion to the Management Board on the fairness of the Offer Price to the Shareholders from a financial point of view.

Jefferies has given and has not withdrawn its written consent to the references to its name in the form and context in which they appear in this Offer Document.

ABN AMRO Bank N.V. has issued a fairness opinion to the Supervisory Board on the fairness of the Offer Price to the Shareholders from a financial point of view. ABN AMRO acted as financial advisor to the Supervisory Board in connection to the fairness opinion.

ABN AMRO Bank N.V. has given and has not withdrawn its written consent to the references to its name in the form and context in which they appear in this Offer Document.

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4. DEFINITIONS

Any reference in this Offer Document to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made. A reference to “including” means, where the context so permits, “including without limitation”.

Defined terms used in this Offer Document shall have the following meaning:

Acceptance Closing Date	the date on which the Offer expires, being 15 January 2013, or, where appropriate, as extended by the Offeror in accordance with Article 15 of the Takeover Decree and the provisions of this Offer Document
Acceptance Closing Time	the time on which the Offer expires, being at 17:40 hours CET, on 15 January 2013, or, where appropriate, as extended by the Offeror in accordance with Article 15 of the Takeover Decree and the provisions of this Offer Document
Acceptance Period	the period during which the Shareholders can tender their Shares to the Offeror, which commences at 09:00 hours CET on 13 November 2012 and ends at the Acceptance Closing Time
Adjusted EBITDA	In Sections 7 (Information on LBi) and 14.5 (Consolidated interim LBi financial statements for the period January – June 2012) means EBITDA excluding 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. This measure also excluded the effect of equity settled share based payments and unrealised gain/losses on financial instruments.
Admitted Institutions	those institutions admitted to Euronext Amsterdam (<i>aangesloten instellingen</i>), as defined in article 1 of the Netherlands Securities Giro Act (<i>Wet gitaal effecteverkeer</i>)
Affiliate	in relation to any person, any corporation, partnership, co-operative or other business or legal entity or person directly or indirectly controlling or controlled by that person or under common control with that person, including its direct and indirect holding companies and its and their subsidiaries and group companies within the meaning of articles 2:24a and 2:24b of the Dutch Civil Code, respectively
AFM	the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
Alternative Proposal or Alternative Transaction	has the meaning ascribed to it in Section 6.15(b)
Announcement Date	20 September 2012, the date that the (conditional) agreement between Publicis Groupe Holdings and LBi was announced
Anti Trust Laws	The HSR Act, the German Act against Restraints of Competition and any other any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation or restraint of trade or the significant impediment of effective competition
Articles	the articles of association (<i>statuten</i>) of the Company
Boards	the Supervisory Board and the Management Board collectively
Business Day(s)	a day other than a Saturday or Sunday on which banks in the Netherlands, according to the collective agreements for the banking sector (<i>Algemene Bank-CAO</i>), and Euronext Amsterdam, are open for normal business

Carlyle Europe Technology Partners	CETP bigmouthmedia S.a.r.l.
CET	central European time
Chairman	chairman of the Supervisory Board
Company or LBi	LBi International N.V., a public company (<i>naamloze vennootschap</i>), incorporated under the laws of the Netherlands, having its statutory seat (<i>statutaire zetel</i>) in Amsterdam, the Netherlands, having its registered office at Joop Geesinkweg 209, 1096 AV Amsterdam, the Netherlands
Company Group or LBi Group	the Company and each of the Group Companies
Continuing Supervisory Directors	has the meaning ascribed to it in Section 6.13(a)(i)(A)
Cyrte Investments	Cyrte Investments GP I B.V.
Disappearing Entity	has the meaning ascribed thereto in Section 6.10(b)(ii) (Post Settlement Restructuring of LBi)
Distribution	any share or cash distribution or dividend
Dutch Corporate Governance Code	the Dutch Corporate Governance Code dated 10 December 2008 as amended from time to time
EBITDA	earnings before interests, taxes, depreciation and amortisation
EBT	the LBi International Employee Benefit Trust
EGM	the extraordinary general meeting of Shareholders of LBi to be held at 15.00 hours CET on 20 December 2012, Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands, at which meeting the Offer will be discussed and the Governance Resolutions will be decided upon
Equity Incentives	the option and awards outstanding under the Equity Incentive Plans
Equity Incentive Plans	the GSOP and the LTIP collectively as described further in Section 6.7(b)
EUR or Euro	euro, the legal currency of the European Economic and Monetary Union
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euroclear Sweden	Euroclear Sweden AB
Euronext Amsterdam	the stock exchange of Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext N.V.
Fairness Opinions	the fairness opinion from Jefferies addressed to the Management Board dated 20 September 2012, and the fairness opinion from ABN AMRO Bank N.V. addressed to the Supervisory Board dated 20 September 2012, the full text of each of which is included in the Position Statement in Part III
Financial Year 2009	the financial year of LBi ending on 31 December 2009
Financial Year 2010	the financial year of LBi ending on 31 December 2010
Financial Year 2011	the financial year of LBi ending on 31 December 2011
Financial Year 2012	the financial year of LBi ending on 31 December 2012
Financial Year 2013	the financial year of LBi ending on 31 December 2013
Fully Diluted Capital	146,032,535 Shares which is the expected number of issued and outstanding ordinary shares in the Company at the Settlement Date of the Offer at an Offer Price of EUR 2.85 after exercise in full of outstanding options under the GSOP and settlement in full of outstanding awards under the LTIP, excluding 5.1 million

	ordinary shares in the Company expected to be held by the Company on the Settlement Date
General Meeting	the general meeting of shareholders of the Company (<i>algemene vergadering van aandeelhouders</i>)
Governance Resolutions	the resolutions to be proposed for adoption at the EGM described in Section 6.14 and in the Position Statement in Part III of this Offer Document
Governmental Order	any (i) order, stay, judgment or decree issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and (ii) any statute, rule, regulation, governmental order or injunction that has been enacted, in each case which restricts, prohibits or delays the making and/or consummation of the Offer or the Transaction in accordance with the Merger Protocol in any material respect or is reasonably likely to do so
Group Companies	each and every Affiliate of the Company, excluding, for the avoidance of doubt, any of its Shareholders
GSOP	the existing global share option plan in which certain members of the Boards and certain senior managers of the Company Group participate
HSR Act	the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended
IFRS	International Financial Reporting Standards as adopted by the European Union
Janivo	Janivo Holding B.V.
Jefferies	Jefferies International Limited
LBi Group's Budget 2012	has the meaning ascribed thereto in Section 6.6(a)(iv)
Legal Merger	has the meaning ascribed thereto in Section 6.10(b) (Post Settlement Restructuring of LBi)
LTIP	the existing long term incentive plan in which certain members of the Boards and certain senior managers of the Company Group participate
Management Board	the management board (<i>raad van bestuur</i>) of LBi
Material Adverse Effect	has the meaning ascribed thereto in Section 6.6(a)(iv)
Merger Code 2000	<i>SER besluit Fusiegedragsregels 2000 ter bescherming van de belangen van werknemers</i>
Merger Protocol	the merger protocol relating to the Offer between LBi and Publicis Groupe Holdings, dated 20 September 2012
Merger Rules	all applicable laws and regulations, including without limitation the applicable provisions of the Wft, the Takeover Decree, any rules and regulations promulgated pursuant to the Wft and/or the Takeover Decree, the Works Council Act, the Merger Code 2000, the rules and regulations of Euronext Amsterdam, the Dutch Civil Code and any other applicable securities or competition regulatory laws that apply to the Offer
Offer	the offer for the Shares as described in this Offer Document
Offer Conditions	the conditions precedent to declaring the Offer unconditional (<i>gestanddoening</i>) as set out in Section 6.6 (Offer Conditions and waiver of Offer Conditions)
Offer Document	this offer document relating to the Offer
Offer Price	has the meaning ascribed thereto on page 2 and in Section 5.1 (Offer Price)

Offeror or Publicis Groupe Holdings	Publicis Groupe Holdings B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands, and its registered office at Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, The Netherlands, and an indirect wholly owned subsidiary of Publicis Groupe
Position Statement	the shareholders' circular including the position statement of the Company, including all Annexes thereto, included in Part III, which does not form part of this Offer Document
Post Acceptance Period	a period of no more than two weeks after the Acceptance Period during which the Shareholders that have not yet tendered their Shares under the Offer may be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Document
Post Settlement Restructurings	the envisaged Post Settlement Restructuring measures described further in Section 6.10(b) (Post Settlement Restructuring of LBi)
PricewaterhouseCoopers Publicis Groupe	PricewaterhouseCoopers Accountants N.V. Publicis Groupe S.A., a public company established under the laws of France, having its statutory seat in Paris, France, and its registered office at 133, Avenue des Champs Elysees, 75008 Paris, France
PwC Sverige	PwC Öhrlings PricewaterhouseCoopers AB
Red Valley	Red Valley Luxemboug S.a.r.l.
Revised Offer	has the meaning ascribed to it in Section 6.15(b) (Merger Protocol; Certain arrangements between the Offeror and the Company)
Revised Offer Period	has the meaning ascribed to it in Section 6.15(b) (Merger Protocol; Certain arrangements between the Offeror and the Company)
Recommendation	the recommendation of the Boards described further in Section 6.5(a)
SEC	United States Securities and Exchange Commission
SEK	Swedish krona, the legal currency of Sweden
Section	a (sub)section of this Offer Document
Settlement	the payment of the Offer Price by the Offeror to the Shareholders for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) on or prior to the Acceptance Closing Time under the Offer
Settlement Agent	SNS Securities N.V., a public limited liability company (<i>naamloze vennootschap</i>) organised under the laws of the Netherlands, having its statutory seat (<i>statutaire zetel</i>) in Amsterdam, the Netherlands, and its registered office at Nieuwezijds Voorburgwal 162, 1012 SJ Amsterdam, the Netherlands
Settlement Agent Sweden	Mangold Fondkommission AB
Settlement Date	the date on which, in accordance with the terms and subject to the conditions and restrictions of the Offer, the Offeror shall pay the Offer Price to the Shareholders for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) on or prior to the Acceptance Closing Time, being no later than the fifth Business Day after the Unconditional Date

Share A	means the sole issued and outstanding share A in the capital of the Company with a nominal value of EUR 0.25, that in accordance with the Articles converted into an ordinary share by transfer by Carlyle Europe Technology Partners to the Offeror on 12 November 2012
Share B	the sole issued and outstanding share B in the capital of the Company with a nominal value of EUR 0.25, in respect of which Janivo and the Offeror agreed it is sold and transferred to the Offeror subject to the Offer being declared unconditional and upon such transfer will convert into an ordinary Share in accordance with the Articles
Shares	all issued and outstanding ordinary shares with a nominal value of EUR 0.25 each in the capital of LBi, including any and all ordinary shares in the capital of the Company that may be issued and/or delivered by the Company prior to the Settlement Date pursuant to the Equity Incentive Plans and the Share B
Shareholder(s)	the holder(s) of one or more Share(s)
Squeeze-Out	has the meaning ascribed thereto in Section 6.10(b) (Post Settlement Restructuring of LBi)
Statutory Squeeze-Out	has the meaning ascribed thereto in Section 6.10(b) (Post Settlement Restructuring of LBi)
Superior Offer	has the meaning ascribed thereto in Section 6.15 (Merger Protocol; Certain arrangements between the Offeror and the Company)
Supervisory Board	the supervisory board (<i>raad van commissarissen</i>) of LBi
Surviving Entity	has the meaning ascribed thereto in Section 6.10(b) (Post Settlement Restructuring of LBi)
Takeover Decree	the Dutch Decree on public offers Wft (<i>Besluit openbare biedingen Wft</i>)
Takeover Squeeze-Out	has the meaning ascribed thereto in Section 6.10(b) (Post Settlement Restructuring of LBi)
Tendered Share	each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) for acceptance pursuant to the Offer on or prior to the Acceptance Closing Time
Transaction	the Offer and the transactions contemplated by the Merger Protocol
UBS	UBS Limited
Unconditional Date	the date on which the Offeror shall publicly announce that the Offer is declared unconditional (<i>gestand wordt gedaan</i>), being no later than three Business Days following the Acceptance Closing Date, in accordance with Article 16, paragraph 1 of the Takeover Decree
Unaffected Date	means 15 June 2012
Undertakings	has the meaning ascribed thereto in Section 6.9
Westerduin	Exploitiemaatschappij Westerduin B.V.
Wft	the Netherlands Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>)

5. INVITATION TO THE SHAREHOLDERS

The Offeror hereby makes a recommended cash offer for all Shares not already held by itself, Publicis Groupe, or any person or entity, directly or indirectly, solely or jointly, controlled by Publicis Groupe. Shareholders are advised to review this Offer Document (including all documents incorporated by reference herein) and in particular Sections 1 (Restrictions) and 2 (Important Information) thoroughly and completely. Furthermore, Shareholders are advised to seek independent financial, tax or legal advice where appropriate in order to reach a balanced judgment with respect to the Offer and this Offer Document. Shareholders who consider not tendering their Shares are advised to review Section 6.10(a) (Liquidity and Delisting) and Section 6.10(b) (Post Settlement Restructuring of LBi).

With due reference to all statements, terms, conditions and restrictions included in this Offer Document, Shareholders are hereby invited to tender their Shares under the Offer in the manner and on the terms and subject to the conditions and restrictions set out in this Offer Document.

5.1 Offer Price

Shareholders tendering Shares under the Offer will be offered, on the terms and subject to the conditions and restrictions contained in this Offer Document, an amount of EUR 2.85 per Share, net to the Shareholder in cash, without interest and less any applicable withholding taxes (the “**Offer Price**”). The Offer Price is offered for each Tendered Share, subject to the Offer being declared unconditional (*gestanddoening*).

The Offer Price is cum dividend. In the event any share or cash distribution or dividend (a “**Distribution**”) on the Shares is declared by LBi (whereby the record date that is decisive for entitlement to such Distribution is prior to the Settlement (as defined below)), the Offer Price will be decreased by the full amount of such Distribution made by LBi in respect of each Share (before any applicable withholding tax).

5.2 Acceptance by Shareholders of the Offer

(a) Acceptance by Shareholders through an Admitted Institution

Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known through their bank or stockbroker no later than at the Acceptance Closing Time, unless the Acceptance Period is extended in accordance with Section 5.8 (Extension of the Acceptance Period) and/or Section 5.9 (Post Acceptance Period). The bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner.

The Admitted Institutions may tender Shares for acceptance only in writing to the Settlement Agent. In tendering for acceptance, the Admitted Institutions are required to declare that (i) they have the tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Shares tendered by it are being tendered in compliance with the restrictions set out in Section 1 (Restrictions) and Section 2 (Important Information), and (iii) they undertake to deliver (*leveren*) these Shares to the Offeror prior to or ultimately on the Settlement Date, provided the Offer is declared unconditional (*gestand wordt gedaan*).

Subject to Article 15, paragraph 3, Article 15a, paragraph 3, Article 5b, paragraph, 5 and Article 15, paragraph 8, of the Takeover Decree, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions to block any attempt to transfer the Shares tendered. As a result of these instructions no transfer of such Shares may be effected between the tendering and the Settlement Date. Exceptions to this transfer prohibition are (i) transfer to the Settlement Agent on the Settlement Date if the Offer is declared unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase, and (ii) transfer under withdrawal rights that are available under the Takeover Decree. These irrevocable instructions shall also include the instruction to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Shares tendered, against payment by the Settlement Agent on behalf of the Offeror of the Offer Price in respect of those Shares.

(b) Acceptance by Shareholders individually recorded in the LBi Shareholders' register

Shareholders owning Shares individually recorded in the LBi Shareholders' register who choose to accept the Offer in respect of such Shares must deliver a completed and signed acceptance letter to the Settlement Agent. In accordance with the terms and conditions of the Offer, the acceptance letters must be received by the Settlement Agent no later than at the Acceptance Closing Time, unless the Acceptance Period is extended in accordance with Section 5.8 (Extension of the Acceptance Period) and/or Section 5.9 (Post Acceptance Period). The Settlement Agent will notify the Shareholders by regular mail about the details of the acceptance letter. The acceptance letter will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

(c) Acceptance by Shareholders holding Shares through Euroclear Sweden

This section contains information for Shareholders whose shares are registered with Euroclear Sweden and who wish to accept the Offer.

Swedish Shareholders should take note that Swedish securities laws are not applicable to the Offer. As stated in Section 2.4 of this Offer Document, this Offer Document and the Offer are, and any tender, purchase or delivery of Shares will be, governed by and construed in accordance with the laws of the Netherlands. Swedish Shareholders should observe that these rules as well as the routines applied in relation to the Offer could in material respects deviate from those applicable to the Offer, had Swedish law been applicable to the Offer.

Shareholders directly registered with Euroclear Sweden shall tender their Shares under the Offer by way of submitting the pre-printed completed and signed application form to the Swedish Settlement Agent at the address stated below.

The pre-printed application form will be sent out by regular mail to all directly registered Shareholders registered in the records kept by Euroclear Sweden, and application forms can also be obtained from the Swedish Settlement Agent with contact details stated below.

The Offer Document can be downloaded from the Publicis Groupe's website (www.publicisgroupe.com) or LBi's website (www.lbi.com) or ordered from the Swedish Settlement Agent via telephone during office hours. The application form must be received by the Swedish Settlement Agent no later than at the Acceptance Closing Time.

Following receipt and registration of a duly completed acceptance form, the Tendered Shares will be transferred to a newly opened blocked securities account (Sw. *appportkonto*) in the name of the Shareholder. In connection hereto, Euroclear Sweden will send a notification (Sw. *VP-avi*) that shows the number of Shares that have been removed from the original securities account and a notification that shows the number of Shares that have been entered in the newly opened blocked securities account.

In the event that the Tendered Shares are pledged, the pledgee must also complete and sign the acceptance form that is submitted.

Details Settlement Agent Sweden
Mangold Fondkommission AB

Issue: LBi International N.V.
Box 55691
SE-102 15 STOCKHOLM
E-mail: info@mangold.se
Fax: +46 (0)8-503 01 551 / Telephone: +46 (0)8-52775082/+46 (0)8-52775086

Custody account holders, whose Shares are registered with a bank or other nominee and who wish to tender Shares registered with Euroclear Sweden must tender in accordance with the nominee's instructions.

Shareholders holding Shares through Euroclear Sweden tendering Shares in accordance with this Section 5.2(c) will receive on the Settlement Date the Offer Price converted from Euro into SEK. Please refer to Section 5.10 for more information on the applicable exchange rate and related exchange rate risk.

The settlement amount will be paid to the yield account which is connected to the Shareholder's securities account with Euroclear Sweden. Shareholders who do not have a yield account connected to their securities account or whose yield account is defective will

receive the settlement amount through a payment note. In connection with Settlement, the Shares will be removed from the blocked securities account, which will thereafter be terminated. No notice evidencing the removal from the blocked securities account will be sent.

5.3 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered up to and including the Settlement Date, subject to the proper withdrawal of any tender in accordance with Article 15, paragraph 3, Article 15a, paragraph 3, Article 5b, paragraph 5 or Article 15, paragraph 8, of the Takeover Decree, that:

- (a) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer as set out in this Offer Document;
- (b) such Shareholder has full power and authority to tender, sell and deliver (*leveren*) the Shares tendered by it, and has not entered into any other agreement to tender, sell or deliver (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror for the Offer Price, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third-party rights and restrictions of any kind; and
- (c) such Shares are being tendered in compliance with the restrictions as set out in Section 1 (Restrictions) and 2 (Important information) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares.

Each Shareholder tendering Shares, pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror that it relinquishes all rights or entitlements (*doet afstand van recht*) towards Publicis Groupe, the Offeror, Publicis Groupe's direct and indirect subsidiaries as well as towards any company within the Company Group (including the Company) and all the supervisory and management board members of the companies mentioned in this paragraph.

5.4 Withdrawal rights

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, with the exception of the right to withdraw any tendered Shares during the extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Takeover Decree and the right to withdraw any tendered Shares pursuant to Article 15a, paragraph 3, Article 5b, paragraph, 5 or Article 15, paragraph 8, of the Takeover Decree. During any extension of the Acceptance Period, Shares previously tendered and not withdrawn will remain subject to the Offer. Shares tendered during the extension of the Acceptance Period may not be withdrawn.

5.5 Acceptance Period

The Acceptance Period commences at 09:00 hours CET on 13 November 2012. The Acceptance Period ends at 17:40 hours CET on 15 January 2013, subject to extension in accordance with Article 15, paragraph 1 and paragraph 2 of the Takeover Decree.

If one or more of the Offer Conditions is not timely fulfilled or, where appropriate, waived, in accordance with Section 6.6, the Offeror may extend the Acceptance Period in order to fulfil or waive such Offer Conditions. An extension of the Acceptance Period shall be for a minimum period of two weeks and a maximum period of ten weeks. Extension of the Acceptance Period may occur once. Extension for more than one period is subject to clearance of the AFM, which will only be given in exceptional circumstances. See also Section 5.8 (Extension of the Acceptance Period) and Section 5.9 (Post Acceptance Period).

If all Offer Conditions are timely fulfilled or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the provisions of Article 15, paragraph 3, Article 15a, paragraph 3, Article 5b, paragraph, 5 or Article 15,

paragraph 8, of the Takeover Decree, and the terms of the Offer. The acceptance will be made in accordance with the procedures set forth in Section 5.2 (Acceptance by Shareholders of the Offer).

5.6 Offer Conditions

The Offer shall be declared unconditional (*wordt gestand gedaan*) if the Offer Conditions as set out in Section 6.6 (Offer Conditions and waiver of Offer Conditions) are timely fulfilled or, if permitted by applicable law, waived by the party entitled to waive such Offer Conditions. Subject to the Offer Conditions set out in Section 6.6 (Offer Conditions and waiver of Offer Conditions), the Offeror reserves the right to accept any Shares tendered for acceptance, even if it has not been effected in accordance with Section 5.2 (Acceptance by Shareholders of the Offer).

5.7 Declaring the Offer unconditional (*gestanddoening*)

The obligation of the Offeror to declare the Offer unconditional is subject to the timely fulfilment of the Offer Conditions in accordance with Section 6.6 (Offer Conditions and waiver of Offer Conditions). The Offer Conditions include, but are not limited to, the condition that the number of Shares validly tendered under the Offer and not withdrawn on the Acceptance Closing Date (whether or not extended), together with any Shares, directly or indirectly, held by Offeror or any of its Affiliates, on the Acceptance Closing Date, represents at least 90% of the Fully Diluted Capital. See also Section 6.6 (Offer Conditions and waiver of Offer Conditions).

The Offeror reserves the right to waive any Offer Conditions stipulated as for its benefit to the extent permitted by law. However, if the Shares validly tendered under the Offer and not withdrawn on the Acceptance Closing Date (whether or not extended), together with any Shares, directly or indirectly, held by Offeror or any of its Affiliates, on the Acceptance Closing Date, represent no more than 75% of the Fully Diluted Capital, then the Offeror may only waive the Offer Condition described in the paragraph above after having obtained the prior written approval of the Company.

Unless the Acceptance Period is extended, the Offeror will announce, in accordance with Article 16, paragraph 1 of the Takeover Decree, within three Business Days after the Acceptance Closing Date whether or not it declares the Offer unconditional. The date that the Offer is declared unconditional (*gestand wordt gedaan*) is the Unconditional Date. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will accept for payment all Tendered Shares. After the Offeror has declared the Offer unconditional, it may continue the Offer by way of a Post Acceptance Period (*na-aanmeldingstermijn*) as set out in Section 5.9 (Post Acceptance Period).

5.8 Extension of the Acceptance Period

The Offeror may once extend the Offer past the Acceptance Closing Date at its discretion if one or more of the Offer Conditions is not timely fulfilled in accordance with Section 6.6 (Offer Conditions and waiver of Offer Conditions). An extension shall be for a minimum of two weeks and a maximum of ten weeks. Extension for more than one period is subject to clearance of the AFM, which will only be given in exceptional circumstances. If the Acceptance Period is extended all references in this Offer Document to the Acceptance Closing Date, the Acceptance Closing Time or “17:40 hours CET, on 15 January 2013” shall, unless the context requires otherwise, be deemed to be moved to the latest date and time to which the Acceptance Period has been so extended.

If the Acceptance Period is extended, a public announcement to that effect shall be made no later than the third Business Day following the initial Acceptance Closing Date, in accordance with the provisions of Article 15, paragraph 1 and paragraph 2 of the Takeover Decree. Such a public announcement shall contain the date to which the Acceptance Period is extended.

During such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer. In accordance with Article 15, paragraph 3 of the Takeover Decree, Shares tendered on or prior to the original Acceptance Closing Date may be withdrawn during the extended Acceptance Period.

5.9 Post Acceptance Period (*na-aanmeldingstermijn*)

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror may publicly announce, in accordance with article 17 of the Takeover Decree, a “**Post Acceptance Period**” (*na-aanmeldingstermijn*) within three Business Days after declaring the Offer unconditional (*gestanddoening*). The purpose of the Post Acceptance Period is to enable Shareholders that did not tender Shares in the Acceptance Period to tender Shares under the same terms and conditions as the Offer. Such Post Acceptance Period shall commence on the first Business Day following the announcement of a Post Acceptance Period. The Post Acceptance Period will have a maximum duration of two weeks.

The Offeror will publicly announce the results of the Post Acceptance Period and the total amount and total percentage of Shares held by it in accordance with Article 17 paragraph 4 of the Takeover Decree. This announcement shall ultimately be made on the third Business Day following the end of the Post Acceptance Period. The Offeror shall continue to accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) during such Post Acceptance Period. The Offeror shall pay for such Shares within five Business Days after the end of the Post Acceptance Period.

During the Post Acceptance Period, neither Shareholders who tendered Shares during the Acceptance Period, if such Shares were accepted pursuant to the Offer, nor Shareholders who tender Shares during a Post Acceptance Period, will have any right to withdraw such Shares from the Offer.

5.10 Settlement of the Offer

The Shareholders who have tendered Shares for acceptance under the Offer prior to or on the Acceptance Closing Date will receive on the Settlement Date the Offer Price in respect of each Tendered Share as of which moment onwards dissolution or annulment of a Shareholder's tender or delivery (*levering*) shall not be permitted. Settlement will only take place if the Offer is declared unconditional (*gestand wordt gedaan*).

Shareholders holding Shares through Euroclear Sweden who tender their Shares in accordance with Section 5.2(c), should be aware that the Offer Price will be converted by the Swedish Settlement Agent from Euro into SEK at the prevailing spot market Euro to SEK exchange rate on the date on which the funds are received by the Swedish Settlement Agent. Such Shareholders should be aware that the Euro to SEK exchange rate which is prevailing at the date on which such Shareholder tenders its, his or her Shares and on the dates of dispatch and receipt of payment may be different from that prevailing on the day on which funds are received by the Swedish Settlement Agent. In all cases, fluctuations in the Euro to SEK exchange rate are at the risk of the accepting Shareholders.

5.11 Dividends

Following the Settlement Date the current dividend policy of the Company may be discontinued, meaning the Offeror may elect not to cause the Company to pay (cash or share) dividends or other distributions to the Shareholders in the future.

5.12 Commission

The Offeror or the Company will charge no costs to the Shareholders for the delivery and payment of the Shares if an Admitted Institution is involved. However, Shareholders may be charged certain fees by their banks and stockbrokers. Costs may also be charged if an institution not located in the Netherlands is involved in the delivery and payment of the Shares. Shareholders should consult their banks and stockbrokers regarding any such fees.

The Admitted Institutions are entitled to receive from the Settlement Agent on behalf of the Offeror a commission of EUR 0.0025 for each Tendered Share, up to a maximum of EUR 1000 per Shareholder account. The commission must be claimed within 30 days after the Settlement Date.

5.13 Restrictions

The Offer is being made with due observance of such statements, conditions and restrictions as are included in this Offer Document. Subject to the Offer Conditions set out in Section 6.6 (Offer Conditions and waiver of Offer Conditions), the Offeror reserves the right to accept any Shares tendered for acceptance, even if such tender has not been effected in accordance with Section 5.2 (Acceptance by Shareholders of the Offer).

5.14 Announcements

Announcements contemplated by this Offer Document will be issued by press release. Subject to any applicable requirements of the Merger Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described in this Section 5.14 (Announcements).

5.15 Indicative Timetable

The times and dates below are indicative only.

Expected date and time	Event
12 November 2012	Publication of the press release announcing the availability of this Offer Document and commencement of the Offer
9:00 hours CET, 13 November 2012	Start of the Acceptance Period under the Offer in accordance with Article 14 of the Takeover Decree
15.00 hours CET, 20 December 2012	EGM: the extraordinary general meeting of Shareholders of LBi at which meeting the Offer will be discussed and the Governance Resolutions will be decided upon
17:40 hours CET, 15 January 2013, subject to extension	Acceptance Closing Time which is the deadline for Shareholders to tender Shares, unless the Offer is extended in accordance with Article 15 of the Takeover Decree
Not later than three Business Days after the Acceptance Closing Date	On this date the Offeror will publicly announce in accordance with Articles 15 and 16 of the Takeover Decree that either: <ul style="list-style-type: none">● the Offer is declared unconditional (<i>gestand wordt gedaan</i>), the “Unconditional Date”;● the Offer is not declared unconditional and has lapsed; or● the Offer is extended for a period of between two and ten weeks
Not later than five Business Days after the Unconditional Date	Settlement Date: the date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Offer Price per Tendered Share
Post Acceptance Period (optional)	within three Business Days after declaring the Offer unconditional (<i>gestanddoening</i>) the Offeror may publicly announce, in accordance with Article 17 of the Takeover Decree, a Post Acceptance Period (<i>na-aanmeldingstermijn</i>) with a maximum duration of two weeks. During the Post Acceptance Period, Shareholders that have not yet tendered Shares under the Offer will have the opportunity to do so in the same manner and under the same conditions as set out in this Offer Document all in accordance with Article 17 of the Takeover Decree
On no later than on the fourth Business Day following the Unconditional Date	Commencement of Post Acceptance Period (<i>na-aanmeldingstermijn</i>) (optional)
Not later than five Business Days after the end of the Post Acceptance Period	Settlement of Shares tendered during the Post Acceptance Period

6. EXPLANATION OF THE OFFER

6.1 Introduction

On 25 June 2012, the Company announced that it was in discussions with third parties in respect of strategic alternatives available to it.

On 20 September 2012 (the “**Announcement Date**”), the Company and the Offeror jointly announced that they had reached conditional agreement on a potential recommended cash offer at an Offer Price in cash of EUR 2.85 per Share (see Section 11.1) which announcement included the certainty of funds statement as meant under Article 7 paragraph 4 of the Takeover Decree.

From 24 September 2012 onwards Publicis Groupe issued, if appropriate, press releases in respect of purchases of LBi shares by Publicis Groupe Holdings (See Section 6.8(a) for a full overview of such transactions up to and including 9 November 2012).

On 9 October 2012, Publicis Groupe and LBi jointly announced good progress was made in the preparations of Offer and the Offer Document (See Section 11.2).

6.2 The Offer

The Offeror is making a recommended cash offer to purchase from the Shareholders all of the Shares on the terms and subject to the conditions and restrictions contained in the Offer Document.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*), Shareholders tendering their Shares under the Offer will receive the Offer Price in respect of each Tendered Share.

(a) Premia

The Offer Price represents:

- (i) a premium of 39.8% to the volume weighted average closing price of the ordinary Shares for the 12 month period prior to and including 15 June 2012, the day before speculation of a possible transaction (the “**Unaffected Date**”);
- (ii) by comparison, the median premium to the unaffected share price (closing share price one day prior to the earlier of transaction announcement or material, public speculation of a transaction, if any) is 38.4% for the selected, all-cash public offers for Dutch companies listed on the Euronext Amsterdam with equity values between EUR 250 million and EUR 1,750 million that were announced and completed in the period from 1 January 2005 to the Announcement Date. Selected transactions include: Wavin / Mexichem, Océ / Canon, Smit Internationale / Boskalis, ERIKS / SHV Holdings, Corporate Express / Staples, Stork / Candover, Grolsch / SABMiller, Getronics / KPN, Univar / CVC, Wegener / Mecom, Nedschroef / Gilde, Athlon Holding / De Lage Landen, AM / BAM Groep and Versatel / Tele 2;
- (iii) at EUR 2.85 per share, the Offer values LBi at an enterprise value equal to approximately EUR 437 million. This calculation is based on the Fully Diluted Capital, a net debt position of EUR 9.1 million as of 30 June 2012, reported earn-outs of EUR 11.9 million and associates of EUR 0.2 million as per the latest Company information. Based on LBi Group’s budgeted revenue of EUR 242.7 million and LBi Group’s budgeted EBITDA of EUR 40.3 million for the year ended 31 December 2012 as per the Company’s press release on 24 September 2012 (LBi Group’s Budget 2012), the implied enterprise value multiples are 1.8x 2012 revenue and 10.8x 2012 EBITDA respectively.

(b) Substantiation of Offer Price¹

The Offer Price has been determined based on the most relevant financial methodologies including:

- (i) an analysis of the closing price of the ordinary Shares traded on Euronext Amsterdam over the last 12 months prior to the Unaffected Date. Over this period, the closing price of the ordinary Shares ranged from EUR 1.21 to EUR 2.70 and the volume weighted average closing price of the ordinary Shares for the 12 month period prior to and including the Unaffected Date was EUR 2.04;
- (ii) a trading multiple analysis of EV/Revenue and EV/EBITDA based on consensus forecasts for LBi and the closing prices of the ordinary Shares compared with those of selected publicly traded companies and their securities. Agency peers companies selected for comparison with LBi included Dentsu, Havas, Interpublic Group of Companies (IPG), Omnicom, Publicis Groupe, Sapient, and WPP;
- (iii) for this analysis, enterprise values were calculated with latest reported net debt, adjusted for pension liabilities and including impact of dilutive instruments and events announced post results (share buy-back, acquisition etc.), minorities, associates and earn-outs; revenue and EBITDA estimates were based on I/B/E/S mean estimates on the Announcement Date;
- (iv) for this group of selected companies the average ratio of enterprise value to estimated revenue were approximately 1.1x for the years ending 2012 and 2013;
- (v) for this group of selected companies the average ratio of enterprise value to estimated EBITDA for the years ending 2012 and 2013 were approximately 8.4x and 7.8x, respectively;
- (vi) an analysis of selected precedent transaction premia (described in Section 6.2(a)).

6.3 Rationale for the Offer

Following the acquisition of three strong pure-play digital brands, Digitas, Razorfish and Rosetta, Publicis Groupe, with this Offer, confirms its ambitions in this critical area for its clients and the future of the communication sector. The proposed acquisition of LBi will enable Publicis Groupe to increase its share of revenue derived from digital operations to over 35%, in line with its strategic goals, and to capitalise on the complementarity with its existing global digital businesses. Its clients will benefit from the outstanding service offering of this enlarged digital platform and the expertise of talented professionals.

The main objectives of the Offer are set forth below:

- (a) Strengthen Publicis Groupe's digital leadership: the acquisition of LBi confirms Publicis Groupe's ambitions and leadership in digital communications and increases its share of revenue derived from digital operations to over 35%, in line with the Publicis Groupe's strategic goals;
- (b) Enlarge Publicis Groupe's digital network: Within the global advertising landscape, scale is key to win market share and increase client base. LBi is one of the few large remaining independent digital communications agencies and the only one with a global footprint, with approximately 2,200 employees in 16 countries and 33 offices around the world. LBi has an attractive client base including Lloyds TSB, Volvo, Johnson & Johnson, Coca Cola, Carlsberg and Ikea. LBi has received over 110 creative awards in the last two years. The acquisition of LBi will give access to a unique technology platform that allows use of relevant data insights to create appropriate content and assets and will enable to capitalise on the complementarity with its existing global digital businesses to deliver best-in-class services to clients;
- (c) Enhance Publicis Groupe's growth profile: LBi reported strong historical performance with 11.6% 2009-2011 revenue CAGR (*pro forma* for the acquisition of bigmouthmedia). The acquisition of LBi will enable Publicis Groupe to benefit from growth in digital, one of the fastest growing segments and the future of the advertising world;

¹ The Share B will convert into one ordinary Share upon transfer to the Offeror. The substantiation of the Offer Price paid for ordinary Shares therefore also applies to the price offered for the Share B.

- (d) Enable economies of scale and synergies from combination: Publicis Groupe expects that the transaction will enable Publicis Groupe to benefit from economies of scale generated by an enlarged platform. The combined company aims to generate synergies as a result of increased efficiency across the various geographies and functions. This expectation is based on Publicis Groupe's past experience acquiring companies.

6.4 Financing of the Offer

The Offeror will finance the Offer from its own readily available resources and the financing of the Offer will not be subject to third-party conditions or contingencies.

6.5 Recommendation

(a) Decision-making and recommendation by the Boards

The Boards have unanimously resolved, after having taken into account their fiduciary duties, applicable laws, rules and regulations and the terms and conditions of the Transaction, after having taken financial and legal advice and after having concluded that, taking into account the current circumstances, the Offer is fair to the Shareholders from a financial point of view and in the best interest of the Company and its stakeholders:

- (i) to unanimously approve and fully support the Offer;
- (ii) to approve the Company's entering into of the Merger Protocol;
- (iii) to unanimously recommend to the holders of Shares to accept the Offer and to tender their Shares pursuant to the Offer; and
- (iv) to unanimously recommend to Shareholders to adopt the Governance Resolutions, (together, the "**Recommendation**").

The Boards have obtained written opinions from ABN AMRO Bank N.V., addressed to the Supervisory Board, and from Jefferies, addressed to the Management Board, on the fairness of the Offer from a financial point of view. The full text of each of the Fairness Opinions is included in the Position Statement. See Annex I of Part III (Fairness Opinion of ABN AMRO Bank N.V.) and Annex II of Part III (Fairness Opinion of Jefferies).

(b) Decision-making and unanimous approval of the supervisory board of Publicis Groupe

The supervisory board of Publicis Groupe fully supports and has unanimously approved the Offer.

6.6 Offer Conditions and waiver of Offer Conditions

(a) The Offer Conditions

Notwithstanding any other provisions of the Offer, the obligation of the Offeror to declare the Offer unconditional (*gestanddoening*) will be subject to the following conditions precedent being satisfied, or waived as set out in this Section 6.6:

- (i) on the Acceptance Closing Date, the number of Shares validly tendered under the Offer and not withdrawn together with any Shares, directly or indirectly, held by Offeror or any of its Affiliates on the Acceptance Closing Date, representing at least 90% of the Fully Diluted Capital;
- (ii) on or prior to the Unconditional Date, LBi has not breached any of its obligations under the Merger Protocol (including a breach of its warranties) in any material respect, or, if such breach has occurred and is capable of being remedied, it has been remedied by the Company within five Business Days after receipt of a written notice by the Offeror or if earlier ultimately on the Unconditional Date;
- (iii) on or prior to the Unconditional Date, the Offeror has not breached any of its obligations under the Merger Protocol (including a breach of its warranties) in any material respect, or, if such breach has occurred and is capable of being remedied, it has been remedied by the Offeror within five Business Days after receipt of a written notice by LBi or if earlier ultimately on the Unconditional Date;
- (iv) on or prior to the Unconditional Date, a Material Adverse Effect shall not have occurred, where:

- (A) a “**Material Adverse Effect**” means any change(s), event(s), development(s), circumstance(s) or effect(s) that, alone or in combination, has, or could reasonably be expected to have, a material adverse effect on the businesses, assets, intellectual property, capitalisation, results of operations, prospects, reputation, financial or trading position or cash flow of the Company Group taken as a whole, including, but not limited to, if any such change(s), event(s), development(s), circumstance(s) or effect(s), alone or in combination:
- I. has by reference to LBi Group’s budgeted EBITDA of EUR 40.3 million for the year ended 31 December 2012 as per the Company’s press release on 24 September 2012 (the “**LBi Group’s Budget 2012**”) an Impact; or
 - II. will have an effect on LBi’s financial year ending 31 December 2013 (the “**Financial Year 2013**”), and would it have occurred in the Financial Year 2012, it would have had or is reasonably expected to have had by reference to the LBi Group’s Budget 2012 an Impact,
- provided that none of the following shall, alone or in combination, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been or will be, a Material Adverse Effect:
- (a) any effect resulting from compliance with the terms and conditions of the Merger Protocol;
 - (b) any natural disasters, pandemics or acts of terrorism, sabotage, military action or war (whether or not formally declared), or any escalation or worsening thereof;
 - (c) any change, event, circumstance, development or effect generally affecting any of the industries or markets in which the business of the Company Group is conducted unless the Company Group is disproportionately affected;
 - (d) any changes in general economic, political or financial market conditions in any market whatsoever or changes in currency exchange or interest rates unless the Company Group is disproportionately affected; or
 - (e) the taking of any action approved in writing by the Offeror; and
- (B) **Impact** means any change(s), event(s), development(s), circumstance(s) or effect(s) that, alone or in combination has, or would reasonably be expected to have, a net effect on the LBi Group’s annual 2012 EBITDA exceeding EUR 6 million calculated by reference to the net effect it has or would have had for the full Financial Year 2012, whereby for the avoidance of doubt, any impact of one-off fees and expenses arising from the Transaction or contingent liabilities in relation to Mr Youth² would not be taken into account in the calculation of the EBITDA.
- (v) on or prior to the Unconditional Date, except for any Shares to be issued as a result of existing rights in respect of Equity Incentives in accordance with agreed procedures in the Merger Protocol, neither LBi, nor any of the Group Companies, has granted, issued or sold any securities, including ordinary shares, depository receipts of ordinary share and preference shares and rights to acquire shares including new options and awards under the Equity Incentives Plans;
 - (vi) on or prior to the Acceptance Closing Date, all approvals and clearances (including the expiration or termination of all waiting periods and extensions thereof) under Antitrust Laws, including in Germany and the United States of America, applicable to the consummation of the Offer shall have been obtained;
 - (vii) on or prior to the Acceptance Closing Date, neither of the Boards have revoked or materially modified, amended or qualified the Recommendation;
 - (viii) on or prior to the Unconditional Date, no public announcement has been made of a Superior Offer or of a mandatory offer for Shares pursuant to article 5:70 of the Wft;
 - (ix) on or prior to the Acceptance Closing Date, the Governance Resolutions shall have been adopted at the EGM;

2 For details on contingent liabilities related to Mr. Youth reference is made to Section 14.7 of this Offer Document.

- (x) on the Unconditional Date, no Governmental Order shall be in effect that restricts, delays or prohibits the consummation of the Offer in accordance with the Merger Protocol in any material respect or is reasonably likely to do so;
- (xi) on or prior to the Unconditional Date, trading in the Shares on Euronext Amsterdam has not been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with Article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules), the foregoing excluding, for the avoidance of doubt, any suspension on a temporary basis in the ordinary course of trading;
- (xii) on or prior to the Unconditional Date, no notification has been issued by the AFM pursuant to article 5:80(2) of the Wft that the preparation of the Offer is in breach of chapter 5 of the Wft, in which case, pursuant to those rules, investment firms (*beleggingsondernemingen*) would not be permitted to co-operate with the execution and completion of the Offer;
- (xiii) (i) on the Unconditional Date there shall not be pending any suit, action or proceeding by any Shareholder or by any shareholder representative body:
 - (A) seeking to restrain or prohibit the consummation of the Offer (including by challenging the acquisition by the Offeror of any Shares pursuant thereto), or the Transaction, or seeking to place limitations on the ownership of Shares by the Offeror or any of its Affiliates;
 - (B) seeking to prohibit or limit the ownership or operation by the Company, the Offeror or any of the Group Companies or the Offeror's Affiliates of any portion of any business or of any assets of the Company, the Offeror or any of the Group Companies or the Offeror's Affiliates, or to compel the Company, the Offeror or any of the Group Companies or the Offeror's Affiliates to divest or hold separate any portion of any business or of any assets of the Company, the Offeror or any of the Group Companies or the Offeror's Affiliates or
 - (C) seeking to prohibit the Offeror or any of its Affiliates from effectively controlling in any respect the business or operations of the Company or any of the Group Companies,
 in the case of each of (A) through (C) above, as a result of the Offer or the Transaction; and
 - (ii) there shall be no existing Governmental Order effecting or purporting to affect any of the foregoing (A) through (C);
- (xiv) on or prior to the Unconditional Date, the Merger Protocol has not been terminated in accordance with its terms (see Section 6.15(c)); and
- (xv) on or prior to the Unconditional Date, none of the Undertakings have been revoked or changed.

(b) Waiver

The Offer Conditions in Sections 6.6(a)(vi) and (xiv) serve to benefit both the Company and the Offeror and may only be waived (either in whole or in part) jointly by the Company and the Offeror by written agreement.

The Offer Conditions in Sections 6.6(a)(i), (ii), (iv), (v), (vii), (viii), (ix), (x), (xi), (xiii) and (xv) serve to the sole benefit the Offeror and may be waived by the Offeror (either in whole or in part) at any time by written notice to the Company, provided however that if the Shares validly tendered under the Offer and not withdrawn on the Acceptance Closing Date together with any Shares, directly or indirectly, held by the Offeror or any of its Affiliates on the Acceptance Closing Date represent no more than 75% of the Fully Diluted Capital, then the Offeror may only waive the Offer Condition in Section 6.6(a)(i) after having obtained the prior written approval of the Company.

The Offer Condition in Section 6.6(a)(iii) serves to the sole benefit of the Company and may be waived by the Company (either in whole or in part) at any time by written notice to the Offeror.

The Offer Condition in Section 6.6(a)(xii) cannot be waived.

Neither the Company nor the Offeror may invoke any of the Offer Conditions if the non-satisfaction of such Offer Condition(s) is principally caused by a breach by it of any of its obligations under the Merger Protocol.

6.7 Shareholdings of members of the Boards, and related transactions and concluded agreements; Equity Incentives held by members of the Boards

(a) Overview of Shares held by members of the Supervisory Board and Management Board

The members of the Boards hold the following number of Shares at the date of this Offer Document:

Overview of shareholdings

Board member	Number of shares
Luke Taylor (CEO)	743,667
Huub Wezenberg (CFO)	171,666
Total Management Board	915,333
Fred Mulder (Chairman)	349,417
Total Supervisory Board	349,417
Total	1,264,750

Note:

Except for Fred Mulder, none of the Supervisory Board members holds any Shares in the Company.

(b) Equity Incentive Plans; Equity Incentives; Overview of Equity Incentives held by members of the Supervisory Board and Management Board

LBi operates the Equity Incentive Plans. Options were granted to eligible employees under the GSOP. Under the LTIP stock appreciation rights (SARs) were granted and furthermore joint interests in Shares which are jointly held by eligible employees and the trustee of the EBT (JSOPs).

In connection with the granting of awards under the LTIP, at the date of this Offer Document 8,691,304 Shares are held by the trustee for the benefit of the EBT. After Settlement in accordance with the agreed procedures described below, the EBT will no longer hold Shares.

In the Merger Protocol the Offeror and the Company agreed to certain procedures with respect to the exercise and settlement of GSOP options and LTIP awards (which may include SARs and JSOPs). The Shares held by the EBT will be used to net settle SARs and JSOPs. No new Shares will be issued as a result of the settlement of LTIP awards. At the Offer Price a maximum number of 946,534 Shares are expected to be issued pursuant to the exercise of GSOP options in connection with the Offer. As a result of these agreed procedures, the expected number of issued and outstanding ordinary Shares in the Company at the Settlement Date of the Offer (at an Offer Price of EUR 2.85), after exercise in full of outstanding options under the GSOP and settlement in full of outstanding awards under the LTIP, excluding 5.1 million ordinary shares in the Company expected to be held by the Company on the Settlement Date, is 146,032,535 (the “Fully Diluted Capital”).

The members of the Boards hold the following number of Equity Incentives at the date of this Offer Document:

Outstanding stock options/awards

Name	Series	Strike	Grant date	Maturity date	Options/ awards outstanding	JSOP	Type of equity incentive plan SAR	GSOP
Luke Taylor	G	SEK 16.57	2008-08-26	2013-08-26	280,000	0		280,000
Luke Taylor	I	SEK 15.50	2009-09-21	2014-09-21	500,000	0		500,000
Luke Taylor	A5	EUR 1.20	2010-09-08	2015-09-08	1,000,000	1,000,000		0
Luke Taylor	A6	EUR 1.80	2010-09-08	2015-09-08	1,000,000	1,000,000		0
Luke Taylor	A7	EUR 2.80	2010-09-08	2015-09-08	1,000,000	1,000,000		0
Subtotal Luke Taylor (CEO)					3,780,000	3,000,000	0	780,000
Huub Wezenberg	G	SEK 16.57	2008-08-26	2013-08-26	84,000	0		84,000
Huub Wezenberg	I	SEK 15.50	2009-09-21	2014-09-21	250,000	0		250,000
Huub Wezenberg	A1	EUR 1.20	2010-09-08	2015-09-08	233,333	0	233,333	0
Huub Wezenberg	A2	EUR 1.80	2010-09-08	2015-09-08	233,333	0	233,333	0
Huub Wezenberg	A3	EUR 2.80	2010-09-08	2015-09-08	233,334	0	233,334	0
Subtotal Huub Wezenberg (CFO)					1,034,000	0	700,000	334,000
Total Management Board					4,814,000	3,000,000	700,000	1,114,000
Fred Mulder	A1	EUR 1.20	2010-09-08	2015-09-08	213,333	—	213,333	—
Fred Mulder	A2	EUR 1.80	2010-09-08	2015-09-08	213,333	—	213,333	—
Fred Mulder	A3	EUR 2.80	2010-09-08	2015-09-08	213,334	—	213,334	—
Subtotal Fred Mulder (Chairman)					640,000	—	640,000	—
George Fink	A1	EUR 1.20	2010-09-08	2015-09-08	160,000	—	160,000	—
George Fink	A2	EUR 1.80	2010-09-08	2015-09-08	160,000	—	160,000	—
George Fink	A3	EUR 2.80	2010-09-08	2015-09-08	160,000	—	160,000	—
Subtotal George Fink (Member)					480,000	—	480,000	—
John Farrell	A5	EUR 1.20	2010-09-08	2015-09-08	160,000	160,000	—	—
John Farrell	A6	EUR 1.80	2010-09-08	2015-09-08	160,000	160,000	—	—
John Farrell	A7	EUR 2.80	2010-09-08	2015-09-08	160,000	160,000	—	—
Subtotal John Farrell (Member)					480,000	480,000	—	—
Total Supervisory Board					1,600,000	480,000	1,120,000	0
Total					6,414,000	3,480,000	1,820,000	1,114,000

Note:

The Supervisory Board members, Mr. A. van Laack and Mr. R. Easton do not hold any option rights in the Company.

(c) Share transactions in the year prior to the date of this Offer Document

No transactions were performed by the members of the Boards in LBi securities during the year preceding the date of this Offer Document.

(d) Related transactions and concluded agreements with members of the Management Board

- (i) Variation agreements: certain members of the Management Board have entered into variation agreements regarding the extension of their restricted period under the restrictive covenants included in their current employment or service agreements, and have undertaken to comply with Publicis Groupe's corporate policies from the Settlement Date.
- (ii) Change of Control payments: under Mr L. Taylor's (the CEO of the Company and a member of the Management Board) existing service agreement, in the event of a change of control, LBi shall pay to Mr Taylor an amount equal to the bonus he would have received for the current financial year by assuming that the financial results and

criteria for the year had been met in full (resulting in an amount of EUR 500,000). This agreement is covered by English law. The Offeror and LBi have agreed that the terms of the service agreement of Mr Taylor shall be amended with effect as of Settlement. The aggregate amount of his bonus payment is EUR 500,000 and comprises (i) an amount of EUR 250,000, which is payable within 30 days of the relevant change of control (which will be Settlement if the Offer is declared unconditional), and (ii) a further amount of EUR 250,000 payable in 2014, which will only be payable subject to certain terms and conditions (including performance targets) to be determined by the Supervisory Board. These terms and conditions (including performance targets) are yet to be determined.

- (iii) Loans related to PIPE Shares: in addition to any loans granted in relation to the Equity Incentives, the members of the Management Boards have agreed to repay any loans granted to them in connection with the acquisition of Shares held by them upon Settlement.

6.8 Respective cross shareholding Publicis Groupe – LBi

(a) Cross shareholding of Publicis Groupe

On 9 November 2012, after trading, Publicis Groupe directly or indirectly held 30,939,476 Shares in the Company which are all held by the Offeror. The total direct and indirect equity stake of Publicis Groupe in the Company on 9 November 2012, after trading, represented approximately 20.59% of the current issued and outstanding capital of the Company consisting of 150,263,199 Shares and 21.19% of the Fully Diluted Capital.

In the year ending on 9 November 2012, after trading Publicis Groupe did not directly or indirectly through any of its Affiliates execute any transaction and did not conclude any agreements in relation to securities in the Company, except for those listed in the table below.

Entity that executed transaction	Type of Transaction	Date of transaction	Number of Shares ³	Price per security (EUR)
Publicis Groupe Holdings	Irrevocable undertakings	20 September 2012	94,677,764 ⁴	2.85
Publicis Groupe Holdings	Put-Call Option ⁵	20 September 2012	8,500,000	2.80
Publicis Groupe Holdings	Purchase ⁶	24 September 2012	6,474,512	2.85
Publicis Groupe Holdings	Purchase	25 September 2012	10,855,795 ⁷	2.85
Publicis Groupe Holdings	Purchase	27 September 2012	2,081,386	2.85
Publicis Groupe Holdings	Purchase	28 September 2012	361,987	2.85
Publicis Groupe Holdings	Purchase	1 October 2012	45,362	2.85
Publicis Groupe Holdings	Purchase	2 October 2012	80,383	2.85
Publicis Groupe Holdings	Purchase	3 October 2012	779,087	2.85
Publicis Groupe Holdings	Purchase	4 October 2012	290,040	2.85
Publicis Groupe Holdings	Purchase	5 October 2012	76,037	2.85
Publicis Groupe Holdings	Purchase	8 October 2012	625,534	2.85
Publicis Groupe Holdings	Purchase	9 October 2012	223,469	2.85
Publicis Groupe Holdings	Purchase	10 October 2012	2,092,306	2.85
Publicis Groupe Holdings	Purchase	11 October 2012	117,415	2.85
Publicis Groupe Holdings	Purchase	12 October 2012	1,458,461	2.85
Publicis Groupe Holdings	Purchase	15 October 2012	1,419,951	2.85
Publicis Groupe Holdings	Purchase	16 October 2012	255,283	2.85
Publicis Groupe Holdings	Purchase	17 October 2012	56,303	2.85
Publicis Groupe Holdings	Purchase	18 October 2012	574,500	2.85
Publicis Groupe Holdings	Purchase	19 October 2012	94,935	2.85
Publicis Groupe Holdings	Purchase	22 October 2012	60,320	2.85
Publicis Groupe Holdings	Purchase	23 October 2012	301,588	2.85
Publicis Groupe Holdings	Purchase	24 October 2012	5,000	2.85
Publicis Groupe Holdings	Purchase	25 October 2012	13,527	2.85
Publicis Groupe Holdings	Purchase	26 October 2012	1,618	2.85
Publicis Groupe Holdings	Purchase	02 November 2012	12,000	2.85
Publicis Groupe Holdings	Purchase	05 November 2012	976,854	2.85
Publicis Groupe Holdings	Purchase	06 November 2012	473,055	2.85
Publicis Groupe Holdings	Purchase	07 November 2012	984,343	2.85
Publicis Groupe Holdings	Purchase	08 November 2012	124,959	2.85
Publicis Groupe Holdings	Purchase	09 November 2012	23,466	2.85
Publicis Groupe Holdings	Purchase	12 November 2012	Share A ⁸	2.85
Publicis Groupe Holdings	Purchase	12 November 2012	Share B ⁹	2.85

3 All transactions concern ordinary Shares, except as indicated otherwise. Any purchases by the Offeror of ordinary Shares as of 10 November 2012 onwards will be published by separate press release in accordance with the Takeover Decree.

4 This includes the Share A and the Share B held by Carlyle Europe Technology Partners and Janivo, respectively.

5 Put-call Option between Publicis Groupe Holdings and Project Holland Fonds. On 25 September 2012 Publicis Groupe Holdings purchased the 8,500,000 ordinary shares from Project Holland Fonds and the option was terminated.

6 The purchases set out in this table were performed by UBS and SNS Securities N.V. as agents on behalf of Publicis Groupe Holdings and prices are maximum prices paid for Shares on the relevant date. Minimum, volume weighted average and maximum prices for the relevant dates are included in the press releases in accordance with Article 5 paragraph 5 of the Takeover Decree which can be found on Publicis Groupe's website (www.publicisgroupe.com) and on the AFM's website (www.afm.nl/nl/professionals/registers under 'offering securities' ('*openbare biedingen*')).

7 Including 8,500,000 Shares purchased from Project Holland Fonds at a price of EUR 2.80 per Share.

8 On 12 November 2012 Carlyle Europe Technology Partners transferred the Share A to the Offeror. In accordance with the Articles, with effect as of the transfer, the Share A converted into an ordinary Share. The amendments to the Articles proposed for adoption in the EGM and, subject to the Offer being declared unconditional, taking effect as of Settlement, partially serve to delete all references to the Share A as the Share A has converted into an ordinary Share.

9 See Section 6.9 (Committed Shares).

(b) Cross shareholding of LBi

LBi does not own any Shares in Publicis Groupe or the Offeror. In the year preceding the date of the Offer Document LBi did not execute any transaction and did not conclude any agreements in relation to securities in the Offeror or Publicis Groupe.

6.9 Committed Shares

To date Publicis Groupe has received an irrevocable commitment from certain shareholders, including, but not limited to, Carlyle Europe Technology Partners, Cyrté Investments, Janivo, Red Valley and Westerduin, all members of the Boards and selected senior managers of LBi, representing together with their Affiliates 64.83% of the Fully Diluted Capital to tender their Shares (including Shares to be acquired by them after the entering into of the Undertaking, including where it concerns Board members and senior managers, pursuant to Equity Incentives that should be exercised by them as part of their Undertaking) under the Offer (the “**Undertakings**”). These Undertakings contain certain customary undertakings and conditions. These parties were provided with the same information as included in this Offer Document. The Shares under the Undertakings will be tendered against the Offer Price and under the same conditions and restrictions as apply to all other Shareholders under the Offer as set out in this Offer Document.

In addition, on 12 November 2012 Janivo, as holder of the Share B entered into a sale and purchase and transfer agreement with the Offeror pursuant to which it was agreed that the Share B is sold and transferred to the Offeror for a price equal to the Offer Price subject to the Offer being declared unconditional, subject to similar conditions as the Undertaking entered into by Janivo. It should be noted that, in accordance with the Articles, with effect as of the transfer, the Share B shall convert into an ordinary Share. The amendments to the Articles proposed for adoption in the EGM and, subject to the Offer being declared unconditional, taking effect as of Settlement, partially serve to delete all references to the Share B as after Settlement the Share B shall have been converted into an ordinary Share. The special rights attached to the Share B in the Articles shall therefore have lapsed after Settlement. As set out in Section 6.8 (Respective cross shareholding Publicis Groupe – LBi), on 12 November 2012 Carlyle Europe Technology Partners sold and transferred the Share A to the Offeror against the Offer Price. In accordance with the Articles, with effect as of the transfer the Share A converted into an ordinary Share. The aforementioned amendments to the Articles also serve to delete all references to the Share A subject to the Offer being declared unconditional with effect as of settlement. See Section 6.14 (EGM).

As such with the (agreed) acquisitions of the Share A and B the Offeror has procured that when its acquires and pays for the Tendered Shares there will be no third parties holding the special rights pursuant to the Share A and the Share B.

6.10 Consequences of the Offer

Shareholders who do not tender their Shares under the Offer should carefully review this Section 6.10 (Consequences of the Offer). This Section describes certain risks that such Shareholders will be subject to after the Offer has been declared unconditional (*gestand wordt gedaan*). These risks are in addition to the exposure to the risks deriving from the business of the Company Group.

(a) Liquidity and delisting

The acquisition of the Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly. This could adversely affect the liquidity and market value of the Shares not tendered under the Offer.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*) and the Offeror acquiring 95% of the Fully Diluted Capital, the listing of the ordinary Shares on Euronext Amsterdam will be terminated as soon as possible. This will further adversely affect the liquidity of any Shares not tendered under the Offer.

In addition, the Offeror and the Company may initiate any of the procedures described in Section 6.10(b) (Post Settlement Restructuring of LBi), including procedures which would result in termination of the listing of the ordinary Shares (including Shares not tendered under the Offer).

Unless Euronext Amsterdam considers delisting detrimental to the protection of investors or the proper functioning of the market, as a general rule, Euronext Amsterdam permits delisting in the case of public offers if at least 95% of the listed shares is held by a single entity and its Affiliates. However, the listing of the ordinary Shares on Euronext Amsterdam may also be terminated as a result of a Legal Merger (see Section 6.10(b) (Post-Settlement Restructuring of LBi)) or asset sale followed by liquidation (see Section 6.10(b) (Post-Settlement Restructuring of LBi)). Euronext Amsterdam may impose conditions on granting the request to delist. Delisting of the ordinary Shares will occur 20 Euronext Amsterdam trading days after publication of Euronext Amsterdam's decision approving the delisting request.

(b) Post Settlement Restructuring of LBi

As soon as practicable after Settlement, it is intended (i) to procure the delisting of the Shares on Euronext Amsterdam and the termination of the listing agreement between the Company and Euronext Amsterdam in relation to the listing of the Shares (see further Section 6.10(a) above), (ii) that the Offeror together with its Affiliates obtains all Shares that have not been tendered under the Offer, and (iii) to align the company structure of the Company with the holding, financing and/or optimal tax structure of the Offeror and its Affiliates, and to integrate the operations of the Group Companies with the operations of the Offeror and its Affiliates in order to optimise operations. It is intended that this be achieved by any one or more of the measures set out below:

(i) Squeeze-Out

If on or after the Settlement Date, the Offeror holds or acquires together with its Affiliates (excluding the Company) 95% or more of the Fully Diluted Capital, the Offeror may choose to acquire the remaining Shares by means of a squeeze-out procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the Dutch Civil Code (a "**Statutory Squeeze-Out**"), or the takeover buy-out procedure in accordance with article 2:359c of the Dutch Civil Code (a "**Takeover Squeeze-Out**" and together with the Statutory Squeeze-Out, a "**Squeeze-Out**").

(ii) Legal Merger

In addition, if the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the Offeror may by simple majority vote (if less than 50% of the share capital is present or represented at such meeting, a 2/3 majority is required) of the General Meeting resolve to effect a legal merger (*juridische fusie*) between the Company and Publicis Groupe Holdings or an existing or newly incorporated Dutch Affiliate of Publicis Groupe Holdings holding on or after the Settlement Date Shares in accordance with articles 2:309 *et seq* of the Dutch Civil Code (a "**Legal Merger**"). The articles 2:333a *et seq* of the Dutch Civil Code refer to a "triangular merger" (*juridische driehoeks-fusie*) pursuant to which the shareholders of the disappearing entity will become shareholders of a group company of the surviving company. As a result of a Legal Merger, one of the two legal entities involved (the "**Disappearing Entity**") will disappear and the other (the "**Surviving Entity**") will survive and acquire all assets and liabilities of the Disappearing Entity by operation of law on the date on which the Legal Merger becomes effective.

If a Legal Merger is effected, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the Surviving Entity alongside the existing shareholders in the Surviving Entity. In the event of a "triangular merger", Shareholders will become shareholders in the relevant group company. If, after a Legal Merger is effected, the majority shareholder of the Surviving Entity holds 95% or more of the capital of the Surviving Entity, such majority shareholder may initiate a Statutory Squeeze-Out in relation to any shares in the Surviving Entity not held by such majority shareholder.

The capital of the Surviving Entity or the relevant group company may be divided into different classes of shares and Shareholders may acquire one or more classes of ordinary and/or preference shares in the Surviving Entity or the relevant group company,

depending on factors such as the rights attaching to the Shares they hold on the date on which the Legal Merger becomes effective and the amount of any debt financing the surviving entity has outstanding at that time. The capital of the Surviving Entity or the relevant group company may also be divided into shares of unequal nominal amounts that carry the right to cast a different number of votes per share of such nominal amount; in the context of a Legal Merger the Shareholders, other than the Offeror, may acquire shares in the Surviving Entity or the relevant group company that entitle such shareholder to cast fewer votes per share than the shares acquired by the Offeror. The Shareholders, other than the Offeror, may acquire a class of shares in the capital of the Surviving Entity or the relevant group company that pursuant to the articles of association in force at the relevant time can be cancelled without the approval of the holders of such shares. Upon cancellation the Shareholders that hold such shares will receive a cash consideration.

The Offeror also reserves the right to effect a cross-border statutory bilateral or triangular merger (*grensoverschrijdende juridische (driehoeks-)fusie*) in accordance with articles 2:333b *et seq* DCC.

(iii) Legal Demerger

If the Offeror has declared the Offer unconditional, the Offeror may also effect a legal demerger (*splitsing*) in accordance with articles 2:334a *et seq* DCC.

(iv) Sale of assets

If the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the Offeror may decide to sell all, substantially all, or a substantial part of the assets and liabilities of the Company. This may or may not be followed by a distribution of proceeds to the Shareholders. A sale of all or substantially all of the assets of the Company will require the approval of the General Meeting resolving by simple majority vote.

(v) Public Offer

If the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the Offeror may make a (subsequent) public offer for any Shares held by Shareholders other than the Offeror or any of its Affiliates, which, if pursued, will be announced in the Netherlands and in accordance with Dutch law and regulations in due time.

(vi) Liquidation of the Company

If the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the Offeror may decide to liquidate the Company. A liquidation of the Company will require the approval of the General Meeting.

(vii) Contribution of cash and/or assets

If the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the Offeror or any of its Affiliates may decide to effect a contribution of cash and/or assets against the issuance of Shares or preference shares in the Company's share capital. In this scenario the pre-emptive rights (*voorkeursrechten*) of Shareholders that did not tender their Shares in the Offer may be excluded. Such a contribution of assets in exchange for new shares issued will be supported by an auditor's statement and furthermore in accordance with article 2:04b DCC.

(viii) Distribution of proceeds, cash and/or assets to the Shareholders

If the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the following may be affected: a distribution of proceeds, cash and/or assets to the Shareholders in the form of a distribution out of reserves, an interim dividend, a final dividend, payment upon cancellation or, if the Company is liquidated, a liquidation distribution.

(ix) An asset exchange

If the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the following may be affected: an exchange of all or substantially all of the assets of the Company and/or of a Group Company directly, or indirectly following a transfer of those assets to a Group Company.

(x) Further acquisitions of Shares

Without prejudice to the Offeror's right to purchase shares outside of the Offer on or prior to the Unconditional Date, if the Offeror has declared the Offer unconditional (*gestand heeft gedaan*), the Offeror may decide to acquire further Shares. This may among others include Shares acquired through ordinary stock exchange trading. The Offeror may also make a public announcement of its intention to buy shares in the market at prices up to the Offer Price. Any such announcement will, if pursued, be subject to prior regulatory clearance in accordance with Dutch law and regulations.

(xi) Post Settlement intra group transactions, repurchases of Shares by the Company and capital restructurings

After Settlement, Publicis Groupe, the Offeror and the Company may cause the entering into of intra group transactions between one or more of the Offeror and its Affiliates and one or more of the Company and the Group Companies or within the LBi Group, which transactions would be aimed at optimising the operations of the combined groups.

The Company may, subject to applicable law, after Settlement also decide to repurchase Shares or perform any other capital restructuring, which, if pursued, will be announced in accordance with applicable Dutch law and regulations in due time.

(xii) Conversion into a private limited liability company

If the Offeror has declared the Offer unconditional, the Offeror may cause the Company to be converted into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

The measures referred to in (i) up to and including (xii) are the envisaged “**Post Settlement Restructurings**”. The list of Post Settlement Restructurings set out above is by no means an exhaustive list of restructuring measures that the Offeror may consider implementing after Settlement. Any or all of the Post Settlement Restructurings may be applied cumulatively, alternatively, or not at all, at the discretion of the Offeror, subject to applicable laws and the Articles in force at the relevant time. The Offeror may also initiate any Post Settlement Restructurings at any time after the Settlement Date, if and when it is entitled to do so, with respect to shares in any successor entity of the Company, created through a Legal Merger or otherwise.

(c) Dutch Corporate Governance Code

For as long as the Company has minority shareholders and the Company is still a stock exchange listed company, the Offeror shall procure that the Company shall continue to comply with the Dutch Corporate Governance Code (except for current and future deviations from the aforementioned code in accordance with the provisions of the aforementioned code concerning such deviations and unless agreed otherwise in the Merger Protocol or set out otherwise in this Offer Document).

(d) Dividend policy

After the Settlement Date, the current dividend policy of the Company may be discontinued. Shareholders should be aware that the Company may not pay (cash or share) dividends or other distributions to the Shareholders in the future.

6.11 Consequences for the organisation of LBi and its activities

An integration plan is to be agreed upon between Publicis Groupe and LBi in order to align the company structure of the LBi and the Group Companies with the holding, financing and/or optimal tax structure of the Offeror and its Affiliates as soon as possible after Settlement, and to integrate the operations of the Group Companies with the operations of the Offeror and its Affiliates in order to optimise operations.

The combination of the businesses of the Offeror and its Affiliates, on the one hand, and the LBi and the Group Companies, on the other hand, may have some overlap in respect of office locations. It is expected that to enhance synergies certain offices locations will be combined.

After Settlement LBi's digital activities will generally be continued as part of the Offeror's group in furtherance of the Offeror's objectives for the Offer as set out in Section 6.3 (Rationale of the Offer).

LBi and Publicis Groupe believe that the Transaction will create additional value for the Company and result in financial and administrative cost savings and prevention of administrative efforts, allowing the Company easier and faster growth, and that the combination of the Offeror and its Affiliates and the Company and the Group Companies has the potential to make a significant impact on the global digital advertising landscape and its clients as well as exciting opportunities for the management.

6.12 Employees

(a) General

The Company does not have a Central Works Council (*Centrale Ondernemingsraad*) and there are no relevant trade unions. The secretariat of the Social Economic Council (*Sociaal Economische Raad*) has been informed in writing of the Offer in accordance with the Merger Code 2000.

(b) Consequences of the Offer for Employees

The Offeror will respect the existing rights of the employees of the Company and the Group Companies.

The combination of the businesses of the Offeror and its Affiliates, on the one hand, and the Company Group, on the other hand, may have some overlap impact on the employment of the employees of the combined companies. It is expected that the existing level of employment within the Company Group will not be subject to substantial changes as a direct result of the Transaction, except where the businesses of the Offeror and its Affiliates, on the one hand, and of the Company Group, on the other hand, overlap.

6.13 Governance of the Company

(a) Future composition of Supervisory Board and Management Board

(i) Supervisory Board

After Settlement the Supervisory Board shall consist of:

- (A) two members, being Mr A. Mulder and Mr G. Fink, who both qualify as members independent from the Offeror and any of its affiliates (such as defined in the Dutch Corporate Governance Code) (the "**Continuing Supervisory Directors**"); and
- (B) five nominees by the Offeror who shall initially be Mr. J-Y Naouri, Mr. J-M Etienne, Mr. F. Voris, Mr. B. Lord and Mr. J. Tomasulo, whereby Mr. Jean-Yves Naouri shall be the chairman of the Supervisory Board.

The Continuing Supervisory Directors shall serve as members of the Supervisory Board during the Post Settlement Restructurings for the period that minority shareholders continue to hold Shares in the Company. The Continuing Supervisory Directors will resign as members of the Supervisory Board at the end of the aforementioned period. In their position as members of the Supervisory Board during such period, the Continuing Supervisory Directors shall monitor and protect the interests of all the Company's stakeholders, including, in particular, the interests of the minority shareholders and the Continuing Supervisory Directors shall be requested to form their independent view of the relevant matter which they may communicate to the minority shareholders by and for the account of the Company, and the Continuing Supervisory Directors shall have the opportunity to engage for the account of the Company, their own financial and legal advisers.

Other than with respect to the Post Settlement Restructurings set out in Sections 6.10(b)(i), (iv), (v), (vi) and (x) and as long as the shares of the Company remain listed on Euronext Amsterdam, the Supervisory Board shall have the right to approve any decisions of the Management Board on Post Settlement Restructurings which are aimed at acquiring 100% of the Fully Diluted Capital and in which respect the Continuing

Supervisory Directors shall have a veto right, provided that such Post Settlement Restructurings may reasonably be expected to have a material adverse effect on the rights of minority shareholders of the Company.

If the Offeror waives the Offer Condition set out in Section 6.6(a)(i) and declares the Offer unconditional (*gestanddoening*) while the number of Shares on the Settlement Date, whether or not extended, together with any Shares, directly or indirectly, held by the Offeror or any of its Affiliates on the Settlement Date represents less than 85% of the Fully Diluted Capital, the Supervisory Board has the right to approve any decisions of the Management Board regarding the Post Settlement Restructurings described in Sections 6.10(b)(iv) and (vi) which are aimed at acquiring 100% of the share capital of the Company and in which respect the Continuing Supervisory Directors shall have a veto right, provided that such Post Settlement Restructuring may reasonably be expected to have a material adverse effect on the rights of minority shareholders of the Company.

Mr J. Farrell, Mr R. Easton, and Mr A. van Laack will resign from their positions as members of the Supervisory Board with effect as of the Settlement, and will confirm in writing that they have no claim whatsoever against the Company in respect of loss of office or otherwise, except with respect to compensation duly accrued prior to the Settlement Date.

(ii) Management Board

It is not contemplated that the number of members of the Management Board, or the composition of the Management Board, will change as a direct result of the Transaction. All of the current members of the Management Board have agreed to continue as members of the Management Board after the Offer.

(b) Amendment of the Company's articles of association and the by-laws of the Board

At the EGM the Shareholders will be requested to vote to approve the amendments of the Articles set out below, subject to the Offer being declared unconditional and with effect as of Settlement:

(i) Classes of Shares

The removal of the Share A and the Share B from the Company's authorised share capital so that the authorised share capital will consist of only one class of share, being ordinary shares. All references in the Articles to the Share A and the Share B shall be deleted.

(ii) Combined Board

The removal of the provisions in the Articles relating to the Combined Board (as defined in the Articles).

(iii) Supervisory Board proposals

The deletion of the provisions in the Articles in terms of which certain resolutions of the General Meeting may only be taken following a proposal of the Supervisory Board.

(iv) Issuance of Shares

The amendment of the Articles to provide that shares will be issued pursuant to a resolution of the General Meeting, provided that shares may be issued by a resolution of another company body if and insofar as such company body is designated as competent to do so by the General Meeting. This designation may be made for a maximum period of 18 months. If the Management Board is the relevant company body designee, any resolution of the Management Board to issue shares will require the approval of the Supervisory Board.

(v) Exclusion of Rights of Pre-Emption

The amendment of the Articles to provide that the General Meeting may restrict or exclude pre-emptive rights (*voorkeursrechten*) on an issuance of shares, and that the General Meeting may designate this authority to the Management Board for a maximum period of 18 months. Any such resolution of the Management Board to restrict or exclude pre-emptive rights will be subject to the prior approval of the Supervisory Board.

- (vi) Management Board and resolutions of Management Board
The amendment of the Articles to provide that the General Meeting will determine the number of members of the Management Board, that the General Meeting will be entitled to appoint the members of the Management Board, and the deletion of the right of the Supervisory Board to nominate persons for appointment to the Management Board. Furthermore, in terms of the proposed amendment the General Meeting will be entitled to require that resolutions of the Management Board be subject to its approval.
- (vii) Supervisory Board (composition, appointment, meetings, resolutions)
The amendment of the Articles to provide that the General Meeting will determine the number of members of the Supervisory Board (subject to a minimum of three members), that the General Meeting will be entitled to appoint the members of the Supervisory Board, the deletion of the right of the holder of the Share A and the holder of the Share B to nominate persons for appointment to the Supervisory Board, and to provide that the annual remuneration of the members of the Supervisory Board will be determined by the General Meeting. The proposed amendments will also stipulate that the minimum number of meetings of the Supervisory Board in a calendar year will be four, and that all resolutions of the Supervisory Board will be adopted by a simple majority.
- (viii) Distributable profits
The amendment of the Articles to provide that the distributable profits in any financial year will be at the disposal of the General Meeting, and that the Management Board, subject to the approval of the Supervisory Board, may make (non-binding) proposals to the General Meeting on the portion (partial or in whole) of the profits to be reserved.
- (ix) General Meeting of Shareholders
The amendment to the Articles will include the statutory notice period for meetings of the Shareholders.
- (x) Future amendments of the Articles
The amendment of the Articles will provide that there will be no majority requirements for the General Meeting to approve an amendment of the Articles.

In addition, the by-laws of the Boards will be amended to reflect the post Offer governance arrangements agreed in the Merger Protocol.

6.14 EGM

At 15.00 hours CET, on 20 December 2012, such date being at least six Business Days prior to the Acceptance Closing Date, an extraordinary general meeting of shareholders of LBi will be convened at Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands, at which meeting the Offer will be discussed. In addition the following resolutions will be proposed to the General Meeting in connection with the Offer:

- (a) certain amendments to the Articles, subject to the Offer being declared unconditional and with effect as of Settlement (see Section 6.13);
- (b) the acceptance of the resignation, subject to the Offer being declared unconditional, the amendments to the Articles becoming effective and with effect as of Settlement, of three members of the Supervisory Board and the granting of discharge to those resigning members from all liability with respect to their duties and obligations performed and incurred in their respective capacity as Supervisory Board member, in as far as such duties and obligations appear from the most recently adopted annual accounts of the Company or has otherwise been made available in the public domain (see Section 6.13);
- (c) the appointment, subject to the Offer being declared unconditional, the amendments to the Articles becoming effective and with effect as of Settlement, of Mr. J-Y Naouri, Mr. J-M Etienne, Mr. F. Voris, Mr. B. Lord and Mr. J. Tomasulo, nominees by the Offeror, as new members to the Supervisory Board (See Section 6.13) and the determination, with effect as of such appointments of the number of members of the Supervisory Board at seven,

(together, the “**Governance Resolutions**”).

The invitation by LBi to Shareholders to attend the EGM, the agenda and explanatory notes thereo, information on the record date, and a form of proxy and voting and voting instructions are attached to the Position Statement in Part III and are available free of charge at the office address of LBi, as well as on LBi's website (www.LBi.com) and are also available at the Settlement Agent (email: corporate.actions@snssecurities.nl).

6.15 Merger Protocol; Certain arrangements between the Offeror and the Company

Below is a summary of key arrangements set forth in the Merger Protocol that are relevant for the Offer and not otherwise described in this Offer Document.

(a) Exclusivity

LBi and the Offeror have agreed that LBi shall, and shall procure that the Group Companies and its and their respective directors, officers, employees, financial, legal and other advisers (which, for the avoidance of doubt and in certain circumstances agreed between LBi and the Offeror only, does not include Jefferies), contractors, agents and other representatives, including the members of each of the Boards (together the "**Relevant Persons**") shall:

- (i) continue to proceed with the preparations of the Offer and the Transaction in good faith and as expeditiously as practicable;
- (ii) not in any way, whether directly or indirectly, formally or informally, orally or in writing, solicit, initiate, encourage, investigate or recommend (including by entering into discussions or negotiations or by furnishing information to, any person) or knowingly take any other action to facilitate, (the making of) any offer or proposal relating to, or that could reasonably be expected to lead to, directly or indirectly, in one transaction or a series of transactions an Alternative Transaction (as defined below).

(b) Superior Offer

The Offeror and LBi have however agreed that LBi is permitted to explore an Alternative Proposal which in the reasonable opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, is reasonably likely to lead to a Superior Offer (a "**Potential Superior Offer**") and engage in discussions or negotiations with, and provide information to the third party making the Potential Superior Proposal, provided that the proposing party will sign a confidentiality agreement on terms no less stringent than those of the confidentiality agreement between Publicis Groupe and the Company.

The Offeror and LBi have furthermore agreed that LBi may accept a Superior Offer. An offer is a **Superior Offer**:

- (i) if it is a *bona fide* written offer or proposal relating to an Alternative Transaction, which is not solicited, encouraged, initiated or knowingly facilitated by the Company or any Relevant Persons;
- (ii) for a (A) a full public offer (*volledig bod*) as defined in the Takeover Decree for the Shares, (B) a legal merger, demerger, recapitalisation, business combination or other transaction directly or indirectly involving the Company resulting in the acquisition by a person or group of persons acting in concert (or their respective shareholders), directly or indirectly, of all or substantially all of the outstanding Shares, or (C) an acquisition by a person or group of persons acting in concert of all or substantially all the assets of the Company;
- (iii) which in any such case is made by a party who, in the reasonable opinion of the Boards, is a *bona fide* third party and which proposal, in the reasonable opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, is more beneficial to the Company's shareholders and other stakeholders than the Offer, taking into account the overall terms and conditions set out in the Merger Protocol (including any proposed binding changes to the terms of the Merger Protocol proposed by the Offeror in response to such Alternative Proposal or otherwise), and, with respect to such Alternative Proposal, taking into account the overall terms and conditions of such Alternative Proposal

and taking into account the certainty and timing thereof, including the pre-offer conditions and offer conditions, any financing condition or contingency and compliance with Antitrust Laws and regulatory requests, provided that:

- (A) the consideration payable to the Company's shareholders in connection with such Superior Offer shall exceed the valuation of the Company based on the per Share Offer Price of the Offer or any Revised Offer by at least 9%;
- (B) the Superior Offer is binding on the third party; and
- (C) the consideration payable in a (consecutive) (Potential) Superior Offer may not consist of any debt securities, or any securities which are not publicly traded on a regulated market.

LBi shall not be permitted to accept the Superior Offer if the Offeror has within ten Business Days from receipt of written notice from the Company in respect of the Superior Offer (the "**Revised Offer Period**") made a "**Revised Offer**" meaning an offer on overall terms and conditions which are, in the reasonable opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, at least equal to the Superior Offer from the point of view of the Company's shareholders and other stakeholders, taking into account the overall terms and conditions of the Superior Offer and the revised offer by the Offeror, the certainty and timing thereof, including the pre offer conditions and offer conditions and compliance with anti-trust laws and regulatory requests.

If the Offeror does not make a Revised Offer within the Revised Offer Period (or, if earlier, if the Offeror notifies the Company in writing of its intent not to make a Revised Offer), then (A) the Company may accept the Superior Offer; provided that (i) such acceptance must be made within ten Business Days after the earlier of the end of the Revised Offer Period and the date of any written notice by the Offeror of its intent not to submit a Revised Offer, with written notice thereof concurrently provided to the Offeror, and (ii) simultaneously with such acceptance, the Company must terminate the Merger Protocol in accordance with the terms of the Merger Protocol and pay the EUR 7.5 million termination fee required by the Merger Protocol, and (B) the Offeror may immediately terminate the Merger Protocol in accordance with the terms of the Merger Protocol and become entitled to receive the EUR 7.5 million termination fee payable by the Company pursuant to the terms of the Merger Protocol.

As used in the Merger Protocol and in this Offer Document:

an "**Alternative Proposal**" means a proposal for an Alternative Transaction;

an "**Alternative Transaction**" means (A) the acquisition (by tender offer, exchange offer or otherwise), by a person or a group of persons acting in concert, directly or indirectly, of any or all of the issued and outstanding Shares or any securities convertible into, or rights or options to subscribe for or to acquire Shares or any class of equity securities of the Company; or (B) a legal merger, demerger, reorganisation, recapitalisation, business combination or other transaction, directly or indirectly, involving the Company; or (C) the acquisition, by a person or a group of persons acting in concert, directly or indirectly, of assets or businesses representing in value 2.5% or more of the Company's total assets or assets or businesses that constitute 2.5% or more of the Company's total revenues or net income.

(c) Merger Protocol termination events

The Merger Protocol may be immediately terminated:

- (i) by notice in writing given by a party (the "**Terminating Party**") to the other party if, within three Business Days of the final Acceptance Closing Date any Offer Condition has not been satisfied or waived by the relevant party or parties;
- (ii) by notice in writing given by the Terminating Party to the other party in the event of a material breach (a "**Material Breach**") of the provisions of this Merger Protocol by the other party (the "**Defaulting Party**"), provided that such Material Breach (i) has not been waived by the non-defaulting Party and (ii) has not been remedied by the Defaulting Party within ten Business Days after the Defaulting Party has been notified thereof in writing by the non-defaulting Party;

- (iii) by notice in writing given by the Offeror if the Company is in breach of the exclusivity provisions included in the Merger Protocol;
- (iv) by notice in writing given by either party in the event of a Superior Offer in accordance with the arrangements described in Section 6.15;
- (v) by notice in writing given by the Offeror if (A) the Company or the Boards have withdrawn, amended or qualified the Recommendation or made any contradictory statements as to their position with respect to the Offer in breach of their undertakings in that regard under the Merger Protocol, or (B) either the Company or the Boards breach their undertaking to reaffirm the Recommendation in the event of a proposal for an alternative transaction; or
- (vi) by mutual written consent of all parties.

(d) Compensation for termination of the Merger Protocol

(i) Compensation for the Offeror

To induce the Offeror to enter into the Merger Protocol and to pursue and make the Offer, in the event that the Merger Protocol is terminated by the Offeror pursuant to, and on the basis of, the termination grounds described in (c)(ii) (in the event of a material breach by LBi), (iii), (iv) or (v), the Company must pay in cash a fee to the Offeror of EUR 7.5 million as compensation for opportunity costs and other costs incurred by the Offeror in connection with the Offer.

(ii) Compensation for LBi

To induce LBi to enter into the Merger Protocol and support the Offer, if the Merger Protocol is terminated by the Company pursuant to, and on the basis of, the termination ground described in (c)(ii) (in the event of a material breach by the Offeror), the Offeror must pay in cash a fee to the Company of EUR 7.5 million.

The relevant party must pay the termination fees described above within five Business Days after termination of the Merger Protocol without any gross-up for taxes or any tax withholding.

7. INFORMATION ON LBI

7.1 Overview

LBi is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands with its registered offices at Joop Geesinkweg 209, 1096 Amsterdam, the Netherlands, and registered with the commercial register of Amsterdam under number 30277334.

LBi is one of the few large remaining independent digital communications agencies and the only one with a global footprint. Headquartered and listed in Amsterdam, LBi currently employs approximately 2,200 people in 16 countries, 630 of which are based in the UK, and has 33 offices around the world. Traditionally active in digital marketing, LBi has expanded its offering to a wide suite of digital media services, ranging from communication, e-commerce services to brand strategy, content, social media and mobile solutions. LBi has succeeded in attracting and retaining a large number of prestigious clients, in a broad range of sectors, including Lloyds TSB, Volvo, Johnson & Johnson, Coca-Cola, Carlsberg and Ikea. LBi has received over 110 creative awards in the last two years. The management team, led by CEO Luke Taylor, has implemented successive strategic transformations to adapt to the evolution of the digital space through structural steps, the acquisitions of bigmouthmedia and Mr. Youth in 2010 and 2011 respectively, and the creation of hubs in key markets to strengthen the company's worldwide presence. In 2011, LBi reported net revenue of EUR 196.6 million and an Adjusted EBITDA of EUR 31.9 million, implying a margin of 16.2%. In the first half of 2012, LBi reported net revenue of EUR 119.4 million, up 18.2% from the equivalent period in 2011 on an organic basis, and an Adjusted EBITDA of EUR 19.9 million implying a margin of 16.7%.

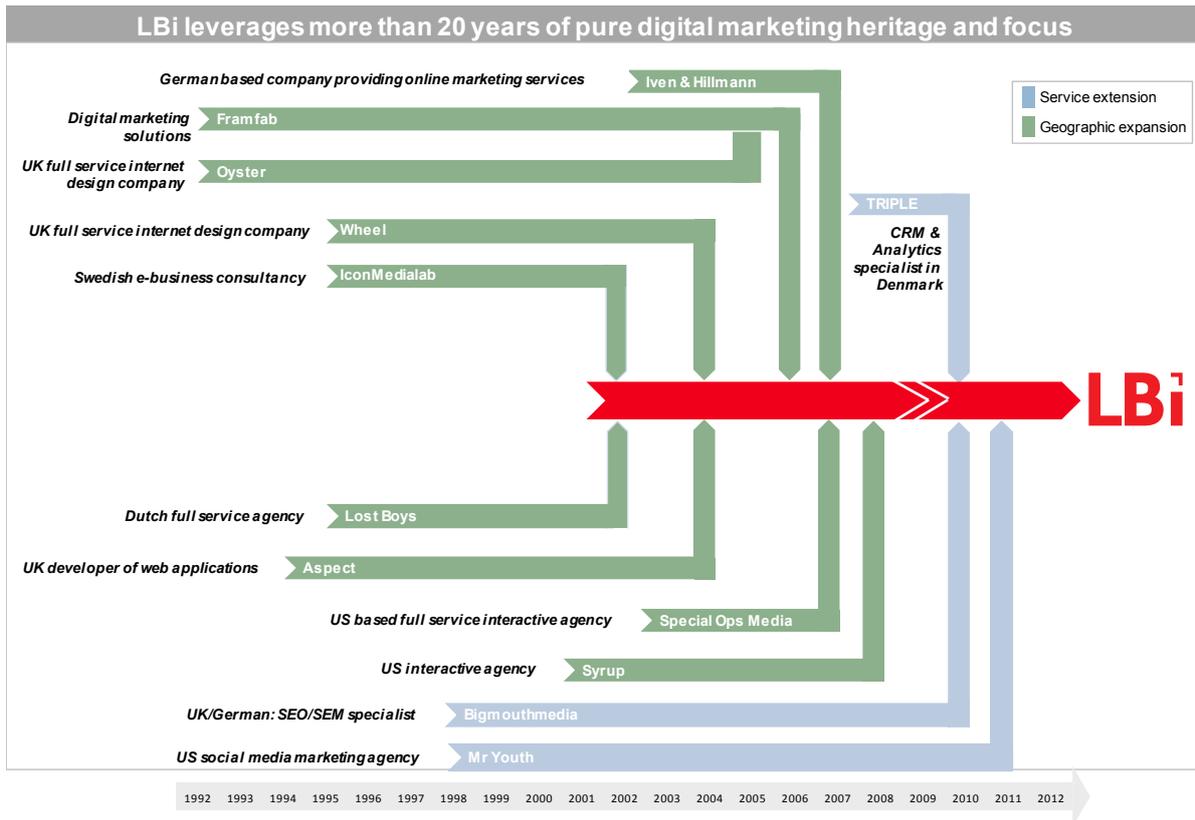
7.2 History

LBi is the culmination of 20 years of digital innovation, entrepreneurialism and integration. Each part of the business started out with its own perspective on the digital challenge facing businesses, be that creative, technical, media-centric or purely strategic. The success that LBi has become lies in its ability to blend these skill sets to suit client' business and brand challenges. The foundation of LBi incorporates such agency brands as Lost Boys from Holland, Icon Media Lab and FramFab from Sweden and Wheel and Oyster from the UK, alongside Aspect. In the US, Icon Nicolson, Special Ops Media and Syrup have merged to bring the blended LBi proposition to the US market. The 2010 reverse merger of LBi International AB and Obtineo, including bigmouthmedia, gives the Group the scale in media it enjoys in all others aspects of the digital customer journey.

After the transactions with Obtineo and bigmouthmedia, LBi continued its digital journey. In November 2011 the social media, experiential and word of mouth marketing capabilities of New York based agency Mr. Youth were acquired. This acquisition was followed by a smaller acquisition of Sceneric in the UK per August 2012. Sceneric is a solutions provider that works closely with its customers to help them achieve leadership positions in multi-channel e-commerce.

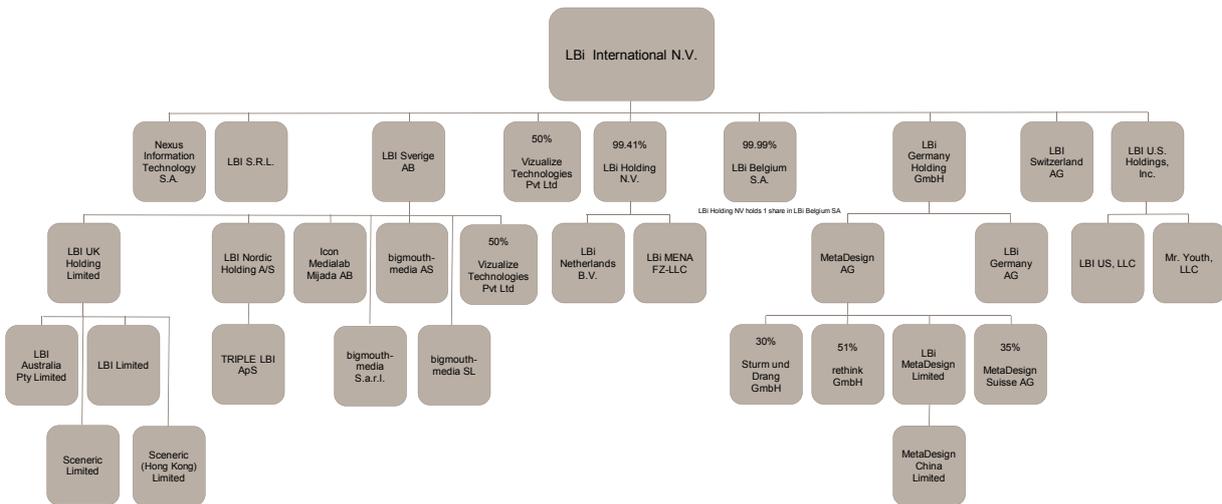
The deliberate strategy of combining all these diverse skills into one agency brand has borne fruit in recent years. LBi and its Group Companies are able to provide a broad range of services to clients across multiple markets. With equal strength in the creative, technical and strategic aspects of digital services, LBi and its Group Companies are well placed to aggressively set the pace for the industry.

The diagram below provides an overview of the timeline.



7.3 LBi Group Structure

The LBi group consists of the following operational entities (all ownership 100% unless denoted otherwise).



7.4 Strategy and Objectives

LBi has a footprint, service offering and integrated hub and spoke architecture that can drive consistent growth. LBi recorded organic sales growth of 13% in Q4 of 2011 and at this present time we continue to see good double digit organic growth developing throughout 2012. LBi will continue to focus principally on initiatives that continue to drive and protect revenue momentum. This means incremental margin improvement is only likely to flow through towards the back half of the year as the ratio between permanent and contractor headcount is optimised and the country pyramid structures become better balanced. LBi's

main strategic emphasis this year is on the ownership of the 'Social Agency of Record' opportunity. The accelerating importance of 'earned' media across social channels is driving massive change in the marketing services industry and there is explicit 'first mover' advantage available to those that can demonstrate best-in-class expertise in this area. Clients are increasingly looking to roll out 'always-on' content programmes, allowing brands to engage directly with consumers across all digital and social touchpoints. LBi sees a strong appetite across its client base for branded content strategies and social CRM activity that can engage consumers inside their personal networks. Capitalising on this trend, LBi has started to roll out a specialist social offering where search, PR, data and content production skills are combined to drive marketing performance. In this journey we are of course leveraging the thought leadership, insights and toolset developed by the recently acquired Mr. Youth. LBi is now rapidly evolving both LBi's service offering and its IP platform so that it will be unique in its ability to own both the digital and social agency of record opportunity for its clients. The successful evolution of its platform architecture is vital to this objective. The audience engagement platform enables the effective distribution of content and ideas across all digital and social touchpoints. This architecture not only allows clients effectively to share and monetise content but also safeguards margin efficiency and quality across global engagements. This special blend of services and technologies will help further differentiate and future-proof LBi's offering, ensuring LBi captures the digital and social growth opportunity.

7.5 Recent developments

2011 marked the most successful year in LBi's history as a public company with record sales and Adjusted EBITDA of EUR 196.6 million and EUR 31.9 million, respectively. Its 2011 performance reflects the most visible evidence of the strategic progress it has made in transforming its business model. LBi has built a blended portfolio of strategic, media, social, creative and technical skills tailored to international brands who want to lead the digital space and capture the opportunities it offers to create business value. In the past year, LBi has accelerated the connectivity of its offering across the regions by making a consistent quality of services available to all its clients globally. LBi has also clearly realised the benefits of its merger with bigmouthmedia which is now fully integrated with LBi and driving a sales uplift attributable to its enhanced ability to help multinational clients with their transition from offline to online media. LBi is also very excited about the social media, experiential and word of mouth marketing capabilities of New York based Mr. Youth, which it acquired in November 2011. The acquisition perfectly fulfils LBi's strategic need, delivering breadth, depth and tools to an already significant social media offering which was nevertheless struggling to cope with global client demand. LBi's success is best reflected in the continued size and longevity of its client relationships. Engagements with BT, Virgin, Johnson & Johnson, IKEA, Lavazza, Sony, Coca-Cola and Volvo continue to systematically expand across three axes: product category growth, new markets and the cross-selling of additional services. LBi hopes this trend will accelerate as organisations are increasingly consolidating their roster and giving more responsibility to agencies with a digital centre of focus. Significant wins with E.ON, Reebok, ASDA, Barclays and an ever-strengthening pipeline make it feel confident that its offer remains highly competitive and cleanly differentiated.

Throughout 2012 LBi continued to benefit from the ongoing acceleration in interest in all things social, the trend for roster consolidation and the aggregation of digital services into single supplier multi-market mandates. In addition, LBi has further expanded its portfolio with the acquisition of Sceneric in August 2012.

7.6 Supervisory Board, Management Board and Employees

(a) Supervisory Board

The Supervisory Board currently consists of the following members:

Mr F. Mulder (1941), Chairman

Nationality: Dutch

Current position with LBi:

Mr Mulder has been appointed as Chairman of the Supervisory Board as of 29 July 2010, the effective date of the Obtineo merger, for a period of up to four years. Mr Mulder is chairman of the Nomination Committee and a member of the Remuneration Committee.

Former LBi positions:

Chairman of LBi International AB since May 2007. Member of the board since August 2006. Member of the board of LB Icon AB since 2002 and chairman since 2005.

Other assignments:

Chairman of the Board of NETHave N.V. (the Netherlands) and Lithium Technology Corporation (Pennsylvania, USA); Board member of W.P. Stewart & Co., Ltd. (New York, USA) and Duos Technology (Florida, USA). Chairman Investment Advisory Committee in Greenfield Capital Partners N.V. (the Netherlands).

Previous positions strategic initiatives:

Chairman of the Board of Greenfield Capital Partners N.V. (the Netherlands), Executive Board member of Pon Holdings B.V. (the Netherlands), President Transmark Holding B.V. (the Netherlands), Director International Marketing of Xerox Corporation and Managing Director of Rank Xerox Netherlands.

Initiator/Syndicate leader in relation to the liberalisation of the Dutch telephone network which finally led to establishing Vodafone in the Netherlands as a second telecom company, and Member of an Advisory Board which was established to create a new platform for promoting and exhibiting Dutch and European art. This has led to the famous annual PAN art exhibition in Amsterdam.

Mr G. Fink (1947)

Nationality: North American

Current position with LBi:

Mr Fink has been appointed as of 29 July 2010, the effective date of the Obtineo Merger, for a period of up to four years. Mr Fink is chairman of the Audit Committee.

Former LBi positions:

Member of the board of LBi International AB since May 2009.

Other assignments:

Board member of MIRUS Information Technology Services Inc. (USA).

Previous positions:

President and COO of Tele Atlas N.V. (Boston, USA and Amsterdam, the Netherlands); Co-Founder/Chairman/President and CEO of MIRUS Information Technology Services, Inc. (Houston, USA); Vice Chairman and President (International) of Metamor Worldwide; President Comsys IT Services (Houston, USA); Remco America and Rent-A-Center, subsidiaries of Thorn EMI, Plc; Partner at Ernst & Young (New York, Providence, and Houston, USA); Director Entrepreneurial Service Group; Staff Account & Assistant Controller at Steelmet, Inc. (Pittsburgh,).

Mr J. Farrell (1957)

Nationality: British

Current position with LBi:

Mr Farrell has been appointed as of 29 July 2010, the effective date of the Obtineo Merger, for a period of up to four years. Mr Farrell is chairman of the Remuneration Committee.

Other assignments

Non-Executive Director and Board member of Huntsworth plc (UK), Albemarle & Bond Holdings plc (UK), Exponential (USA), EZ-Corporation (USA) and Acceleration; Non-Executive Chairman to Albion, DWA (Global) and John Brown; Member of the Board of Governors at Nottingham Trent University; Senior consultant to various companies including The European Golf Tour, Saatchi & Saatchi, Voiamo (UK), and RnR World.

Previous positions

President and CEO of Specialised Agencies and Marketing Services Worldwide (SAMS) of Publicis Groupe (France), D'Arcy Masius Benton & Bowles (USA) and of IMP International.

Mr. R. Easton (1963)

Nationality: British

Current position with LBi:

Mr Easton has been appointed as member of the Supervisory Board as of 12 December 2011 for a period of up to four years. Mr Easton is a member of the Audit Committee and a member of the Nomination Committee.

Other assignments

Mr Easton is a Managing Director and Global Partner of The Carlyle Group; Walker Guidelines Monitoring Group; Chairman of the British Venture Capital Association (BVCA); Advisory Board of Imperial College Business School and Director of Practical Law Company.

Previous positions/assignments:

Chairman and Board member of multiple Carlyle portfolio companies; Founding Chairman, Global Buyout Committee of the BVCA.

Mr T. van Laack (1963)

Nationality: Dutch

Mr Van Laack has been appointed as member of the Supervisory Board as of 8 February 2012 for a period of up to four years. Mr Van Laack is member of the Audit Committee and member of the Remuneration Committee.

Other assignments:

Board member of multiple Janivo portfolio companies; Board member and Chairman of audit committee of Nidera BV.

Previous positions/assignments:

International Audit Partner, Managing Partner Transaction Advisory Services, Managing Partner Accounts and Industries, all at Ernst & Young.

Please see Section 6.13(a)(i) for information on composition of the Supervisory Board after the Settlement Date.

(b) Management Board

The Management Board currently consists of the following members:

Mr L. Taylor (1968), CEO

Nationality: British

Mr Taylor was appointed as a CEO of LBi in 2008. Prior to this Mr Taylor was CEO of LBi UK. He founded Oyster Partners in 1995 as an independent full service interactive agency. Oyster grew rapidly to become the largest full service digital agency in the UK. Following the sale of Oyster to Framfab and the subsequent merger of Framfab and LB Icon (previously Icon Medialab) a new entity was created – LBi International AB.

Mr H. Wezenberg (1965), CFO

Nationality: Dutch

Mr Wezenberg was appointed as a CFO in 2008. He was previously group controller of LBi International AB since August 2006, group controller of LB Icon since 2002 and before that, group controller of Lost Boys N.V. since February 2001.

(c) Employees

As at the date of this Offer Document, approximately 2,200 people are employed by the LBi Group world-wide.

7.7 Major Shareholders

Pursuant to the Wft, the following holdings were registered in the public register of the AFM:

	Percentage	Date of notification
Publicis Groupe SA	11.54%	25 September 2012
Janivo Holding	12.94%	4 October 2011
Red Valley	14.37%	9 August 2010
The Carlyle Group	13.73%	5 August 2010
Cyrte Investments	9.85%	8 September 2010
Project Holland Fonds	0.0%	25 September 2012

The percentage of committed Shares on the basis of the Fully Diluted Capital, for which major shareholders have entered into Undertakings, is as follows:

Name of Shareholder	Percentage
Janivo Holding	13.3%
Red Valley	12.1%
The Carlyle Group	12.2%
Cyrte Investments	9.5%
Exploitatie Maatschappij Westerduin	5.7%

The total percentage of committed Shares under all Undertakings adds up to 64.83% of the Fully Diluted Capital. See Section 6.9 (Committed Shares).

7.8 Capital and Shares

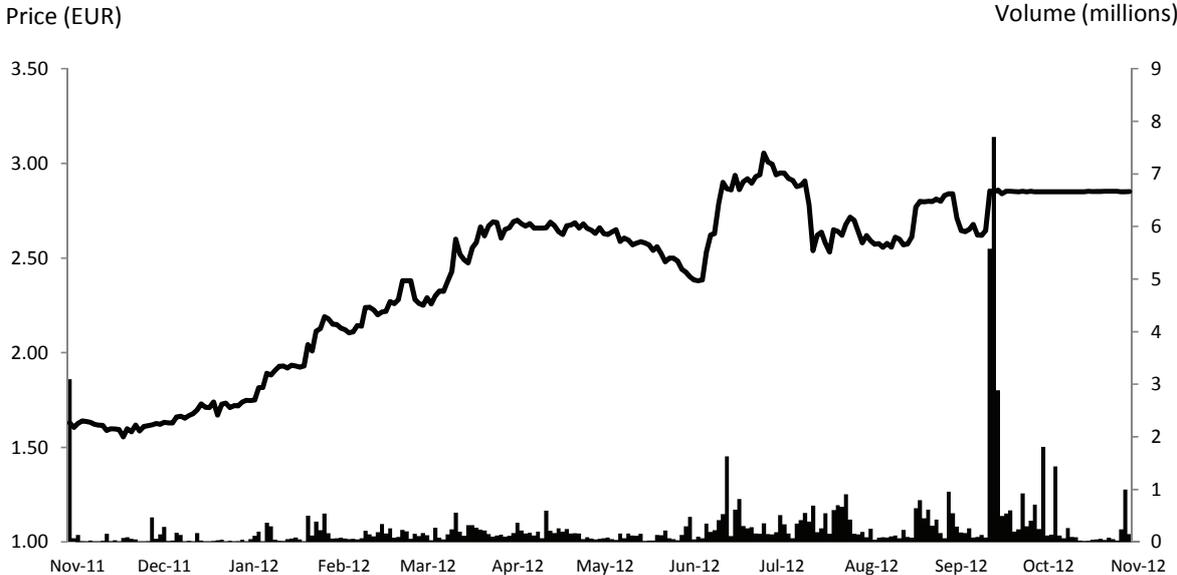
The authorised capital of LBi amounts to EUR 150 million divided into 600 million shares, including 599,999,998 ordinary Shares, one Share A and one Share B, all with a nominal value of EUR 0.25 each.

The issued share capital of LBi amounts to EUR 37,565,799.75 and is divided into 150,263,198 ordinary Shares and one Share B, with a nominal value of EUR 0.25 each.

7.9 Share price development

This graph sets out the Share price development from 9 November 2011 to 9 November 2012.

LTM Share Price Performance from 9th November 2011 to 9th November 2012



Note: Price and volumes as reported by Capital IQ.

8. INFORMATION ON THE OFFEROR

8.1 Overview and business description of Publicis Groupe and the Offeror

Publicis Groupe is a public limited liability company (*Société Anonyme*) incorporated under the laws of France, with its registered offices in Paris, France and its offices at 133, Avenue des Champs Elysées, 75008 Paris, France, and registered with the commercial register of Paris under number 542 080 601 R.C.S. Paris. Publicis Groupe is listed on Euronext Paris.

Publicis Groupe is the third largest communications group in the world. It offers the full range of services and skills: digital and traditional advertising, public affairs and events, media buying and specialised communication services. Its major networks are Leo Burnett, MSLGROUP, Publicis Healthcare Communications Group (PHCG), Publicis Worldwide, Rosetta and Saatchi & Saatchi. VivaKi – the Groupe’s media and digital accelerator includes Digitas, Razorfish, Starcom MediaVest Group and ZenithOptimedia. Publicis Groupe is present in 104 countries and employs 56,000 professionals.

Anticipating changes in the market place, especially the rapid fragmentation of media and consumers, Publicis Groupe has accelerated the pace of investments in new information technologies since 2006. Publicis Groupe has acquired major interactive communications agencies including Digitas in 2007, Razorfish in 2009 and Rosetta in 2011. At the same time, Publicis Groupe has invested in numerous structures in digital disciplines in Europe, the United States and high growth countries. Publicis Groupe has embraced changes in the industry, which is undergoing a complete transformation through the extraordinary development of digital communication, under the influence of interactive and mobile communications as well as new forms of relations born out of social networks that have emerged from technological innovations. As a result of this strategy, digital activities grew from 7% of Publicis Groupe’s total revenue in 2006 to 33.3% as of September 30, 2012. Publicis Groupe is pursuing in this strategic direction and aims to generate over 50% of future revenue from digital activities.

Further information can be found on Publicis Groupe’s website (www.publicisgroupe.com).

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands, and its registered office at Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, the Netherlands, and an indirect wholly owned subsidiary of Publicis Groupe.

The Offeror is a holding company for certain international activities of Publicis Groupe.

Offer will not result in an amendment of the activities conducted by the Offeror or Publicis Groupe as described in this Section 8.1.

8.2 Board of directors of the Offeror

The board of directors of the Offeror consists of :

- *Jean-Michel Etienne*: Member of the Management Board
- *Waltherus Johannes Maria van der Mee*: Member of the Management Board
- *Arco Nobels*: Member of the Management Board
- *Mathias Benjamin Emmerich*: Member of the Management Board

There is no intention to change the size or composition of the board of directors of the Offeror in connection with the Offer.

8.3 Publicis Groupe boards

(a) Members of the Supervisory Board

- *Elisabeth Badinter*: President of the Supervisory Board
- *Sophie Dulac*: Vice-President of the Supervisory Board
- *Simon Badinter*: Member of the Supervisory Board
- *Claudine Bienaimé*: Member of the Supervisory Board
- *Michel Cicurel*: Member of the Supervisory Board
- *Michel Halpérin*: Member of the Supervisory Board
- *Marie-Josée Kravis*: Member of the Supervisory Board

- *Marie-Claude Mayer*: Member of the Supervisory Board
- *Véronique Morali*: Member of the Supervisory Board
- *Hélène Ploix*: Member of the Supervisory Board
- *Félix Rohatyn*: Member of the Supervisory Board
- *Amaury de Sèze*: Member of the Supervisory Board
- *Henri-Calixte Suaudeau*: Member of the Supervisory Board
- *Gérard Worms*: Member of the Supervisory Board

(b) Members of the Management Board

- *Maurice Lévy*: Chairman & CEO Publicis Groupe; Chairman of the Management Board, President of the P12
- *Jean-Yves Naouri*: Chief Operating Officer, Publicis Groupe and Executive Chairman, Publicis Worldwide; Member of the Management Board and of the P12
- *Jean-Michel Etienne*: Executive Vice President – CFO; Member of the Management Board and of the P12
- *Jack Klues*: CEO, VivaKi; Member of the Management Board and of the P12
- *Kevin Roberts*: CEO Worldwide, Saatchi & Saatchi; Member of the Management Board and of the P12

(c) Members of the P12 (Executive committee)

Members of the P12 include the members of the Management Board and:

- *Tom Bernardin*: Chairman & CEO, Leo Burnett Worldwide, Member of the P12
- *Laura Desmond*: CEO, Starcom MediaVest Group, Member of the P12
- *Mathias Emmerich*: Senior Vice President, Publicis Groupe, Member of the P12
- *Olivier Fleurot*: CEO, MSLGROUP, Member of the P12
- *Steve King*: CEO Worldwide, ZenithOptimedia, Member of the P12
- *Bob Lord*: Global CEO, Razorfish, Member of the P12

8.4 Share capital of the Offeror and Publicis Groupe

Publicis Groupe's issued and outstanding share capital as of 31 August 2012 totals EUR 83,378,642 divided into 208,446,605 shares with a nominal value of EUR 0.40 per share. All the outstanding shares are fully paid up. All of Publicis Groupe's shares are listed on the Euronext Paris stock exchange [Euronext Paris FR0000130577, part of the CAC 40 index].

The Offeror's issued and outstanding share capital amounts to EUR 516,712. All the outstanding shares are fully paid up. The Offeror is an indirect wholly owned subsidiary of Publicis Groupe.

8.5 Consequences of the Offer

Reference is made to Section 6.12(b).

The boards of Publicis Groupe the Offeror will receive no compensation as set out in Annex A, paragraph 2, subparagraph 9 of the Takeover Decree in connection with the Offer.

9. FURTHER DECLARATIONS PURSUANT TO THE TAKEOVER DECREE

In addition to the other statements set out in this Offer Document, Publicis Groupe and the Offeror with regard to subjects (b), (d), (f) and (h), LBI and the Boards in respect of subject (e) and (g) and Publicis Groupe, the Offeror, LBi and the Boards jointly with regard to subjects (a) and (c) (insofar as the information under (c) is prepared and provided by them) hereby declare as follows:

- (a) There have been consultations between Publicis Groupe, the Offeror and LBi regarding the Offer, which have resulted in (conditional) agreement regarding the Offer. Discussions regarding the Offer, including, but not limited to, the Offer Price and the Offer Conditions took place between Publicis and the Boards and their respective advisers.
- (b) With due observance of and without prejudice to the restrictions referred to in Section 1 (Restrictions) and Section 2 (Important information), the Offer concerns all outstanding Shares in the capital of LBi and applies on an equal basis to all Shares and Shareholders.
- (c) With reference to Annex A, paragraph 2, sub-paragraph 5, 6 and 7 of the Takeover Decree, no securities in LBi are held, and in the year preceding this Offer Document no transactions or concluded agreements in respect of securities in LBi have been effected or have been concluded and no similar transactions have been effected in respect of securities in LBi by Publicis Groupe, the Offeror or the Boards, or individuals and/or legal persons within the meaning of Annex A, paragraph 2, sub-paragraph 5, 6 and 7 of the Takeover Decree, other than the following concluded agreements and arrangements in connection with the Offer (i) the Undertakings and Share B purchase and transfer agreement as described in Section 6.9 (Committed Shares) and (ii) the purchases of Shares by Publicis Groupe Holdings as described in 6.8(a) (Cross Shareholdings Offeror) of Part I.
- (d) The costs incurred or to be incurred by the Offeror and Publicis Groupe in relation to the Offer are expected to amount to approximately EUR 4 million and comprise bank adviser fees, Settlement Agent and Swedish Settlement Agent fees, broker commissions, legal fees, financial and tax due diligence fees, public relations and communications advice and printing. These costs will be borne by the Offeror.
- (e) The costs of LBi's fees of legal advisers, financial advisers, tax advisers, accountants and communications advisers and other advisers incurred and expected to be incurred in relation to the Offer amount to approximately EUR 6.5 million. These costs will be borne by LBi.
- (f) In connection with the Offer, the boards of directors of Publicis Groupe and the Offeror were advised by UBS.
- (g) Mr L. Taylor (the CEO of the Company and a member of the Management Board) will receive a remuneration payment in respect of the consummation of the Offer as more fully described in Section 6.7(d)(ii). The other members of the Boards will not receive remuneration payments in respect of the consummation of the Offer.
- (h) None of the members of the Publicis Groupe boards and the Offeror's board will receive a remuneration payment in respect of the consummation of the Offer.

10. NETHERLANDS TAX ASPECTS OF THE OFFER

10.1 General

The information set out below is a general summary of certain principal Netherlands tax consequences in connection with the disposal of the Shares under the Offer. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant for a particular holder of Shares, who may be subject to special tax treatment under any applicable law, nor does this summary intend to be applicable in respect of all categories of holders of Shares. The summary is based upon the tax laws of the Netherlands as in effect on the date of this Offer Document, as well as regulations, rulings and decisions of the Netherlands and its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which could apply retroactively and could affect the continuing validity of this summary.

As this is a general summary, investors or shareholders should consult their own tax advisers as to the Netherlands or other tax consequences of the disposal of the Shares under the Offer including, in particular, the application to their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the Offer.

This summary does not address the Netherlands tax consequences for:

- (a) Shareholders holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and Shareholders of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Company or of 5% or more of the issued capital of a certain class of shares of the Company, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Company;
- (b) investment institutions (*fiscale beleggingsinstellingen*);
- (c) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax;
- (d) persons to whom the Shares and the income from the Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act (*Successiewet 1956*); and
- (e) corporate Shareholders qualifying for the participation exemption (*deelnemingsvrijstelling*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption if it represents an interest of 5% or more of the nominal paid-up share capital.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

10.2 Withholding tax

Gains realised upon the disposal of the Shares in connection with the Offer will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

10.3 Corporate and individual income tax

(a) Residents of the Netherlands

(i) Entities

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Shares are attributable, gains realised upon the disposal of the Shares are generally taxable in the Netherlands (up to a maximum rate of 25%).

(ii) Individuals

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), gains realised upon the disposal of the Shares are taxable at progressive rates (up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) if:

- (A) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Shares are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Shares are attributable; or
- (B) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Shares, taxable income with regard to the Shares must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the yield basis exceeds a certain threshold. The individual's yield basis is determined by the fair market value of certain qualifying assets held by such an individual less the fair market value of certain qualifying liabilities on 1 January. If the Shares are held by the holder at the beginning of the year of disposal of the Shares, the fair market value of the Shares will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

(b) Non-residents of the Netherlands

If a holder of Shares is not a resident and is deemed not to be a resident of the Netherlands for Netherlands tax purposes (or has opted not to be taxed as a resident of the Netherlands), such holder is generally not taxable in respect of gains realised upon the disposal of the Shares, unless:

- (i) the holder is not an individual and such holder (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands to which permanent establishment or a permanent representative the Shares are attributable, or (ii) is entitled to a share in the profits of an enterprise, or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Shares are attributable; or (This gain is subject to Netherlands corporate income tax up to a maximum rate of 25%).
- (ii) the holder is an individual and such holder (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Shares are attributable, or (ii) realises income or gains with respect to the Shares that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands with respect to the Shares which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

A gain realised upon the disposal of the Shares as specified under (i) and (ii) by an individual is subject to individual income tax at up to a maximum rate of 52%.

It should be noted that the right of the Netherlands to tax the non-residents described above, may be restricted under specific provisions of applicable tax treaties.

10.4 Gift and inheritance tax

In general, no gift and inheritance taxes will arise as a result of the disposal of the Shares in connection with the Offer.

10.5 Value added tax

In general, no value added tax will arise in respect of payments in consideration for the disposal of the Shares in connection with the Offer.

10.6 Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder of Shares in respect of the disposal of the Shares in connection with the Offer.

11. PRESS RELEASES

11.1 The joint press release of the Company and Publicis Groupe dated 20 September 2012

Publicis Groupe S.A. and LBi International N.V. Agreement on Intended Recommended Public Cash Offer

This is a joint press release by LBi International N.V. (“LBi”) and Publicis Groupe S.A. (“Publicis Groupe”) pursuant to the provisions of Article 5, paragraph 1, and Article 7, paragraph 4 of the Dutch Public Takeover Decree (*Besluit openbare biedingen Wft*) in connection with the intended public offer by Publicis Groupe for all the issued and outstanding shares in the capital of LBi. This press release does not constitute or form part of an offer for ordinary shares in LBi. It is an announcement that a conditional agreement has been reached between LBi and Publicis Groupe in connection with a potential public offer as set out in this press release. This press release may not be published, distributed, disseminated or otherwise sent into Japan, Australia or Canada.

Publicis Groupe [EURONEXT Paris: FR0000130577] and LBi [EURONEXT Amsterdam: LBI], one of the world’s largest independent digital communications agencies, announce they have reached a conditional agreement on a potential recommended cash offer to acquire all outstanding shares of LBi (the “Offer”). Publicis Groupe intends to pay LBi shareholders EUR 2.85 per share in cash (the “Offer Price”); no dividend payments or other distributions on LBi shares will be made. The Offer Price represents a premium of 39.8% above the “unaffected”¹⁰ 12-month weighted average share price of LBi of EUR 2.04¹¹. The Offer values the fully diluted share capital of LBi at approximately EUR 416 million. The Management Board and Supervisory Board of LBi fully support and unanimously recommend the Offer to LBi’s shareholders.

LBi is one of the few large remaining independent digital communications agencies and the only one with a global footprint. Headquartered and listed in Amsterdam, LBi currently employs approximately 2,200 people in 16 countries (of which 630 are based in the UK) and has 32 offices around the world. Traditionally active in digital marketing, LBi has expanded its offering to a wide suite of digital media services, ranging from communication, e-commerce services to brand strategy, content, social media and mobile. LBi has succeeded in attracting and retaining a large number of prestigious clients, in a broad range of sectors, such as Lloyds TSB, Volvo, Johnson & Johnson, Coca Cola, Carlsberg and Ikea. LBi has received over 110 creative awards in the last two years. Management, led by CEO Luke Taylor, has implemented successive strategic transformations to adapt to the evolution of the digital space through structural steps, the acquisitions of Bigmouthmedia and Mr. Youth in 2010 and 2011 respectively and the creation of hubs in key markets to strengthen the company’s worldwide presence. In 2011, LBi reported net revenue¹² of EUR 196.6 million, up 12.0%¹³ from 2010, and an adjusted EBITDA¹² of EUR 31.9 million implying a margin of 16.2%. In the first half of 2012, LBi reported net revenue¹² of EUR 119.4 million, up 18.2% from the equivalent period in 2011 on an organic basis, and an adjusted EBITDA¹² of EUR 19.9 million implying a margin of 16.7%.

After the acquisition of the three strong pure-play digital brands, Digitas, Razorfish and Rosetta, Publicis Groupe confirms its ambitions in this critical area for its clients and the future of the communication sector. The proposed acquisition of LBi will enable Publicis Groupe to increase its share of revenue derived from digital operations to over 35%, in line with its strategic goals, and to capitalise on the complementarity with its existing global digital businesses. Its clients will benefit from the outstanding service offering of this enlarged digital platform and the expertise of talented professionals.

“The acquisition of LBi is another step forward in further strengthening our digital operations” said Maurice Lévy, Chairman and Chief Executive Officer of Publicis Groupe. “Within the global advertising landscape, LBi is a well known partner for extraordinary digital customer experiences, based on a blend of creativity and expertise in technology, strategy and social media. The integration of LBi will further enhance our capabilities and, through a wider pool of

10 Based on an “unaffected” date of 15 June 2012, before speculation of a possible transaction

11 Source: Capital IQ

12 Metrics should not be viewed as fully comparable with Publicis Groupe

13 Proforma for Bigmouthmedia

resources and talent, help deliver innovative and best-in-class services to our clients, which is our relentless focus. Furthermore, this acquisition has a positive impact on our EPS in the first year post acquisition.”

”We are thrilled at the prospect of joining Publicis Groupe and are convinced this transaction not only provides highly attractive value to our shareholders, but equally to our clients, staff and partners,” said Luke Taylor, Chief Executive Officer of LBi. “Publicis Groupe has consistently demonstrated a clear and emphatic belief in the importance of digital media and is recognized for grooming and managing its talent worldwide. Our entire strategy to date is built on a commitment to relentlessly drive and optimise value for our clients. There is now a unique opportunity to pace set the market and collaborate across new geographies and marketing services so that we can accelerate our strategic plans aimed at providing clients with a globally integrated offering.”

The transaction is expected to be accretive to Publicis Groupe’s earnings per share in the first year post acquisition, before the impact of any synergies and integration costs.

Unanimous support from the Management Board and Supervisory Board of LBi

On 25 June 2012, the Board of LBi announced that it was in discussions with third parties in respect of strategic alternatives available to LBi. These discussions have now been fully pursued, culminating in today’s announcement of an intended combination with Publicis Groupe. After a careful decision-making process, taking into account the Dutch Corporate Governance Code and the internal corporate governance rules, the Management Board and Supervisory Board of LBi believe this transaction is in the best interests of the company and its stakeholders including its clients, shareholders, partners and employees. The Boards fully support and unanimously recommend the Offer to LBi’s shareholders.

Fairness Opinions

Jefferies is acting as sole financial advisor to LBi and has rendered a fairness opinion to the Management Board in connection with the Offer. ABN Amro Bank N.V. has, as independent advisor, rendered a fairness opinion to the Supervisory Board of LBi in connection with the Offer. Each such opinion, based upon and subject to the factors noted, assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, states that, as of today, the intended Offer Price is fair to LBi’s holders of ordinary shares from a financial point of view.

Irrevocable undertakings for in total 67% of the shares

To date, Publicis Groupe has received an irrevocable commitment from certain identified shareholders, including, but not limited to, Janivo, Red Valley, Carlyle Europe Technology Partners, Cyrte Investments and Westerduin, the members of the Boards and selected senior managers, together representing 67% of the fully diluted share capital of LBi, to tender their shares under the Offer if and when made (the “Undertakings”). The Undertakings contain certain customary undertakings and conditions.

The relevant shareholders did not receive any information in connection with the Offer that will not be included in the Offer document.

Agreement with Project Holland Fonds

Publicis Groupe has entered into a put-call option agreement with Project Holland Fonds for their 6% stake in LBi for a price of EUR 2.80 per share. The option is exercisable between 1 November and 15 November 2012, provided that Publicis Groupe has not withdrawn its intention to make the Offer as expressed in this press release before 1 November 2012.

Financing of the Offer

Publicis Groupe will conduct the public Offer through a wholly-owned subsidiary registered in the Netherlands. Publicis Groupe will finance the Offer from its own readily available resources and the financing of the Offer will not be subject to third party conditions or contingencies. Publicis Groupe has a strong financial position and will remain committed to

maintaining a strong balance sheet. This announcement constitutes a certain funds announcement as required by Article 7, paragraph 4 of the Dutch Public Takeover Decree (*Besluit openbare biedingen Wft*).

Corporate Governance after the Offer

After successful completion of the Offer, the Supervisory Board of LBi will consist of seven members of whom five shall be appointed by the general meeting of shareholders upon nomination by Publicis Groupe and two shall be current members of the Supervisory Board, who are considered independent members within the definition of the Dutch Corporate Governance Code. The members of the Management Board of LBi and certain other senior managers have agreed to stay on either as a member of the Management Board or a senior manager after completion of the Offer.

Pre-Offer and Offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of certain pre-Offer conditions customary for transactions of this kind, such as: (i) no breach (including a breach of the warranties) of the merger agreement having occurred, (ii) no material adverse change having occurred, (iii) no public announcement having been made of a Superior Offer (as defined hereafter) or of a mandatory offer for the shares in LBi, (iv) no revocation or change of the recommendation by the Management Board or the Supervisory Board of LBi, (v) no order, stay judgment or decree restraining or prohibiting the transaction, (vi) approval of the Offer document by the Dutch financial regulator, Autoriteit Financiële Markten (“AFM”), (vii) the merger agreement not being terminated, (viii) no Offer condition having become permanently incapable of fulfilment and not being waived and (ix) none of the Undertakings having been revoked or changed.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of certain Offer conditions customary for transactions of this kind, such as: (i) a minimum acceptance of 90% of LBi’s shares on a fully diluted basis, (ii) no breach (including a breach of the warranties) of the merger agreement having occurred, (iii) no material adverse change having occurred, (iv) no public announcement having been made of a Superior Offer (as defined hereafter) or of a mandatory offer for the shares in LBi, (v) no revocation or change of the recommendation by the Management Board or the Supervisory Board of LBi, (vi) no order, stay judgment or decree restraining or prohibiting the transaction, (vii) no pending shareholder action, claim or proceeding, (viii) antitrust clearance under applicable anti-trust laws having been obtained and (ix) the merger agreement not being terminated.

Superior Offer

Publicis Groupe and LBi may terminate the merger agreement in the event that a *bona fide* third-party makes an offer which is more beneficial to LBi’s shareholders and other stakeholders than the Offer taking into account the overall terms and conditions including the pre-Offer and Offer conditions, any financing condition or contingency and compliance with antitrust laws and which is binding upon such party and exceeds the Offer Price by at least 9% (a “Superior Offer “). In the event of a Superior Offer, Publicis Groupe will be given the opportunity to revise its Offer. If this revised Offer by Publicis Groupe is at least equally beneficial to the Superior Offer, LBi may not terminate the conditional agreement with Publicis Groupe. The same is true for any subsequent Superior Offer.

On termination of the merger agreement because of a breach of exclusivity by LBi, a Superior Offer or a material breach of the merger agreement, LBi will forfeit a termination fee to Publicis Groupe of EUR 7.5 million. The termination fee also applies if the Management or the Supervisory Boards revoke their recommendation or in the event of a material breach of any provision of the merger agreement by any of the parties thereto. In case of a breach of the merger agreement by Publicis Groupe, Publicis Groupe shall equally forfeit a similar termination fee of EUR 7.5 million.

Antitrust approvals

Publicis Groupe and LBi will seek to obtain all the necessary approvals and competition clearances as soon as practicable.

Indicative timetable

It is Publicis Groupe's intention to submit a request for approval of its Offer document to the AFM and to finalise all required documentation with regard to the Offer as soon as reasonably possible after this announcement. Once the Offer document is approved by the AFM, the Offer will be made and the Offer document will be published. It is currently expected that this will take place in the second half of November 2012. The Offer period will be at least eight weeks and no more than ten weeks, after which the Offer may be declared unconditional or the Offer may be extended. LBi will hold an EGM at least six business days before closing of the Offer period in accordance with Article 18, paragraph 1 of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*). Subject to the Offer conditions, if and when the Offer is declared unconditional, there may be a post-closing acceptance period of two weeks. The closing of the transaction is expected in Q1 2013.

Further Information

The information in this press release is not intended to be complete and for further information explicit reference is made to the Offer document, which is expected to be published in the second half of November 2012. The Offer document will contain details of the Offer. The LBi shareholders are advised to review the Offer document in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the Offer document and the Offer itself.

Important information

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Publicis Groupe or LBi in any jurisdiction. The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Publicis Groupe and LBi disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Publicis Groupe nor LBi, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any LBi shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Australia, Canada or Japan.

This announcement contains forward-looking statements. Forward-looking statements are statements that do not describe past facts, but also such statements regarding assumptions and expectations as well as the underlying assumptions. These statements are based on the planning, estimates and forecasts currently available to the management of Publicis Groupe and LBi.

Forward-looking statements are thus only related to the date on which they are made. No obligation will be assumed by Publicis Groupe to revise such statements in light of new information or future events. Forward-looking statements harbour risks and uncertainties by nature. A number of important factors may lead to the fact that actual results differ substantially from such forward-looking statements.

11.2 The joint press release of the Company and Publicis Groupe dated 9 October 2012 (4 weken bericht)

Publicis Groupe S.A. to request the AFM approval of the Offer Document in respect of the Intended Recommended Public Cash Offer in due course

This is a joint press release by LBi International N.V. ("LBi") and Publicis Groupe S.A. ("Publicis Groupe") pursuant to the provisions of Article 7, paragraph 1 sub a of the Dutch Public Takeover Decree (*Besluit openbare biedingen Wft*) in connection with the intended public offer by Publicis Groupe for all the issued and outstanding shares in the capital of LBi.

Please note that, to the extent permissible under applicable law or regulation, the Offeror and its affiliates or brokers (acting as agents for the Offeror) may, from time to time, and other than pursuant to the intended public offer, directly or indirectly purchase, or arrange to purchase, shares in LBi that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform shareholders of LBi of such information.

This press release does not constitute or form part of an offer for ordinary shares in LBi. It is an announcement that a conditional agreement has been reached between LBi and Publicis Groupe in connection with a potential public offer as set out in this press release. The information in this press release is not intended to be complete and for further information explicit reference is made to the Offer document, which is expected to be published in the second half of November 2012 after approval of the AFM.

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On 20 September 2012, Publicis Groupe [EURONEXT Paris: FR0000130577] and LBi [EURONEXT Amsterdam: LBI], one of the world's largest independent digital communications agencies, announced they had reached a conditional agreement on a potential recommended cash offer to acquire all outstanding shares of LBi (the "Offer"). Publicis Groupe and LBi hereby announce that preparations for the Offer, including preparations with regard to the Offer document and obtaining approval from the Netherlands Authority for Financial Markets ("AFM") with respect thereto, are well under way.

Update indicative timetable

It is Publicis Groupe's intention to submit a final draft of the Offer document for approval to the AFM and to finalise all required documentation with regard to the Offer as soon as reasonably possible after this announcement. Once the Offer document is approved by the AFM, the Offer will be made and the Offer document will be published. It is currently expected that the formal launch of the Offer will take place in the second half of November 2012. The Offer period will run for at least eight weeks and no more than ten weeks, after which the Offer may, if the Offer conditions are fulfilled or waived, be declared unconditional or the Offer may be extended. The extraordinary general meeting of shareholders of LBi in which the Offer will be discussed and the adoption of certain governance resolutions will be proposed will, depending on the exact launch date, take place around mid January 2013.

Subject to the Offer conditions, if and when the Offer is declared unconditional, there may be a post-closing acceptance period of two weeks. The closing of the transaction is expected to occur in Q1 2013.

Offer document

The information in this press release is not intended to be complete and for further information explicit reference is made to the Offer document, which is expected to be published in the second half of November 2012, after approval of the AFM. In consultation with the AFM, we note that in making their investment decision shareholders should be aware that not all prescribed information relating to the Offer is currently made available and that the Offer document will contain full details of the Offer. The LBi shareholders are advised to review the Offer document, if and when published, in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the Offer document and the Offer itself.

Important information

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Publicis Groupe or LBi in any jurisdiction. The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable

law, Publicis Groupe and LBi disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Publicis Groupe nor LBi, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any LBi shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Australia, Canada or Japan.

This announcement contains forward-looking statements. Forward-looking statements are statements that do not describe past facts, but also such statements regarding assumptions and expectations as well as the underlying assumptions. These statements are based on the planning, estimates and forecasts currently available to the management of Publicis Groupe and LBi

Forward-looking statements are thus only related to the date on which they are made. No obligation will be assumed by Publicis Groupe to revise such statements in light of new information or future events. Forward-looking statements harbour risks and uncertainties by nature. A number of important factors may lead to the fact that actual results differ substantially from such forward-looking statements.

12. NEDERLANDSE SAMENVATTING VAN HET BOD

In dit Hoofdstuk 12 wordt een samenvatting gegeven van een aantal elementen uit het Biedingsbericht. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om een afgewogen oordeel te kunnen vormen over het Bod. Het doornemen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het doornemen van het volledige Biedingsbericht. De Aandeelhouders worden geadviseerd het volledige Biedingsbericht (Deel I tezamen met Deel II), inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen, zorgvuldig door te nemen en zo nodig onafhankelijk juridisch, fiscaal en financieel advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over het Bod en de beschrijving daarvan in het Biedingsbericht. In geval van verschillen, al dan niet in interpretatie, tussen de Engelse tekst van het Biedingsbericht en deze samenvatting in de Nederlandse taal zal de Engelse tekst van het Biedingsbericht prevaleren.

De informatie uiteengezet in dit Biedingsbericht geeft de situatie weer ten tijde van de datum van dit Biedingsbericht, tenzij anders vermeld. De uitgave en verspreiding van dit Biedingsbericht impliceert geenszins dat de hierin opgenomen informatie juist en compleet zal blijven na de datum van uitgave van het Biedingsbericht. Het voorgaande is niet van invloed op de verplichtingen van de Bieder en LBi om een openbare mededeling te doen uit hoofde van artikel 5:25i van de Wft of artikel 4 lid 1 en lid 3 van het Bob, indien vereist.

Dit Biedingsbericht bevat de informatie inzake het Bod zoals vereist uit hoofde van artikel 5:76 van de Wft en artikel 8 van het Bob en is goedgekeurd door de AFM uit hoofde van artikel 5:76 van de Wft. De Standpuntbepaling van de Raad van Bestuur en Raad van Commissarissen ingevolge artikel 18 van het Bob, opgenomen in Deel III, vormt geen onderdeel van dit Biedingsbericht, zoals omschreven in het Bob en is niet onderworpen aan voorafgaande beoordeling en goedkeuring van de AFM. De Standpuntbepaling is wel onderworpen aan beoordeling van de AFM na publicatie daarvan.

12.1 Het Bod

- (a) Uitnodiging aan de Aandeelhouders De Bieder brengt hierbij een aanbevolen bod in contanten uit op alle Aandelen die niet reeds worden gehouden door Publicis Groupe of enige entiteit welke, direct of indirect, geheel of gezamenlijk, wordt gecontroleerd door Publicis Groupe.
- Onder verwijzing naar alle verklaringen, bepalingen, voorwaarden en beperkingen opgenomen in dit Biedingsbericht, worden de Aandeelhouders hierbij uitgenodigd om hun Aandelen aan te bieden onder het Bod op de manier en onder de bepalingen, voorwaarden en beperkingen zoals opgenomen in dit Biedingsbericht.
- (b) Biedprijs Aandeelhouders die Aandelen aanmelden onder het Bod zullen voor ieder Aandeel dat door hen op geldige wijze wordt aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard), onder de voorwaarden, condities en beperkingen zoals uiteengezet in dit Biedingsbericht, een netto betaling van EUR 2,85 in contanten ontvangen zonder betaling van rente en onder aftrek van enige (bron) belasting (de "**Biedprijs**"), op de voorwaarde dat de Bieder het Bod gestand zal doen. De Biedprijs is cum dividend. Indien enig dividend of uitkering in contanten of aandelen zal worden vastgesteld door LBi (een "**Uitkering**") (waarbij de *record date* die bepalend is voor gerechtigheid tot een Uitkering ligt voor de Dag van Overdracht), wordt de Biedprijs verminderd met het volledige bedrag van de Uitkering op elk Aandeel (voor aftrek van in te houden (bron) belastingen).
- (c) Motivering van het Bod Premies
- De Biedprijs vertegenwoordigt:

- (i) een premie van 39,85% ten opzichte van de gewogen gemiddelde slotkoers naar aantal verhandelde aandelen per gewoon Aandeel gedurende de twaalf maanden voorafgaand aan en inclusief 15 juni 2012, de dag vóór speculatie inzake een mogelijke transactie (de “**Onbeïnvloede Datum**”);
- (ii) ter vergelijking, de mediaan premie ten opzichte van de onbeïnvloede prijs per aandeel (de slotkoers een dag voor de aankondiging van de transactie of enige materiële publieke speculatie inzake een transactie) is 38,4% voor geselecteerde biedingen geheel in contanten op Nederlandse vennootschappen genoteerd aan Euronext Amsterdam met een vermogenswaarde tussen de EUR 250 miljoen en EUR 1.750 miljoen die zijn aangekondigd en afgerond van 1 januari 2005 tot de Dag van de Eerste Aankondiging. Geselecteerde transacties betreffen: Wavin / Mexichem, Océ / Canon, Smit Internationale / Boskalis, ERIKS, SHV Holdings, Corporate Express / Staples, Stork / Candover, Grolsch / SABMiller, Getronics / KPN, Univar / CVC, Wegener / Mecom, Nedschroef / Gilde, Athlon Holding / De Lage Landen, AM / BAM Groep en Versatel / Tele 2.
- (iii) Met een prijs van EUR 2,85 per Aandeel waardeert het Bod LBi op een ondernemingswaarde (*enterprise value*) van rond de EUR 437 miljoen. Deze berekening is gebaseerd op het Volledig Verwaterde Kapitaal, een netto schuldpositie van EUR 9,1 miljoen per 30 juni 2012, gerapporteerde afhankelijke koopprijsverplichtingen (*earn-outs*) van EUR 11,9 miljoen en niet geconsolideerde deelnemingen (*associates*) van EUR 0,2 miljoen per de laatste informatie van de Vennootschap. Gebaseerd op de gebudgeteerde EBITDA voor de LBi Groep van EUR 40,3 miljoen voor het jaar eindigende 31 december 2012 conform het persbericht van de Vennootschap van 24 September 2012 (LBi Groepsbudget 2012), zijn de impliciete ratio's 1,8x de omzet in 2012 en 10,8x EBITDA in 2012.

Motivering van de Biedprijs

De Biedprijs is vastgesteld op basis van de meest relevante financiële methodes inclusief:

- (i) Een analyse van de slotkoers van de gewone Aandelen verhandeld op Euronext Amsterdam gedurende de twaalf maanden voorafgaand aan de Onbeïnvloede Datum. In deze periode liep de slotkoers van de gewone Aandelen uiteen van EUR 1,21 tot EUR 2,70 en de gewogen gemiddelde slotkoers naar aantal verhandelde aandelen gedurende de twaalf maanden periode eindigend op de Onbeïnvloede Datum was EUR 2,04;
- (ii) Een handelsmultiples analyse van EV/Revenue en EV/EBITDA gebaseerd op consensus inschattingen voor LBi en de slotkoersen van de gewone Aandelen vergeleken met die van vergelijkbare geselecteerde publiek verhandelde ondernemingen en hun effecten. Ondernemingen binnen hetzelfde businesssegment welke werden geselecteerd voor vergelijking met LBi zijn onder andere Dentsu, Havas, Interpublic Group of Companies (IPG), Omnicom, Publicis Groupe, Sapient en WPP;
- (iii) Voor deze analyse werd de ondernemingswaarde (*enterprise value*) berekend met de laatst bekend gemaakte netto schuld aangepast voor pensioenaanspraken en met inachtneming van de impact van verwaterende instrumenten en gebeurtenissen aangekondigd na de resultaten (inkopen van aandelen, acquisities, etc.), minderheidsbelangen (*minorities*), niet geconsolideerde deelnemingen

(*associates*) en afhankelijke kooprijnsverplichtingen (*earn-outs*); omzet en EBITDA schattingen werden gebaseerd op I/B/E/S inschattingen op de Dag van de Eerste Aankondiging;

- (iv) Voor deze geselecteerde ondernemingen was de gemiddelde ratio van de ondernemingswaarde (*enterprise value*) over de geschatte omzet ongeveer 1,1x voor de jaren eindigend 2012 en 2013;
- (v) Voor deze geselecteerde ondernemingen was de gemiddelde ratio van de ondernemingswaarde (*enterprise value*) over de geschatte EBITDA voor de jaren eindigend 2012 en 2013 respectievelijk ongeveer 8,4x en 7,8x;
- (vi) Een analyse van eerdere transactie premies (als hierboven omschreven in Hoofdstuk 12.1(c)).

Rationale voor het Bod

Na de overname van de drie sterke 'pure-play' digitale merken Digitas, Razorfish en Rosetta, is de overname van LBi een bevestiging van de ambities van Publicis Groupe op dit cruciale gebied voor haar cliënten en de toekomst van de digitale communicatie sector. De voorgenomen overname stelt Publicis Groupe in staat haar aandeel in de omzet uit digitale activiteiten conform haar strategische doelstellingen en te profiteren van de aanvulling die deze overname vormt op haar bestaande wereldwijde digitale activiteiten. Klanten zullen profiteren van het uitstekende dienstenaanbod van dit vergrote digitale platform en de expertise van getalenteerde professionals.

De hoofddoelstellingen van het Bod zijn:

- (i) Het versterken van de leidende rol van Publicis Groupe in het digitale segment: De voorgenomen overname bevestigt Publicis Groupe's ambitie en leidende rol in het digitale segment en verhoogt haar aandeel in de omzet uit digitale activiteiten conform haar strategische doelstellingen tot ruim 35%;
- (ii) Publicis Groupe's digitale netwerk vergroten: Binnen het wereldwijde adverteerderslandschap is schaalgrootte essentieel om marktaandeel te winnen en het klantenbestand te vergroten. LBi is één van de weinige overgebleven onafhankelijke digitale communicatie agentschappen en de enige met wereldwijde aanwezigheid, met ongeveer 2.200 werknemers in 16 landen en 33 kantoren wereldwijd. LBi heeft een aantrekkelijk klantenbestand inclusief Lloyds TSB, Volvo, Johnson & Johnson, Coca Cola, Carlsberg en Ikea. LBi heeft 110 creatieve prijzen gewonnen in de laatste twee jaar. De acquisitie van LBi geeft toegang tot een uniek technologieplatform dat het mogelijk maakt inzichten in data te gebruiken om content en activa te creëren en zal Publicis Groupe in staat stellen te profiteren van de complementariteit met haar bestaande wereldwijde digitale business om zo hoogwaardige diensten te leveren aan cliënten;
- (iii) Het verbeteren van Publicis Groupe's groeiprofiel: LBi rapporteerde sterke historische prestaties met een revenu samengestelde jaarlijkse groei ratio (CAGR) van 11,6% in 2009 (*pro forma* voor de acquisitie van Bigmouthmedia). De overname van LBi stelt Publicis Groupe in staat te profiteren van de groei in het digitale segment, één van de snelst groeiende segmenten en de toekomst van de reclamewereld;
- (iv) Schaalvoordelen en synergiën creëren door de combinatie: Publicis Groupe verwacht dat de Transactie Publicis Groupe in staat zal stellen voordeel te behalen uit de schaalvoordelen van het vergrote platform. De gecombineerde onderneming richt zich op het genereren van synergiën door verhoogde efficiency in de verschillende landen en functies. Deze verwachting is gebaseerd op Publicis Groupe's ervaring in het verkrijgen van ondernemingen.

- (c) Financiering van het Bod (*certainty of funds*) Onder verwijzing naar Artikel 7 lid 4 Bob, zal de Bieder het Bod financieren vanuit zijn eigen beschikbare middelen en de financiering van het Bod is niet afhankelijk van voorwaarden van derden.
- (d) Besluitvorming en aanbeveling Raad van Commissarissen en de Raad van Bestuur van LBi De Raad van Bestuur en de Raad van Commissarissen hebben unaniem besloten het Bod goed te keuren en volledig te ondersteunen en om de Aandeelhouders unaniem aan te bevelen om (i) het Bod te aanvaarden en hun Aandelen aan te melden onder het Bod, en (ii) de Governance Besluiten te aanvaarden die voorgesteld zullen worden op de BAVA inzake het Bod. Zie verder Hoofdstuk 6.5(a).
- Een beschrijving van de redenen van de Raad van Bestuur en de Raad van Commissarissen voor deze aanbevelingen is in meer detail uiteengezet in de Standpuntbepaling van de Vennootschap.
- (e) Toezegging en reeds gehouden Aandelen Op 9 november 2012, na sluiting van de handel, hield Publicis Groupe, rechtstreeks of middelijk, 30.939.416 Aandelen vertegenwoordigende 20,59% van het huidige geplaatste kapitaal van LBi en 21,19% van het Volledig Verwaterde Kapitaal.
- Een aantal Aandeelhouders, waaronder Carlyle Europe Technology Partners, Cyrt Investments, Janivo, Red Valley en Westerduin, alle leden van de Raden en een aantal senior managers van LBi, die met hun Gelieerde Ondernemingen gezamenlijk meer dan 64,83% van het Volledig Verwaterde Kapitaal vertegenwoordigen, hebben onherroepelijk toegezegd hun Aandelen (inclusief Aandelen te verkrijgen na het aangaan van de Toezeggingen, met inbegrip waar het betreft leden van de Raden en senior managers als gevolg van de uitoefening van Equity Incentives die op grond van de Toezegging moeten worden uitgeoefend) aan te bieden onder het Bod (de “**Toezeggingen**”). De Toezeggingen zijn aangegaan onder de gebruikelijke voorwaarden. Deze partijen hebben dezelfde informatie gekregen als is opgenomen in dit Biedingsbericht. De Aandelen waarop de Toezeggingen betrekking hebben zullen worden aangeboden onder het Bod tegen de Biedprijs en onder dezelfde voorwaarden en beperkingen die van toepassing zijn op de andere Aandeelhouders zoals uiteengezet in dit Biedingsbericht.
- In aanvulling hierop is Janivo, als houder van het enige Aandeel B, op 12 november 2012 een overeenkomst van koop- en verkoop en overdracht aangegaan met de Bieder op grond waarvan het Aandeel B is verkocht aan de Bieder met ingang van, en automatisch aan de Bieder zal worden overgedragen voor een prijs gelijk aan de Biedprijs bij, gestanddoening van het Bod. De overeenkomst met Janivo is onder vergelijkbare voorwaarden als de Toezegging aangegaan door Janivo. In overeenstemming met de Statuten zal het Aandeel B tegelijk met de overdracht converteren in een gewoon Aandeel.
- Op 12 november 2012 heeft de Bieder de Share A verkregen van Carlyle Europe Technology Partners tegen de Biedprijs. In overeenstemming met de Statuten is het Aandeel A met de overdracht geconverteerd in een gewoon Aandeel.
- Door de (overeengekomen) verkrijging van het Aandeel A en het Aandeel B heeft de Bieder verzekerd dat wanneer de Bieder de aangeboden Aandelen verkrijgt en betaalt er geen derden zijn met bijzondere rechten verbonden aan het Aandeel A en het Aandeel B.
- (f) Voorwaarden voor gestanddoening van het Bod Onverminderd enige andere bepaling van het Bod, geldt de verplichting van de Bieder om het Bod gestand te doen slechts indien aan de volgende opschortende voorwaarden wordt voldaan, tenzij afstand wordt gedaan van bepaalde voorwaarden:
- (i) Op de Uiterste Dag van Aanmelding vertegenwoordigt het aantal Aandelen dat rechtsgeldig is aangemeld onder het Bod en niet is ingetrokken, samen met de Aandelen welke op de Uiterste Dag van

Aanmelding, direct of indirect, worden gehouden door de Bieder of Bieder's Gelieerde Ondernemingen, ten minste 90% van het Volledig Verwaterde Kapitaal.

- (ii) Op of voorafgaand aan de Dag van Gestanddoening, heeft LBi geen materiële inbreuk gemaakt op de op haar rustende verplichtingen onder de Fusieovereenkomst (met inbegrip van enige inbreuk op de garanties) of, indien een dergelijk inbreuk zich heeft voorgedaan, is deze door de Vennootschap hersteld binnen vijf Werkdagen na een schriftelijk verzoek daartoe door de Bieder of indien eerder uiterlijk op de Dag van Gestanddoening;
- (iii) Op of voorafgaand aan de Dag van Gestanddoening, heeft de Bieder geen materiële inbreuk gemaakt op de op haar rustende verplichtingen onder de Fusieovereenkomst (met inbegrip van enige inbreuk op de garanties) of, indien een dergelijk inbreuk zich heeft voorgedaan, is deze door de Bieder hersteld binnen vijf Werkdagen na een schriftelijk verzoek daartoe door LBi of indien eerder uiterlijk op de Dag van Gestanddoening;
- (iv) Op of voor de Dag van Gestanddoening heeft er geen **Materieel Negatief Effect** plaatsgevonden:

(A) waarbij **Materieel Negatief Effect** betekent: een (of meer) effect(en), gebeurtenis(sen), omstandighe(i)d(en) of ontwikkeling(en) die, op zichzelf of in combinatie, een materieel en nadelig effect heeft/hebben of zal/zullen hebben of waarvan een dergelijk effect redelijkerwijs te verwachten is, met betrekking tot de onderneming(en), activa, intellectuele eigendom, kapitalisatie bedrijfsresultaten, vooruitzichten, reputatie, financiële of handelspositie of kasstromen van de Vennootschap Groep als geheel, inclusief, maar niet beperkt tot, wanneer een (of meer) effect(en), gebeurtenis(sen), omstandighe(i)d(en) of ontwikkeling(en), op zichzelf of in combinatie:

- I. gerelateerd aan de gebudgeteerde EBITDA voor de LBi Groep van EUR 40,3 miljoen voor het jaar eindigend 31 december 2012 conform het persbericht van de Vennootschap van 24 September 2012 (het **LBi Groepsbudget 2012**) een Impact heeft; of
- II. zal hebben op het Boekjaar 2013, en wanneer het was gebeurd in het Boekjaar 2012, het gerelateerd aan het LBi Groepsbudget 2012 een Impact had gehad of redelijkerwijs zou hebben gehad,

met dien verstande dat het volgende (op zichzelf, dan wel in combinatie met een ander(e) hieronder omschreven effect, gebeurtenis of omstandigheid) geen Materieel Nadelig Effect zal inhouden en ook niet in aanmerking genomen zal worden bij de vaststelling of een dergelijk Materieel Nadelig Effect heeft plaatsgevonden of zal plaatsvinden:

- (a) enig effect als gevolg van de nakoming van de afspraken in de Fusieovereenkomst;
- (b) enige natuurramp(en), pandemie(ën), of terreur- of sabotagedaad, militaire actie of (al dan niet formeel verklaarde) oorlog of oorlogsdaad, alsmede enige escalatie of verergering daarvan;
- (c) enig(e) verandering, gebeurtenis, omstandigheid, ontwikkeling of effect die/dat een of meer van de bedrijfssectoren of markten waarin de Vennootschap

Groep actief is in het algemeen betreft, behalve ingeval de Vennootschap Groep daardoor buitenproportioneel wordt geraakt;

- (d) enige verandering in de algemene economische, politieke of financiële marktomstandigheden in welke markt dan ook, dan wel veranderingen in valutaverhoudingen of rentetarieven behalve ingeval de Vennootschap Groep daardoor buitenproportioneel wordt geraakt;
 - (e) enige actie waarvoor de Bieder schriftelijk goedgekeuring heeft verleend.
- (B) **Impact** betekent iedere verandering(en), gebeurtenis(sen), ontwikkeling(en), omstandigh(e)(i)d(en) en effect(en) die/dat, op zichzelf of in combinatie, een netto effect heeft of redelijkerwijs zouden kunnen hebben op LBi Group's Boekjaar 2012 EBITDA van meer dan EUR 6 miljoen berekend met referentie naar het netto effect dat het heeft gehad of gehad zou hebben op het gehele Boekjaar 2012, waarbij, ter voorkoming van twijfel, eenmalige fees en kosten voorvloeiend uit de Transactie of mogelijke aansprakelijkheden in relatie tot Mr. Youth¹⁴ niet in acht worden genomen bij de berekening van de EBITDA.
- (v) Op of voorafgaand aan de Dag van Gestanddoening, hebben LBi en de Groepsvennootschappen, behalve Aandelen uitgegeven naar aanleiding van de uitoefening van bestaande rechten inzake Equity Incentives in overeenstemming met de overeengekomen procedures in de Fusieovereenkomst, geen effecten toegekend, uitgegeven of verkocht, inclusief gewone aandelen, certificaten van aandelen en preferente aandelen en rechten op het nemen van aandelen inclusief opties en toekenningen onder de Equity Incentive Plans.
 - (vi) Op of voorafgaand aan de Uiterste Dag van Aanmelding, zijn alle goedkeuringen en toestemmingen verkregen (met inbegrip van de afloop of beëindiging van alle wachttermijnen en verlengingen daarvan) die vereist zijn onder enige mededingingswetgeving, inclusief in Duitsland en de Verenigde Staten, van toepassing op het Bod;
 - (vii) Op of voorafgaand aan de Uiterste Dag van Aanmelding, heeft geen van de Raden de Aanbeveling ingetrokken of materieel gewijzigd, aangepast of gekwalificeerd;
 - (viii) Op of voorafgaand aan de Dag van Gestanddoening, is geen openbare mededeling gedaan van een Superieur Bod, of van een verplicht bod op de Aandelen als bedoeld in artikel 5:70 Wft;
 - (ix) Op of voorafgaand aan de Uiterste Dag van Aanmelding, zijn de Governance Besluiten goedgekeurd tijdens de BAVA inzake het Bod;
 - (x) Op de Dag van Gestanddoening is er geen bevel, schorsing, uitspraak of besluit genomen door een rechter, arbiter, overheid, overheidsinstantie of andere toezichhoudende of administratieve instantie en geen wet in formele zin, regel, wettelijke regeling, overheidsbesluit of rechtelijke beschikking, van kracht geworden, geëxecuteerd of van toepassing geacht te zijn op het Bod of de Transactie, waardoor het doen of afronden van het Bod of de Transactie wordt beperkt, verboden of vertraagd of waardoor het redelijkerwijs te verwachten is dat het zal worden beperkt, worden verboden of worden vertraagd (een "**Overheidsbesluit**");
 - (xi) Op of voorafgaand aan de Dag van Gestanddoening is de handel in gewone Aandelen op Euronext Amsterdam niet opgeschort of beëindigd als gevolg van een noteringsmaatregel genomen door

¹⁴ Voor details inzake de aansprakelijkheden inzake Mr. Youth wordt verwezen naar LBi's Q3 trading update opgenomen in Hoofdstuk 14.7 van dit Biedingsbericht.

Euronext Amsterdam overeenkomstig artikel 6901/2 of enig andere relevante bepaling van het Euronext Rulebook I (Harmonised Rules), het voorgaande, ter voorkoming van twijfel, met uitzondering van tijdelijke opschortingen gebruikelijk in de handel;

- (xii) Op of voorafgaand aan de Dag van Gestanddoening, is geen kennisgeving van de AFM ontvangen op grond van artikel 5:80 lid 2 van de Wft, inhoudende dat de voorbereiding van het Bod in strijd is met hoofdstuk 5.5 van de Wft, in welk geval beleggingsondernemingen (zoals gedefinieerd in de Wft) niet zouden mogen meewerken aan de executie en voltooiing van het Bod;
- (xiii) (i) Op de Dag van Gestanddoening: zal er geen proces, actie of procedure aanhangig zijn gemaakt door een Aandeelhouder of een partij die Aandeelhouders vertegenwoordigt:
 - (A) die erop gericht is om de voltooiing van het Bod (met inbegrip van het aanvechten van de verkrijging van Aandelen door de Bieder onder het Bod), of de Transactie, tegen te houden of te verbieden, of die erop gericht is beperkingen op te leggen aan de eigendom van de Aandelen door de Bieder of haar groeps- en dochtermaatschappijen,
 - (B) die erop gericht is om het eigendom of de bedrijfsactiviteiten van de Vennootschap, de Bieder of hun respectievelijke groeps- of dochtermaatschappijen te verbieden of te beperken ten aanzien van enig gedeelte van de activiteiten of de activa van de Vennootschap, de Bieder of van hun respectievelijke groeps- of dochtermaatschappijen, of om de Vennootschap, de Bieder, of hun respectievelijke groeps- of dochtermaatschappijen te dwingen een gedeelte van de activiteiten of de activa van de Vennootschap, de Bieder of enig van haar respectieve groeps- of dochtermaatschappijen af te stoten of afgescheiden te houden, of
 - (C) die erop gericht is om te verbieden dat de Bieder of enige van haar groeps- of dochtermaatschappijen de feitelijke zeggenschap uitvoert over de onderneming of activiteiten van de Vennootschap of enige van haar groepsmaatschappijen,in geval van elk van (A), (B) en (C) als gevolg van het Bod of de Transactie, en
 - (ii) zal er geen Overheidsbesluit zijn, dat het in de voornoemde subartikelen (A) tot en met (C) beschrevene verwezenlijkt of de strekking heeft zulks te verwezenlijken (zie Hoofdstuk 6.15(c));
- (xiv) Op of voorafgaand aan de Dag van Gestanddoening is de Fusieovereenkomst niet beëindigd; en
- (xv) Op of voorafgaand aan de Dag van Gestanddoening is geen van de Toezeggingen ingetrokken of gewijzigd.

Voorwaarden (vi) en (xiv) zijn ten behoeve van de Vennootschap en de Bieder en daarvan kunnen de Vennootschap en de Bieder alleen gezamenlijk (geheel of gedeeltelijk) afstand doen door een schriftelijke overeenkomst.

De Voorwaarden (i), (ii), (iv), (v), (vii), (viii), (ix), (x), (xi), (xiii) en (xv) zijn uitsluitend ten behoeve van de Bieder en daarvan mag de Bieder te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke verklaring aan de Vennootschap: met dien verstande dat wanneer het aantal Aandelen dat is aangemeld onder het Bod en niet is ingetrokken, samen met de Aandelen welke op de Uiterste Dag van Aanmelding, direct of indirect, worden gehouden door de Bieder of Bieder's Gelieerde Ondernemingen, niet meer dan 75% van het Volledig Verwaterde Kapitaal vertegenwoordigt, de Bieder alleen afstand kan doen van Voorwaarde (i) met de voorafgaande schriftelijke goedkeuring van de Vennootschap.

Voorwaarde (iii) is uitsluitend ten behoeve van de Vennootschap en daarvan mag de Vennootschap te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke verklaring aan de Bieder.

Van Voorwaarde (xii) kan geen afstand worden gedaan.

De Bieder en LBi zijn overeengekomen in de Fusieovereenkomst dat geen van hen de Voorwaarden mag invoeren indien de niet-nakoming van (een) dergelijke Voorwaarde(n) is veroorzaakt door een tekortkoming van de inroepende partij van enige op haar rustende verplichtingen onder de Fusieovereenkomst.

- (g) Aanmeldingstermijn en verlenging
Aanmeldingstermijn

De Aanmeldingstermijn vangt aan om 09:00 uur, MET op 13 november 2012 en eindigt op 17:40 uur, MET op 15 januari 2013 tenzij de Aanmeldingstermijn wordt verlengd. Aandelen die reeds zijn aangemeld op of voorafgaande aan het Uiterste Tijdstip van Aanmelding blijven onderworpen aan het Bod gedurende de verlenging van de Aanmeldingstermijn, behoudens het recht van een Aandeelhouder om de Aandelen die hij of zij reeds heeft aangemeld in te trekken in overeenstemming met artikel 15, lid 3 van het Bob.

Indien aan alle Voorwaarden is voldaan of, voor zover van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, mits de Bieder de Aanmelding desalniettemin heeft aanvaard) en niet geldig zijn ingetrokken ingevolge artikel 15, lid 3, artikel 15a, lid 3, artikel 5b, lid 5 of artikel 15, lid 8, van het Bob, met inachtneming van de procedures zoals uiteengezet in Hoofdstukken 12.1(h) tot en met (j).

Indien en voor zover één of meer van de Voorwaarden als uiteengezet in Hoofdstuk 12.1(f) niet tijdig is vervuld in overeenstemming met Hoofdstuk 12.1(f) kan de Bieder de Aanmeldingstermijn eenmalig verlengen. Een verlenging van de Aanmeldingstermijn is voor een minimale periode van twee weken en een maximale periode van tien weken. Verlenging voor meer dan één periode is onder voorbehoud van goedkeuring van de AFM, welke alleen in uitzonderlijke omstandigheden gegeven zal worden.

Ingeval van een dergelijke verlenging zullen alle verwijzingen in het Biedingsbericht naar de Uiterste Dag van Aanmelding, het Uiterste Tijdstip van Aanmelding en “17.40 uur, MET op 15 januari 2013” wijzigen naar de laatste datum en tijd van de verlengde Aanmeldingstermijn, tenzij uit de context anderszins blijkt.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat is aangemeld en niet is ingetrokken onderworpen aan het Bod, behoudens het recht van elke Aandeelhouder om de Aandelen die hij of zij reeds heeft aangemeld in te trekken.

- (h) Aanvaarding door Aandeelhouders d.m.v. een Aangesloten Instelling

Aandeelhouders die hun Aandelen houden via een Aangesloten Instelling worden verzocht hun aanmelding kenbaar te maken via hun bank of commissionair niet later dan op het Uiterste Tijdstip van Aanmelding, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met artikel 15 van het Bob (zie Hoofdstuk 5.8 (Extension of the Acceptance Period) en/of Hoofdstuk 5.9 (Post Acceptance Period)). Conform de regels van het Bob is eenmaal een verlenging van de Aanmeldingstermijn toegestaan. Een tweede verlenging van de Aanmeldingstermijn is onderworpen aan voorafgaande goedkeuring van de AFM, die alleen in uitzonderlijke omstandigheden zal worden gegeven.

De relevante bank of commissionair kan een eerdere uiterste datum stellen voor de Aandeelhouders om de bank of commissionair in de gelegenheid te stellen de aanmelding van die Aandeelhouders op tijd aan het Afwikkelingskantoor door te geven. De Aangesloten Instellingen mogen de Aandelen uitsluitend schriftelijk voor aanvaarding aanmelden bij het Afwikkelingskantoor.

- (i) Aanvaarding door Aandeelhouders die individueel zijn opgenomen in aandeelhouders register van LBi
- Aandeelhouders die individueel zijn geregistreerd in het aandeelhoudersregister van LBi en die het Bod willen aanvaarden ten aanzien van hun Aandelen, dienen een complete en ondertekende aanmeldingsbrief te overhandigen aan het Afwikkelingskantoor.
- Overeenkomstig de voorwaarden van het Bod, dient de aanmeldingsbrief te zijn ontvangen door het Afwikkelingskantoor niet later dan op het Uiterste Tijdstip van Aanmelding, tenzij de Aanmeldingstermijn door de Bieder is verlengd in overeenstemming met artikel 15 van het Bob (zie Hoofdstuk 5.8 (Extension of the Acceptance Period) en/of Hoofdstuk 5.9 (Post Acceptance Period)). Conform de regels van het Bob is eenmaal een verlenging van de Aanmeldingstermijn toegestaan. Een tweede verlenging van de Aanmeldingstermijn is onderworpen aan voorafgaande goedkeuring van de AFM, die alleen in uitzonderlijke omstandigheden wordt gegeven.
- Het Afwikkelingskantoor zal de Aandeelhouders per brief berichten over de details van de aanmeldingsbrief. De aanmeldingsbrief zal dienen als akte van levering met betrekking tot de daarin genoemde Aandelen.
- (j) Aanvaarding door Aandeelhouders die Aandelen houden middels Euroclear Sweden
- Aandeelhouders die hun aandelen direct houden bij Euroclear Sweden*
- Aandeelhouders direct geregistreerd bij Euroclear Sweden kunnen hun Aandelen aanbieden door het indienen van een voorgedrukt en ingevuld en ondertekend aanmeldingsformulier bij de Zweedse Afwikkelingskantoor.
- Het voorgedrukte aanmeldingsformulier wordt per normale post direct aan de Aandeelhouders die hun Aandelen direct bij Euroclear Sweden hebben geregistreerd verstuurd en aanmeldingsformulieren kunnen ook worden verkregen bij het Zweedse Afwikkelingskantoor op het onderstaande adres.
- Het Biedingsbericht kan worden gedownload van de Publicis Groupe website (www.publicisgroupe.com) en de LBi website (www.lbi.com) of telefonisch worden besteld bij het Zweedse Afwikkelingskantoor tijdens kantooruren.
- Het aanmeldingsformulier dient te zijn ontvangen door het Afwikkelingskantoor niet later dan op de Uiterste Tijdstip van Aanmelding
- Gegevens Zweedse Afwikkelingskantoor
Mangold Fondkommission AB
Issue: LBi International N.V.
Postbus 55691
SE-102 15 STOCKHOLM
E-mail: info@mangold.se
Fax: +46 (0)8-503 01 551 / Telefoon: +46 (0)8-503 01 550
- Aandeelhouders die hun Aandelen houden middels een bank of andere bewaarder en die hun Aandelen die staan geregistreerd bij Euroclear Sweden willen overdragen kunnen hun Aandelen aanbieden volgens de instructies van de bewaarder.
- Aandeelhouders die hun Aandelen houden middels Euroclear Sweden die hun Aandelen aanmelden in overeenstemming met dit Hoofdstuk 21.1(i) ontvangen op de Dag van Overdracht de Biedprijs ingewisseld van Euro in Zweedse Kronen. Zie Hoofdstuk 5.10 voor meer informatie inzake de toepasselijke wisselkoers en het gerelateerde wisselkoersrisico.
- (k) Gestanddoening
- Het Bod wordt gedaan onder voorbehoud van de tijdige vervulling van de Voorwaarden, tenzij daarvan afstand wordt gedaan zoals uiteengezet in Hoofdstuk 12.1(f) (Voorwaarden voor gestanddoening van het Bod).
- Tenzij de Aanmeldingstermijn wordt verlengd, zal de Bieder, als voorgeschreven in Artikel 16, lid 1 Bob, niet later dan op de derde Werkdag volgend op de Uiterste Dag van Aanmelding, aankondigen of het Bod gestand wordt gedaan.

- (l) Na-Aanmeldings-termijn In geval van een Na-Aanmeldingstermijn, zal aan de Aandeelhouders die het Bod hebben aanvaard en hun Aandelen op geldige wijze hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding desalniettemin heeft aanvaard) en hebben geleverd, de Biedprijs worden betaald binnen vijf Werkdagen na het eind van de Na-Aanmeldingstermijn.
- (m) Overdracht Aandeelhouders die hun Aandeel hebben aangemeld op of voor het Uiterste Tijdstip van Aanmelding, zullen op de Dag van Overdracht de Biedprijs ontvangen voor ieder Aandeel dat op rechtsgeldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding en levering daarvan desalniettemin heeft aanvaard) en geleverd onder de bepalingen en voorwaarden van het Bod. Op of na de Dag van Overdracht is ontbinding of nietigverklaring van een aanbieding of levering van een Aandeelhouder niet meer toegestaan. Overdracht zal alleen plaatsvinden als het Bod gestand wordt gedaan.
- (n) Gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering Indien een Aandeelhouder besluit om zijn of haar Aandelen niet onder het Bod aan te melden, zal de Aandeelhouder eigenaar blijven van zijn of haar Aandelen in de huidige vorm. Indien het Bod gestand wordt gedaan, zal door de aankoop van de Aandelen door de Bieder onder het Bod het aantal Aandeelhouders verminderen, evenals het aantal Aandelen dat ter beurse zou worden verhandeld en dit zal een negatieve invloed hebben op de liquiditeit en mogelijk op de marktwaarde van de Aandelen die niet onder het Bod zijn aangemeld.
- Indien het Bod gestand wordt gedaan en de Bieder samen met zijn Gelieerde Vennootschappen meer dan 95% van het Volledig Verwaterde Kapitaal verkrijgt, zullen zo spoedig mogelijk de notering van de gewone Aandelen aan Euronext Amsterdam en de overeenkomst met Euronext inzake de notering worden beëindigd. Dit zal een verdere negatieve invloed hebben op de liquiditeit van de Aandelen die niet onder het Bod zijn aangemeld.
- In aanvulling hierop kunnen de Bieder of de Vennootschap iedere andere procedure inzetten als samengevat in Hoofdstuk 12.1(o) (Post Overdracht Herstructurering) en meer uitgebreid beschreven in Hoofdstuk 6.10(b) (Post Settlement Restructuring of LBi), waaronder procedures die kunnen leiden tot beëindiging van de notering van de Aandelen (inclusief Aandelen die niet zijn aangemeld onder het Bod).
- (o) Post Overdracht Herstructurering van LBi Het is het voornemen dat zo spoedig mogelijk na de Overdracht (i) de notering van de gewone Aandelen aan Euronext Amsterdam wordt beëindigd en de noteringsovereenkomst met Euronext Amsterdam met betrekking tot de notering wordt beëindigd, (ii) dat de Bieder met zijn Gelieerde ondernemingen alle Aandelen verkrijgt die niet zijn aangeboden onder het Bod, en (iii) de structuur van de Vennootschap in lijn wordt gebracht met de houdster, financierings en optimale fiscale structuur van de Bieder en zijn Gelieerde Ondernemingen en om de operaties van de Groepsvennootschappen en die van de Bieder en Gelieerde Ondernemingen te integreren en te optimaliseren. Het huidige voornemen is dat dit wordt bereikt door onder andere een of meer van de volgende middelen: De Bieder kan indien het Bod gestand wordt gedaan en door Bieder samen met Gelieerde Ondernemingen (met uitzondering van de Vennootschap) ten minste 95% van Volledig Verwaterde Kapitaal is verworven, ervoor kiezen de resterende Aandelen die niet zijn aangemeld te verwerven door middel van de wettelijke uitkoopprocedure overeenkomstig artikel 2:92a of 2:201a van het Burgerlijk Wetboek of door een uitkoopprocedure te starten overeenkomstig artikel 2:359c van het Burgerlijk Wetboek. Verder kan de Bieder ervoor kiezen een of meer van de overige middelen als in meer detail omschreven in Hoofdstuk 6.10(b) (Post Settlement Restructuring of LBi) aan te wenden, waaronder een nationale of grensoverschrijdende juridische (driehoeks-)fusie als bedoeld in artikel 2:309 et seq van het Burgerlijk Wetboek, een juridische splitsing als bedoeld in artikel 334a et seq van het Burgerlijk Wetboek, een verkoop van alle activa

en passiva van de vennootschap al dan niet gevolgd door uitkering van de opbrengsten aan de Aandeelhouders, een (nader) openbaar bod, de liquidatie van de Vennootschap, een inbreng van geld of activa op aandelen in de Vennootschap tegen uitgifte van aandelen (met uitsluiting van voorkeursrechten), een uitkering van opbrengsten, cash of activa aan Aandeelhouders door middel van een uitkering uit de reserves, een (tussentijdse) dividend, een slotdividend, een betaling bij intrekking of een liquidatieuitkering, een activaruil, verdere verkrijging van Aandelen door de Bieder, intragroup transacties en inkoop van aandelen door de Vennootschap en de omzetting van de vennootschap in een besloten vennootschap. Verwezen wordt naar Hoofdstuk 6.10(b) (Post-Settlement Restructuring of LBi).

- (p) BAVA inzake het Bod
- Om 15.00 uur MET op 20 december 2012 vindt een buitengewone algemene vergadering van Aandeelhouders van LBi plaats in het Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, Nederland, waar het Bod zal worden besproken. In aanvulling hierop zal de Vergadering van Aandeelhouders worden gevraagd te stemmen inzake de volgende besluiten (de **Governance Besluiten**):
- (i) Bepaalde statutenwijzigingen, onder voorbehoud van gestanddoening van het Bod en met ingang van de Dag van Overdracht;
 - (ii) De acceptatie van het ontslag, onder voorbehoud van gestanddoening van het Bod, het van kracht worden van de statutenwijzigingen en met ingang van de Dag van Overdracht, van de drie terugtrekkende leden van de Raad van Commissarissen en de verlening van décharge aan deze leden;
 - (iii) De benoeming, onder voorbehoud van gestanddoening van het Bod, het van kracht worden van de statutenwijzigingen en met ingang van de Dag van Overdracht, van de heren J-Y Naouri, J-M Etienne, F. Voris, B. Lord en J. Tomasulo tot commissaris en de vaststelling met ingang van deze benoemingen van het aantal leden van de Raad van Commissarissen op zeven.
- (q) Raad van Bestuur en Raad van Commissarissen
- De samenstelling van de Raad van Bestuur zal niet veranderen als direct gevolg van de Transactie.
- Het aantal leden van de Raad van Commissarissen zal worden uitgebreid van vijf naar zeven leden, waarvan de twee huidige leden, de heer A. Mulder en de heer G.W. Fink, onafhankelijke leden geacht worden te zijn in de zin van de Nederlandse corporate governance code, en vijf leden zullen worden benoemd op voordracht van de Bieder.
- (r) Raad van bestuur van de Bieder
- De raad van bestuur van de Bieder is als volgt samengesteld:
- *Jean-Michel Etienne*: Bestuurder
 - *Waltherus Johannes Maria van der Mee*: Bestuurder
 - *Arco Nobels*: Bestuurder
 - *Mathias Benjamin Emmerich*: Bestuurder
- Er bestaat geen voornemen het aantal leden of de samenstelling van de raad van bestuur te veranderen in verband met het Bod.
- (s) Mededelingen
- Verdere aankondigingen als beoogd in dit Biedingsbericht zullen worden gedaan middels het uitbrengen van een persbericht.

12.2 Indicatief tijdschema van het Bod

Verwachte datum en tijd	Gebeurtenis
12 november 2012	Publicatie van het persbericht waarin de verkrijgbaarstelling van dit Biedingsbericht en aanvang van het Bod worden aangekondigd

9:00 uur MET, 13 november 2012	Aanvang van de Aanmeldingstermijn onder het Bod, in overeenstemming met artikel 14 van het Bob
15.00 uur MET, 20 december 2012	BAVA inzake het Bod: buitengewone algemene vergadering van Aandeelhouders van LBi waarin onder meer het Bod zal worden besproken en zal worden besloten inzake de Governance Besluiten
17:40 uur MET, 15 januari 2013, behoudens verlenging	Uiterste Tijdstip van Aanmelding, het uiterste tijdstip voor Aandeelhouders om hun Aandelen aan te melden het Bod verlengd wordt in overeenstemming met artikel 15 van het Bob.
Uiterlijk drie Werkdagen na de Uiterste Dag van Aanmelding	Op deze dag zal de Bieder in overeenstemming met artikel 15 en 16 van het Bob aankondigen dat: <ul style="list-style-type: none"> ● het Bod gestand wordt gedaan, de Dag van Gestanddoening; ● het Bod niet gestand wordt gedaan en is komen te vervallen; of ● het Bod zal worden verlengd voor een periode van tussen de twee en tien weken.
Uiterlijk vijf Werkdagen na de Dag van Gestanddoening	Dag van Overdracht: de dag waarop de Bieder onder de bepalingen en voorwaarden van het Bod de Biedprijs betaalt per Aangeboden Aandeel
Na-Aanmeldingstermijn (optioneel)	binnen drie Werkdagen na de Dag van Gestanddoening kan de bieder in overeenstemming met artikel 17 van het Bob een Na-Aanmeldingstermijn aankondigen van maximaal twee weken. Tijdens de Na-Aanmeldingstermijn hebben Aandeelhouders die hun Aandelen niet hebben aangemeld onder het Bod, de mogelijkheid dit alsnog te doen op dezelfde wijze en onder dezelfde voorwaarden als het Bod en conform de voorwaarden zoals die zijn uiteengezet in het Biedingsbericht, een en ander in overeenstemming met artikel 17 van het Bob
Niet later dan de vierde dag na de Dag van Gestanddoening	Aanvang van de Na-Aanmeldingstermijn (optioneel)
Uiterlijk vijf Werkdagen na het eind van de Na-Aanmeldingstermijn	Overdracht en betaling van Aandelen aangeboden tijdens de Na-Aanmeldingstermijn

12.3 Beperkingen

Het Bod wordt gedaan in en vanuit Nederland met inachtneming van de verklaringen, bepalingen, voorwaarden en beperkingen die zijn beschreven in dit Biedingsbericht. De Bieder behoudt zich het recht voor om iedere aanmelding van of namens een Aandeelhouder onder het Bod te aanvaarden, ook indien de aanmelding niet is geschied op de wijze die is beschreven in dit Biedingsbericht.

De verspreiding van dit Biedingsbericht en/of het doen van het Bod in andere jurisdicties dan Nederland kan wettelijk beperkt of uitgesloten zijn. Het Bod wordt niet gedaan in, en mag niet worden aanvaard door, of namens Aandeelhouders vanuit een jurisdictie waarin het doen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende effecten regelgeving of andere wet- en regelgeving, of waarvoor enige registratie bij, goedkeuring van of kennisgeving aan een toezichthoudende instantie door de Bieder is vereist en waarin niet expliciet door dit Biedingsbericht is voorzien. Echter, aanmeldingen onder het Bod door Aandeelhouders buiten Nederland zullen worden aanvaard door de Bieder, indien de aanmelding is geschied (i) op de wijze die is beschreven in dit Biedingsbericht, en (ii) in overeenstemming met de wet- en regelgeving in de jurisdictie waaruit de aanmelding wordt gedaan. Personen die het Biedingsbericht verkrijgen, dienen alle beperkingen te respecteren en iedere vereiste autorisatie, goedkeuring of instemming te verkrijgen. Noch de Bieder, noch Publicis Groupe, noch LBi, noch ieder van hun respectievelijke gelieerde entiteiten, bestuurders en commissarissen, werknemers en adviseurs aanvaarden enige aansprakelijkheid ter zake van overtredingen van voornoemde restricties. Buiten Nederland hebben er geen handelingen plaatsgevonden (noch zullen deze plaatsvinden) om het Bod mogelijk te maken in enig andere jurisdictie waar dergelijke handelingen vereist zouden zijn. In aanvulling daarop, is dit Biedingsbericht niet toegestuurd noch erkend door de autoriteiten van enig andere jurisdictie dan de Nederlandse.

Elke persoon (waaronder begrepen, zonder beperkingen, bewaarders, gevolmachtigden en beheerders) die dit Biedingsbericht of enig hieraan gerelateerd document naar een jurisdictie buiten Nederland wenst te zenden, of van plan zou zijn dit te doen, dient zorgvuldig Hoofdstuk 1 (Restrictions) en Hoofdstuk 2 (Important information) van het Biedingsbericht te lezen voordat hij hiertoe overgaat. De uitgifte, publicatie of distributie van dit Biedingsbericht in of naar een jurisdictie buiten Nederland kan wettelijk zijn beperkt en daarom dienen personen buiten Nederland die dit Biedingsbericht ontvangen kennis te nemen van deze beperkingen en deze na te leven. Indien deze beperkingen niet worden nageleefd, kan dit een overtreding van de wet opleveren naar het recht van de desbetreffende jurisdictie. Noch de Bieder, noch Publicis Groupe, noch LBi, noch ieder van hun respectievelijke gelieerde entiteiten, bestuurders en commissarissen, werknemers en adviseurs aanvaarden enige aansprakelijkheid ter zake van overtredingen van voornoemde beperkingen.

12.4 Verantwoordelijkheidsverdeling

De informatie in Hoofdstuk 1 en 3 tot en met 5, 6 (exclusief Hoofdstuk 6.5(a), 6.7, 6.8, 6.9, 6.11, 6.12, 6.13, 6.14 en 6.15) en 8, van Deel I is voorbereid en aangeleverd door de Bieder. De informatie in Hoofdstukken 6.5(a), 6.7 en 7, van Deel I, de informatie in Deel II en de informatie in Deel III is voorbereid en aangeleverd door de Vennootschap. De informatie op de voorpagina en op de introductiepagina's 2 en 3 en in Hoofdstukken 2, 6.8, 6.9, 6.11, 6.12, 6.13, 6.14, 6.15, 9, 10, 11, 12 en 13 van Deel I is door de Bieder en de Vennootschap gezamenlijk voorbereid en aangeleverd.

De Bieder en de Vennootschap zijn ieder met uitsluiting van de ander verantwoordelijk voor de juistheid en volledigheid van de informatie die in dit Biedingsbericht is opgenomen, ieder afzonderlijk voor de informatie die door henzelf is voorbereid en aangeleverd en gezamenlijk voor de informatie die door hen gezamenlijk is voorbereid en aangeleverd.

De Bieder en de Vennootschap verklaren beide, ieder voor de informatie die door henzelf in dit Biedingsbericht is voorbereid en aangeleverd en gezamenlijk voor de informatie die door hen gezamenlijk is voorbereid en aangeleverd, dat de informatie in dit Biedingsbericht op de publicatiedatum van dit Biedingsbericht voor zover hen bekend, na het treffen van alle redelijke maatregelen om zulks te garanderen, in overeenstemming is met de werkelijkheid, en dat er geen gegevens zijn weggelaten waarvan de vermelding de strekking van dit Biedingsbericht zou wijzigen.

De informatie opgenomen in Hoofdstukken 14.2(a), 14.4 en 14.6 is verkregen door LBi van PricewaterhouseCoopers, de accountant van LBi. De informatie opgenomen in Hoofdstuk 14.2(b) is verkregen door LBi van PwC Sverige, de accountant van LBi. LBi bevestigt dat deze informatie correct is weergegeven en dat voor zover LBi heeft kunnen opmaken uit door, respectievelijk, PricewaterhouseCoopers en PwC Sverige gepubliceerde informatie, geen feiten zijn weggelaten waardoor de weergegeven informatie onjuist of misleidend zou worden.

Bepaalde statistische gegevens in dit Biedingsbericht, inclusief de financiële gegevens gepresenteerd in miljoenen of duizendtallen, kunnen naar boven of beneden afgerond zijn en derhalve kan de optelsom van dergelijke gegevens zoals opgenomen in dit Biedingsbericht licht afwijken van de werkelijke rekenkundige optelsom van dergelijke gegevens.

12.5 Nederlandse Definities

Gedefinieerde termen in deze Nederlandse samenvatting hebben de volgende betekenis:

Aanbeveling	de aanbeveling van de Raden zoals beschreven in Hoofdstuk 6.5
Aandeel A	het enige geplaatste en uitstaande aandeel A in het kapitaal van LBi met een nominale waarde van EUR 0.25 dat in overeenstemming met de Statuten is geconverteerd in een gewoon Aandeel door middel van de overdracht door Carlyle Europe Technology Partners aan de Bieder op 12 november 2012
Aandeel B	het enige geplaatste en uitstaande aandeel B in het kapitaal van LBi met een nominale waarde van EUR 0,25, met betrekking tot welk Aandeel Janivo en de Bieder zijn overeengekomen dat het wordt verkocht en overgedragen aan de Bieder met ingang van de gestanddoening van het Bod en dat in overeenstemming met de Statuten per de overdracht zal converteren in een gewoon Aandeel
Aandeelhouder(s)	de houder(s) van één of meer Aandelen

Aandelen	alle geplaatste en uitstaande aandelen met een nominale waarde van EUR 0,25 in het kapitaal van LBi, inclusief alle uit te geven of door de Vennootschap te leveren aandelen onder de Equity Incentive Plans voor de Datum van Overdracht en het Aandeel B
Aangesloten Instelling(en)	een tot Euronext Amsterdam toegelaten instelling als bedoeld in artikel 1 van de Wet giraal effectenverkeer
Aanmeldingstermijn	de periode, gedurende welke de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, beginnend op 09:00 uur MET op 13 november 2012 en eindigend op het Uiterste Tijdstip van Aanmelding
AFM	Stichting Autoriteit Financiële Markten
Afwikkelingskantoor	SNS Securities N.V., een <i>naamloze vennootschap</i> naar Nederlands recht, met haar statutaire zetel in Amsterdam, Nederland, kantoorhoudende te Nieuwezijds Voorburgwal 162, 1012 SJ Amsterdam, Nederland
Aangeboden Aandeel	ieder Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding desalniettemin heeft aanvaard) en geleverd onder het Bod op of voor de Uiterste Dag van Aanmelding
Alternatieve Transactie	Een (A) acquisitie (door een tender bod, een ruilbod of anderszins) door één persoon of een groep van personen die in onderling overleg handelen, rechtstreeks of middelijk, van een of meer van de Aandelen of effecten welke converteerbaar zijn in, of rechten of opties ter verkrijging van, Aandelen of enige soort van effecten in de Vennootschap; (B) een juridische fusie, splitsing, herkapitalisatie, business combinatie of andere transactie, waarbij de Vennootschap rechtstreeks of middelijk betrokken is, of (C) een verkrijging door één persoon of een groep van personen die in onderling overleg handelen, rechtstreeks of middelijk, van activa of ondernemingen die in waarde vertegenwoordigen van meer dan 2,5% van de activa of de ondernemingen van de Vennootschap of meer dan 2,5 % van de omzet van de Vennootschap
Alternatief Voorstel	een Alternatief Voorstel is een voorstel voor een Alternatieve Transactie
BAVA inzake het Bod	de buitengewone algemene vergadering van Aandeelhouders van LBi die wordt gehouden om 15.00 uur MET op 20 december 2012, in het Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, Nederland, tijdens welke vergadering het Bod zal worden besproken en de Governance Besluiten in stemming zullen worden gebracht
Bieder of Publicis Groupe Holdings	Publicis Groupe Holdings B.V., een <i>besloten vennootschap</i> met beperkte aansprakelijkheid opgericht naar Nederlands recht met statutaire zetel in Amsterdam en kantoorhoudende te Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, Nederland, een indirecte volledige dochtermaatschappij van Publicis Groupe
Biedingsbericht	dit biedingsbericht met betrekking tot het Bod
Biedprijs	heeft de betekenis daaraan toegekend in Hoofdstuk 12.1(b)
Bob	Besluit openbare biedingen Wft
Bod	het bod zoals in dit Biedingsbericht beschreven
Boekjaar 2012	het boekjaar van LBi dat eindigt op 31 december 2012
Boekjaar 2013	het boekjaar van LBi dat eindigt op 31 december 2013
Dag van de Eerste Aankondiging	20 september 2012, de datum waarop de (voorwaardelijke) overeenstemming tussen Publicis Groupe Holdings en de Bieder werd aangekondigd
Dag van Gestanddoening	de dag waarop de Bieder aan zal kondigen dat het Bod gestand wordt gedaan in overeenstemming met artikel 16 lid 1 van het Bob, welke dag niet later zal zijn dan de derde Werkdag na de Uiterste Dag van Aanmelding plaats

Dag van Overdracht	de datum waarop de Bieder, in overeenstemming met de bepalingen, voorwaarden en beperkingen van het Bod, de Biedprijs zal betalen aan de Aandeelhouders voor ieder Aandeel op geldige wijze aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding desalniettemin heeft aanvaard) en geleverd op of voor het Uiterste Tijdstip van Aanmelding; de Dag van Overdracht vindt niet later dan op de vijfde Werkdag na de Dag van Gestanddoening plaats
Equity Incentives	de opties en andere rechten die uitstaan volgens de Equity Incentive Plans
Equity Incentive Plans	GSOP en LTIP gezamenlijk zoals uiteengezet in Hoofdstuk 6.7(a)
EUR or Euro	euro, het wettig betaalmiddel in de lidstaten van de Europese Economische en Monetaire Unie
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euroclear Sweden	Euroclear Sweden AB
Euronext Amsterdam	de beurs van Euronext Amsterdam door NYSE Euronext, de gereguleerde markt van Euronext N.V.
Fairness Opinions	de fairness opinie van Jefferies verstrekt aan de Raad van Bestuur gedateerd op 20 September 2012 en de fairness opinie van ABN Amro Bank N.V. verstrekt aan de Raad van Commissarissen gedateerd op 20 September 2012, waarvan de volledige tekst is opgenomen in de Standpuntsbepaling van de Vennootschap in Deel III
Fusiegedragsregels 2000	SER besluit Fusiegedragsregels 2000 ter bescherming van de belangen van de werknemers
Fusieovereenkomst	de fusieovereenkomst (<i>merger protocol</i>) met betrekking tot het Bod tussen LBi en Publicis Groupe Holdings van 20 september 2012
Fusieregels	alle toepasselijke wet- en regelgeving, inclusief maar niet beperkt tot de toepasselijke artikelen van en alle nadere regelgeving en beleidsregels afgekondigd onder de Wft, het Bob, de Fusiegedragsregels 2000, de Wet op de ondernemingsraden, de regelgeving en beleidsregels van Euronext Amsterdam en het Burgerlijk Wetboek en elke andere effecten- en mededingingswetgeving die van toepassing is op het Bod
Gelieerde Ondernemingen	in relatie tot ieder persoon, iedere vennootschap, ieder partnersverband, iedere cooperatie of andere onderneming of juridische entiteit of persoon die die persoon, rechtstreeks of middellijk, controleert of rechtstreeks of middellijk door die persoon wordt gecontroleerd of rechtstreeks of middellijk onder gemeenschappelijke controle met die persoon, inclusief rechtstreekse of middeljarige houdstermaatschappijen en dochter- en groepsmaatschappijen naar de betekenis van artikel 2:24a en 2:24b van het Burgerlijk Wetboek
Governance Besluiten	heeft de betekenis daaraan toegekend in Hoofdstuk 12.1(p)
Groepsvennootschappen	Elke Gelieerde Ondernemingen van de Vennootschap, uitgezonderd ieder van haar Aandeelhouders
GSOP	het bestaande wereldwijde optieplan waaraan bepaalde leden van de Raden en bepaalde senior managers van LBi deelnemen
Herzien Bod	een bod op voorwaarden die, naar het redelijke oordeel van de Raden, gelet op hun verplichtingen als bestuurders en commissarissen, en na raadpleging van hun financiële en juridische adviseurs, ten minste gelijkwaardig zijn aan het Superieure Bod, vanuit het oogpunt van de Aandeelhouders en de andere belanghebbenden gelet op de voorwaarden van het Superieure Bod en het herziene bod door de Bieder, de zekerheid en timing van het bod, waaronder de voorwaarden om het Bod uit te brengen en de voorwaarden van gestanddoening en de naleving van mededingingswetgeving en verzoeken aan toezichthouders

Hoofdstuk	een (sub)hoofdstuk van dit Biedingsbericht
IFRS	<i>International Financial Reporting Standards</i> zoals goedgekeurd door de Europese Unie
Impact	heeft de betekenis zoals omschreven in Hoofdstuk 12.1(f)(iv)(B)
LBi Groepbudget 2012	heeft de betekenis zoals omschreven in Hoofdstuk 12.1(f)(iv)(A)
LTIP	het bestaande lange termijn investeringsplan waarin bepaalde leden van de Raden en bepaalde senior managers van de LBi Groep deelnemen
Materieel Negatief Effect	heeft de betekenis die hieraan gegeven wordt in Hoofdstuk 12.1(f)(iv)(A)
MET	Midden-Europese tijd
Na-Aanmeldingstermijn	een periode van niet meer dan twee weken na de Aanmeldingstermijn waarin Aandeelhouders die hun Aandelen niet hebben aangemeld onder het Bod de mogelijkheid kan worden gegeven dit alsnog te doen op dezelfde wijze en onder de dezelfde voorwaarden als uiteengezet in het Biedingsbericht
Nederlandse Corporate Governance Code	de Nederlandse Corporate Governance Code van 10 december 2008
Onbeïnvloede datum	15 juni 2012, de dag vóór speculatie inzake een mogelijke transactie
Overdracht	De betaling van de Biedprijs door de Bieder aan de Aandeelhouders voor ieder Aandeel op geldige wijze aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd op of voor het Uiterste Tijdstip van Aanmelding
Overheidsbesluit	heeft de betekenis die hieraan gegeven wordt in Hoofdstuk 12.1(f)
Potentieel Superieur Bod	een Alternatief Voorstel dat naar het redelijke oordeel van de Raden, in aanmerking nemende hun verplichtingen als bestuurders en commissarissen, en na raadpleging van hun financiële en juridische adviseurs, redelijkerwijs zal leiden tot een Superieur Bod
PricewaterhouseCoopers	PricewaterhouseCoopers Accountants N.V.
Publicis Groupe	Publicis Groupe S.A., a vennootschap opgericht naar Frans recht, met haar zetel in Parijs, Frankrijk, en kantoorhoudende te 133, Avenue des Champs Elysees, 75008 Paris, Frankrijk
PwC Sverige	PwC Sverige AB
Raad van Bestuur	de raad van bestuur van LBi
Raad van Commissarissen	de raad van commissarissen van LBi
Raden	de Raad van Bestuur en Raad van Commissarissen gezamenlijk
Relevante Personen	de directeurs, werknemers, financieel en juridisch adviseurs, opdrachtnemers, agenten en andere vertegenwoordigers, inclusief de Leden van de Raden, van LBi en van de Groepsvennootschappen
SEC	United States Securities and Exchange Commission
Standpuntsbepaling van de Vennootschap	de aandeelhouderscirculaire met de standpuntsbepaling van de Vennootschap inclusief alle bijlagen daarbij, opgenomen in Deel III (Position Statement), maar dat geen deel uitmaakt van dit Biedingsbericht
Statuten	De statuten van de Vennootschap
Superieur Bod	(i) een <i>bona fide</i> schriftelijk bod of voorstel inzake een Alternatieve Transactie, dat niet uitgenodigd, aangemoedigd, geïnitieerd of bewust gefaciliteerd is door de Vennootschap of enige Relevante Personen (ii) inzake een (A) volledig openbaar bod als gedefinieerd in het Bob voor de Aandelen, (B) een juridische fusie, splitsing, herkapitalisatie, business combinatie of andere transactie, waarbij de Vennootschap rechtstreeks of middelijk betrokken is, en resulterende in een verkrijging door een persoon of een groep van personen die in onderling overleg

handelen (of hun aandeelhouders), rechtstreeks of middellijk, van alle of het grootste deel van de aandelen, of (C) een verkrijging door een persoon of een groep van personen die in onderling overleg handelen van alle of het grootste deel van de activa van de Vennootschap, (iii) dat in alle voorgaande gevallen, is gedaan door een partij die, naar het redelijke oordeel van de Raden een *bona fide* partij is en welk voorstel, naar het redelijke oordeel van de Raden, in aanmerking nemende hun verplichtingen als bestuurders en commissarissen en na raadpleging van hun financiële en juridische adviseurs, voordeliger is voor de Aandeelhouders en de andere belanghebbenden dan het Bod, gelet op de totale voorwaarden van de Fusieovereenkomst (inclusief enige door de Bieder voorgestelde bindende wijzigingen aan de Fusieovereenkomst in reactie op het Alternatieve Voorstel), en, met betrekking tot het Alternatieve Voorstel, gelet op de totale voorwaarden van het Alternatieve Voorstel en gelet op de zekerheid en de timing daarvan, waaronder de voorwaarden om het Bod uit te brengen en de voorwaarden van gestanddoening enig financieringsvoorbehoud of afhankelijkheid en de naleving van mededingingswetgeving en verzoeken aan toezichthouders, behoudens dat: (A) de prijs betaalbaar aan aandeelhouders van de Vennootschap onder het Superieure Bod de waardering van de Company per Aandeel van het Bod of een Herzien Bod ten minste 9% te boven gaat, (B) het Superieure Bod bindend is, en (C) de prijs in een (opeenvolgend) (Potentieel) Superieur Bod niet in schuldbewijzen of enig effect dat niet publiek wordt verhandeld op een gereguleerde markt mag zijn.

Transactie

Het Bod en de transacties overwogen in de Fusieovereenkomst

Toezeggingen

de onherroepelijke toezeggingen van bepaalde Aandeelhouders waaronder Carlyle Europe Technology Partners, Cyrte Investments, Janivo, Red Valley and Westerduin, alle leden van de Raden en een aantal senior managers van LBi, die met hun groeps- en dochtermaatschappijen gezamenlijk meer dan 64.83% van het Volledig Verwaterde Kapitaal vertegenwoordigen om hun Aandelen (inclusief Aandelen te verkrijgen na het aangaan van de Toezeggingen, met inbegrip waar het betreft leden van de Raden en senior managers als gevolg van de uitoefening van Equity Incentives die op grond van de Toezegging moeten worden uitgeoefend) aan te bieden onder het Bod

Uiterste Dag van Aanmelding

de dag waarop de Aanmeldingstermijn eindigt, te weten op 15 januari 2013, behoudens, waar van toepassing, als verlengd door de Bieder in overeenstemming met artikel 15 van het Bob en de bepalingen van dit Biedingsbericht

Uiterste Tijdstip van Aanmelding

het tijdstip waarop de Aanmeldingstermijn eindigt, te weten op 15 januari 2013 om 17:40 uur MET, behoudens, waar van toepassing, als verlengd door de Bieder in overeenstemming met artikel 15 van het Bob en de bepalingen van dit Biedingsbericht

Uitkering

een dividenduitkering of uitkering in contanten of aandelen vastgesteld door LBi

Voorwaarden

de opschortende voorwaarden met betrekking tot het Bod zoals uiteengezet in Hoofdstuk 12.1(f)

Vennootschap of LBi

LBi International N.V., een naamloze vennootschap, opgericht naar Nederlands recht, met haar statutaire zetel in Amsterdam, Nederland, kantoorhoudende te Joop Geesinkweg 209, 1096 AV Amsterdam, Nederland

Vennootschap Groep

de Vennootschap en elk van haar Groepsvennootschappen

Volledig Verwaterd Kapitaal

146.032.535 Aandelen, het verwachte aantal geplaatste en uitstaande gewone aandelen van de Vennootschap op de Dag van Overdracht bij een Biedprijs van EUR 2,85, na uitoefening van de uitstaande opties

onder de GSOP en uitoefening van de rechten volgens de LTIP, exclusief 5,1 miljoen gewone aandelen in de Vennootschap die verwacht worden gehouden te worden door de Venootschap op de Dag van Overdracht

Voorzitter

de voorzitter van de Raad van Commissarissen

Werkdag(en)

een dag anders dan een zaterdag of zondag waarop de banken in Nederland, ingevolge de Algemene Bank-CAO, en Euronext Amsterdam open zijn voor handel

Wft

Wet op het financieel toezicht

13. ADVISERS AND SETTLEMENT AGENT

Advisers to:

THE OFFEROR

Financial Adviser

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Legal Adviser

Allen & Overy LLP
Apollolaan 15
1070 AK Amsterdam
The Netherlands

THE COMPANY

Financial Adviser

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
United Kingdom

Legal Adviser

Loyens & Loeff N.V.
Fred. Roeskestraat 100
1076 ED Amsterdam
The Netherlands

Dutch Accountants

PricewaterhouseCoopers
Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

Swedish Accountants

Öhrlings PricewaterhouseCoopers AB
113 97 Stockholm
Torsgatan 21
Sweden

Settlement Agent

SNS Securities N.V.
Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam
The Netherlands

Swedish Settlement Agent

Mangold Fondkommission AB
Engelbrektsplan 2
114 34 Stockholm
Sweden

PART II – LBI FINANCIAL STATEMENTS

14. LBI FINANCIAL STATEMENTS

14.1 LBi Comparative Consolidated Income Statement, Balance Sheet and Cash Flow Statement for the Financial Year 2011, the Financial Year 2010 and the Financial Year 2009

The financial figures for the year 2011 included in the 2009-2011 comparative overview, comprising summaries of the consolidated balance sheet as at 31 December 2011, the consolidated income statement and the consolidated statement of cash flows for the year then ended, are derived from the audited financial statements of the year 2011 of LBi International N.V.

The financial figures for the year 2010 of the comparative overview, are derived from the audited financial statements of the year 2011 of LBi International N.V, which include the amended comparative figures for 2010. The Company amended certain financial information in the year 2010 in respect of (a) the accounting treatment for the earn out obligation which was included in the total consideration of the acquisition of bigmouthmedia GmbH by Obtineo Netherlands Holding N.V. on 29 April 2010 and (b) in respect of shares purchased by the Management Board members in 2010 at a discounted price. Furthermore, certain amendments and reclassifications have been made to the presentation in the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position and in the Cash Flow Statement. For more detailed information we refer to Note 3 in the 2011 financial statements as included in section 14.3 of this document.

The financial figures for the year 2009 in the 2009-2011 comparative overview, comprising summaries of the consolidated balance sheet as at 31 December 2009, the consolidated income statement and the consolidated statement of cash flows for the year then ended, are derived from the audited financial statements of the year 2009 of LBi International AB. Please note that the original 2009 financial statements are expressed in SEK, which was the reporting currency of LBi International AB. For comparison purposes the EUR 2009 figures, as reported in the 2010 annual report of LBi International N.V., are included as well. As a result of the merger in 2010 the new parent company of the group is LBi International N.V. and the former parent company LBi International AB was dissolved.

Consolidated income statement	LBi Int' NV 2011 EUR million	LBi Int' NV 2010 EUR million	LBi Int' AB 2009 EUR million	LBi Int' AB 2009 SEK million
Revenue	196.6	162.8	137.5	1,460.1
Cost of sales	-128.5	-110.8	-97.2	-1,032.1
Gross margin	68.1	52.0	40.3	428.0
Selling expenses	-14.1	-13.5	-8.8	-93.9
Administrative expenses	-36.2	-37.9	-25.8	-274.5
Impairment	0	0	-68.9	-738.3
Other operating income	6.1	5.2	0.1	2.0
Operating result	23.9	5.8	-63.1	-676.7
Result from shares in associated companies	0	0	0.2	1.7
Finance income	1.5	0.1	2.1	22.7
Finance expense	-2.3	-2.6	-3.2	-34.0
Result before tax	23.1	3.3	-64.0	-686.3
Income tax	-5.3	-2.8	0.2	2.1
Net result for the period	17.8	0.5	-63.8	-684.2
Attributable to:				
Owners of the parent	17.5	0.5	-63.6	-686.6
Non-controlling interest	0.3	0.0	-0.2	2.4
Net result for the period	17.8	0.5	-63.8	-684.2
Earnings per share (EUR/SEK)	0.12	0.01	-1.03	-11.07

Consolidated income statement	LBI Int' NV 2011 EUR million	LBI Int' NV 2010 EUR million	LBI Int' AB 2009 EUR million	LBI Int' AB 2009 SEK million
Earnings per share after dilution (EUR/SEK)	0.12	0.01	-1.03	-11.07
Average number of shares outstanding (1000's)	141,224	96,717	62,023	62,023
Average number of shares outstanding after dilution(1000's)	142,683	98,194	62,057	62,057
Consolidated statement of other comprehensive income	LBI Int' NV 2011 EUR million	LBI Int' NV 2010 EUR million	LBI Int' AB 2009 EUR million*	LBI Int' AB 2009 SEK million
Net result for the period	17.8	0.5	-63.8	-684.2
Other comprehensive income				
Currency translation differences	5.1	1.7	6.5	-57.1
Net investment hedge	-2.1	-1.7	—	33.8
Tax related to net investment hedge	0.6	0.4	—	-8.9
Tax related to other components in comprehensive income	—	—	0.5	13.5
Total other comprehensive income	3.6	0.4	7.0	-18.7
Total comprehensive income for the period, net of income tax	21.4	0.9	-56.8	-702.9
Total other comprehensive income attributable to:				
Owners of the parent	21.1	0.9	-57.1	-705.0
Non-controlling interest	0.3	0.0	0.3	2.1
Total comprehensive income for the period, net of income tax	21.4	0.9	-56.8	-702.9

Notes:

*: For comparison purposes the 2009 EUR figures as reported in the 2010 annual report are included in the comparative overview next to the original 2009 SEK figures. Please note that the 2010 annual report shows less details regarding items included in "Total other comprehensive income" for the year 2009. The amount of EUR 6.5m reported as "Currency translation differences" consists of EUR 3.2m "Currency translation differences" and EUR 3.3m "Net investment hedge". The amount of EUR 0.5m reported as "Tax related to other components in comprehensive income" consists of EUR -0.8m "Tax related to net investment hedge" and EUR 1.3m "Tax related to other components in comprehensive income".

Consolidated balance sheets	LBI Int' NV 2011 EUR million	LBI Int' NV 2010 EUR million	LBI Int' AB 2009 EUR million	LBI Int' AB 2009 SEK million
Tangible assets	14.5	10.4	8.9	92.0
Goodwill	189.2	162.4	87.9	910.2
Other intangible assets	15.5	10.4	5.5	57.2
Deferred tax asset	50.8	56.5	51.0	527.7
Other non-current assets	1.8	2.1	1.8	18.7
Total non-current assets	271.8	241.8	155.1	1,605.8
Trade and other receivables	71.1	65.7	42.9	444.0
Current income tax receivable	0.1	2.6	1.1	11.4
Prepaid expenses and accrued revenue	25.8	17.5	14.2	147.2
Cash and bank deposits	41.1	44.3	21.0	217.4
Total current assets	138.1	130.1	79.2	820.0
Total assets	409.9	371.9	234.3	2,425.8
Share capital	37.5	37.5	14.2	155.0
Share premium	250.9	250.8	167.6	1,833.4
Reserves*	-38.8	-44.0	18.8	112.7
Result for the period	17.5	0.5	-64.0	-686.6
Shareholders' equity	267.1	244.8	136.6	1,414.5
Non controlling interest	0.2	-0.1	0.1	1.1
Total equity	267.3	244.7	136.7	1,415.6
Long term liabilities to credit institutions	29.8	15.6	24.9	258.2
Provisions for pensions and similar obligations	1.1	1.0	1.0	10.2
Deferred tax liability	2.1	3.6	0.8	7.8
Other provisions	13.0	5.3	9.0	94.1
Contingent consideration long term	0.0	4.7	—	-
Total long-term liabilities	46.0	30.2	35.7	370.3
Short term liabilities to credit institutions	14.6	19.3	15.1	156.3
Trade and other payables	22.3	25.9	10.3	106.1
Current income tax payable	4.9	2.1	1.3	13.4
Deferred income	20.5	12.3	—	—
Contingent consideration short term	0.4	0.0	0.0	0.0
Other short term liabilities	33.9	37.4	35.2	364.1
Total current liabilities	96.6	97.0	61.9	639.9
Total equity and liabilities	409.9	371.9	234.3	2,425.8

Note:

*: for presentation purposes equity reserves, excluding result for the period, are presented as one item.

Consolidated cash flow statement	LBI Int' NV 2011 EUR million	LBI Int' NV 2010 EUR million	LBI Int' AB 2009 EUR million	LBI Int' AB 2009 SEK million
Cash flow from operating activities:				
Result before income tax	23.1	3.3	-63.8	-686.3
Depreciation and amortisation	8.0	6.6	76.6	813.8
Interest income	-0.2	-0.3	-0.2	-1.7
Interest expense	1.2	1.5	1.5	15.1
Corporate income tax	0.9	-0.9	-1.5	-16.2
Employees equity incentive plans	0.3	4.4	0.1	0.9
Other non-cash items (incl. currency translation effect)	—	—	-0.7	1.4
Change in trade and other receivables	-6.3	-22.5	5.1	52.6
Change in work in progress	7.4	3.6	—	—
Change in trade and other payables	-3.6	14.3	—	—
Change in earn-outs and contingent considerations	-4.8	-8.6	—	—
Change in other provisions and short term liabilities	-2.3	9.2	-2.8	-28.7
Currency translation effect				
Net cash used/generated from operating activities	23.7	10.6	14.3	150.9
Cash flow from investing activities				
Acquisition of a subsidiary, net of cash acquired	-22.3	30.9	-9.4	-104.0
Purchase of non-current assets	-11.4	-8.1	-2.8	-29.2
Interest received	0.2	0.3	0.2	1.7
Net cash used/generated in investing activities	-33.5	23.1	-12.0	-131.5
Cash flow from financing activities				
Repayment of debt	-26.4	-10.7	-12.3	-130.2
Repayment of finance lease	-0.1	0.0	—	—
Movement bank overdraft	-7.0	3.6	16.1	170.4
New loans raised	43.6	0.0	—	—
Funds received from PIPE and Rights Offering 2010	0.0	9.6	—	—
Payment of earn-outs (acquisitions)	-2.6	-9.4	—	—
Interest paid	-1.2	-1.5	-1.5	-15.1
Dividends paid to NCI	0.0	-0.2	-0.2	-2.0
Net cash used/generated in financing activities	6.3	-8.6	2.1	23.1
Net cash used/generated during the year	-3.5	25.1	4.4	42.5
Cash at the beginning of the year	44.3	21.0	17.0	185.8
Effect of exchange rate changes on cash & cash equivalents	0.3	-1.8	-0.4	-10.9
Net cash used/generated during the year	-3.5	25.1	4.4	42.5
Cash at the end of the year	41.1	44.3	21.0	217.4

14.2 Auditors' statements in respect of the LBi Comparative Consolidated Income Statement, Balance Sheet and Cash Flow Statement for Financial Year 2011, the Financial Year 2010 and the Financial Year 2009

(a) Auditor's statement in respect of the LBi Comparative Consolidated Income Statement, Balance Sheet and Cash Flow Statement for Financial Year 2011 and the Financial Year 2010

Independent auditor's report

To: the management board of LBi International N.V.

We refer to the comparative overview of LBi International N.V., Amsterdam, as included in Part II on pages 79 up to and including 82 of this Offer Document dated 12 November 2012. The financial figures for the years 2010 and 2011 of this comparative overview, comprising summaries of the consolidated balance sheet as at 31 December 2010 and 2011, the consolidated income statement and the consolidated statement of cash flows for the years then ended, are derived from the audited financial statements of the year 2011 of LBi International N.V, which include the amended comparative figures for 2010. We expressed an unqualified audit opinion on the 2010 financial statements in our independent auditor's report dated 14 April 2011 and on the 2011 financial statements, which include the amended comparative figures for 2010, in our independent auditor's report dated 12 April 2012. Those financial statements, and the comparative overview, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The comparative overview for the year ended 31 December 2009 of LBi International N.V. has not been audited by us.

The comparative overview as included in Part II of this Offer Document does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the comparative overview, therefore, is not a substitute for reading the audited financial statements of LBi International N.V.

Management board's responsibility

The Management Board of LBi International N.V. is responsible for the preparation of the comparative overview of summaries of the consolidated balance sheet, consolidated income statement and consolidated statement of cash flows for the financial year 2010 and the financial year 2011, in accordance with the criteria as set out in the Section 14.1.

Auditor's responsibility

Our responsibility is to express an opinion on the 2010 and 2011 comparative overview of summaries of the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows of LBi International N.V. based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 "Engagements to report on summary financial statements".

Opinion

In our opinion, the 2010 and 2011 comparative overview as included in Part II of the Offer Document dated 12 November 2012 derived from the audited financial statements of LBi International N.V. for the year 2011, are consistent, in all material aspects, with those financial statements in accordance with the criteria as set out in Section 14.1.

Other matter – restriction of use

The comparative overview and our auditor's report thereon are intended solely for enclosure in the Offer Document in connection with the recommended cash offer of Publicis Groupe Holdings B.V., an indirect subsidiary of Publicis Groupe S.A., and cannot be used for other purposes.

Amsterdam, 12 November 2012
PricewaterhouseCoopers Accountants N.V.
B. Koolstra R.A.

(b) Auditor's statement in respect of the LBi Comparative Consolidated Income Statement, Balance Sheet and Cash Flow Statement for Financial Year 2009

Independent auditor's report

To: the management board of LBi International N.V.

We refer to the comparative overview of LBi International N.V., Amsterdam,/LBI International AB, Stockholm as included in Part II on pages 79 up to and including 82 of this Offer Document dated 12 November 2012. The financial figures for the year 2009 in SEK of this comparative overview, comprising summaries of the consolidated balance sheet as at 31 December 2009, the consolidated income statement and the consolidated statement of cash flow for the year then ended, are derived from the audited financial statements of the year 2009 of LBI International AB. We expressed an unqualified audit opinion on the 2009 financial statements in our independent auditor's report dated 12 April 2010. Those financial statements, and the comparative overview, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements. The comparative overview for the years ended 31 December 2010 and 31 December 2011 of LBi International N.V. has not been audited by us. The comparative overview as included in Part II of this Offer Document does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union, the Swedish Annual Accounts Act and by RFR 1.2 Supplementary Accounting Rules for Groups. Reading the comparative overview, therefore, is not a substitute for reading the audited financial statements of LBi International N.V./LBI International AB.

Management board's responsibility

The Management Board of LBi International N.V. is responsible for the preparation of the comparative overview of summaries of the consolidated balance sheet, consolidated income statement and consolidated statement of cash flow for the financial year 2009, in accordance with the criteria as set out in Section 14.1.

Auditor's responsibility

Our responsibility is to express an opinion on the 2009 comparative overview of summaries of the consolidated balance sheet, consolidated income statement, consolidated statement of cash flow of LBI International AB based on our procedures, which we conducted in accordance with International Standard on Auditing (ISA) 810 "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the 2009 comparative overview as included in Part II of the Offer Document dated 12 November 2012 derived from the audited financial statements of LBI International AB for the year 2009, are consistent, in all material aspects, with those financial statements in accordance with the criteria as set out in Section 14.1.

Other matter – restriction of use

The comparative overview and our auditor's report thereon are intended solely for enclosure in the Offer Document in connection with the recommended cash offer of Publicis Groupe Holdings B.V., an indirect subsidiary of Publicis Groupe S.A., and cannot be used for other purposes.

Stockholm, 12 November 2012
Öhrlings PricewaterhouseCoopers AB
Hans Jöhnsson
Authorized Public Accountant

14.3 LBi Consolidated Financial Statements 2011, including explanatory notes

The page numbers included in this Section 14.3 and in Section 14.4 refer to the page numbers in the original 2011 financial statements LBi International N.V.

CONSOLIDATED FINANCIAL STATEMENTS 2011

Consolidated income statement

For the year ended 31 December 2011

EUR million	Note	2011	2010 Amended ^o
Revenue	7	196.6	162.8
Cost of sales	8,9,10,11	-128.5	-110.8
Gross margin		68.1	52.0
Selling expenses	8,9,10,11	-14.1	-13.5
Administrative expenses	8,9,10,11	-36.2	-37.9
Other operating income	12	6.1	5.2
Operating result		23.9	5.8
Finance income	13	1.5	0.1
Finance expenses	13	-2.3	-2.6
Result before income tax		23.1	3.3
Income tax	14	-5.3	-2.8
Net result for the period		17.8	0.5
Attributable to:			
Owners of the Parent		17.5	0.5
Non-controlling interest		0.3	-
Net result for the period		17.8	0.5
Earnings per share (EUR)	15	0.12	0.01
Earnings per share after dilution (EUR)	15	0.12	0.01
Average number of shares outstanding (1000's)		141,224	96,717
Average number of shares outstanding after dilution (1000's)		142,683	98,194

^o See Note 3: Comparative information

The accompanying notes form an integral part of the financial statements

Consolidated statement of comprehensive income

For the year ended 31 December 2011

EUR million	2011	2010 Amended ^o
Net result for the period	17.8	0.5
Other comprehensive income		
Currency translation differences	5.1	1.7
Net investment hedge	-2.1	-1.7
Tax related to net investment hedge	0.6	0.4
Total other comprehensive income	3.6	0.4
Total comprehensive income for the period, net of income tax	21.4	0.9
Total comprehensive income attributable to:		
Owners of the Parent	21.1	0.9
Non-controlling interest	0.3	-
Total comprehensive income for the period, net of income tax	21.4	0.9

^o See Note 3: Comparative information

The accompanying notes form an integral part of the financial statements

Consolidated statement of financial position

For the year ended 31 December 2011

EUR million	Note	31 Dec 2011	31 Dec 2010 Amended ^o
Tangible assets	16	14.5	10.4
Goodwill	17	189.2	162.4
Other intangible assets	17	15.5	10.4
Deferred tax asset	18	50.8	56.5
Other non-current assets	19	1.8	2.1
Total non-current assets		271.8	241.8
Trade and other receivables	20	71.1	65.7
Current income tax receivables		0.1	2.6
Prepaid expenses and accrued revenue	21	25.8	17.5
Cash and bank deposits	22	41.1	44.3
Total current assets		138.1	130.1
Total assets		409.9	371.9
Share capital		37.5	37.5
Additional paid in capital		250.9	250.8
Currency translation reserve		12.2	8.6
Retained earnings		- 51.0	- 52.6
Result for the period		17.5	0.5
Shareholders' equity		267.1	244.8
Non-controlling interest		0.2	- 0.1
Total equity	23,24	267.3	244.7
Long term liabilities to credit institutions	25	29.8	15.6
Provisions for pensions and similar obligations	26	1.1	1.0
Deferred tax liability	18	2.1	3.6
Other provisions	27	13.0	5.3
Contingent consideration long term	28	-	4.7
Total long term liabilities		46.0	30.2
Short term liabilities to credit institutions	29	14.6	19.3
Trade and other payables	30	22.3	25.9
Current income tax payable		4.9	2.1
Deferred income		20.5	12.3
Contingent consideration short term	28	0.4	-
Other short term liabilities	31	33.9	37.4
Total current liabilities		96.6	97.0
Total equity and liabilities		409.9	371.9

^o See Note 3: Comparative information

The accompanying notes form an integral part of the financial statements

Consolidated statement of changes in equity

For the year ended 31 December 2011

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 2010	14.2	167.6	9.6	9.8	- 64.6	136.6	0.1	136.7
Appropriation of result	-	-	-	- 64.6	64.6	-	-	0.0
New share issue related to merger	19.7	84.9	-	-	-	104.6	-	104.6
New share issue related to equity incentive plan	2.2	-	-	- 1.7	-	0.5	-	0.5
Translation result legal merger	1.4	-	- 1.4	-	-	-	-	0.0
Transaction costs	-	- 1.7	-	-	-	- 1.7	-	- 1.7
Impact of options and awards	-	-	-	3.9	-	3.9	-	3.9
Other comprehensive income	-	-	0.4	-	-	0.4	-	0.4
Result for the period	-	-	-	-	0.5	0.5	-	0.5
Transactions with non-controlling interests ¹⁾	-	-	-	-	-	-	- 0.2	- 0.2
Closing balance at 31 December 2010 Amended^o	37.5	250.8	8.6	- 52.6	0.5	244.8	- 0.1	244.7
Opening balance 1 January 2011	37.5	250.8	8.6	- 52.6	0.5	244.8	- 0.1	244.7
Appropriation of result	-	-	-	0.5	- 0.5	-	-	0.0
Impact of options and awards	-	0.1	-	1.1	-	1.2	-	1.2
Other comprehensive income	-	-	3.6	-	-	3.6	-	3.6
Result for the period	-	-	-	-	17.5	17.5	-	17.5
Transactions with non-controlling interests ¹⁾	-	-	-	-	-	-	0.3	0.3
Closing balance at 31 December 2011	37.5	250.9	12.2	- 51.0	17.5	267.1	0.2	267.3

^o See Note 3: Comparative information

¹⁾ Transactions with non-controlling interests relate to dividend payment to the minority shareholder of MetaDesign AG in Germany

Consolidated cash flow statement

For the year ended 31 December 2011

EUR million	Note	2011	2010 Amended ^o
Cash flow from operating activities			
Result before income tax		23.1	3.3
Depreciation and amortisation	11	8.0	6.6
Interest income	13	-0.2	-0.3
Interest expense	13	1.2	1.5
Corporate income tax paid/received		0.9	-0.9
Employees equity incentive plans	9	0.3	4.4
Change in trade and other receivables	20,21	-6.3	-22.5
Change in work in progress	21	7.4	3.6
Change in trade and other payables	30	-3.6	14.3
Change in earn-outs and contingent considerations	12,27	-4.8	-8.6
Change in other provisions and short term liabilities	27,31	-2.3	9.2
Net cash used/generated from operating activities		23.7	10.6
Cash flow from investing activities			
Acquisition of a subsidiary, net of cash acquired	6	-22.3	30.9
Purchase of non-current assets	16,17	-11.4	-8.1
Interest received	13	0.2	0.3
Net cash used/generated in investing activities		-33.5	23.1
Cash flow from financing activities			
Repayment of debt	25,29	-26.4	-10.7
Repayment of finance lease	29	-0.1	-
Movement bank overdraft	29	-7.0	3.6
New loans raised	25,29	43.6	-
Funds received from Rights Offering 2010		-	9.6
Payment of earn-outs (acquisitions)	27	-2.6	-9.4
Interest paid	13	-1.2	-1.5
Dividends paid to NCI		-	-0.2
Net cash used/generated in financing activities		6.3	-8.6
Net cash used/generated during the year		-3.5	25.1
Cash at the beginning of the year			
		44.3	21.0
Effect of exchange rate changes on cash and bank deposits		0.3	-1.8
Net cash used/generated during the year		-3.5	25.1
Cash at the end of the year		41.1	44.3

^o See Note 3: Comparative information

The accompanying notes form an integral part of the financial statements

Notes to the consolidated financial statements

NOTE 1

GENERAL INFORMATION

LBi international N.V. and its subsidiaries is a leading European marketing and technology agency with a global reach. As a marketing and technology agency, LBi offers 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 ongoing relationships with the brand. The Group employs approximately 2,050 professionals located mainly in Europe and the USA.

LBi International N.V. is a public company with limited liability (naamloze vennootschap), incorporated under Dutch law as a public limited liability company, by a notarial deed executed on 28 December 2009 under the name Obtineo Netherlands Holding N.V. On 29 July 2010, the reverse merger between LBi AB and Obtineo (consisting of search engine specialist bigmouthmedia GmbH and EUR 40 million in cash) was finalised, forming a new company operating under the name LBi International N.V. Effectively LBi International AB merged with bigmouthmedia GmbH forming LBi International N.V. As of 5 August 2010 the Company is listed on NYSE Euronext Amsterdam. The Dutch Corporate Governance Code applies to LBi.

The address of its registered office is Joop Geesinkweg 209, 1096 AV Amsterdam, the Netherlands.

The 2010 Annual Report was the first annual report of the combined entity and the 2010 Company statements were the first ones of the newly incorporated LBi International N.V. The 2010 Annual Report provides extensive information about the conditions and effects of the merger and related transactions.

During 2011, the Group acquired 100% of the membership interests of Mr Youth, a digital marketing agency in the United States that has particular knowledge of social media. Furthermore, 51% of the shares in Rethink GmbH was acquired. Rethink is a Berlin based company which has specific knowledge in the field of smart phone applications.

As the financial statements of LBi International N.V. are included in the consolidated financial statements, the Company income statement is presented in an abridged form (article 402 of Book 2 of the Dutch Civil Code).

2.1 Statement of compliance

The consolidated financial statements of LBi International N.V. have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention; certain financial assets and financial liabilities (including derivative instruments) are recognised at fair value through profit or loss.

The consolidated financial statements were prepared by the Management Board, and authorised for issue by the Supervisory Board of the Company on 12 April 2012 and will be submitted for adoption to the Annual General Meeting of Shareholders on 24 May 2012.

2.2 Basis of measurement

Until the merger in 2010, LBi international AB was listed on the OMX Nordic Stock Exchange in Stockholm. The company was Sweden based and the Swedish (SEK) most faithfully represented the economic effects of the underlying transactions, events and conditions of the company. Therefore, the functional and presentation currency was the SEK. After the merger, the listing was moved from Sweden to the Netherlands and a new holding company was incorporated: LBi international N.V. Since then, the euro (EUR) better represents the economic effects of the underlying transactions, events and conditions of the (new) Company. Therefore the functional as well as the presentation currency has been changed from SEK to EUR in 2010. All financial information presented in euros has been rounded to the nearest million with one decimal, unless stated otherwise.

2.3 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Acquisitions of subsidiaries and non-controlling interests need to be recognised at fair value. The valuation methodology requires estimates concerning the future performance, the cost of capital and other parameters. Information about the valuation of acquisitions can be found in Note 6.
- The Group tests annually whether any impairment has occurred on goodwill and other intangible assets with an indefinite life. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates in the field of future performance, cost of capital, capital requirements and growth perspectives. More details can be found in Note 17.
- The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain at the time when the transactions and calculations are made. The Group recognises liabilities and assets for anticipated tax audit issues based on assessments of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. More details about tax assets and liabilities can be found in Note 18.
- LBi has two employee equity incentive plans, a Global Share Option Plan and a Long Term Incentive Plan for LBi's Management Board, Supervisory Board and certain key personnel. The equity incentive plans are all fully equity settled and the initial recognition is subject to considerable judgements and estimates. These relate to the volatility of the share, expected share price developments and certain other parameters that are set out in more detail in Note 24. As all equity incentive plans are fully equity settled the uncertainty is limited to the initial recognition in the income statement. Subsequent changes in one or more of the assumptions would have no impact on the value recognised.
- In order to be able to satisfy future exercise of employee awards that result from the Long Term Incentive Plan (LTIP), the Group has issued new shares. The number of shares to be issued was estimated based on the specifications of the (LTIP), management knowledge of the Company and its competitors and general economic conditions. More information about the LTIP can be found in Note 24.

- The Group faces various financial risks that are assessed and monitored on a continuous basis. Estimates need to be made in the field of developments of interest rate, future Group performance and related cash requirements, condition of the economy, exchange rate developments among others. Judgements need to be made in the field of the magnitude of the risk, the chance that it occurs and the way of mitigating and or eliminating it. More details about our financial risk management policies can be found in Note 5.
- The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver design services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as of the balance sheet date as a proportion of the total services to be performed. More information on our revenue recognition policies can be found in Note 4.
- The Group has entered into several contingent considerations resulting from past acquisition and applied judgment in the classification of changes in the fair value in the income statement. The changes in fair value for these financial instruments are classified as operating income. Management feels this is an appropriate classification since the fair value movements are ultimately linked with the operating performance of the Company.

2.4 Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and bank deposits. Cash flows denominated in foreign currencies have been translated at average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid is reflected as a financing activity and interest received as an investment activity. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired Group company is recognised as cash used in investing activities where it was settled in cash. Any cash and bank deposits in the acquired Group company were deducted from the purchase consideration. Cash payments of earn-out obligations are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing.

Background and reasons for amendment

The Company amended certain financial information in the prior period in respect of (a) the accounting treatment for the earn out obligation which was included in the total consideration of the acquisition of bigmouth-media GmbH by Obtineo Netherlands Holding N.V. on 29 April 2010 and (b) in respect of shares purchased by the Management Board members in 2010 at a discounted price.

Furthermore, certain other amendments and reclassifications have been made to the comparative financial information as outlined in this disclosure note.

The AFM (Netherlands Authority for the Financial Markets) has performed a routine review of LBI's 2010 financial statements. The AFM has notified the Company on the basis of their interpretation of relevant accounting standards to reconsider the accounting treatment of the contingent consideration and the share purchase by the management. Due to fact that the structure of the cross border merger with Obtineo was highly complex, the application of IFRS in this area involved significant judgment. The Management Board followed the notification of the AFM and reviewed the accounting treatment of both subjects. While the Management Board is still of the opinion that the accounting treatments chosen in the financial statements as of December 31, 2010 gave a true and fair view on the financial position of the Company, it is also satisfied that alternative views as preferred by the AFM result in a different accounting treatments. Therefore the Company reconsidered its accounting for these unique transactions. The fair values have been reassessed and as a result changes have been made to the accounting of these transactions in 2010 and 2011.

The impact of this accounting treatment on the EBIT (operating result) for the year 2011 is limited to only EUR 0.2 million (EUR 24.1 million in the year-end release compared to EUR 23.9 million in the Annual Report 2011). The impact of the change on the balance sheet valuation of the contingent consideration per 31 December 2011 was EUR 1.8 million (EUR 2.2 million in the year-end release compared to EUR 0.4 million in the Annual Report). There was no impact on cash flow. The liability expired on 5 February 2012 and settled with zero cash.

Financial impact

The accounting treatment for contingent considerations has been amended as follows:

According to the accounting treatment as included in the 2010 financial statements this earn out obligation was accounted for as a provision, which was based on management's best estimate. This resulted in a

provision for contingent consideration of EUR 6.7 million at year end 2010 and of EUR 2.2 million at year end 2011. Under the new accounting treatment this specific contingent consideration is a financial instrument, for which the fair value is determined based on generally applied valuation models, such as Black and Scholes. This treatment would have resulted in a financial liability of EUR 4.7 million at year end 2010 and of EUR 0.4 million at year end 2011. The differences have been recognised in the applicable income statements and all related notes have been adjusted accordingly. Going forward the change is expected to have limited impact as only one such liability exists, which expired in February 2012 and resulted in no cash out flow. Because the initial recognition was during 2010 there is no impact on the opening balance sheet position of 1 January 2010, consequently no adjusted opening balance sheet position for the comparative period has been included.

The accounting treatment of the share purchase by the Management Board has been amended as follows:

Because the transaction was part of the PIPE arrangement, that was effected before the acquisition of BMM by Obtineo on 29 April 2010, the difference between the fair value of the shares and the price that was actually paid by the management (EUR 0.5 million) has not been reflected in the consolidated income statement 2010 of LBI international N.V. In the 2011 financial statements management follows the notification of AFM that this transaction should have resulted in expenses for LBI International AB at the time of the transaction and therefore should have been reflected in the 2010 consolidated income statement. All statements and related notes have been adjusted accordingly. Since the initial recognition was during 2010 there is no impact on the opening balance sheet position of 1 January 2010, consequently no adjusted opening balance sheet position for the comparative period has been included.

The AFM recommended revising the policy to keep the SEK as the functional currency of the Swedish branch

The Swedish branch is an integral part of the parent company, LBI International N.V. The parent company holds the euro as its functional currency, whereas the branch kept the SEK as its functional currency. Upon notification of the AFM, it was decided to change the functional currency of the branch from SEK to EUR. This resulted in an additional currency translation result of EUR -0.6 million in the 2010 income statement.

Revision of components of equity resulted in the following amendments within equity

In the 2010 financial statements 'other reserves' was presented separately from 'retained earnings'. In the 2011 financial statements these two components of equity are presented in a single column. Further to an in depth investigation of the currency translation reserve it was determined that IAS

21.35-37 has not been applied properly. This has been amended in the comparative information. The amendment entails a shift of EUR 37.9 million which has been reclassified to retained earnings.

Other reclassifications

Further to the above the Company has changed certain other classifications in the comparative financial information to reflect current year's presentation.

The most significant elements are the following:

Basis for preparation for the Company only financial statements. The basis of preparation of the Company only financial statements has been changed from IFRS to Dutch GAAP. Under IFRS subsidiaries were valued using historical cost principles, whereas Dutch Gaap requires the use of the net asset method. As a result of application of Dutch Gaap the total consolidated equity is equal to the Company only equity.

The classification of certain elements in the cash flow statement as further outlined below:

- In the 2010 financial statements interest income and expense were recorded under cash from operations. In the 2011 financial statements these are reported under cash from investment activities and cash from financing activities respectively.
- In the 2010 financial statements the acquired cash balances that result from the PIPE and Rights Offering were categorised under cash flows from financing activities in 2010. The PIPE, however, was effectuated before the merger with Obtineo and the related cash flows should have been classified as acquired cash. The Rights Offering took place after the merger and the related cash flow was correctly recorded under financing

activities. In the 2011 cash flow statement the cash flows related to the PIPE have been recorded as acquisition of subsidiary, net of cash' under cash flows from investment activities.

- In the 2010 financial statements Note 20 stated that the cash and cash equivalents in the consolidated cash flow statement include bank overdrafts. This was not the case. In the 2011 Annual Report the note on cash and bank deposits has been adjusted.
- In the 2010 financial statements payments of earn-out obligations were recognised as cash used in investing activities. In the 2011 financial statements these have been recognised as cash used in financing activities.

The classification of certain elements in the statement of financial position has changed as follows:

- Classification of goodwill as a separate line item instead of aggregated under 'other intangible assets'. This is required per IAS 1.29 to present separately each material class of similar assets;
- Classification of current tax positions as a separate line item instead of aggregated under 'trade and other receivables' and 'trade and other payables'. This is required per IAS 1.24(n) to present current tax positions as separate line items;
- Classification of deferred income as a separate line item. This is required per IAS 1.29 to present separately each material class of similar assets;
- Classification of the contingent consideration as a separate line item instead of aggregated under 'other provisions'. The contingent consideration is a financial instrument (IAS39) and not a provision (IAS 37).

On the next pages the amendments to the consolidated financial statements are given.

Consolidated income statement EUR million	2010	Amendment	2010 Amended
Revenue	162.8	-	162.8
Cost of sales	-110.8	-	-110.8
Gross margin	52.0	0.0	52.0
Selling expenses	-13.5	-	-13.5
Administrative expenses	-37.4	-0.5	-37.9
Other operating income	3.2	2.0	5.2
Operating result	4.3	1.5	5.8
Finance income	0.7	-0.6	0.1
Finance expenses	-2.6	-	-2.6
Result before tax	2.4	0.9	3.3
Income tax	-2.8	-	-2.8
Net result for the period	-0.4	0.9	0.5
Attributable to:			
Owners of the Parent	-0.4	0.9	0.5
Non-controlling interest	-	-	-
Net result for the period	-0.4	0.9	0.5
Earnings per share (EUR)	0.00	0.01	0.01
Earnings per share after dilution (EUR)	0.00	0.01	0.01
Average number of shares outstanding (1000's)	97,277	-560	96,717
Average number of shares outstanding after dilution (1000's)	97,557	637	98,194
Consolidated statement of comprehensive income EUR million	2010	Amendment	2010 Amended
Net result for the period	-0.4	0.9	0.5
Other comprehensive income			
Currency translation differences	-1.0	2.7	1.7
Tax related to current year's translation differences	0.1	-0.1	-
Net investment hedge	-	-1.7	-1.7
Tax related to net investment hedge	-	0.4	0.4
Total other comprehensive income	-0.9	1.3	0.4
Total comprehensive income for the period, net of income tax	-1.3	2.2	0.9
Total comprehensive income attributable to:			
Owners of the Parent	-1.3	2.2	0.9
Non-controlling interest	-	-	-
Total comprehensive income for the period, net of income tax	-1.3	2.2	0.9

Consolidated statement of financial position EUR million	31 Dec 2010	Amendment	31 Dec 2010 Amended
Tangible assets	10.4	-	10.4
Goodwill*	-	162.4	162.4
Other intangible assets	172.8	-162.4	10.4
Deferred tax asset	56.5	-	56.5
Other non-current assets	2.1	-	2.1
Total non-current assets	241.8	0.0	241.8
Trade and other receivables	68.3	-2.6	65.7
Current income tax receivables	-	2.6	2.6
Prepaid expenses and accrued revenue	17.5	-	17.5
Cash and bank deposits	44.3	-	44.3
Total current assets	130.1	0.0	130.1
Total assets	371.9	0.0	371.9
Share capital	35.3	2.2	37.5
Share premium	250.8	-	250.8
Other reserves*	47.6	-47.6	-
Currency translation reserve*	-26.0	34.6	8.6
Retained earnings*	-65.2	12.6	-52.6
Result for the period	-0.4	0.9	0.5
Shareholders' equity	242.1	2.7	244.8
Non-controlling interest	-0.1	-	-0.1
Total equity	242.0	2.7	244.7
Long term liabilities to credit institutions	15.6	-	15.6
Provisions for pensions and similar obligations	1.0	-	1.0
Deferred tax liability	3.6	-	3.6
Other provisions	13.6	-8.3	5.3
Contingent consideration long term	-	4.7	4.7
Total long term liabilities	33.8	-3.6	30.2
Short term liabilities to credit institutions	19.3	-	19.3
Trade and other payables	28.0	-2.1	25.9
Current income tax payable	-	2.1	2.1
Deferred income	-	12.3	12.3
Contingent consideration short term	-	-	-
Other short term liabilities	48.8	-11.4	37.4
Total current liabilities	96.1	0.9	97.0
Total equity and liabilities	371.9	0.0	371.9

* This affects the opening balance of 2010, however, because all relevant information is available in this report no opening balance has been provided here

Consolidated statement of changes in equity EUR million	Share capital	Addi- tional paid in capital	Other reserves	Currency transla- tion reserve	Retained earnings	Result for the period	Non- controlling interests	Total equity
Opening balance 1 January 2010	14.2	167.6	48.3	- 28.3	- 65.2	0.0	0.1	136.7
Total comprehensive income	-	-	- 4.6	3.7	-	- 0.4	-	- 1.3
New share issue related to merger	19.7	84.9	-	-	-	-	-	104.6
Translation result legal merger	1.4	-	-	- 1.4	-	-	-	0.0
Transaction costs	-	- 1.7	-	-	-	-	-	- 1.7
Impact of options and awards	-	-	3.9	-	-	-	-	3.9
Transactions with related parties	-	-	-	-	-	-	- 0.2	- 0.2
Closing balance at 31 December 2010	35.3	250.8	47.6	- 26.0	- 65.2	- 0.4	- 0.1	242.0

Amendments								
Opening balance 1 January 2010	0.0	0.0	- 46.1	37.9	72.8	- 64.6	0.0	0.0
Appropriation of result	-	-	-	-	- 64.6	64.6	-	0.0
Movement between reserves	-	-	- 4.4	-	4.4	-	-	0.0
New share issue related to equity incentive plan	2.2	-	- 1.7	-	-	-	-	0.5
Other comprehensive income	-	-	4.6	- 3.3	-	-	-	1.3
Result for the period	-	-	-	-	-	0.9	-	0.9
Total amendment	2.2	0.0	- 47.6	34.6	12.6	0.9	0.0	2.7

Opening balance 1 January 2010 Amended °	14.2	167.6	2.2	9.6	7.6	- 64.6	0.1	136.7
Appropriation of result	-	-	-	-	- 64.6	64.6	-	0.0
Movement between reserves	-	-	- 4.4	-	4.4	-	-	0.0
New share issue related to merger	19.7	84.9	-	-	-	-	-	104.6
New share issue related to equity incentive plan	2.2	-	- 1.7	-	-	-	-	0.5
Translation result legal merger	1.4	-	-	- 1.4	-	-	-	0.0
Transaction costs	-	- 1.7	-	-	-	-	-	- 1.7
Impact of options and awards	-	-	3.9	-	-	-	-	3.9
Other comprehensive income	-	-	-	0.4	-	-	-	0.4
Result for the period	-	-	-	-	-	0.5	-	0.5
Transactions with non-controlling interests	-	-	-	-	-	-	- 0.2	- 0.2
Closing balance at 31 December 2010 Amended °	37.5	250.8	0.0	8.6	- 52.6	0.5	- 0.1	244.7

Consolidated cash flow statement EUR million	2010	Amendment	2010 Amended
Cash flow from operating activities			
Result before income tax	2.5	0.8	3.3
Depreciation and amortisation	6.6	-	6.6
Change in value of financial assets through profit and loss	0.1	-0.1	-
Allowance doubtful accounts	2.2	-2.2	-
Interest income	-0.3	-	-0.3
Interest expense	1.5	-	1.5
Fair value adjustment contingent consideration	-3.1	3.1	-
Corporate income tax paid/received		-0.9	-0.9
Employees equity incentive plans	3.9	0.5	4.4
Operating cash before working capital changes and income tax paid	13.4	1.2	14.6
Working capital changes			
Change in trade and other receivables	-22.8	0.3	-22.5
Change in tax receivables/payables	-1.5	1.5	-
Change in work in progress	-	3.6	3.6
Change in trade and other payables	23.3	-9.0	14.3
Change in earn-outs and contingent considerations	-	-8.6	-8.6
Change in other provisions and short term liabilities	-	9.2	9.2
Net cash used/generated from operating activities	12.4	-1.8	10.6
Cash flow from investing activities			
Payment of earn-outs (acquisitions) and other provisions	-13.9	13.9	-
Cash spent on acquisition TRIPLE LBI	-2.9	2.9	-
Acquisition of a subsidiary, net of cash acquired	-	30.9	30.9
Purchase of non-current assets	-6.1	-2.0	-8.1
Interest received	0.3	-	0.3
Net cash used/generated in investing activities	-22.6	45.7	23.1
Cash flow from financing activities			
Repayment of debt	-9.3	-1.4	-10.7
Repayment of finance lease	-0.1	0.1	-
Movement bank overdraft	3.6	-	3.6
New loans raised	-	-	-
Funds received from PIPE and Rights Offering 2010	43.4	-33.8	9.6
Payment of earn-outs (acquisitions)	-	-9.4	-9.4
Interest paid	-1.5	-	-1.5
Dividends paid to NCI	-0.2	-	-0.2
Net cash used/generated in financing activities	35.9	-44.5	-8.6
Net cash used/generated during the year	25.7	-0.6	25.1
Cash at the beginning of the year	21.0	0.0	21.0
Effect of exchange rate changes on cash and cash equivalents	-2.4	0.6	-1.8
Net cash used/generated during the year	25.7	-0.6	25.1
Cash at the end of the year	44.3	0.0	44.3

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Changes in Accounting Policies

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that had a material impact on the Group.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted:

IAS 19 'Employee benefits' was amended in June 2011.

The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Group is not expecting a material impact on the financial statements.

IFRS 9 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities.

IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

IFRS 10 'Consolidated financial statements'

builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Parent Company. The standard

provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

IFRS 12 'Disclosures of interests in other entities'

includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

IFRS 13 'Fair value measurement'

aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2013.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

4.2 Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values on the acquisition date of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities

assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's

investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

As long as control is retained, the Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions. The identified reportable segments are UK, Central and Southern Europe, USA and Scandinavia.

4.4 Classification

Non-current assets and long term liabilities in the Group consist in all material respects of amounts expected to be recovered or paid more than 12 months from the period end date only. Current assets and current liabilities in the Group consist in all material respects of only amounts expected to be recovered or paid within 12 months from the period end date only.

4.5 Foreign currency

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Tax charges and credits attributable to exchange differences on those monetary items, if any, are also recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in comprehensive income.

Financial statements of foreign businesses

The functional currency has been determined for each foreign operation on the basis of the currency that best reflect the underlying transactions, events and conditions relevant to the operations. This is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company.

The presentation currency of the financial statements of the Group changed from the Swedish Kronor in prior years to the euro as of 29 July 2010, the effective date of the Merger. Results and financial position of all Group entities that have a functional currency different from the presentation currency are translated in the presentation currency. The assets and liabilities for each balance sheet of these foreign businesses, including goodwill arising on the acquisition of a foreign business, are translated to euros using the exchange rate prevailing on the balance sheet date. Income and expenses for each income statement in foreign operations are translated to euros using the average rate of exchange at each respective transaction

date. Translation differences resulting from translating foreign operations and/or investments in foreign operations are reported as a translation reserve in other comprehensive income.

Upon disposal of a foreign operation the accumulated translation differences are realised in the consolidated income statement. Related translation differences that result from a net investment hedge and that have been recorded in OCI are recycled to the consolidated income statement.

The following exchange rates were used whilst preparing these consolidated financial statements:

Foreign exchange rates		Average against EUR	Ultimate against EUR
AED	Arab Emirates Dinar	0.19	0.21
CHF	Swiss Franc	0.81	0.82
DKK	Danish Krone	0.13	0.13
GBP	British Pound	1.15	1.19
INR	Indian Rupee	0.02	0.01
NOK	Norwegian Krone	0.13	0.13
PLN	Polish Zloty	0.24	0.23
SEK	Swedish Krona	0.11	0.11
USD	United States Dollar	0.72	0.77

4.6 Tangible assets

Owned assets

Tangible fixed assets comprise buildings, adaption to leased premises and computer equipment. After recognition as an asset, a tangible fixed asset is carried at its historical cost less any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Buildings 25-40 years
- Machinery and equipment 3-5 years
- Adaption of premises/leasehold improvements coincides with underlying lease contract, max five years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount (Note 4.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income' in the income statement.

4.7 Intangible Assets

Goodwill

Goodwill is the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is presented separately on the statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are subsequently carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship. The expected useful life of customer relationships is estimated per acquisition and vary between three and five years.

Computer software and R&D

Purchased software is measured at cost less accumulated amortisation and impairment losses. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities, otherwise it is recognised in the income statement when incurred. Development activities should meet the following criteria:

- Development activities involve a plan or a design for production
- The newly developed goods are substantially improved or entirely new good/services
- It is technically and commercially feasible
- Future economic benefits are probable
- LBi intends and has sufficient resources to complete the product and use or sell it
- The expenditure attributable to the software product during its development can be reliably measured.

The expenditure capitalised includes the cost of materials, direct labour, overhead costs and the costs of borrowing that are directly attributable to preparing the asset for its intended use if this lasts for more than one year. Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement when incurred. Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

4.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually or in case of a triggering event for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.9 Financial Assets

Classification

The Group classifies its financial assets in (a) at fair value through profit or loss and (b) loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and bank deposits' in the balance sheet (Notes 20 and 22).

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost, using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

4.10 Impairment of financial assets

Group Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria the Group uses to determine whether there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - adverse changes in the payment status of borrowers in the portfolio; and
 - national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the

impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

4.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.12 Derivative financial instruments and hedging activities

A derivative is a financial instrument:

- Whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index;
- That requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and
- That is settled at a future date. [IAS 39.9]

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives either as hedges of a net investment in a foreign operation (net investment hedge) or hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income (in the cash flow hedge reserve). The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in comprehensive income are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

The gain or loss relating to the effective portion of interest rate swaps that are hedging variable rate borrowings is recognised in the income statement within 'finance income/expense'.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold. The group uses loans as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement. The Group uses as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 5. for more details.

4.13 Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected income tax payable in respect of taxable profit for the year, using tax rates enacted or substantially enacted on the balance sheet date, and any adjustment to income tax payable in respect of profits of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, for deductible, respectively taxable, temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax assets and liabilities are not recognised for the following temporary differences:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed on each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets are recognised in respect of the carry forward of unused tax losses and tax credits. When an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

4.14 Trade receivables

Trade receivables are classified in the category loan and receivables. Collection of trade receivables is expected within one year, they are classified as current assets. Trade receivables are initially recognised at fair value and subsequently at (amortised) cost, less provision for impairment. Impairment charges against trade receivables are accounted for in operating expenses.

4.15 Cash and bank overdrafts

Cash and cash equivalents include cash at hand, bank account balances, bills of exchange and cheques (only those which can be cashed in the short-term). All highly liquid investments with an original maturity of three months or less at date of purchase are considered to be cash equivalents. Bank overdrafts are presented separately as short term liabilities to credit institutions.

4.16 Share capital

Both ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or equity incentives are shown in equity as a deduction, net of tax, from the proceeds. The Company has two preference shares: A and B (Note 23). The pricing of and accounting for of preference shares is the same as for regular shares.

Where any Group company purchases LBi International's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity.

4.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified in the category current liabilities. Trade payables have a short expected term (< 1 yr). Trade payables are recognised initially at fair value and subsequently at (amortised) cost.

4.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4.19 Employee benefits

Defined contribution pension plans

Obligations relating to fees for defined contribution pension plans are reported as an expense in the income statement as incurred. The Group pays set fees to a separate legal entity and has no obligation to make further payments of fees.

Defined benefit pension plans

The Group has defined benefit pension plan obligations in subsidiary MetaDesign AG in Germany and in Italian subsidiary IconMedialab. In defined benefit pension plans benefits are paid to employees and former employees based on the salary at the time of retirement and the number of years of service. The Group bears the risk for payment of earned benefits. The defined benefit pension plans are not funded. The pension cost and the pension obligation for defined benefit pension plans is calculated in accordance with the projected unit credit method. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the income statement in the period in which they arise.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

4.20 Share based payments

LBI has two employee equity incentive plans in place, a Global Share Option Plan (GSOP) and a Long Term Incentive Plan (LTIP). The fair value of equity incentives awarded is reported as a personnel expense with a corresponding increase in equity. The fair value is calculated at the time of the grant date and is distributed over the vesting period. The fair value of equity incentives awarded before 2010 is calculated in accordance with the Black-Scholes model and due consideration is given to the terms and conditions that applied at the time the awards were made. The fair value of equity incentives awarded in 2010 or thereafter is calculated using the John C. Hull model. The wage tax and social security contributions payable in connection with the grant of the awards is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

When the company issues new shares as a consequence of an exercise of equity incentives, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

4.21 Provisions & Restructuring

A provision is a liability of uncertain timing or amount. A provision is recognised in the balance sheet when, and only when:

- The Group or the entity has a present obligation (legal or constructive) as a result of a past event;
- It is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Restructuring costs

A provision for restructuring is recognised when LBI has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for. The provision includes the benefit commitments in connection with early retirement, relocation and redundancy schemes.

4.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. One time sales of goods and services mainly takes place using fixed price contracts, while services that are rendered on a continuous basis, are charged monthly. In both cases it is possible for LBI to buy media on behalf of clients. The revenue for this is recognised on a net basis.

Fixed-price contracts

Revenue from fixed-price contracts is recognised using the percentage of completion method, using the number of hours worked as measurement. Cost of sales include all direct material and labour costs, as well as indirect costs attributable to the completion of the project in question. An expected loss in a project is recognised immediately as a cost. Revenue for a fixed-price contract not yet invoiced to a customer is carried in the balance sheet as accrued revenue. Where the invoiced amount exceeds the total value of completion of the project, the excess amount invoiced is reported as advance payments from customers. Revenue from maintenance agreements is allocated to the appropriate period and recognised proportionally over the contract periods during which the services are performed.

Revenue when acting as an Agent

LBI recognises revenue gross when acting as a principal. When acting as an agent, LBI recognises revenue net, so the 'commission' or mark up only. In order to judge whether an entity or the Group acts as a principal or as an agent is assessed on the basis of the indicators as set forth below. LBI reports revenue net when the majority of the indicators below are answered with 'no':

- The Company is the primary obligor in the arrangement;
- The Company has general inventory risk;
- The Company has latitude in establishing the price;
- The Company changes the product or performs part of the service;
- The Company has discretion in supplier selection;
- The Company is involved in the determination of product or service specifications;
- The Company has physical loss inventory risk; and
- The Company has credit risk.

In addition to the above indicators, factors like relative size of the value added by the company itself, and general market practice are taken into consideration when making the final decision.

4.23 Dividend income

Dividend income is recognised when the right to receive payment is established.

4.24 Operating expenses

The income statement is compiled by function of expense.

The functions are as follows:

- Cost of sales include costs for payroll and materials, purchased services, costs for premises and costs for depreciation, amortisation and impairment of intangible and tangible non-current assets.
- Selling expenses include costs for the Company's own sales organisation and marketing.
- Administrative expenses refer to costs for Supervisory Board, management and other administration.
- Other operating income and expense refers to secondary activities, changes in value of derivative financial instruments and the realisation result on sale of tangible non-current assets. Also included at the consolidated level is the realisation result on the sale of Group companies.

4.25 Finance income and expense

Finance income and expense consist of interest income on bank deposits and receivables and interest-bearing securities, interest expense on loans, dividend income, exchange rate differences, unrealised and realised gains on financial investments.

Borrowing costs are expensed as incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of that asset are capitalised only if the construction and/or production period lasts for more than one year. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

4.26 Leased assets

Leases are classified as either finance or operating leases. Under finance leases a substantially all of the risks and rewards of ownership are transferred to the lessee. Where that is not the case the lease is an operating lease. Assets held under finance leases are reported as tangible assets in the consolidated statement of financial position. The obligation to make future payments of leasing fees is reported as long term and current liabilities. Leased assets are depreciated according to plan.

Lease payments under operating leases

Payments under operating leases are reported in the income statement on a straight-line basis over the lease period. Benefits received in conjunction with entering into a contract are reported as part of the total lease cost in the income statement.

Payments under finance leases

Minimum lease fees are allocated to interest expense and repayment of the outstanding liability. The interest cost is distributed over the lease period so that each accounting period is charged with an amount equivalent to a fixed interest rate for the reported liability during each respective period. Variable fees are expensed in the periods when they arise.

NOTE 5 CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

In implementing the strategy LBi strives for structural growth of the EBITDA and net result per share. Excess cash is as much as possible re-invested in the Company to help finance its buy and build strategy.

During 2010 the Group's capital structure has changed considerably. Equity increased to EUR 244.8 million, while external loans were repaid following the regular schedule. Cash that was available after the merger has been applied to fund new acquisitions. The Group considers a leverage ratio (liabilities to credit institutions plus earn-out obligations over equity) between 20% and 30% as optimal and strives to maintain this level.

Financial risk management

LBi's financial risks primarily relate to exchange rate, interest rate risk, liquidity risk, counterparty risk, credit risk and operational risk. To minimise these risks, the Group has adopted a number of risk management procedures and policies.

LBi is exposed to a variety of financial risks. The overall risk management programme focusses on reducing, but not eliminating the potential adverse effects of financial risks on LBi's financial position and performance. The financial risks are managed by the corporate finance department under policies approved by the management board. These policies are established to identify and analyse financial risks faced by LBi, to set appropriate risk limits and controls, and to monitor adherence to these limits. LBi identified three key areas of financial risk:

- Credit risk and counter party risk
- Liquidity risk
- Market risk (currency risk and interest rate risk)

The following table summarises the Group's financial assets and liabilities:

Financial assets and liabilities EUR million	Note	2011		2010	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Fair value through P&L:					
Derivative instruments		-	-	0.2	0.2
Loans and receivables:					
Accounts receivable	20	64.6	64.6	60.7	60.7
Other current assets	20	6.1	6.1	4.8	4.8
Cash and bank deposits		41.1	41.1	44.3	44.3
Total		111.8	111.8	110.0	110.0
Financial liabilities					
Fair value through P&L:					
Contingent consideration	28	0.4	0.4	4.7	4.7
Earn-out obligations	27	12.1	12.1	8.2	8.2
Amortised costs:					
Borrowings	25,29	44.4	44.4	34.9	34.9
Trade payables	30	20.5	20.5	25.9	25.9
Total		77.4	77.4	73.7	73.7

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

For the fair value estimation of the contingent consideration a third party has performed calculations using the Black and Scholes model. The following were the main parameters used:

Parameters applied in Black and Scholes model	2011	2010
Time to maturity (years)	0.096	1.096
Stock price	1.728	1.60
Strike price assuming no threshold	1.65	1.65
Strike price threshold	1.25	1.25
Risk free rate	2.10%	2.10%
Volatility	25%	45%

For the fair value estimation of earn out obligations, management makes forecasts of the performance of the acquired entity. Management uses past performance of the entity, its knowledge of market developments and overall economic conditions as primary input for the forecast. The provision is based on the outcome of the forecasted performance measures. Actual performance is monitored against the forecast and where necessary management adjusts the estimated amounts.

The following tables presents the Group's assets and liabilities that are measured at fair value at 31 December 2011 and 2010:

Assets and liabilities at fair value - 2011 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivative instruments	-	-	-	-
Liabilities				
Contingent consideration	-	-	0.4	0.4
Earn-out obligations	-	-	12.1	12.1
Total	0.0	0.0	12.5	12.5

Assets and liabilities at fair value - 2010 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivative instruments	-	0.2	-	0.2
Liabilities				
Contingent consideration	-	-	4.7	4.7
Earn-out obligations	-	-	8.2	8.2
Total	0.0	0.2	12.9	13.1

Credit and counterparty risk

Credit risk is the risk of financial loss should a counterparty to a transaction not be able to meet its contractual obligations. The credit risk for LBi stems mainly from trade accounts receivables. The maximum credit risk is equal to the carrying amount on the balance sheet of each financial asset and entails the following:

Maximum credit risk EUR million	Note	2011	2010
Accounts receivable	20	64.6	60.7
Other current assets	20	6.1	4.8
Cash		41.1	44.3
Total		111.8	109.8

The increase is due to the increased trade accounts receivable that result both from the acquisition of Mr Youth and the organic growth of the Company.

Group companies are responsible for the credit risk on their own accounts receivables. Group has issued restrictive policies for client acceptance to help control for the credit risk on accounts receivables. Furthermore, it is our policy to provide for amounts outstanding that are past due for more than two months. Group companies are however allowed to deviate from this policy if there is sufficient basis to assume that amounts outstanding will be paid in a later stage. For the purpose of credit risk an aging analysis is made on a regular basis by management. Details about the aging of accounts receivable and work in progress can be found in Notes 20 and 21.

Concentrations of credit risk with respect to accounts receivables are limited due to the Group's large and unrelated customer base. The table below gives an overview of our dependence on large customers:

Dependance on major clients as % of net revenue	2011	2010
Largest client	5.0%	4.4%
10 largest clients	25.7%	25.1%
20 largest clients	38.0%	36.1%

LBi is not dependent on one or two large clients. It is however, moving towards a business model of larger corporate clients.

Liquidity risk

Liquidity risk is the risk that LBi will not be able to meet its payment obligations in a tight credit market. The starting point of the liquidity risk management policy is to provide sufficient liquidity, in the form of credit facilities, loans and in cash, to meet the Company's payment obligations under normal circumstances. Within the Group a multi-currency cash pool is used to optimise the use of cash available and minimise the costs of credit facilities.

At the end of 2011 the Group has refinanced its debt. No loans are due within one year from balance sheet date. The Group currently has a net debt position of EUR 3.3 million and does not need additional funding. The risk of refinancing is therefore deemed acceptable. The Group's interest-bearing loans have two covenants that must be met: a net debt to EBITDA ratio of maximum 2.0, an interest coverage ratio of at least 6.0. For the year 2011 these ratios were 0.1 and 15.2 respectively.

A decrease in EBITDA (in this case, adjusted for transaction related expenses) of 10%, ceteris paribus, would result in a net debt to EBITDA ratio 0.1 and an interest coverage ratio of 13.5. Only with an EBITDA of less than EUR 14.0 million would the critical level of the interest coverage ratio be reached. The Company forecasts cash flows on a continuous basis to ensure that sufficient liquidity is available in the Group. Analysis of the maturity dates of the Group's liabilities provides important input for these forecasts.

The maturity dates are provided in the table below:

Maturity dates of liabilities - 2011 EUR million	Loans and borrowings	Interest on borrowings	Earn-out obligations	Contingent consideration	Trade payables	Total
Within 12 months	14.6	1.6	0.3	0.4	20.5	37.4
In 2 years	14.9	1.0	11.8	-	-	27.7
In 3 years	14.7	0.3	-	-	-	15.0
Thereafter	0.2	-	-	-	-	0.2
Total	44.4	2.9	12.1	0.4	20.5	80.3

Maturity dates of liabilities - 2010 EUR million	Loans and borrowings	Interest on borrowings	Earn-out obligations	Contingent consideration	Trade payables	Total
Within 12 months	19.3	0.8	2.9	-	25.9	48.9
In 2 years	11.3	0.5	-	4.7	-	16.5
In 3 years	3.4	0.1	5.3	-	-	8.8
In 4 years	0.9	0.0	-	-	-	0.9
Total	34.9	1.4	8.2	4.7	25.9	75.1

Market risk

LBi is exposed to various kinds of market risks in the ordinary course of business. These risks include:

- Foreign currency exchange rate risks
- Interest rate risks
- Operational risks

Foreign currency exchange rate risk

Exchange rate risk is the risk of a change to a financial instrument when foreign exchange rates fluctuate. Exchange rate risks may be broken down into translation and transaction exposure.

Translation exposure is the risk of a change in the net values of subsidiaries owing to fluctuations in exchange rates. The Group uses loans as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Included in loans at 31 December 2011 were borrowings, which has been designated as a hedge of the net investment in foreign subsidiaries, and is being used to hedge the Group's exposure to foreign exchange risk on these investments. Gains or losses on the retranslation of this borrowing are transferred to equity to offset any gains or losses on translation of the net investments in the subsidiaries. There is no ineffectiveness in the years ending 31 December 2011 and 2010. The borrowings were:

Net investment hedges EUR million	Currency	Borrowing in foreign currency	Borrowing in euros
LBi Limited	GBP	5.6	6.6
LBi UK Holding Ltd	GBP	1.2	1.5
LBi US Holdings, Inc.	USD	50.2	38.9
LBi US, LLC (Atlanta)	USD	0.3	0.2
LBi Sverige AB	SEK	234.7	26.2
IconMedialab Spain SA	SEK	89.4	10.0
Nexus IT SA	SEK	3.2	0.4
IconMedialab Portugal	SEK	17.2	1.9
Total			85.7

Transaction exposure arises as part of the normal activities of the operating subsidiaries, which do business almost exclusively in their domestic markets and invoice predominantly in local currency. LBi makes only limited purchases in foreign currencies. LBi's policy is to minimise the exchange rate risk incurred by its subsidiaries and assign as much of it as possible to the Company.

LBi has entities in various regions, spreading the exchange rate risk over various currencies. Entities that have as a functional currency the euro (EUR), US dollar (USD), British pound (GBP) or Swedish crown (SEK) make up more than 92% of the revenue.

LBi did not enter into hedging activities to reduce the transactional foreign currency exchange rate risk. Some risk in foreign currency translation is deemed acceptable.

The table below gives the impact of movements in these exchange rates if they were to increase/decrease against the euro:

Impact of movement in exchange rates EUR million	GBP	USD	SEK
Base revenue: EUR 196.6 million			
5% drop against EUR	- 3.3	- 2.1	- 0.7
10% drop against EUR	- 6.7	- 4.1	- 1.5
5% increase against EUR	3.3	2.0	0.7
10% increase against EUR	6.7	4.1	1.5
Base EBIT: EUR 23.9 million			
5% drop against EUR	- 0.7	0.0	0.1
10% drop against EUR	- 1.5	0.0	0.1
5% increase against EUR	0.7	0.0	0.0
10% increase against EUR	1.4	0.0	0.0
Base equity: EUR 268.5 million			
5% drop against EUR	1.1	- 0.1	0.0
10% drop against EUR	0.5	- 0.2	0.1
5% increase against EUR	- 0.8	0.1	0.0
10% increase against EUR	- 1.4	0.2	- 0.1

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in the market rate of interest. The Group uses various financial instruments to manage the interest rate risk. Cash flows of Group companies are centralised as much as possible by using an international cash pool. This allows LBi to accumulate cash in multiple currencies and limit the capital requirements and related interest charge.

LBi is of the opinion that a limited interest rate risk is acceptable. The Group's policy therefore aims to limit but not eliminate interest rate risks. In principle LBi has a variable interest rate on its external loans. For loan facilities B and C the variable interest rate has been swapped against a fixed rate until maturity. The interest rate risk is therefore limited to the variable interest that is charged on the use of the credit facility. The following table gives an overview of the impact that an increase in interest rate or an increase in the use of the credit facility may have:

Effects of changes in interest rate on interest charge in income statement	Facility in use		
	5 mln	10 mln	20 mln
Interest rate			
4.16%	0.2	0.4	0.8
5.16%	0.3	0.5	1.0
7.16%	0.4	0.7	1.4

On 31 December 2011 the facility in use was EUR 0.2 million and the effective interest rate was 4.16%.

LBi has agreed on certain covenants with its financiers. If the maximum credit facility of EUR 20.0 million were used, LBi would still score well within the agreed covenants.

Operational risk

Operational risk is the risk of losses due to shortcomings in internal administrative procedures and systems, and the risk of losing business to competition. The Group has routines and authorisation procedures in place to meet its financing, IT, communication and personnel policies, etc. and it regularly performs legal reviews of its agreements. It is the Group's policy to spread the risk of losing business to the competition as much as possible. Therefore, the Group monitors rigorously its reliance on large clients and adjusts business focus accordingly. More details about operational (non-financial) risks can be found on pages 041 and 042 of this report.

NOTE 6**COMPOSITION OF LBI INTERNATIONAL N.V.****2011 Changes in composition of LBi International N.V.****Mr Youth**

On 14 November 2011 LBi International N.V. gained control over 100% of the membership interests in Mr Youth, LLC. Mr Youth, LLC was acquired for EUR 30.4 million. EUR 23.6 million has been paid in cash and EUR 6.8 million is still payable as an earn out obligation. The earn out that is payable may range from EUR 5.2 million to EUR 6.8 million, depending on the financial performance of Mr Youth activities subsequent to the acquisition. At acquisition date, EUR 6.8 million has been recognised in the statement of financial position.

The acquisition fits LBi's philosophy of blending marketing and technology services in-house. Mr Youth's integration into LBi adds breadth and depth to the agency's already significant social media offering, capabilities made more urgent through several significant client wins this year. It is expected that Mr Youth will immediately contribute positively to LBi's earnings per share.

Net assets obtained Mr Youth EUR million	14 Nov 2011
Intangible fixed assets	0.2
Tangible fixed assets	0.9
Deferred tax assets	0.0
Total non-current assets	1.1
Net trade accounts receivable	2.0
Work in progress	0.0
Other current assets	0.3
Cash and cash equivalents	1.6
Total current assets	3.9
Total assets	5.0
Long term interest liabilities	0.8
Trade payables	0.8
Deferred income	1.3
Other short term liabilities	1.7
Total liabilities	4.6
Total net assets obtained	0.4

The net assets obtained after Purchase Price Accounting EUR million	
Goodwill	26.3
Other intangible assets	5.2
Deferred tax liability	-1.5
Net assets obtained	0.4
Total consideration	30.4

Of EUR 26.3 million goodwill, EUR 26.1 million is expected to be deductible for income tax purposes. Acquisition-related costs of EUR 0.6 million have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2011.

The fair value, carrying amounts and expected cash flows of acquired receivables is as follows:

Fair value of acquired assets Mr Youth EUR million	Carrying amount	Fair value
Net trade receivables		
Gross amount	2.0	2.0
Expected cash flows	2.0	2.0
Other receivables		
Gross amount	0.3	0.3
Expected cash flows	0.3	0.3

The income statement of Mr Youth stand alone for the period it was consolidated in the financial statements of LBI International N.V. is as follows:

Income statement Mr Youth EUR million	14 Nov thru 31 Dec 2011
Revenue	2.4
Cost of sales	-1.1
Gross margin	1.3
Selling expenses	-0.1
Administrative expenses	-0.9
Other operating income	-
Operating results	0.3
Financial income and expense	-
Income tax	-
Net result for the period	0.3

The income statement of the combined entities as if Mr Youth were part of the Group since the beginning of the year is as follows:

Pro forma income statement EUR million	12 months LBI & Mr Youth
Revenue	212.6
Cost of sales	-136.6
Gross margin	76.0
Selling expenses	-14.0
Administrative expenses	-41.2
Other operating income	3.8
Operating results	24.6
Financial income and expense	-0.7
Income tax	-5.5
Net result for the period	18.4

Rethink

On 30 May 2011 LBI international N.V. purchased 51% of the shares of Rethink GmbH. Rethink Berlin has particular knowledge of smart phone applications and is expected to be a valuable addition to the Group. Rethink was acquired for EUR 0.6 million, of which EUR 0.3 million has been paid in cash and EUR 0.3 million is still payable as an earn out obligation. EUR 0.1 million of this amount is expected to be payable in 2012 and similar amounts in 2013 and 2014. Pre-acquisition revenue and income were not material.

The net assets obtained are as follows: EUR million	
Goodwill	0.6
Net assets	-
Consideration paid	0.6

Composition of LBi International N.V.	Registration number	Registered office	Proportion of equity (%)	Proportion of votes (%)	Number of shares/ participations
Company holdings					
Icon Medialab Portugal Servicos LDA	P505215519	Lisbon	100	100	1
LBi Belgium SA*	0456.630.072	Brussels	100	100	7,689
LBi Germany Holding GmbH	HRB 130438	Berlin	100	100	25,000
LBi Group Interactive Spain SA	A81.567.810	Madrid	100	100	10,000
LBi Holding NV	34137169	Amsterdam	99.41	99.41	44,369,621
LBi SRL	MI-1998-106771	Milan	100	100	50,000
LBi Sverige AB	556296-9468	Stockholm	100	100	7,120,000
LBi Switzerland AG	CH-020.3.025.039-9	Zürich	100	100	99,997
LBi U.S. Holdings, Inc.	4341522	Delaware	100	100	1,000
Nexus Information Technology SA	A81.727.810	Madrid	100	100	1,368
Vizualize Technologies Pvt Ltd	11-98352	Mumbai	50	50	30,232

* LBi Holding NV holds 1 share in LBi Belgium SA

Group company holdings					
bigmouthmedia AS	987 894 962	Trondheim	100	100	1,000
bigmouthmedia Sarl	478 517 451	Paris	100	100	1,000
bigmouthmedia SL	B85586105	Madrid	100	100	50,000
Framfab AB	556529-3031	Stockholm	100	100	1,000
Framfab Sverige AB	556449-2220	Stockholm	100	100	100,000
Framtidsfabriken AB	556485-4353	Skellefteå	100	100	6,064
Framtidsfabriken Diviso AB	556571-8755	Stockholm	100	100	1,000
Icon Medialab Mijada AB	556528-8718	Stockholm	100	100	100,000
Iven & Hillmann Verwaltungs GmbH	HRB 98032	Berlin	100	100	1
LBi Germany AG	HRB 147417	Munich	100	100	90
LBi Limited	SCL77425	Edinburgh	100	100	90
LBi Lost Boys BV	33276575	Amsterdam	100	100	2,700
LBi MENA FZ-LLC	17659	Dubai	100	100	50
LBi MetaDesign Limited	39773022-000-09-08-0	Hong Kong	100	100	1
LBi Netherlands BV	53792289	Amsterdam	100	100	18,000
LBi Nordic Holding A/S	29184852	Copenhagen	100	100	500,000
LBi UK Holding Limited	5920477	London	100	100	14,500
LBi US, LLC	13-3935591	New York	100	100	10,680,000
Lost Boys Polska Z.o.o.	63269	Warsaw	100	100	100
MetaDesign AG	HRB 76143	Berlin	83.66	83.66	1,024,000
MetaDesign China Limited	110000450134904	Beijing	100	100	1
MrYouth, LLC	4312786	New York	100	100	1,793,675
OX2 SPRL*	0480.322.323	Brussels	100	100	1,279
Rethink GmbH	HRB 130645	Berlin	51	51	12,750
TRIPLE LBi ApS	30733177	Copenhagen	100	100	2,100
Vizualize Technologies Pvt Ltd	11-98352	Mumbai	50	50	30,232
Vizualize Technologies Limited	5172497	Kent	100	100	100

* LBi Holding NV holds 1 share in OX2 SPRL

Companies being dissolved	Registration number	Registered office	Proportion of equity (%)	Proportion of votes (%)	Number of shares/participations	Not included in consolidated statements from
Company holdings						
LBI France Sarl	510 525 603	Paris	100	100	100	2011-11-02
Group company holdings						
Aspect Infotek Software	08-31085	Bangalore	100	100	10,000	2008-12-18
Icon AB	56617-9825	Stockholm	100	100	6,250,000	2012-03-31
LBI Two Limited	03080409	London	100	100	23,334,432	2011-11-01
Lost Boys Interactive Spain SA	A62.031.109	Barcelona	100	100	700	2002-06-01
PIMI AB	556541-9545	Stockholm	100	100	10,000	2012-03-31
Syrup Sthlm AB	556647-0992	Stockholm	100	100	1,000	2011-10-01

Participations in associated companies	Organisation number	Registered office	Proportion of equity (%)	Proportion of votes (%)	Number of shares/participations	Carrying amount Group	Carrying amount Company
MetaDesign Suisse AG	CH-020.3.023.324.4	Zürich	35.00	35.00	350	0.2	-
Sturm & Drang GmbH	HRB 98372	Hamburg	30.00	30.00	-	0.1	-
Total					350	0.3	-

Notes to the consolidated income statement

NOTE 7 OPERATING SEGMENTS

General

LBI's management has determined the operating segments based on reports reviewed by the chief operating decision maker ("CODM") as defined in IFRS 8, and used to make strategy decisions. The CODM, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the Chief Executive Officer and the operating segments are UK, Central and Southern Europe, USA and Scandinavia. LBI's internal reporting and allocation of resources is set up on the basis of geographical region. This is primarily because although a client may receive different types of service from LBI, they typically do so under a single contract.

The geographical regions in which LBI operates are:

- United Kingdom (UK)
- Central and Southern Europe ("Europe")
- United states of America ("USA")
- Scandinavia

Geographical regions are headed by a Regional Managing Director, who is responsible for managing performance, underlying risks and effectiveness of operations, and who is supported and supervised by the CODM.

Operating segments

In presenting information on the basis of geographical segments, segment revenue is based on the location of the operating entities. Intercompany sales and costs of sales are eliminated on a regional basis. Sales to other regions are charged at arm's length transfer prices.

The results of our operating entity in India and United Arab Emirates are entered under segment UK as these operations are managed from the UK office. The results of our operating entity in China are added under Europe, because this entity is managed from the Germany office.

Corporate activities include Group wide activities with regard to finance, IT, legal advice and human resources. Centrally incurred costs are allocated to the various operating entities on the basis of a fixed percentage of the external revenue. The results of the corporate activities are reported separately to the Supervisory Board and are presented in the segment overview under 'Corporate and eliminations'.

All of the geographical segments derive their revenue from the sale of all services that LBI facilitates.

Key services are:

- E-commerce & self-service (transactional platform)
- Brand Strategy
- Content Service (strategy, authorship, migration)

The CODM assesses the performance of the operating segments based on a measure of operating income. The accounting policies of the operational segments are identical to those of the Group. The operating income of the reporting segments includes the allocated Group expenses. The financial income and expense, the result of associated companies and taxes are not included in the operating income per segment.

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the physical location of the asset/liability.

Operating segments EUR million	UK		Europe		USA		Scandinavia		Total segments		Holding and eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue external	68.7	48.6	66.1	63.0	38.8	34.4	23.0	16.8	196.6	162.8	-	-	196.6	162.8
Revenue intercompany	1.8	0.7	3.1	0.3	2.1	0.2	1.9	1.0	8.9	2.2	-8.9	-2.2	-	-
Total revenue	70.5	49.3	69.2	63.3	40.9	34.6	24.9	17.8	205.5	165.0	-8.9	-2.2	196.6	162.8
Operational expenses	-53.1	-38.4	-62.6	-59.6	-38.2	-32.6	-21.8	-16.2	-175.7	-146.8	-3.1	-15.4	-178.8	-162.2
Other income	-	-	0.3	0.2	-	-	1.3	-	1.6	0.2	4.5	5.0	6.1	5.2
Operating result	17.4	10.9	6.9	3.9	2.7	2.0	4.4	1.6	31.4	18.4	-7.5	-12.6	23.9	5.8
Operating margin	24.7%	22.1%	10.0%	6.2%	6.8%	5.8%	17.7%	9.0%	15.3%	11.2%	-	-	12.2%	3.6%
Interest income - external	0.1	0.1	-	-	-	-	-	-	0.1	0.1	0.1	0.2	0.2	0.3
Interest income - internal	0.2	0.1	0.7	-	0.8	-	4.2	2.2	5.9	2.3	-5.9	-2.3	-	-
Interest expense - external	-	-	-0.1	-0.1	-	-	-	-	-0.1	-0.1	-1.1	-1.4	-1.2	-1.5
Interest expense - internal	-0.2	-2.4	-1.6	-	-1.7	-0.9	-2.5	-0.6	-6.0	-3.9	6.0	3.9	-	-
Other financial items	-3.2	-1.8	-2.3	-2.8	-1.5	-1.3	-0.9	-0.8	-7.9	-6.7	8.1	5.4	0.2	-1.3
Result before tax	14.3	6.9	3.6	1.0	0.3	-0.2	5.2	2.4	23.4	10.1	-0.3	-6.8	23.1	3.3
Non-current assets	49.8	21.0	39.2	5.9	40.7	36.0	28.1	28.8	157.8	91.7	114.0	150.1	271.8	241.8
Tax receivables and deferred tax assets	6.3	7.2	7.5	1.2	0.3	1.2	16.5	18.5	30.6	28.1	20.3	31.0	50.9	59.1
Total assets	117.4	97.6	85.7	112.4	59.2	56.4	50.4	132.6	312.7	399.0	97.2	-27.1	409.9	371.9
Tax payables and deferred tax liabilities	2.1	0.6	1.2	0.7	2.0	2.5	2.0	1.5	7.3	5.3	-0.3	0.4	7.0	5.7
Total liabilities	38.2	71.5	22.5	55.9	24.1	53.7	13.4	40.9	98.2	222.0	44.4	-94.1	142.6	127.9
Additions to non-current assets	31.0	2.7	35.4	0.4	5.6	-2.8	-	16.0	72.0	16.3	-34.1	64.6	37.9	80.9
Amortisation of intangible fixed assets	-1.0	-0.7	-0.7	-0.3	-0.2	-0.1	-0.5	-	-2.4	-1.1	-1.9	-1.7	-4.3	-2.8
Depreciation of tangible fixed assets	-1.2	-2.0	-1.4	-1.4	-0.7	-0.3	-0.2	-0.2	-3.5	-3.9	-0.2	0.1	-3.7	-3.8
Impairments	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-

Revenue and non-current assets by country EUR million	External revenue		Non current assets	
	2011	2010	2011	2010
UK*	68.7	48.6	49.8	21.0
Netherlands	10.7	12.5	33.7	1.2
Belgium	6.7	7.5	0.6	0.7
Germany	31.7	29.4	3.1	2.6
Switzerland	1.3	1.1	-	-
France	1.0	0.3	-	-
Spain	6.9	7.4	1.3	1.1
Italy	6.1	4.7	0.4	0.1
USA	38.8	34.3	40.7	36.0
Sweden	14.9	10.0	16.4	16.6
Denmark	6.7	5.6	11.7	12.1
Norway	1.4	1.2	-	0.1
China	1.8	-	-	-
Holding & eliminations	-0.1	0.2	114.1	150.3
Total	196.6	162.8	271.8	241.8

* The results of India and the United Arab Emirates are included in the UK results

NOTE 8**OPERATIONAL EXPENSES**

EUR million	2011			2010		
	Production	Sales	Administration	Production	Sales	Administration
Personnel related expenses	91.4	9.1	17.6	75.4	7.4	18.8
Hired capacity and temporary staff	17.7	-	0.7	16.4	-	0.8
Office expenses	4.5	0.4	1.7	2.8	0.3	1.9
Restructuring, integration	-	-	3.0	2.0	0.4	7.1
Depreciation and amortisation	6.1	0.6	1.3	4.2	0.7	1.7
Operating lease payments	4.2	0.3	1.5	3.9	0.2	1.4
Other expenses	4.6	3.7	10.4	6.1	4.5	6.2
Total	128.5	14.1	36.2	110.8	13.5	37.9

Lease expenses for 2011 amounted to EUR 6.0 million. Future minimum lease expenses are expected to be similar to the amount recognised in the 2011 financial statements. Research related expenses amounted in 2011 to EUR 0.6 million, excluding amortisation and depreciation (2010: EUR 0.2 million).

Administrative personnel related expenses in 2010 have been amended by an amount of EUR 0.5 million. This relates to the purchase of shares by the management for a discounted price. More information about this matter can be found in Note 3 'Comparative information'.

NOTE 9**PERSONNEL RELATED EXPENSES**

EUR million	2011	2010
Gross salaries	94.4	77.7
Social fees	15.1	12.0
Pensions	1.3	1.1
Bonuses	0.9	0.8
Costs of stock options	0.3	4.4
Education and training	0.6	0.2
Other personnel related expenses	5.5	5.4
Total personnel related expenses	118.1	101.6

Average number of FTE's	2011	2010
UK	640	523
Europe	714	689
USA	276	237
Scandinavia	214	194
Holdings	25	19
Total average number of FTE's	1,869	1,662

In 2011, the cost of equity incentives relate for EUR 0.3 million to awards that were awarded to board members and key personnel before 2011. In 2010 an additional EUR 3.3 million relates to the Long Term Incentive Plan launched in 2010 entitling the Management Board and Supervisory Board to awards. Both plans are fully equity settled. More details on these plans can be found in Notes 23 and 24 of this report.

Cost of equity incentives in 2010 have been amended by an amount of EUR 0.5 million. This relates to the purchase of shares by the Management Board for a discounted price. More information about this matter can be found in Note 3 'Comparative information'.

Of the pension expenses EUR 0.1 million (2010: EUR 0.0 million) relates to a defined benefit plan that is used by only one person of the Company. All other pension expenses relate to defined contribution plans.

LBi has an international workforce, with personnel from approximately 16 different countries. By the end of 2011 LBi employed 2,066 FTE's, of which 6% works in the Netherlands and the remaining 93% work abroad.

NOTE 10 AUDIT FEES

EUR million	2011			2010		
	PwC	Other	Total	PwC	Other	Total
Audit of financial statements	0.5	-	0.5	0.6	0.1	0.7
Other audit procedures	0.1	-	0.1	0.5	-	0.5
Tax services	-	0.2	0.2	-	1.1	1.1
Other non-audit services	0.4	0.1	0.5	0.1	-	0.1
Total	1.0	0.3	1.3	1.2	1.2	2.4

All audit fees for 2011 have been entirely expensed. The higher expenses in 2010 are due to transaction related services due to the merger with Obtineo.

In accordance with the Dutch legislation, article 2:382a, the total audit related fees to accounting organisation PricewaterhouseCoopers Accountants N.V. seated in the Netherlands amounted to EUR 0.2 million (2010: EUR 0.6 million).

NOTE 11 DEPRECIATION AND AMORTISATION

EUR million	2011		2010	
	Depreciation	Amortisation	Depreciation	Amortisation
Production	2.9	3.2	2.4	1.8
Sales	0.3	0.3	0.5	0.2
Administration	0.5	0.8	1.0	0.7
Total	3.7	4.3	3.9	2.7

Depreciation relates primarily to depreciation of leasehold improvements and office equipment. Therefore, the basis of allocation is FTE's, which is reflected in the personnel related expenses of the three categories.

Depreciation is allocated pro rata of the personnel related expenses to cost of sales, sales- and administrative expenses.

Amortisation relates for EUR 1.6 million to software and for EUR 1.1 million to the amortisation of client portfolios.

NOTE 12 OTHER OPERATING INCOME

Other income is mainly impacted by movements in the contingent consideration. The accounting treatment for such obligations has changed. The 2011 and 2010 figures have been adjusted to reflect this change in accounting treatment. More information about the financial impact of the changes in the accounting treatment for contingent considerations can be found in Note 3 'Comparative information'. The table below sets out the movements in the income statement that have been recorded during 2010 and 2011:

Other operating income EUR million	2011	2010
Release contingent consideration due to sale of shares	1.7	3.1
Fair value adjustment contingent liability	2.6	2.0
Fair value adjustment earn-out provisions	1.3	-
Other revenue	0.5	0.1
Total other income	6.1	5.2

The acquisition of TRIPLE LBi entailed an earn out obligation based on its future results. This agreement has been settled for a fixed price and the difference between the initial provision and the agreed amount has been released in the income statement.

The contingent consideration relates to an obligation that stems from the acquisition of bigmouthmedia GmbH by Obtineo Netherlands Holding N.V. in 2010. More details about this obligation can be found in Note 28 'Contingent consideration'.

NOTE 13 FINANCIAL INCOME AND EXPENSE

EUR million	2011	2010
Interest income	0.2	0.3
Exchange rate differences	1.3	-0.2
Valuation of derivative instruments to fair value	-	-0.1
Other financial income	-	0.1
Total financial income	1.5	0.1
Interest expenses	-1.2	-1.5
Exchange rate differences	-1.0	-0.4
Other financial expense	-0.1	-0.7
Total financial expenses	-2.3	-2.6
Total financial items	-0.8	-2.5

NOTE 14 CORPORATE INCOME TAX

Income tax recognised in the income statement EUR thousand	2011	2010
Current income tax - payable over current year	-3.7	1.1
Current income tax - prior year adjustments	0.7	-1.3
Current tax expense	-3.0	-0.2
Income tax - deferred	-2.3	-2.6
Total	-5.3	-2.8

The tax on the Group's Result Before Tax differs from the theoretical amount that would arise using the domestic statutory tax rate applicable for the Company.

The following table displays the sources of deviation:

Effective tax rate EUR thousand	2011		2010	
	EUR	%	EUR	%
Result before tax	23.1		3.3	
Domestic tax rate	25.0%		25.5%	
Income tax based on domestic tax rate	5.8	25.0%	0.8	25.5%
Impact tax rates in foreign jurisdictions	0.8	3.5%	0.1	3.0%
Prior year adjustments	-0.7	-3.0%	1.3	39.4%
Impact non-deductible expenses	1.2	5.2%	-0.4	-12.1%
Impact tax incentives and exempt income	-1.7	7.4%	-0.2	-6.1%
(De)recognition of deferred tax positions	-0.1	-0.4%	1.1	33.3%
Other reconciling items	-	0.0%	0.1	3.0%
Effective tax charge	5.3	22.9%	2.8	84.8%

The applicable tax rate in 2011 compared to 2010 has changed because of a change in domestic legislation.

The tax (charged)/credited relating to components of other comprehensive income is as follows:

Income tax relating to components of other comprehensive income EUR million	2011	2010
Tax related to net investment hedge	0.6	0.4
Total	0.6	0.4

There was no tax charged or credited directly to equity.

NOTE 15 EARNINGS PER SHARE

The following table shows the calculation of the basic and fully diluted earnings per share attributable to equity holders:

EUR million	2011	2010
Result for the year	17.8	0.5
Result attributable to non-controlling interests	0.3	-
Result attributable to equity holders	17.5	0.5
Weighted average number of shares outstanding (Note 23)	141,224	96,717
Dilution effects:		
Options in the money	1,459	1,477
Weighted average number of shares outstanding including dilution effects	142,683	98,194
Earnings per share after tax attributable to equity holders for the year in EUR		
Basic	0.12	0.01
Diluted	0.12	0.01

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares (Note 23 and 24).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The profit attributable to equity holders used for calculations on a diluted basis is equal to the profit attributable to equity holders used for calculations on a non-diluted basis.

Notes to the consolidated balance sheet

NOTE 16 TANGIBLE FIXED ASSETS

2011 EUR million	Buildings	Adaption of premises	Equipment	Total
Costs 1 January	0.2	10.9	25.1	36.2
Accumulated depreciation per 1 January	-	-4.9	-20.9	-25.8
Book value as at 1 January	0.2	6.0	4.2	10.4
Changes:				
Investments	0.1	3.4	4.2	7.7
Depreciation	-0.1	-0.8	-2.8	-3.7
Translation differences	-	0.1	-	0.1
Total changes	0.0	2.7	1.4	4.1
Costs 31 December	0.3	14.4	29.3	44.0
Accumulated depreciation per 31 December	-0.1	-5.7	-23.7	-29.5
Book value as at 31 December	0.2	8.7	5.6	14.5
2010 EUR million	Buildings	Adaption of premises	Equipment	Total
Costs 1 January	-	9.2	21.6	30.8
Accumulated depreciation per 1 January	-	-3.8	-18.1	-21.9
Book value as at 1 January	0.0	5.4	3.5	8.9
Changes:				
Investments	0.2	1.5	2.7	4.4
Depreciation	-	-1.1	-2.8	-3.9
Translation differences	-	0.2	0.8	1.0
Total changes	0.2	0.6	0.7	1.5
Costs 31 December	0.2	10.9	25.1	36.2
Accumulated depreciation per 31 December	-	-4.9	-20.9	-25.8
Book value as at 31 December	0.2	6.0	4.2	10.4

NOTE 17 INTANGIBLE FIXED ASSETS

2011 EUR million	Goodwill	Trademarks	Contracts	Software	Total
Costs 1 January	162.4	1.6	21.9	10.4	196.3
Accumulated depreciation per 1 January	-	-1.6	-16.2	-5.7	-23.5
Book value as at 1 January	162.4	0.0	5.7	4.7	172.8
Changes:					
Additions through business combinations	26.9	2.9	2.0	0.3	32.1
Investments	-	-	-	3.7	3.7
Amortisation	-	-	-2.2	-2.1	-4.3
Translation differences	-0.1	0.2	0.2	0.1	0.4
Total changes	26.8	3.1	0.0	2.0	31.9
Costs 31 December	189.2	4.7	24.1	14.5	232.5
Accumulated depreciation per 31 December	-	-1.6	-18.4	-7.8	-27.8
Book value as at 31 December	189.2	3.1	5.7	6.7	204.7
2010 EUR million	Goodwill	Trademarks	Contracts	Software	Total
Costs 1 January	87.9	1.6	18.1	6.6	114.2
Accumulated depreciation per 1 January	-	-1.6	-15.1	-4.1	-20.8
Book value as at 1 January	87.9	0.0	3.0	2.5	93.4
Changes:					
Additions through business combinations	78.0	-	3.4	-	81.4
Investments	-	-	-	3.7	3.7
Amortisation	-	-	-1.1	-1.6	-2.7
Fair value adjustments	-7.4	-	-	-	-7.4
Translation differences	3.9	-	0.4	0.1	4.4
Total changes	74.5	0.0	2.7	2.2	79.4
Costs 31 December	162.4	1.6	21.9	10.4	196.3
Accumulated depreciation per 31 December	-	-1.6	-16.2	-5.7	-23.5
Book value as at 31 December	162.4	0.0	5.7	4.7	172.8

Additions through business combinations relate to the acquisition of Mr Youth and Rethink in 2011 and to the merger with Obtineo and the acquisition of TRIPLE LBi Copenhagen in 2010.

Investments in software relate to capitalised labour expenses that were

dedicated to in-house built software. No other software was acquired during 2010 and 2011.

In 2010, fair value adjustments of EUR 7.4 million relate to reductions in earn-out obligations stemming from acquisitions prior to the adoption of IFRS 3R.

Impairment test for intangible assets

Goodwill is the only intangible assets that has an indefinite useful life. Goodwill is allocated to the Group of Cash Generating Units ("CGUs") that are expected to benefit from the business combinations. The Group of CGUs are defined at the level of operating segments. On that basis the carrying amounts of goodwill are divided over the Group of CGUs and monitored as follows:

Goodwill per CGU EUR million	2011	2010
UK	72.1	71.4
Europe	43.3	42.7
USA	56.8	29.6
Scandinavia	17.0	18.7
Total Goodwill	189.2	162.4

Impairment tests on goodwill are performed for each operating segment at least annually and more often when indicators for impairment are identified. The impairment charge is the amount by which the carrying value exceeds the recoverable value. The recoverable value is the higher of the fair value less cost to sell and the value in use.

The discounted cash flow ("DCF") method is used to determine the value in use. In the DCF method the estimated future cash flows are discounted to their present value using a discount rate, determined as a pre-tax weighted average cost of capital per operating segment that reflects the current market assessment of the time value of money and the risk of the asset. The estimated cash flows for the coming year are based on local financial plans adopted by Group management and approved by the Supervisory Board. Cash flows for a five-year period are extrapolated using expected annual per country revenue and EBITDA growth rates. For all regions a 6% short-term revenue growth rate was used and EBITDA margins are expected to stay flat, where synergetic effects of the BMM acquisition as well as of the Mr Youth acquisition will offset the effects of market pressure.

Other key assumptions are:

- The market for digital marketing services will grow in the near future in all regions. A smaller increase is expected in Europe than in the other regions;
- The required working capital as a percentage of the revenue is flat;
- Synergies resulting the acquisition of Mr Youth have been identified and are included in the calculations;
- Cash flows after the first 5-year period were extrapolated using expected annual long term inflation, based on external sources, in order to calculate the terminal recoverable amount of 3% (2010: 3%);
- A pre-tax weighted average cost of capital ("WACC") was calculated for the various CGUs, ranging from 13.5% to 17.1%. Management of LBI believe that a pre-tax WACC of approximately 14.5% best represents the Group's cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the digital marketing industry and are based on both external sources and internal sources (historical data).

The expected future cash flows used in the impairment analysis are based on management's estimates. Events in digital marketing industry as well as the financial markets and the overall economy may have an adverse impact on the estimated future cash flows of LBI's businesses.

A sensitivity analysis was performed on all CGUs, by changing the parameters that have the biggest impact on the recoverable amounts. All CGUs had sufficient headroom between the carrying value of the CGU tested and the recoverable amount. In 2011 impairment test calculations did not lead to impairment charges, even though the economic climate during this timeframe has been boisterous.

The following table gives an indication of the approximate goodwill impairments which would have been recognised in 2011, on an aggregated basis, if key assumptions change adversely and would have been used in the impairment testing of each cash-generating unit.

An impairment charge will be taken in case the carrying value exceeds the recoverable value, using the base assumptions for the impairment test.

Indication of the approximate goodwill impairments EUR million		Decrease in long term growth rate		
		Base	By 1% point	By 2% point
	Base	-	-	-
Increase in discount rate	By 1% point	-	-	-
	By 2% point	-	-	-

NOTE 18 DEFERRED TAX

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Movements in deferred tax position EUR million	Deferred tax asset		Deferred tax liability	
	2011	2010	2011	2010
Opening balance at 1 January	56.5	51.0	3.6	0.8
Movements during the year:				
Usage tax loss carry forwards	- 7.3	-	-	-
Addition tax loss carry forwards	1.2	3.0	-	-
De-recognition TLCF's	- 5.0	-	-	-
Movement in temporary differences	6.0	-	- 3.4	-
Acquisitions	-	-	1.9	2.8
Currency translation adjustment effects	- 0.6	2.5	-	-
Total	- 5.7	5.5	- 1.5	2.8
Closing balance at 31 December	50.8	56.5	2.1	3.6

Usage of tax loss carry forwards relates for EUR 6.5 million to the Netherlands. LBi Lost Boys B.V. sold its assets to newly incorporated LBi Netherlands B.V. The gain on this asset sale resulted in taxable profit, which was offset against Dutch Tax losses Carried Forward (TLCF's). As a result, no tax was due. In LBi Netherlands B.V. this transaction resulted in temporary differences of the same amount but in opposite direction.

De-recognition of deferred tax position relates mainly to write downs of the remaining TLCF's in the Netherlands and TLCF's in the UK.

The movements in the deferred tax have been processed as stated in the table below:

Deferred tax on the balance sheet EUR million	2011			2010		
	Assets	Liability	Net	Assets	Liability	Net
Balance per 1 January	56.5	3.6	52.9	51.0	0.8	50.2
Charged/credited to income statement	- 5.5	- 3.2	- 2.3	2.6	1.9	0.7
Charged/credited to other comprehensive income	0.6	-	0.6	0.4	-	0.4
Charged directly to equity	-	-	-	-	-	-
Acquisitions	-	1.5	- 1.5	0.1	0.9	- 0.8
Currency translation effects	- 0.8	0.2	- 1.0	2.4	-	2.4
Balance per 31 December	50.8	2.1	48.7	56.5	3.6	52.9

The composition of the deferred tax assets and – liabilities is as follows:

Composition of deferred taxes EUR thousand	2011			2010		
	Assets	Liability	Net	Assets	Liability	Net
Tax loss carry forwards	42.8	-	42.8	55.0	-	55.0
Temporary differences intangible assets	7.4	2.1	5.3	1.1	3.6	-2.5
Temporary differences resulting from Net Investment Hedge	0.6	-	0.6	0.4	-	0.4
Net deferred tax position	50.8	2.1	48.7	56.5	3.6	52.9

In order to support the recognition of these losses as a deferred tax asset, management prepared a forecast for the period up to and including FY 2023 (use of tax losses).

The aggregate amount of temporary tax differences associated with the acquisition of Obtineo is EUR 0.9 million. The acquisition of Obtineo involved an amount of EUR 3.4 million for client portfolios. The temporary tax difference associated with this asset has been recognised under deferred tax liabilities and is EUR 0.9 million.

The aggregate amount of temporary tax differences associated with the acquisition of Mr Youth, LLC is EUR 1.5million. The acquisition of Mr Youth, LLC involved an amount of EUR 5.2 million for client portfolios, software and trademarks. The temporary tax differences associated with these assets have been recognised under deferred tax liabilities and is EUR 1.5 million.

The expected term of recovery of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax on the balance sheet EUR million	2011	2010
Deferred tax asset		
To be recovered within 12 months	7.3	8.2
To be recovered after 12 months	43.5	48.3
Total	50.8	56.5
Deferred tax liability		
To be recovered within 12 months	0.3	1.2
To be recovered after 12 months	1.8	2.4
Total	2.1	3.6
Net deferred tax position	48.7	52.9

Tax loss carry forwards are comprised and recognised as follows:

Tax loss carry forwards EUR thousand	2011		2010	
	Base	Tax value	Base	Tax value
Recognised	162.8	42.8	208.6	55.0
Unrecognised	50.6	13.2	33.9	8.9
Total	213.4	56.0	242.5	63.9

The majority of the TLCF's are in Sweden, UK and the Netherlands. Losses in Sweden and UK do not have an expiry date, losses in the Netherlands and other regions have expiry dates between 2012 and 2016.

An amount of EUR 21.8 million of the Swedish losses relates to the legacy of LBI International AB (now the Swedish branch of LBi International N.V.).

As a result of the cross border merger in 2010, tax loss carry forwards in former LBI International AB as of FY 2009 (old tax losses) are restricted. The restriction sees to it that these losses can only be used by certain Group companies until they can be fully applied in FY 2016.

NOTE 19 OTHER NON-CURRENT ASSETS

EUR million	2011	2010
Derivative instruments	-	0.2
Participations in associates	0.2	0.2
Other long term receivables	1.6	1.7
Total other non-current assets	1.8	2.1

NOTE 20 TRADE AND OTHER RECEIVABLES

EUR million	2011	2010
Accounts receivable	64.6	60.7
Due from associated companies	0.4	0.2
Other current assets	6.1	4.8
Total trade and other receivables	71.1	65.7

Days outstanding trade accounts receivable EUR million	2011			2010		
	Gross accounts receivable	Impairment	Net accounts receivable	Gross accounts receivable	Impairment	Net accounts receivable
Current	37.5	-	37.5	37.4	-	37.4
0 - 30 days overdue	15.8	-	15.8	10.5	-	10.5
31 - 60 days overdue	4.1	-	4.1	3.6	-	3.6
61 - 90 days overdue	2.3	-	2.3	4.2	-	4.2
91 - 120 days overdue	1.9	- 0.2	1.7	4.0	-0.6	3.4
121 - 365 days overdue	2.8	-0.3	2.5	3.1	-1.4	1.7
> 365 days overdue	1.8	-1.1	0.7	0.1	-0.2	-0.1
Total	66.2	-1.6	64.6	62.9	-2.2	60.7

The net book value of the trade accounts receivables is approximately the same as the fair value of the trade accounts receivables. The allowance for impairment of accounts receivables is recorded at nominal value, considering the short term character of this line item. The allowance for impair-

ment of accounts receivables fully relates to receivables whose contractually agreed payment date has expired at balance sheet date. Receivables that are considered not collectable are fully impaired.

Movements in allowance for impairment of accounts receivable EUR million	2011	2010
Opening balance January	2.2	0.2
Acquisitions	-	0.4
Additions	0.1	1.7
Utilisation	-0.5	-
Release	-0.2	-
Foreign exchange rate effects	-	-0.1
Other movements	-	-
Closing balance December	1.6	2.2

The Group policy requires that all amounts that are past due for more than 2 months are impaired, however, local entities can deviate from this rule if sufficient basis exists to expect that the outstanding amounts will be recovered.

NOTE 21 PREPAID EXPENSES AND ACCRUED REVENUE

EUR million	2011	2010
Prepaid expense	3.5	2.6
Accrued income	0.1	0.1
Work in progress	22.2	14.8
Total	25.8	17.5

Cost of earnings in excess of billing relates to hours spent on client projects for which the revenue is valued with the percentage of completion method. The following table gives insight in the aging of this line item (2010 not available):

Work in progress EUR million	2011
0 - 30 days	12.0
31 - 60 days	4.5
61 - 90 days	3.0
91 - 120 days	1.5
121 - 150 days	0.9
151 - 365 days	0.3
> 365 days	-
Total	22.2

NOTE 22 CASH AND BANK DEPOSITS

In the consolidated cash flow statement and in the consolidated balance sheet, cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts and other borrowings are shown in the consolidated balance sheet within borrowings in current liabilities. In the

consolidated cash flow statement, cash and cash equivalents equal cash and cash equivalents in the consolidated balance sheet.

NOTE 23 SHARE CAPITAL AND ADDITIONAL PAID IN CAPITAL

Before and during 2011 the authorised share capital consisted of 600,000,000 ordinary shares and 2 preference shares of EUR 0.25 nominal value per share.

Weighted (average) number of shares outstanding	End of period	Nr of days	Weighted average
Share capital 1 January 2010	62,023,276	365	62,023,276
Issue related to merger 29 July 2010	68,191,934	155	28,958,219
Issue related to minority shareholders BMM 30 August 2010	941,398	123	317,238
Rights Offering 7 September 2010	10,000,000	115	5,418,044 *
Share capital 31 December 2010 excl. equity incentive	141,156,608		96,716,777
Treasury shares related to equity incentive 27 September 2010	8,610,316	95	2,241,041
Share capital 31 December 2010 incl. equity incentive	149,766,924		98,957,818
Share capital 1 January 2011 excl. equity incentive	141,156,608	365	141,156,608
Exercised options 13 January 2011	40,000	352	38,575
Exercised options 14 February 2011	20,000	320	17,589
Exercised options 10 June 2011	20,000	204	11,178
Share capital 31 December 2011 excl. equity incentive	141,236,608		141,223,950
Treasury shares related to equity incentive 27 September 2010	8,610,316	365	8,610,316
Treasury shares related to equity incentive 26 May 2011	100,000	219	60,000
Weighted average number of shares per end of period	149,946,924		149,894,266

* The weighted average amount is taking into consideration the bonus element included in the rights offering

This bonus element has been included for the 250 days prior to the rights issuance and amounts to 3,310,345.

Bonus element included in rights offering:	3,310,345
Time weight	250 days
Impact on weighted number of shares	2,267,359

The remaining amount consists of 3,150,685 for the period after the rights offering, for a period of 115 days.

nominal value of rights offering	10,000,000
Time weight	115 days
Impact on weighted number of shares	3,150,685

There are two preference shares, A and B. The holder of the share A, The Carlyle Group, is given the right to appoint one member of the Supervisory Board, provided that this shareholder holds at least 5% of all issued and outstanding shares at the time of such appointment. The holder of the share B, Janivo Holding, is given the right to nominate one member of the Supervisory Board, provided that this shareholder holds at least 5% of all issued and outstanding shares at the time of such nomination.

On 31 December 2011 149,946,924 shares with nominal value of EUR 0.25 were issued and paid up, of which 8,710,316 shares were issued to the LBi International N.V. Employee Benefit Trust ("LBi EBT") in connection with the granting of awards under the employee equity incentive plan that is described in Note 24. All shares are listed, with the exception of the A and B share.

During the year 100,000 options were awarded to an employee under the JSOP plan. In order to arrange for future exercise of these options another 100,000 treasury shares have been issued.

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

NOTE 24 EMPLOYEE EQUITY INCENTIVE PLANS

It has always been one of the Company's goals to enable its employees to have a stake in the Company's future, including the chance of owning Shares in the Company. The Company has a Global Share Option Plan (GSOP) and a Long Term Incentive Plan (LTIP) in place. The GSOP and the LTIP are further described in Section Corporate Governance, Employee equity incentive plans. The costs of the employee incentive plans were fully expensed and recorded in the other reserve in equity.

Global Share Option Plan

No new options will be granted under GSOP as of the Merger. In 2011 there were 3,033,250 (2010: 3,514,100) options outstanding under the GSOP, which together entitled the holders to purchase a maximum of 3,033,250 (2010: 3,514,100) shares in LBi International N.V.

Warrants related to the Global Share Option Plan

During 2006 and 2007 LBi AB issued warrants to secure its undertaking to deliver shares under the Global Share Option Plan and to cover the related administrative expenses and social security contributions. The number of outstanding warrants as per 31 December 2009 was 3,042,445. As a result of the Merger all warrants lapsed. No new warrants were issued during 2010 or 2011.

Long Term Incentive Plan

As of 31 December 2011 12,080,316 awards have been granted under the LTIP (Long Term Incentive Plan), for which 8,710,316 treasury shares have been issued to the LBi EBT. During 2011 100,000 awards were granted to one employee, representing 100,000 shares.

The maximum number of shares available to be awarded under the LTIP is 12,750,000 shares. The remainder of shares to be awarded under the LTIP as of 31 December 2011 is 899,684.

The following tables show all outstanding stock options from LBi AB (including rollover from LB Icon AB) under the GSOP, held by employees as of 31 December 2011 and 2010.

In 2011 there are no more employee stock options in the Global Share Option Plan rollover from LB Icon AB as all expired in the course of 2010.

Awards to acquire shares, which lapse or have been released flow back to the pool.

2010 Employee stock options rollover from LB Icon AB

Series	Date of grant	Date of expiration	Strike price options (SEK)	Outstanding options as of 2009-12-31	Granted	Lapsed	Exercised	Outstanding options as of 2010-12-31	Number of shares outstanding can increase by
L	2003-05-29	2010-05-29	15.00	100,000	-	-100,000	-	0	0
M1-4	2003-11-14	2010-11-14	22.90	1,732,500	-	-1,732,500	-	0	0
P4-7	2005-04-28	2010-04-28	40.00	17,500	-	-17,500	-	0	0
Total				1,850,000	-	-1,850,000	-	0	0

2011 Employee stock options LBI International AB

Series	Date of grant	Date of expiration	Strike price options (SEK)	Outstanding options as of 2010-12-31	Granted	Lapsed	Exercised	Released	Outstanding options as of 2011-12-31	Number of shares outstanding can increase by
D1-3	2006-10-30	2011-10-30	44.65	330,000	-	- 330,000	-	-	-	-
D4-6	2006-10-30	2011-10-30	44.65	70,000	-	- 70,000	-	-	-	-
E	2007-02-16	2012-02-16	52.50	200,000	-	-	-	-	200,000	200,000
F4-6	2007-11-27	2012-11-27	31.79	120,000	-	-	-	-	120,000	120,000
G1-3	2008-08-26	2013-08-26	16.57	538,000	-	-	-	- 12,500	525,500	525,500
H1-4	2009-02-13	2014-02-13	11.26	280,000	-	-	- 80,000*	62,200	262,200	262,200
I1-3	2009-09-21	2014-09-21	15.50	1,976,100	-	-	-	- 71,100	1,925,550	1,925,550
Total				3,514,100	-	- 400,000	- 80,000	- 21,400	3,033,250	3,033,250

* 40,000 Stock options were exercised on 13 January 2011. The average share price on that day was EUR 1.70

20,000 Stock options were exercised on 14 February 2011. The average share price on that day was EUR 1.91

20,000 Stock options were exercised on 10 June 2011. The average share price on that day was EUR 1.71

2010 employee stock options LBI International AB

Series	Date of grant	Date of expiration	Strike price options (SEK)	Outstanding options as of 2009-12-31	Granted	Lapsed	Exercised	Released	Outstanding options as of 2010-12-31	Number of shares outstanding can increase by
D1-3	2006-10-30	2011-10-30	44.65	591,250	-	- 261,250	-	-	330,000	330,000
D4-6	2006-10-30	2011-10-30	44.65	100,000	-	- 30,000	-	-	70,000	70,000
E	2007-02-16	2012-02-16	52.50	200,000	-	-	-	-	200,000	200,000
F4-6	2007-11-27	2012-11-27	31.79	366,000	-	- 246,000	-	-	120,000	120,000
G1-3	2008-08-26	2013-08-26	16.57	642,000	-	-	-	- 104,000	538,000	538,000
H1-4	2009-02-13	2014-02-13	11.26	280,000	-	-	-	-	280,000	280,000
I1-3	2009-09-21	2014-09-21	15.50	2,087,900	-	-	-	- 111,800	1,976,100	1,976,100
Total				4,267,150	-	- 537,250	-	- 215,800	3,514,100	3,514,100

Vesting

E 100% will vest on a change of control only (as defined in the Plan Rules).

F4-6 The first part of 50% vested 27 November 2009, the second part of 25% vested 27 November 2010 and the remaining 25% vested 27 November 2011.

G1-3 The first part of 50% vested on 26 August 2010, the second part of 25% vested on 26 August 2011 and the remaining part of 25% will vest 26 August 2012.

H1-4 The first part of 25% vested 13 February 2010, the second part of 25% vested 13 February 2011, the third part of 25% will vest 13 February 2012 and the remaining part of 25% will vest from 13 February 2013. In deviation of Rule 6.1 of the Rules the options will not lapse if the employee ceases to be an employee of any member of the Group but may be exercised within 5 years following the Date of Grant (i.e. by 13 February 2014) subject to the exercise periods.

I1-3 The first part of 50% vested 21 September 2011, the second part of 25% will vest 21 September 2012, and the remaining part of 25% will vest from 21 September 2013.

2011 awards LBi International N.V. under the Long Term Incentive Plan *

Series	Date of grant	Date of expiration	Price awards (EUR)	Outstanding awards 2010-12-31	Granted	Lapsed	Exercised	Released	Outstanding awards 2011-12-31	Number of shares outstanding can increase by
A1	2010-09-08	2010-09-15	1.20	1,123,333	-	-	-	-76,666	1,046,667	1,046,667
A2	2010-09-08	2010-09-15	1.80	1,123,333	-	-	-	-76,666	1,046,667	1,046,667
A3	2010-09-08	2010-09-15	2.80	1,123,334	-	-	-	-76,668	1,046,666	1,046,666
A5	2010-09-08	2010-09-15	1.20	2,870,105	-	-	-	-	2,870,105	2,870,105
A6	2010-09-08	2010-09-15	1.80	2,870,105	-	-	-	-	2,870,105	2,870,105
A7	2010-09-08	2010-09-15	2.80	2,870,106	-	-	-	-	2,870,106	2,870,106
B1-3	2011-05-26	2016-05-26	2.04	-	100,000	-	-	-	100,000	100,000
Total				11,980,316	100,000	-	-	- 230,000	11,850,316	11,850,316

* Whereof 8,710,316 shares were issued to the trustee of the trust company of LBi Employee Benefit Trust

2010 awards LBi International N.V. under the Long Term Incentive Plan *

Series	Date of grant	Date of expiration	Price awards (EUR)	Outstanding awards 2009-12-31	Granted	Lapsed	Exercised	Released	Outstanding awards 2010-12-31	Number of shares outstanding can increase by
A1	2010-09-08	2010-09-15	1.20	-	1,123,333	-	-	-	1,123,333	1,123,333
A2	2010-09-08	2010-09-15	1.80	-	1,123,333	-	-	-	1,123,333	1,123,333
A3	2010-09-08	2010-09-15	2.80	-	1,123,334	-	-	-	1,123,334	1,123,334
A5	2010-09-08	2010-09-15	1.20	-	2,870,105	-	-	-	2,870,105	2,870,105
A6	2010-09-08	2010-09-15	1.80	-	2,870,105	-	-	-	2,870,105	2,870,105
A7	2010-09-08	2010-09-15	2.80	-	2,870,106	-	-	-	2,870,106	2,870,106
Total				-	11,980,316	-	-	-	11,980,316	11,980,316

* Whereof 8,610,316 shares were issued to the trustee of the trust company of LBi Employee Benefit Trust

Vesting

A1-7 No vesting period applies to the awards granted on 8 September 2010 (i.e. the vesting date). However, the exercise price is EUR 4 for the first year and shall thereafter be decreased to EUR 1.20 for 1/3, EUR 1.80 for 1/3 and EUR 2.80 for the remaining 1/3 of the awards.

The fair value of the LTIP is estimated as per emission date at EUR 3.3 million, accounted for in the profit and loss account. The amount was calculated with the help of the John C. Hull model.

The following input data were used in the model: expected volatility 45% per year, risk free rate 2.1% per year and an exercise multiple of 1.30 in the case of a price of EUR 1.20, 1.20 in the case of a price of EUR 1.80 and 1.10 in case of a price of EUR 2.80.

B1-3 The first part of 50% will vest 26 May 2012, the second part of 25% will vest 26 May 2013 and the remaining part of 25% will vest on 26 May 2014. The fair value of the granted awards is estimated as per emission date at EUR 39 thousand, accounted for in the profit and loss account. The amount was calculated with the help of the John C. Hull model. The following input data were used in the model: expected volatility 45% per year, risk free rate 2.1% per year and an exercise multiple of 1.30.

NOTE 25 LONG TERM LIABILITIES TO CREDIT INSTITUTIONS

In 2010 our most important credit facilities consisted of a number of loans held centrally at the Danske Bank in various currencies. These loans were granted to facilitate the acquisition of a number of Group companies. The terms and conditions to the loans were conform market practices and were similar for all loans. End of 2010 LBi easily met all of the criteria and had enough headroom to allow for unexpected changes in the performance.

On 10 November 2011 all Danske Bank loans and other facilities have been refinanced with ABN AMRO Bank. The new financing structure entails a EUR 20.0 million uncommitted working capital facility (facility A), a EUR 30.0 million committed revolving credit facility (facility B) and a EUR 20.0 million term loan (facility C). End of 2011, there were no more Danske Bank loans outstanding.

As a current account facility, facility A has a short term variable interest rate. The current account facility is reported under short term liabilities to

credit institutions. Facilities B and C mature in 3 years' time and have a variable interest rate based on EURIBOR plus a mark-up.

To reduce its exposure to borrowings at market interest rates, interest rate swaps denominated in euros, have been entered into with financial institutions. The swaps mature at 31 October 2014. At 31 December 2011 the Group had two interest rate swaps with notional contract amounts of EUR 20.0 million and EUR 23.0 million (2010: EUR 19.9 million).

Interest rate swaps are stated at fair value with the realised and unrealised result recorded as net financing costs in the profit and loss account.

The fair value of interest rate swaps amounts to EUR 0.0 million (2010: EUR 0.2 million) and is included in 'Other non-current assets' as 'Derivative instruments' in the statement of the financial position. There were no gains/loses related to hedging instruments.

Long term liabilities to credit institutions 2011 EUR million	Effective interest rate	Balance at 31-12-2011	Due in 2013 ^o	Due in 2014	Thereafter
ABN AMRO facility B	4.16%	15.3	7.6	7.7	-
ABN AMRO facility C	4.16%	14.0	7.0	7.0	-
Other		0.5	0.3	-	0.2
Total		29.8	14.9	14.7	0.2

Long term liabilities to credit institutions 2010 EUR million	Effective interest rate	Balance at 31-12-2010	Due in 2012 ^o	Due in 2013	Due in 2014
Danske Bank EUR	2.60%	5.6	4.6	0.8	0.2
Danske Bank GBP	2.43%	1.0	0.7	0.3	0.1
Danske Bank SEK	2.61%	1.0	0.4	0.4	0.3
Danske Bank USD	2.74%	7.4	5.4	1.8	-
Other loans		0.6	0.2	0.1	0.3
Total		15.6	11.3	3.4	0.9

^o Amounts due in 2012 and 2011 are presented under short term liabilities to credit institutions

The exposure of the Group's borrowings to interest rate changes has been hedged with an interest rate swap.

The trade receivables of certain subsidiaries of the Group serve as collateral for long term bank borrowings. In case the Group defaults under the loan agreement, the bank has the right to receive the cash flows from the trade receivables of these entities. Without default, the entities will collect the receivables and allocate new receivables as collateral. The following collateralised assets are provided as a security for the various bank facilities:

EUR million	2011	2010
Equipment	-	0.1
Equipment used in accordance with financial lease contracts	-	0.2
Trade receivables *	39.0	0.3
Shares in subsidiaries	-	183.1
Corporate mortgages	-	11.6
Total collateral	39.0	195.3
Other engagements		
Restricted accounts and deposits	1.3	1.2
Total	40.3	196.5

* Only from LBi Lost Boys B.V., LBi Netherlands B.V., LBi Limited, LBi Sverige AB and LBi USA, LLC

NOTE 26 PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

More than half of the provision (EUR 0.6 million) is for pension commitments by one of the German Group companies to a member of management. The pension scheme is classified as a defined benefit plan. The provision is based on an actuarial calculation pursuant to IAS 19 based on the following actuarial assumptions:

Actuarial assumptions	2011 Richttafeln 2005 G	2010 Richttafeln 2005 G
Discount rate of interest (%)	5.4%	5.0%
Future annual salary increases (%)	2.0%	1.5%
Retirement age	63	63

Payments under this plan will be made starting in 2020 in accordance with the retirement age. Just short of half of the provision (EUR 0.4 million) is for pension commitments to employees of the Italian Group company. In accordance with Italian legislation (Trattamento di Fine Rapporto), provisions to which employees are entitled are set aside when employment is terminated. The annual provision is based on the remuneration that the employee received during the year and is adjusted to the Italian CPI. The pension scheme is classified as a defined benefit plan pursuant to IAS 19. The provision is based on an actuarial calculation in accordance with IAS 19.

Provisions for pensions and similar obligations EUR million	2011	2010
Opening balance	1.0	1.0
Provision for the year	0.2	0.1
Utilisation	-0.1	-0.1
Total provision for pensions	1.1	1.0

NOTE 27 OTHER PROVISIONS

Movements in other provisions EUR million	Earn-out obligations		Other provisions		Total other provisions	
	2011	2010	2011	2010	2011	2010
Opening balance long term portion	5.3	7.5	-	-	5.3	7.5
Opening balance short term portion	2.9	5.3	-	-	2.9	5.3
Total opening balance	8.2	12.8	0.0	0.0	8.2	12.8
Acquisitions	7.0	7.8	-	-	7.0	7.8
Fair value adjustment	-0.5	-3.4	-	-	-0.5	-3.4
Utilisation	-2.6	-9.4	-	-	-2.6	-9.4
Addition	-	-	1.3	-	1.3	-
Foreign exchange rate effects	-	0.4	-0.1	-	-0.1	0.4
Closing balance long term portion	11.8	5.3	1.2	-	13.0	5.3
Closing balance short term portion	0.3	2.9	-	-	0.3	2.9
Total other provisions	12.1	8.2	1.2	0.0	13.3	8.2

Acquisition of earn out obligations fully relates to the acquisition of TRIPLE LBi Copenhagen in early February 2010 and of Mr Youth and Rethink in 2011. Fair value adjustments on this provision are the result of certain earn out targets of subsidiaries, acquired in years prior to 2010 that were not met. In 2010 EUR 9.4 million of the earn out provision has been paid out in cash based on realised targets and purchase agreements. In 2011 EUR 2.6 million was paid to former owners of TRIPLE LBi, Copenhagen.

Other provisions relate to a provision for litigation of EUR 1.0 million and various small items.

NOTE 28 CONTINGENT CONSIDERATION

When Obtineo acquired BMM on 29 April 2010 sellers were paid in LBI shares. Sellers guaranteed that the 3 month average share price of New LBI would be at least EUR 1.65 18 months after the merger. This has been recognised as a contingent consideration in Obtineo. The policy on the treatment of contingent considerations has changed since 2010. More information about the policy change can be found in Note 3 'Comparative information'.

The following table sets out the movements in the contingent consideration on the statement of financial position:

Contingent consideration EUR million	Initial	Amendment	Amended
Balance sheet			
Total obligation at acquisition 29 July 2010	9.8	-	9.8
Release due to sale of shares	- 3.1	-	- 3.1
Fair value adjustment Black & Scholes	-	- 2.0	- 2.0
Balance end of December 2010	6.7	- 2.0	4.7
Opening balance January 2011	6.7	- 2.0	4.7
Release due to sale of shares	- 1.7	-	- 1.7
Quarterly release conform policy 2010	- 2.8	2.8	0.0
Fair value adjustment Black & Scholes	-	- 2.6	- 2.6
Balance end of December 2011	2.2	- 1.8	0.4

NOTE 29 SHORT TERM LIABILITIES TO CREDIT INSTITUTIONS

EUR million	2011	2010
Short term portion long term loans*	13.8	11.4
Bank overdraft facility	0.7	7.7
Current portion of capital lease obligations	0.1	0.2
Total	14.6	19.3

* The terms and conditions for short term liabilities to credit institutions are the same as those for long term liabilities to credit institutions

NOTE 30 TRADE AND OTHER PAYABLES

EUR million	2011	2010
Trade payables	20.5	25.9
VAT payable	1.2	-
Withholding tax payable	0.6	-
Total	22.3	25.9

NOTE 31 OTHER SHORT TERM LIABILITIES

EUR million	2011	2010
Accrued expenses	22.6	23.4
Other short term liabilities	11.3	14.0
Total	33.9	37.4

Notes to the consolidated cash flow statement

NOTE 32 NON-CASH TRANSACTIONS

Non-cash transactions related to the acquisition of Mr Youth, LLC and Rethink GmbH. For Mr Youth, LLC EUR 6.8 million and for Rethink EUR 0.3 million remains payable until payment terms are met. Refer to Note 6 for more information about these acquisitions.

Other items

NOTE 33 COMPENSATION OF KEY PERSONNEL

The remuneration of key personnel comprises both a fixed and a variable component as well as share based pay. The policy and terms and conditions are set out in the remuneration paragraphs on pages 051 through 055 in the chapter 'Corporate Governance'.

As key personnel are identified the members of the Management Board and the Supervisory Board. The Management Board has two members: the Chief Executive Officer and the Chief Financial Officer. The following table denotes the breakdown in remuneration key personnel in 2011 and 2010:

Key Management Personnel Compensation EUR thousand	Short term: Remuneration	Post Pensions	Severance	Long term: Equity incentives	Other	Total
2010						
Management Board						
Luke Taylor (CEO)	500.0	-	-	1,042.7	-	1,542.7
Huib Wezenberg (CFO)	250.0	18.0	-	246.8	14.0	528.8
Supervisory Board						
Fred Mulder (chairman)	49.8	-	-	178.4	6.0	234.2
George Fink	35.8	-	-	133.8	-	169.6
John Farrell	20.8	-	-	133.8	-	154.6
Nazo Moosa	8.3	-	-	44.6	-	52.9
Joost Tjaden	8.3	-	-	44.6	-	52.9
Katarina Bonde	18.4	-	-	-	-	18.4
Michiel Mol	16.4	-	-	-	-	16.4
Lucas Mees	16.4	-	-	-	-	16.4
Total	924.2	18.0	-	1,824.7	20.0	2,786.9
2011						
Management Board						
Luke Taylor (CEO)	500.0	-	-	-	-	500.0
Huib Wezenberg (CFO)	250.0	14.0	-	-	12.0	276.0
Supervisory Board						
Fred Mulder (chairman)	70.0	-	-	-	-	70.0
George Fink	50.0	-	-	-	-	50.0
John Farrell	50.0	-	-	-	-	50.0
Joost Tjaden (until 26 May 2011)	10.0	-	-	-44.6	-	-34.6
Nazo Moosa (until 12 December 2011)	20.0	-	-	-	-	20.0
Robert Easton (from 12 December 2011)	-	-	-	-	-	-
Total	950.0	14.0	-	-44.6	12.0	931.4

Remuneration Supervisory Board

As of 29 July 2010, the effective date of the Merger, the following amounts shall be paid to the members of the Supervisory Board per annum (until such amounts are amended in accordance with the Articles of Association):

– Fred Mulder, chairman	EUR 70,000
– George Fink	EUR 50,000
– John Farrell	EUR 50,000
– Nazo Moosa	EUR 20,000
– Joost Tjaden	EUR 20,000
– Robert Easton	EUR 20,000

The Company has not entered into (service) agreements with members of the Supervisory Board providing for benefits upon termination of such agreement.

In September 2010 awards have been granted to the Supervisory Board members Fred Mulder, George Fink, Nazo Moosa, Joost Tjaden and John Farrell under the Long Term Incentive Plan. The awards of Joost Tjaden lapsed 26 November 2011, 6 months after his resignation as Supervisory Board member. Nazo Moosa may exercise the awards until 12 June 2012, 6 months after her resignation as Supervisory Board member. Thereafter the awards of Nazo Moosa shall lapse. The Long Term Incentive Plan is further described in the chapter 'Employee Incentive plans' below. An overview of the awards granted to the Supervisory Board members, the value of the awards on the date of grant as well as the expenses of the equity incentives that were charged to the income statement in 2011 is included in Notes 9, 24 and 35. In 2011 no additional awards were granted.

Remuneration Management Board

The members of the Management Board, Luke Taylor and Huub Wezenberg, continued their services in accordance with their agreements existing prior to the Merger.

Short term compensation

Luke Taylor, Management Board member and CEO, is entitled to an annual base salary of EUR 500,000 gross. Under the Remuneration Policy he may receive a short term incentive compensation of up to 100 per cent of his annual base salary which is subject to the achievement of short term performance targets, including EBITDA targets set for the Group and specific regions, and growth targets within the individual area of responsibility. Luke Taylor is neither entitled to any profit sharing arrangement nor to any pension benefits.

Huub Wezenberg, Management Board member and CFO, is entitled to an annual base salary of EUR 250,000 gross. Under the Remuneration Policy he may receive a short term incentive compensation of up to 50 percent of his annual base salary which is subject to the achievement of short term performance targets, including EBITDA targets set for the Group and specific regions, and growth targets within the individual area of responsibility. Huub Wezenberg is not entitled to any profit sharing arrangement. He has defined contribution pension plan for which the expenses amounted to EUR 14,000 in 2011.

No variable remuneration was awarded to the Management Board members in 2011 since the EBITDA targets were not met.

Long term compensation

Shares

In order to commit Luke Taylor and Huub Wezenberg, the members of the Management Board, to continue their services for the Company, Luke Taylor acquired 666,667 shares and Huub Wezenberg acquired 166,666 shares in the Company pursuant to a private placement of shares (the "PIPE") which was completed on 29 April 2010. Both members paid up the nominal amount of the PIPE shares. The remaining amount of EUR 0.95 per share converted into a loan granted by the Company as of 29 July 2010 of in total EUR 791,666. If the Management Board member ceases to be an employee of LBI, he shall repay the loan plus accrued interest within 4 weeks. The loans bear an interest of 5% per annum and shall be repaid within four years following the effective date of the Merger.

The PIPE Shares were offered at a discounted price. The difference between the fair value of the shares at the date they were acquired and the actual price paid should be seen as a component of salary and amounted to EUR 0.3 million.

Equity incentives

Prior to the Merger Luke Taylor and Huub Wezenberg have been granted rights to acquire shares in the capital of LBI International AB (options) under the Global Share Option Plan. As per 29 July 2010 these options were replaced by new options in the Company on terms corresponding to the options held in LBI International AB. The options can be exercised on the condition that Luke Taylor and Huub Wezenberg respectively are still employees of the LBI group. The award of the options was determined by the Board of Directors of LBI International AB, with due reference to such criteria as the manager's performance and his position within, and significance for the Group.

Furthermore Luke Taylor and Huub Wezenberg have been granted awards under the Long Term Incentive Plan of the Company in September 2010.

To the options granted under the Global Share Option Plan still outstanding per 31 December 2011 the following applies:

Luke Taylor

- a) exercise price options:
Series G at SEK 16.57 and series I at SEK 15.50
- b) the aggregate number of options granted not yet exercised:
780,000 entitling to 780,000 shares, whereof 280,000 series G and 500,000 series I
- c) the conditions of the options:
Series G vested 26 August 2010 and expire 26 August 2013
Series I vested 21 September 2011 and expire 21 September 2015

Huib Wezenberg

- a) exercise price options:
Series G at SEK 16.57 and series I at SEK 15.50
- b) the aggregate number of options granted not yet exercised:
334,000 entitling to 334,000 shares, whereof 84,000 series G and 250,000 series I
- c) the conditions of the options:
Series G vested 26 August 2010 and expire 26 August 2013,
series I vested 21 September 2011 and expire 21 September 2015

To the awards granted under the Long Term Incentive Plan the following applies:

Luke Taylor

- a) exercise price awards:
EUR 1.20 for 1/3 of the awards, EUR 1.80 for 1/3 of the awards and EUR 2.80 for the remaining 1/3 of the awards
- b) the aggregate number of awards granted not yet exercised:
3,000,000
- c) the conditions of the awards:
No vesting period applies to these awards. The exercise price of the awards was EUR 4 for the first year. Therefore in order to receive any value in the 12 months following the grant the price of the LBI shares had to exceed EUR 4,-.
- d) British legislation requires UK participants of the JSOP to deposit EUR 0.07 per award in the LBI EBT. This amount has been paid by LBI and remains receivable from Mr Taylor.

Huib Wezenberg

- a) exercise price awards:
EUR 1.20 for 1/3 of the awards, EUR 1.80 for 1/3 of the awards and EUR 2.80 for the remaining 1/3 of the awards
- b) the aggregate number of awards granted not yet exercised:
700,000

c) the conditions of the awards:

No vesting period applies to these awards. The exercise price of the awards was EUR 4 for the first year. Therefore in order to receive any value in the 12 months following the grant the price of the LBI shares had to exceed EUR 4.

The Global Share Option Plan and the Long Term Incentive Plan are further described in the chapter 'Employee incentive plans' below. An overview of the options and awards, the value of the awards on the date of grant as well as the expenses of the equity incentives that were charged to the income statement in 2011 is included in Notes 9, 24 and 35.

Terms of employment

The members of the Management Board have employment contracts for an indefinite period of time.

Severance arrangements

The service agreement of Luke Taylor is terminable on six months' written notice by either party. At any time on or after notice to terminate the agreement is given by either party Luke Taylor will not, without LBI's prior written consent, be employed or otherwise engaged in the conduct of any business activity which directly conflicts with his duties to LBI for a maximum period of six months if so requested by LBI. During this period, Luke Taylor will be entitled to receive his salary and all contractual benefits in accordance with his service agreement.

In the event of a change of control, LBI shall pay to Luke Taylor an amount equal to the bonus he would have received for the current financial year by assuming that the financial results and criteria for the year been met in full (resulting in an amount of EUR 500,000). This agreement is covered by English law.

The employment agreement of Huib Wezenberg is terminable on six months' written notice by the employer and three months' written notice by Huib Wezenberg. In case the agreement is terminated by LBI other than (i) for an urgent cause within the meaning of Article 7:678 of the Dutch Civil Code, or (ii) after a period of illness of two years, while the termination was not fully or principally based on any misconduct or lack of conduct, Huib Wezenberg shall be entitled to compensation of an amount equal to his gross annual salary including holiday allowance. The agreement does not include a change of control clause. This agreement is governed by Dutch law.

NOTE 34 SHARE OWNERSHIP OF KEY PERSONNEL

The number of Shares owned by members of the Management Board and the Supervisory Board as of 31 December 2011 are as follows:

Share ownership key personnel	# Shares 2011	# Shares 2010
Management Board		
Luke Taylor (CEO)	743,667	743,667
Huub Wezenberg (CFO)	171,666	171,666
Supervisory Board		
Fred Mulder (chairman)	349,417	349,417
George Fink	-	-
John Farrell	-	-
Joost Tjaden	-	-
Nazo Moosa	-	-
Robert Easton	-	-
Total	1,264,750	1,264,750

NOTE 35 EQUITY INCENTIVES KEY PERSONNEL

The Company has a Global Share Option Plan ("GSOP") and a Long Term Incentive Plan ("LTIP") in place. General information and more details on both plans can be found in Note 25 of the consolidated statements.

Global Share Option Plan

Under the GSOP employees have been awarded options to purchase Shares in LBi. Options have been awarded without payment of a premium and the redemption price for the options reflected the market value of an LBi share on the date on which the options were issued. The options cannot be exercised earlier than six months or later than seven years from the date on which they have been issued and on the condition that the holder of the options is still an employee of the LBi Group. The award of options was determined by the Board of Directors, or a committee appointed by the Board of Directors, with due reference to such criteria as the employee's performance and his/her position within, and significance for, the Group. The purpose of the option programme was to create the conditions for maintaining and recruiting competent employees in the Group.

The outstanding options under the GSOP were granted prior to the Merger and entitled the holders to purchase shares in LBi international AB. As per 29 July 2010, these options have been replaced by new options in the Company on terms corresponding to the options held in LBi International AB.

One option in LBi International AB has thus be replaced by one corresponding option in the Company. No new options will be granted under the GSOP. As of 31 December 2011 3,033,250 options were outstanding under the GSOP, which together entitled the holders to purchase a maximum of 3,033,250 shares in LBi International N.V.

In the event of a change of control as a result of an offer to acquire the shares or if the Company is merged into another company, all options may be exercised within six months after the date the offer has become unconditional or the effective date of the Merger. The options will lapse at the end of the six month period, unless the Management Board gives reasonable notice to the option holders before the end of the six month period that the options will not lapse. If a person becomes bound or entitled to acquire shares pursuant to a written agreement which results in a change of control, options may be exercised at any time when that person remains so bound or entitled and then will lapse.

A participant who ceases employment at a time when options have vested will be able to exercise its options in principle in the six month period following cessation of employment (regardless of the reason of termination), after which the options will lapse. Options held by a participant who ceases employment prior to their vesting will lapse in full.

Long Term Incentive Plan

The LTIP provides for the grant of equity awards to facilitate the recruitment, motivation and retention of executives and employees. All major decisions relating to the LTIP will be made by the Remuneration Committee. The LTIP is discretionary and will only operate in those years that the Remuneration Committee determines. Any employee (including executive directors) of a Group company will be eligible to participate in the LTIP at the discretion of the Remuneration Committee.

Awards may take the form of any of (or a combination of) the following:

- an option (delivered in the form of a stock appreciation right to be settled either in Shares or cash) at nil cost or such other exercise price as determined by the Remuneration Committee;
- an interest in Shares
- any other type of equity or equity related interest giving substantially the same economic benefit.

Awards may be granted over newly issued Shares, treasury shares or shares purchased in the market. Awards under the LTIP will not form part of a participant's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee. No payment will be required for the grant of an award (however payment for receipt of an interest in Shares will be required).

The maximum number of Shares available to be awarded under the LTIP is 12,750,000 Shares. For the purposes of calculating the number of Shares remaining in the pool, awards or other rights to acquire Shares which lapse or have been released do not count. However, where appropriate, Shares subscribed by the trustees of the employee benefit trust to satisfy rights granted under any equity incentive plans adopted by the Company would count towards these limits. 11,980,316 awards have been granted in September 2010 (the "Initial Awards"), wherefore 8,610,316 Shares were issued at the end of September 2010 to the trustee of the Trust Company LBi Employee Benefit Trust in connection with the granting of Initial awards under the equity incentive plan of LBi.

An additional 100,000 awards have been granted in May 2011 whereof 100,000 Shares were issued in Q2 2011 to the trustee of the trust company LBi Employee Benefit Trust and the participant jointly. The remainder of Shares to be awarded under the LTIP as of 31 December 2011 is 899,684.

Future awards may be granted in any period of six weeks following (i) the Annual General Meeting of Shareholders; (ii) an announcement by the Company of its interim or final results; (iii) any other time when the Remuneration Committee determines that exceptional circumstances exist justifying the making of an award (this may, for example, include making awards to recruit key individuals) and (iv) any change or proposed change to legislation, regulation or government directive that affects the LTIP.

If there exists any legal or regulatory barrier to making an award, the award

will be made within six weeks of such barrier being removed. No individual limits will apply that restrict the value of awards that may be granted to any employee in any financial year.

No vesting period applies to the Initial Awards. However, the exercise price of the Initial Awards was EUR 4,- for the first year and is thereafter decreased to EUR 1.20 for 1/3 of the awards, EUR 1.80 for 1/3 of the awards and EUR 2.80 for the remaining 1/3 of the awards. Therefore in order for members of the Management Board, Supervisory Board or Senior Management to receive any value in the 12 months following the grant the price of the Shares will had to exceed EUR 4.

The Remuneration Committee, at the date of grant, will determine the vesting arrangements in respect of future awards. The minimum vesting period of future awards will be six months from the date of grant. Awards will lapse no later than the seventh anniversary of the date of grant (or such earlier date as determined by the Remuneration Committee).

A participant who ceases employment at a time when awards have vested will be able to exercise its awards in the six month period (or such longer period as the Remuneration Committee may determine) following cessation of employment (regardless of the reason of termination), after which the awards will lapse. Awards held by a participant who ceases employment prior to their vesting will lapse in full.

In the event of a change of control of the Company where the acquiring company permits outstanding awards to be exchanged for new awards in relation to Shares in the acquiring company on a comparable basis, the Remuneration Committee may require awards to be exchanged. Where no exchange of awards is made, awards will vest in full (to the extent not already vested) and will be exercisable within prescribed time limits up to and following the change of control.

Any alterations to the rules to the advantage of participants governing eligibility and the number of Shares available under the LTIP, must be approved in advance by the General Meeting of Shareholders.

The Remuneration Committee may grant awards to employees on different terms or establish further plans, as it considers necessary or desirable to take account of or to mitigate or to comply with relevant taxation, securities or exchange control laws provided that the terms of the awards are not overall more favourable than the terms of awards granted to other employees and that any Shares made available under such plans shall count towards the overall limits set out above.

Number of outstanding equity incentives

The number of equity incentives owned by members of the Management Board and the Supervisory Board under the GSOP and the LTIP as of 31 December 2011 are as follows:

Number of outstanding equity incentives	# Options GSOP	Weighted average exercise price	# Awards LTIP	Weighted average exercise price ³⁾	Expenses equity incentives charged to the income statement 2010 ⁴⁾
Management Board					
Luke Taylor (CEO) ¹⁾	780,000	EUR 1.59	3,000,000	EUR 1.93	EUR 836,372
Huub Wezenberg (CFO) ²⁾	334,000	EUR 1.60	700,000	EUR 1.93	EUR 195,153
Supervisory Board					
Fred Mulder (chairman)	-	-	640,000	EUR 1.93	EUR 178,426
George Fink	-	-	480,000	EUR 1.93	EUR 133,820
John Farrell	-	-	480,000	EUR 1.93	EUR 133,820
Joost Tjaden ⁵⁾	-	-	160,000	EUR 1.93	EUR 44,607
Nazo Moosa ⁶⁾	-	-	160,000	EUR 1.93	EUR 44,607
Robert Easton	-	-	-	-	-
Total	1,114,000		5,460,000		EUR 1,566,805

1) - 280,000 Series G and 500,000 series I with an exercise price of SEK 16.57 respectively SEK 15.50 per share;
 - Series G was granted in 2008, vested 26 August 2010 and expires 26 August 2013.
 - Series I was granted in 2009, vested 21 September 2011 and expires 21 September 2015.

2) - 84,000 Series G and 250,000 series I with an exercise price of SEK 16.57 respectively SEK 15.50 per share;
 - Series G was granted in 2008, vested 26 August 2010 and expires 26 August 2013.
 - Series I was granted in 2009, vested 21 September 2011 and expires 21 September 2015.

3) The weighted average exercise price of EUR 1.93 is based on the exercise prices as they apply as of 1 year following the grant of the Initial Awards. These exercise prices are EUR 1.20 for 1/3 of the awards, EUR 1.80 for 1/3 of the awards and EUR 2.80 for the remaining 1/3 of the awards.

4) The expenses charged to the income statement in 2010 are equal to the value of the awards on grant date.

5) The 160,000 awards of Joost Tjaden lapsed 8 September 2011. The financial result hereof has been recognised in the income statement 2011.

6) Nazo Moosa may exercise the awards until 12 June 2012, 6 months after her resignation as Supervisory Board member. Thereafter these awards shall lapse.

NOTE 36 OFF BALANCE SHEET COMMITMENTS

2010 EUR million	Lease equipment	Lease cars	Rent	Other commitments	Total commitments
Less than 1 year	0.4	0.7	4.9	0.1	6.1
Between 1 and 5 years	0.8	1.0	18.2	-	20.0
More than 5 years	1.4	-	11.0	-	12.4
Total commitment	2.6	1.7	34.1	0.1	38.5

2011 EUR million	Lease equipment	Lease cars	Rent	Other commitments	Total commitments
Less than 1 year	0.3	0.4	4.8	-	5.5
Between 1 and 5 years	0.5	0.6	15.8	-	16.9
More than 5 years	-	-	11.4	-	11.4
Total commitment	0.8	1.0	32.0	-	33.8

In 2010, the increase in commitments of less than 1 year and between 1 and 5 years is due to the merger with Obtineo; the increase in commitments that fall due after 5 years is due to extended contracts in the USA for office space. In 2011, the increases are mainly due to the acquisition of Mr Youth and Rethink.

NOTE 37 RELATED PARTIES

The Group identifies the following related parties: subsidiaries, associates, members of the Supervisory Board, members of the Management Board and large block holders.

Relationships with subsidiaries and associates entailed only intercompany transactions in the regular course of business. Long term relationships are formalised by contracts, whereas short term relationships are settled regularly.

Members of the Management Board and Supervisory Board received remuneration for their deployment. As part of the Long Term Incentive Plan Luke Taylor deposited EUR 213,000 in the LBi Employee Benefit Trust that was incorporated for the execution of the Long Term Incentive Plan. This amount remains receivable by LBi. More details about the remuneration of the Management and Supervisory Board can be found on page 051 (Remuneration policy) and pages 053 and 054 (amounts).

During 2010 Chairman Fred Mulder via his company FM Sud Consulting invoiced LBi International AB in the amount of EUR 6,000. In 2011 no additional amounts were charged.

During 2010 LBi Holding N.V. invoiced Futuremakers B.V. an amount of EUR 72,000 for sublease, canteen- and cleaning services. For 2011 this was EUR 25,304. Director Michiel Mol has a 50 percent interest in Futuremakers B.V. and is a large block holder of LBi. During 2011 Futuremakers B.V. moved out of the LBi office building.

Stephen Leach, a former block holder of LBi until 15 December 2010 rents out office space to (former) BMM entities for an amount of EUR 97,000 per annum.

In 2010 the management board acquired LBi shares under the PIPE conditions. The amount payable for the shares concerns EUR 1.05 million and remains receivable by LBi. In 2011 this amount was increased by EUR 0.1 million which represents the interest on this loan, and decreased by EUR 0.4 million which represents the periodical repayment of the loan.

The Rights Offering that was issued in September 2010 was underwritten by shareholders Janivo Holding and Cyrte Investments. Each took up 65,316 shares to complement the total number of shares settled to 10,000,000.

COMPANY FINANCIAL STATEMENTS 2011

Company balance sheet

The Group identifies the following related parties: subsidiaries, associates, members of the Supervisory Board, members of the Management Board and large block holders.

EUR million	Note	31 Dec 2011	31 Dec 2010 Amended
Assets			
Intangible assets	4	13.7	38.3
Tangible assets	5	0.5	0.2
Financial assets	6	381.4	264.0
Total non-current assets		395.6	302.5
Receivables from Group companies		5.4	3.0
Other receivables and prepayments	7	2.3	2.3
Cash and cash equivalents		-	-
Total current assets		7.7	5.3
Total assets		403.3	307.8
Share capital		37.5	37.5
Additional paid in capital		250.9	250.8
Foreign translation adjustments		12.2	8.6
Retained earnings		- 51.0	- 49.3
Current year result		17.5	- 2.8
Total shareholders' equity	8	267.1	244.8
Provisions	9	2.2	5.9
Non-current liabilities	10	89.3	30.6
Current liabilities	11	44.7	26.5
Total liabilities		136.2	63.0
Total equity and liabilities		403.3	307.8

The accompanying notes form an integral part of the financial statements.

Company income statement

For the year ended 31 December 2011 (before appropriation of the result)

EUR million	2011	2010 Amended
Company result	-0.8	-4.3
Result from participating interests	18.3	1.5
Result for the period	17.5	- 2.8

The accompanying notes form an integral part of the financial statements.

Notes to the Company annual accounts

COMPANY NOTE 1 Basis of preparation

The Company financial statements for the year ended 31 December 2011 have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with sub article 8 of article 362, Book 2 of the Dutch Civil Code, the Company applies the same principles of valuation and determination of result for the corporate financial statements as the consolidated financial statements. LBI International's investments in Group companies are stated using the 'net asset value method' ('netto vermogens waarde methode') as further outlined in Note 2. For the principles of valuation of assets and liabilities and for the determination of results reference is made to the notes to the consolidated statement of financial position and income statement.

LBI International N.V. has been incorporated on 28 December 2009. Therefore, the reporting year 2010 has been extended by three days so that the results of the last three days of 2009 are included reporting year 2010.

In the Annual Report of 2010, the Company Financial Statements were prepared under IFRS, where subsidiaries were recognised at historical cost and Company equity deviates from Consolidated equity.

Application of the recognition and measurement principles as applied in the consolidated financial statements is common practice for Dutch based

companies. Users of the Financial Statements are more familiar with the application of the recognition and measurement principles as applied in the consolidated financial statements than with application of IFRS in the Company only annual accounts and therefore users are expected to benefit from this change in accounting policy. Management therefore believes the application of the revised accounting policies leads to more insight and better comprehension of the results of the Company.

The comparative figures have been amended applying the recognition and measurement principles as applied in the consolidated financial statements. Because the 2010 Financial Statements were the first financial statements of LBI International N.V., there are no other amendments. The current accounting policies will be consistently applied going forward.

In principle, the application of the net asset value method for the determination of result leads to equal net income in both the consolidated statements and the Company statements. Because the legal merger, that took place on 29 July 2010, was a reverse acquisition, this will not be the case. The table below gives a schematic overview of the results that have been recognised in the consolidated and in the Company statements.

Recognition of results 2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Consolidated statements												
LBI International AB												
Obtineo Netherlands Holding N.V.												
bigmouthmedia GmbH												
Company statements												
LBI International AB												
Obtineo Netherlands Holding N.V.												
bigmouthmedia GmbH												

The table below gives an overview of the financial statement line items impacted by the accounting policy change:

Change in basis of preparation EUR million	Goodwill	Subsidiaries	Equity	Liabilities
According to 2010 financial statements	0.0	140.2	177.5	65.7
Net asset value method	37.9	38.9	64.0	-
Contingent consideration	-	-	2.0	-2.0
Change functional currency	-	-	1.3	-0.7
2010 Amended	37.9	179.1	244.8	63.0

COMPANY NOTE 2 Financial fixed assets

In the Company financial statements investments in subsidiaries are stated at net asset value.

Investments with negative net asset value are first deducted from loans that form part of the net investment (if any). Provision is made in excess of net investment only to the extent that the Company has the firm intention to settle and that the obligations meet the criteria for recognition as a provision (e.g. constructive and legal obligations, potential cash outflow etc.).

COMPANY NOTE 3 Goodwill

Presentation of goodwill is dependent on the structuring of the acquisition. Goodwill is presented separately in the Company financial statements if this relates to an acquisition performed by the Company itself. Goodwill is subsumed in the carrying amount of the net asset value (see Company Note 6) if an investment in a subsidiary is acquired through the Company's intermediate subsidiary.

COMPANY NOTE 4 Intangible assets

EUR million	Software	Goodwill	2011	2010
Costs 1 January	0.4	37.9	38.3	-
Accumulated amortisation per 1 January	-	-	-	-
Book value at 1 January	0.4	37.9	38.3	0.0
Changes				
Corporate restructuring	-	-25.1	-25.1	-
Acquired through business combinations	-	-	-	38.3
Investments	0.5	-	0.5	-
Amortisation	-0.1	-	-0.1	-
Translation differences	0.1	-	0.1	-
Total changes	0.5	-25.1	-24.6	38.3
Costs 31 December	1.0	12.8	13.8	38.3
Accumulated amortisation per 31 December	-0.1	-	-0.1	-
Book value at 31 December	0.9	12.8	13.7	38.3

Investments in software relate to capitalised labour expenses that were dedicated to in-house built software. Investments in goodwill in 2010 result from the merger with Obtineo.

In 2011 the Group changed its internal ownership structure, whereby the Parent Company sold a number of subsidiaries to intermediate holdings. This reduced the goodwill recognised in the Parent Company by EUR 25.1 million. Likewise, the acquisition of Mr Youth and Rethink both were done by intermediate holdings.

For the amortisation of intangible assets the following percentages have been used:

Software:	3 years
Trademarks:	5 years
Contracts:	3-5 years
Goodwill:	impairment test

Impairment test for intangible assets

The goodwill shown above represents only goodwill on subsidiaries directly owned by the Company. For the annual impairment test, this goodwill is allocated to the relevant cash-generating units. Additional information is included in Note 17 of the consolidated financial statements.

COMPANY NOTE 5 Tangible assets

EUR million	2011	2010
Costs 1 January	0.2	-
Accumulated amortisation per 1 January	-	-
Book value at 1 January	0.2	0.0
Changes		
Acquired through business combinations	-	0.2
Investments	0.3	-
Total changes	0.3	0.2
Costs 31 December	0.5	0.2
Accumulated amortisation per 31 December	-	-
Book value at 31 December	0.5	0.2

Tangible assets relate to real estate in Sweden. Depreciation hereof is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over a period of 25 - 40 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement. When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

COMPANY NOTE 6 Financial assets

EUR million	Group companies	Loans to Group companies	Total
Book value at 1 January 2010	0.0	0.0	0.0
Acquisition through business combinations	177.6	80.5	258.1
Result from Group companies	1.5	-	1.5
New loans	-	4.4	4.4
Total changes	179.1	84.9	264.0
Net asset value at 31 December 2010 (amended)	179.1	84.9	264.0
Corporate restructuring	- 8.7	-	- 8.7
Capital injections	55.1	-	55.1
Dividend	- 0.2	-	- 0.2
Result from Group companies	18.3	-	18.3
Exchange rate differences	- 0.6	-	- 0.6
New loans	-	53.2	53.2
Change in provision for negative net asset value	0.3	-	0.3
Total changes	64.2	53.2	117.4
Net asset value at 31 December 2010 (amended)	243.3	138.1	381.4

The reduction in Group companies due to corporate restructuring relates to the sale of subsidiaries to entities held by the Company. Acquisition through business combinations in 2010 is composed of the following items:

EUR million	Group companies	Loans to Group companies
BMM acquisition by Obtineo	31.1	5.0
LBi acquisition by Obtineo	148.0	79.9
Total	179.1	84.9

The loans to Group companies have maturity dates between 2013 and 2016 and some qualify as net investments. Interest rates are variable and based on externally charged interest rates to the holding and increased by a mark-up dependant on the risk specification of the Group company.

COMPANY NOTE 7 Other receivables and prepayments

EUR million	2011	2010
Current tax receivables	0.0	0.4
Prepaid expenses	1.2	0.4
Other receivables	1.1	1.5
Total trade and other receivables	2.3	2.3

COMPANY NOTE 8 Movements in Company equity

EUR million	Share capital	Share premium	CTA reserve	Retained earnings	Unallocated current year's result	Total equity
Opening balance 1 January 2010	0.0	0.0	0.0	0.0	0.0	0.0
Share issue incorporation	8.3	31.7	-	-	-	40.0
Share issue BMM acquisition	9.0	44.3	-	-	-	53.3
Legal merger	15.5	171.8	8.2	-51.5	-	144.0
Share issue Rights Offering	2.5	7.5	-	-	-	10.0
Share issue equity incentives	2.2	-	-	-1.7	-	0.5
Transaction costs	-	-4.5	-	-	-	-4.5
Impact of awards and options	-	-	-	3.9	-	3.9
Currency translation effects	-	-	0.4	-	-	0.4
Net income for the period	-	-	-	-	-2.8	-2.8
Balance 31 December 2010[*]	37.5	250.8	8.6	-49.3	-2.8	244.8
Opening balance 1 January 2011	37.5	250.8	8.6	-49.3	-2.8	244.8
Appropriation of result	-	-	-	-2.8	2.8	0.0
Impact of awards and options	-	0.1	-	1.1	-	1.2
Currency translation effects	-	-	3.6	-	-	3.6
Net income for the period	-	-	-	-	17.5	17.5
Balance 31 December 2011	37.5	250.9	12.2	-51.0	17.5	267.1

^{*} Amended see Company Note 1

More details on the share issues in 2010 can be found in Note 23 of the consolidated financial statements.

Before and during 2011 the authorised share capital consisted of 600,000,000 ordinary shares and 2 preference shares, all with nominal value EUR 0.25 and together representing an issued and paid in share capital of EUR 37.5 million.

The currency translation reserve is a legal reserve. The unallocated current year's result amounting to EUR 17.5 million positive will be added to the retained earnings.

COMPANY NOTE 9 Provisions

EUR million	2011	2010
Provision for negative equity Group companies	0.4	1.1
Provision for litigation	1.7	0.0
Other provisions	0.1	4.8
Total provisions	2.2	5.9

COMPANY NOTE 10 Non-current liabilities

EUR million	2011	2010
Non-current loans from Group companies	60.0	15.7
Non-current liabilities to credit institutions	29.3	14.9
Other non-current liabilities	-	-
Total liabilities to credit institutions	89.3	30.6

COMPANY NOTE 11 Current liabilities

EUR million	2011	2010
Non-current liabilities to credit institutions	38.7	20.9
Payables to Group companies	2.2	0.6
Accounts payable	0.7	0.8
Current portion of restructuring reserve	-	0.2
Accrued expenses	2.6	1.5
Other short term liabilities	0.5	2.5
Total trade and other payables	44.7	26.5

COMPANY NOTE 12 Off balance sheet commitments

2011 EUR million	Lease equipment	Lease cars	Rent	Other commitments	Total commitments
Less than 1 year	-	-	-	-	0.0
Between 1 and 5 years	-	0.1	0.3	-	0.4
More than 5 years	-	-	0.1	-	0.1
Total commitment	0.0	0.1	0.4	0.0	0.5

2010 EUR million	Lease equipment	Lease cars	Rent	Other commitments	Total commitments
Less than 1 year	-	-	-	-	0.0
Between 1 and 5 years	-	0.1	-	-	0.1
More than 5 years	-	-	-	-	0.0
Total commitment	0.0	0.1	0.0	0.0	0.1

The average remaining term of the lease agreements is 5 years.

LBI heads a fiscal unity for corporate income tax purposes, to which all the Dutch wholly-owned subsidiaries at year-end 2011 belong. On this basis, the Company is wholly and severally liable for the tax commitments of the fiscal unity as a whole.

COMPANY NOTE 13 Directors' remuneration

Director's remuneration EUR thousand	Remuneration	Pensions	Severance	Equity incentives	Other	Total
2010						
Statutory directors						
<i>Until merger</i>						
Joost Tjaden	-	-	-	-	-	-
Nazo Moosa	-	-	-	-	-	-
<i>Since merger</i>						
Luke Taylor	208.0	-	-	1,042.7	-	1,250.7
Huib Wezenberg	103.0	8.0	-	246.8	6.0	363.8
Supervisory Board						
Fred Mulder (chairman)	29.2	-	-	178.4	6.0	213.6
George Fink	20.8	-	-	133.8	-	154.6
John Farrell	20.8	-	-	133.8	-	154.6
Joost Tjaden	8.3	-	-	44.6	-	52.9
Nazo Moosa	8.3	-	-	44.6	-	52.9
Total	398.4	8.0	-	1,824.7	12.0	2,243.1
2011						
Statutory directors						
Luke Taylor	500.0	-	-	-	-	500.0
Huib Wezenberg	250.0	14.0	-	-	12.0	276.0
Supervisory Board						
Fred Mulder (chairman)	70.0	-	-	-	-	70.0
George Fink	50.0	-	-	-	-	50.0
John Farrell	50.0	-	-	-	-	50.0
Joost Tjaden (until 26 May 2011)	10.0	-	-	-44.6	-	-34.6
Nazo Moosa (until 12 December 2011)	20.0	-	-	-	-	20.0
Robert Easton (from 12 December 2011)	-	-	-	-	-	-
Total	950.0	14.0	-	-44.6	12.0	931.4

In order to commit Luke Taylor and Huib Wezenberg, the members of the Management Board, to continue their services for the Company, Luke Taylor acquired 666,667 shares and Huib Wezenberg acquired 166,666 shares in the Company pursuant to a private placement of shares (the "PIPE") which was completed on 29 April 2010. Both members paid up the nominal amount of the PIPE shares. The remaining amount of EUR 0.95 per share converted into a loan granted by the Company as of 29 July 2010 of in total EUR 791,666. If the Management Board member ceases to be an

employee of LBi, he shall repay the loan plus accrued interest within 4 weeks. The loans bear an interest of 5% per annum and shall be repaid within four years following the effective date of the Merger. Per balance sheet date the total amount outstanding was EUR 623,000.

As part of the Long Term Incentive Plan Luke Taylor deposited EUR 213,000 in the LBi Employee Benefit Trust that was incorporated for the execution of the Long Term Incentive Plan. This amount remains receivable by LBi.

The Annual Accounts were authorised for issue by the Management Board and the Supervisory Board on 12 April 2012 and were signed on its behalf.

Amsterdam, 12 April 2012

LBi International N.V.

Management Board

Luke Taylor

Huib Wezenberg

Supervisory Board

Fred Mulder, chairman

George Fink

John Farrell

Robert Easton

Toine van Laack (appointed as of 8 February 2012)

OTHER INFORMATION

Auditors' report

The Auditors' report is included on page 152.

Result appropriation according to the Articles of Association

According to article 37 of the Articles of Association the Management Board, subject to approval of the Supervisory Board, may determine which part of the profits shall be reserved. The part of the profit remaining after reservation shall be at disposal of the General Meeting of Shareholders.

Proposed appropriation of results

Following the proposed result appropriation of the Management Board, upon approval by the Supervisory Board, it is proposed to the AGM to credit the result for the year of EUR 17.5 million to retained earnings.

Subsequent events

The contingent consideration that is described in Note 26 of the consolidated financial statements, matured on 4 February 2012. The 3 month' average share price between 5 November 2011 and 4 February 2012 was higher than the guaranteed price of EUR 1.65. Therefore, the remaining of the provided amount for this obligation has been released into the income statement. No cash payments were due.

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of Shareholders of LBi International N.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of LBi International N.V., Amsterdam as set out on pages 63 to 150.¹⁵ The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2011, the consolidated income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company statement of balance sheet as at 31 December 2011, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management Board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of LBi International N.V. as at 31 December 2011, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of LBi International N.V. as at 31 December 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Management Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Report of the Management Board, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 12 April 2012
PricewaterhouseCoopers Accountants N.V.

B. Koolstra RA

¹⁵ The page numbers included in this Section 14.4 and in Section 14.3 refer to the page numbers in the original 2011 financial statements LBi International N.V.

14.5 Consolidated interim LBi financial statements for the period January-June 2012

The following aspects of the Consolidated Interim LBi financial statements for the period January – June 2012 included in this 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 this 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 this Offer Document)

The Condensed consolidated statement of changes in equity table, included in this 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 this Offer Document)

In the Responsibility statement, included in this 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:		
Owners of the Parent	17.2	13.2
Non-controlling interest	0.0	0.1
Total comprehensive income for the period, net of income tax	17.2	13.3

The notes on pages 173 to 177 of this Offer Document are an integral part of these condensed consolidated interim financials.

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		3.3
Result for the period					9.9	9.9	0.1	10.0
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		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	0.0
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 2012	Jan - Jun 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.

14.6 Review Report in respect of the consolidated interim LBi financial statements for the period January – June 2012

Review report

To: the management board of LBi International N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2012 of LBi International N.V., Amsterdam, which comprises the condensed statement of financial position as at 30 June 2012, the condensed income statement, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and the selected explanatory notes for the six-month period then ended. The management board is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2012 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Corresponding figures not audited or reviewed

We have not audited the financial statements of the previous year nor have we performed a review engagement. Consequently the corresponding figures in the condensed income statement, the condensed statement of comprehensive income have not been audited or reviewed.

Other matter – restriction of use

The interim financial information of LBi International N.V., Amsterdam, for the six-month period ended 30 June 2012 and our review report thereon are intended solely for enclosure in the Offer Memorandum in connection with the recommended cash offer of Publicis Groupe Holdings B.V., an indirect subsidiary of Publicis Groupe S.A., and cannot be used for other purposes

Amsterdam, 12 November 2012

PricewaterhouseCoopers N.V.

B. Koolstra, R.A.

14.7 LBi Trading update for third quarter 2012

LBi sees continued strong underlying performance in Q3 2012

Amsterdam (the Netherlands), 7 November 2012 – LBi International N.V. (NYSE Euronext symbol: LBI), Europe's largest independent marketing and technology agency, today reports its third quarter results for the period ended 30 September 2012.

Key highlights

- Q3 2012 net sales up 27.3% versus Q3 2011 reflecting strong growth in all regions outside Central and Southern Europe;
- Q3 2012 adjusted EBITDA up 26.3% to EUR 10.1 million vs. Q3 2011 (EUR 8.0 million), EBITDA margin at 16.4% (16.5%);
- Intended public offer by Publicis to acquire all shares of LBI for EUR 2.85 per share announced in September;
- Q3 2012 results impacted by EUR 8.9 million one-off charges (principally transaction cost relating to Publicis deal, accelerated integration of US business and related revision of Mr Youth earn out arrangement);
- Healthy financial position with limited net debt of EUR 8.5 million;
- Positive cash flow from operations of EUR 9.6 million in Q3 2012.

Key figures (EUR million)	Jul - Sep 2012	Jul - Sep 2011	Change	Jan - Sep 2012	Jan - Sep 2011	Change	Change at constant rates
Revenue	61.6	48.4	27.3%	181.0	142.9	26.7%	20.4%
EBITDA	1.2	8.0	-85.0%	20.9	25.2	-17.1%	-23.0%
Exceptional items	-8.9	0.0		-9.1	2.0		
EBITDA adjusted	10.1	8.0	26.3%	30.0	23.2	29.3%	22.4%
Margin %	16.4%	16.5%		16.6%	16.2%		
Cash flow from operations	9.6	8.9		11.9	6.0		
Net result	-2.2	4.4		7.2	14.3		
Net result per share	-0.01	0.03		0.05	0.10		

Luke Taylor, CEO of LBi commented:

We are broadly pleased with the progress we have made in Q3. Sales and adjusted EBITDA in the period increased by 27% and 26% respectively. Partly on the back of a sound contribution by Mr Youth's social media marketing activities, strong growth was recorded in the US. The UK and Nordic regions also showed strong growth, while central Europe remained flat quarter over quarter. While these results once again demonstrate strong continued momentum we are cautious on the final quarter. Historically we have benefited from strong seasonal discretionary spend and it is not currently clear if the client budgets exist in Q4 to once again support this behaviour. We are also assuming a degree of disruption as a consequence of the storm damage in New York. In general clients are behaving tentatively and visibility has deteriorated slightly relative to typical levels. It should however be noted that in October, we saw a marked improvement in new business activity following a relatively quiet summer period in the run up to and during the Olympics.

Of course the most notable achievement in Q3 was the agreement we reached with Publicis Groupe on the intended public offer for all outstanding LBi shares. This agreement represents the successful conclusion of our corporate transformational plan and delivers an excellent platform for further consistent growth and service expansion under the wings of Publicis. We are delighted and look forward to work together when the transaction will be completed.

Key events

Transaction with Publicis

On 20 September 2012, Publicis Groupe and LBi announced they had reached a conditional agreement on a potential recommended cash offer to acquire all outstanding shares of LBi for a price per share of EUR 2.85. Publicis will issue an Offer Document (after approval of the AFM) around mid-November after which an Offer Period will run for at least 8 weeks. At the end of the Offer Period, the Offer (subject to certain offer conditions) will be declared unconditional. The closing of the transaction is expected to occur in Q1 2013.

Related to this transaction, a one-off charge of EUR 5.5 million cost has been posted to the income statement in Q3 2012. This charge relates to fees for the investment bank, legal, audit, tax and other advisory fees. The total fees until completion are expected to amount to approximately EUR 6.5 million.

Accelerated US integration and related revision of earn out agreement Mr Youth

In order to fully utilize the opportunities for a roll out of the Mr Youth social media marketing service proposition to all of our US and global key clients, we decided to accelerate the integration of Mr Youth with our other New York-based office.

For this purpose, Mr Youth's earn out arrangement related to the 2013 performance needed to be revised. While simultaneously taking into account the outperformance and strong outlook of Mr Youth's activities, this has resulted in a charge of EUR 2.4 million in Q3, which has been added to the earn out provision.

In connection with the accelerated US integration, a restructuring charge was recorded of EUR 1.0 million. This charge mainly relates to lease exit costs and the reduction of management and overhead staff afforded by the full integration of Mr Youth and LBi in the US.

Sceneric acquisition

In Q3, Sceneric Ltd was acquired, a relatively small e-commerce specialist located in UK and Hong Kong with 40 employees. We see strong growth through overall demand in the market and good strategic partnerships with platform providers such as Hybris and ATG. There is also significant opportunity for cross-sell of services across Sceneric and LBi clients and the opportunity to leverage growth across the LBi footprint.

Results of operations

Driven by a growing spend across key accounts and the successful cross-sell of services, revenue increased in all regions. In Q3 2012, net sales were up 27.3% (18.2% at constant rates) compared to Q3 2011 at EUR 48.4 million. EBITDA was impacted by one-off charges of in total EUR 8.9 million. These charges relate to transaction costs (EUR 5.5 million), costs for an accelerated integration of the US business (EUR 1.0 million) and a related revised earn out arrangement (EUR 2.4 million) to enable this fast-track integration. Eliminating these exceptional items, the adjusted EBITDA came in at EUR 10.1 million for Q3 2012, up by 26.3%, which evidences LBi's continued strong underlying performance.

Revenue development per region

Revenue by region (EUR million)	Jul - Sep 2012	Jul - Sep 2011	Change	Change at constant rates	Jan - Sep 2012	Jan - Sep 2011	Change	Change at constant rates
UK	23.4	17.4	34.5%	22.4%	65.4	50.8	28.7%	20.5%
Central & Southern Europe (CSE)	17.1	17.0	0.6%	0.0%	51.5	52.0	-1.0%	-1.0%
USA	16.1	9.6	67.7%	47.9%	47.5	28.6	66.1%	51.4%
Scandinavia	6.4	5.4	18.5%	11.1%	21.1	17.5	20.6%	17.7%
Parent & eliminations	-1.4	-1.0	40.0%	30.0%	-4.5	-6.0	-25.0%	-23.3%
Total	61.6	48.4	27.3%	18.2%	181.0	142.9	26.7%	20.4%

In the **UK** we saw a solid performance in Q3 with key accounts continuing to spend across the service mix. Growth continued on the back of newer services such as content programmes and social business design. Together with greater commitment to our Multi Signal Search service the added value offered to clients continued to improve. There was strong recognition for the work we are doing for clients evidenced by the shortlists for agency of the year with both Campaign and Marketing magazines.

In **Central and Southern Europe**, year on year revenue growth across the region remains flat as clients caution persists. We have made good progress with the continued development of our hub and spoke model and have been successful in winning some significant new mandates with pan European clients such as BMS and Wavin.

In the **USA** the business performed well, driven principally by strong spending across anchor clients including Coca Cola and Sony, and partly on the back of our social media marketing activities by Mr Youth. Organic revenue growth¹⁾ for the third quarter came in at 10.0% and 18.1% for Jan-Sep. The short-term outlook however has deteriorated a little as a consequence of both budgets cuts across our Pharma clients relating to patent expiry and also a temporary spend pause in J&J during their internal redesign. Furthermore, it now appears as if power cuts driven by storm damage in the New York area could negatively impact the number of billable days in November. These events are however Q4 specific and we think budget recommitment for 2013 looks positive and new business activity for the quarter is picking up after a relatively sluggish Q3.

Scandinavia continues to perform strongly, sales went up by 18.5% to EUR 6.4 million (Q3 2011; EUR 5.4 million). This is principally driven by better operational efficiency across the region and increased demand for new services across strategy, media and social. The shift in demand from pure digital platform services towards a more expanded data centric and performance based offering is most significant on the largest Nordic accounts, including IKEA and Volvo Cars.

1) For best comparison, we have defined organic revenue growth as the movement between Q3 2012 revenues including acquisitions and Q3 2011 revenues also including acquisitions. 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.

Financial position

Financial key figures (EUR million)	Jan - Sep 2012	Jan - Sep 2011
Revenue	181.0	142.9
Current assets (excl. cash)	93.2	92.9
Current liabilities (excl. ST portion of LT liabilities)	62.2	62.8
Working capital (excl. cash)	31.0	30.1
DSO on working capital (days)	35.0	36.0
Net debt	8.5	-3.6
Cash flow from operations	9.6	8.9

The financial position remains strong and healthy, with limited net debt. The operating cash flow amounted to EUR 9.6 million for Q3 2012, compared to EUR 8.9 million last year. The cash position improved to EUR 47.1 million (cash and bank deposits) per 30 September 2012, from EUR 31.4 million per 30 September 2011.

As of 30 September 2012, net debt came in at EUR 8.5 million compared to a net cash of EUR 3.6 million as per 30 September 2011 and a net debt of EUR 3.3 million as per year-end 2011. The increase in net debt of 12 million over the last 12 months is a result of a positive cash flow from operations of in total EUR 31.8 million over the last 12 months and a cash out relating to investment activity, principally related to the Mr Youth acquisition (EUR 43.8 million). Acquisitions have mainly been financed with own cash and for EUR 12 million with external debt.

Calendar

- The full-year report for the period January – December 2012 will be released in February 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 7 November 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. We have operations in 16 countries and a staff of approximately 2,200 experts, who blend insight, media, creativity and technical expertise to create value for leading brands. We help companies of all shapes and sizes decide what's next for their business – and then we take them there. We define and execute transformational digital strategies for clients active in a wide variety of businesses.

There are many things that make LBi unique, but if we had to choose one it would be our ability to bring together diverse teams of experts to suit any brief. We call this blending, and it's the reason why all types of organisations – from famous global businesses to disruptive start-ups – choose LBi to help make their brands desirable wherever, whenever and however people choose to engage with them.

For more information, visit www.LBi.com

PART III - POSITION STATEMENT



SHAREHOLDERS' CIRCULAR

**INCLUDING THE POSITION STATEMENT OF LBI INTERNATIONAL N.V.
REGARDING THE RECOMMENDED CASH OFFER BY PUBLICIS GROUPE
HOLDINGS B.V., AN INDIRECTLY WHOLLY OWNED SUBSIDIARY OF PUBLICIS
GROUPE S.A.**

12 November 2012

for the extraordinary general meeting of shareholders of LBI International N.V. to be held on

**20 December 2012, at 15:00 hours Amsterdam Time
At Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, The Netherlands**

This shareholders' circular is published by LBi International N.V. in accordance with article 18 paragraph 2 and Annex G of the Dutch Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*).

Important information

This shareholders' circular (the **Circular**) is issued by LBi International N.V. (**LBi** or the **Company**) for the sole purpose of providing information to its shareholders on the recommended cash offer by Publicis Groupe Holdings B.V. (**Publicis Groupe Holdings** or the **Offeror**), an indirectly wholly owned subsidiary of Publicis Groupe S.A. (**Publicis Groupe**), to acquire all of the issued and outstanding ordinary shares and the Share B, with a nominal value of EUR 0.25 each, in the capital of LBi, including any and all ordinary shares in the capital of the Company that may be issued and/or delivered by the Company prior to the Settlement Date pursuant to LBi Group's existing global stock option plan (**GSOP**) and long term incentive plan (the **LTIP** and together with the GSOP, the **Equity Incentive Plans**), in each of which certain members of the LBi Boards (as defined below) and certain senior managers of LBi Group participate (the **Shares** and the holders of such Shares, the **Shareholders**)), on the terms and subject to the conditions and restrictions contained in the offer document by the Offeror of 12 November 2012 (the **Offer** and the **Offer Document**), as required pursuant to article 18, paragraph 2 and Annex G of the Dutch Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*) (the **Decree**).

Any capitalised terms in this Circular not otherwise defined herein, shall have the meaning attributed to them in Section 4 of the Offer Document.

This Circular does not constitute or form part of an offer to sell, or a solicitation of an offer to purchase, any securities to any person in any jurisdiction. This document is not for release, distribution or publication, in whole or in part, in Japan or Canada. This Circular is not subject to AFM approval.

This Circular is intended solely for Shareholders in connection with the Offer.

LBi is exclusively responsible for the accuracy and completeness of the information contained in this Circular.

The information included in this Circular reflects the situation as of the date of this Circular. Except as otherwise required by applicable law, LBi undertakes no obligation to update or revise publicly any such information, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Circular. Under no circumstances may the issue and distribution of this Circular be interpreted as implying that the information contained herein is true and accurate on a later date than the date hereof. This Circular may nevertheless include forward-looking statements that involve risk and uncertainty. Generally, words such as 'may', 'should', 'aim', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or similar expressions identify forward-looking statements. Although LBi believes the expectations reflected in such forward-looking statements are based on reasonable assumptions and are, to the best of LBi's knowledge, true and accurate in all material respects on the date of this Circular, no assurance can be given that such projections will be fulfilled or prove to be correct and no representations are made as to the accuracy and completeness of such forward-looking statements. Any such forward-looking statements must be considered along with knowledge that actual events or results may vary materially from such predictions due to, among other things, political, economic or legal changes in the markets and environments in which LBi does business, competitive developments or risks inherent to LBi's business plans and uncertainties, risk and volatility in financial markets and other factors affecting LBi. Accordingly, the actual results, performance or achievements of LBi, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Moreover, statements regarding past trends or activities should not be interpreted as representations that these trends and activities will continue in the future.

This Circular is governed by the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Circular. Accordingly, any legal action or proceedings arising out of or in connection with this Circular may be brought exclusively in such courts.

Copies of this Circular are available at www.lbi.com and can be obtained free-of-charge by contacting LBi via email: info@LBi.com or via the website of LBi: www.LBi.com.

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1 INTRODUCTION

On 20 September 2012, LBi and Publicis Groupe jointly announced they had reached a conditional agreement on the terms and conditions of the Offer (the **Merger Protocol**), in accordance with Article 5, paragraph 1 and Article 7, paragraph 4 of the Decree.

On 12 November 2012, the Offeror launched the Offer by making available to the Shareholders the Offer Document.

The supervisory board (the **LBi Supervisory Board**) and management board of LBi (the **LBi Management Board** and together with the LBi Supervisory Board: the **LBi Boards**) fully support the Offer and unanimously recommend the Shareholders to accept the Offer and tender their Shares under the Offer and vote in favor of the Governance Resolutions (as defined below). The LBi Board believe the Offer is fair to the Shareholders from a financial point of view and is in the best interest of the Company and its stakeholders.

The Shareholders will be informed about the Offer at the LBi extraordinary general meeting of shareholders to be held on 20 December 2012, at 15:00 hours CET, at Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands, at which the Offer will be discussed in accordance with article 18 of the Decree and the Governance Resolutions will be decided upon (the **EGM**).

In this Circular, the LBi Boards would like to inform the Shareholders of the background of the proposed transaction, the key terms of the Offer and the reasons why the LBi Boards fully support the Offer and unanimously recommend Shareholders to accept the Offer and tender their Shares pursuant to the Offer and vote their shares in favor of the Governance Resolutions.

2 THE OFFER

Pursuant to the Offer that was launched on 12 November 2012:

- holders of Shares will be paid on the terms and subject to the conditions and restrictions contained in the Offer Document as consideration for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), and not validly withdrawn, a cash amount of EUR 2.85 per Share, net to the Shareholder in cash, without interest and less any applicable withholding taxes;
- under no circumstances will interest be paid on the cash consideration to be received;
- the Offer Price includes any dividend or other distribution in respect of the Shares that may be declared and/or paid prior to the date of the settlement of the Offer (the **Settlement Date**) and, consequently, the Offer Price will be decreased by the amount of such dividend or other distribution (before deduction of any applicable withholding taxes);
- Shareholders holding Shares through Euroclear Sweden tendering shares in accordance with Section 5.2(c) of the Offer Document will receive on the Settlement Date the Offer Price converted from Euro into SEK. Please refer to Section 5.10 for more information on the applicable exchange rate and related exchange rate risk.
- Shareholders may be charged fees and commissions by their financial intermediary tendering their Shares pursuant to the Offer.

The Offer is conditional upon fulfillment or waiver of certain Offer Conditions, including:

- a minimum acceptance level of Shares tendered pursuant to the Offer of 90% of Fully Diluted Capital;¹
- the Governance Resolutions being adopted in the EGM (see also Section 2.1 of this Circular);
- obtainment of all approvals and clearances (including the expiration or termination of all waiting periods) under any anti-trust law applicable to the Offer, including in Germany and the United States

See Section 6.6 of the Offer Document for more information regarding the Offer Conditions.

¹ This means 146,032,535 Shares which is the expected number of issued and outstanding ordinary shares in the Company at the Settlement Date of the Offer at an Offer Price of EUR 2.85 after exercise in full of outstanding options under the GSOP and settlement in full of outstanding awards under the LTIP, excluding 5.1 million ordinary shares in the Company expected to be held by the Company on the Settlement Date.

The Offer is subject to the terms, conditions and restrictions set out in the Offer Document. The information in this Section 2 (The Offer) is incomplete and additional information is contained in the Offer Document.

2.1 EGM

At 15:00 hours CET, on 20 December 2012, such date being at least six Business Days prior to the Acceptance Closing Date, an extraordinary general meeting of shareholders of LBi will be convened at Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands, at which meeting the Offer will be discussed. In addition the following resolutions will be proposed to the General Meeting of LBi in connection with the Offer:

- (a) certain amendments to the articles of association of the Company (the **Articles**), subject to the Offer being declared unconditional and with the effect as of Settlement (see Section 6.13 of the Offer Document for more information),
- (b) the acceptance of the resignation, subject to the Offer being declared unconditional, the amendments to the Articles becoming effective and with the effect as of Settlement, of three members of the LBi Supervisory Board and the granting of discharge to those resigning members from all liability with respect to their duties and obligations performed and incurred in their respective capacity as LBi Supervisory Board member in as far as such duties and obligations appear from the most recently adopted annual accounts of the Company or has otherwise been made available in the public domain (see Section 6.13 of the Offer Document for more information); and
- (c) the appointment, subject to the Offer being declared unconditional, the amendments to the Articles becoming effective and with the effect as of Settlement, of Mr. J-Y. Naouri, Mr. J-M. Etienne, Mr. F. Voris, Mr. B. Lord, and Mr. J. Tomasulo, nominees by the Offeror, as new members to the LBi Supervisory Board (see Section 6.13 of the Offer Document for more information) and the determination, with effect as of such appointments of the number of members of the LBi Supervisory Board at seven;
(together, the **Governance Resolutions**).

The invitation by LBi to Shareholders to attend the EGM, the agenda and explanatory notes thereon, information on the record date, and a form of proxy and voting and voting instructions are attached hereto as Annex III and are available free of charge at the office address of LBi, as well as on LBi's website (www.LBi.com) and are also available at the Settlement Agent (email: corporate.actions@snssecurities.nl).

3 BACKGROUND

LBi (as it currently operates) was formed in 2010. LBi is however the result of various mergers of some of digital marketing's earliest trendsetters, including a merger with Framfab in 2006, Bigmouthmedia in 2010 and the acquisition of Mr Youth in 2011. LBi has been listed on NYSE Euronext Amsterdam since 5 August 2010.

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), LBi has operations in 16 countries and a staff of approximately 2,200. As a marketing and technology agency, LBi offers services to brands and (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.

LBi offers a suite of services that are designed to help its clients attract, engage and manage customers, more effectively. This full service offering combines analytical, direct marketing and digital competences, which means that they 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.

4 THE LBI BOARDS' CONSIDERATIONS REGARDING THE OFFER

The LBi Boards have given due and careful consideration to the strategic, non-financial and financial consequences of the Offer for the Company and its stakeholders (including the

Shareholders). Throughout the decision-making process, which eventually led to the signing of the Merger Protocol, the LBi Boards have met on a frequent basis and have consulted financial and legal advisors. The LBi Boards considered various strategic options including a standalone scenario and collaboration with third parties and had preliminary discussions with a number of interested parties which were unsuccessful except for the discussions with Publicis Groupe and subsequently made a thorough assessment of the Offer weighing the interests of LBi and its stakeholders. The LBi Boards have resolved to fully support the Offer and unanimously recommend the Shareholders to tender their Shares under the Offer based on the following considerations.

4.1 Review of strategic alternatives

Within the framework of further growth as described in Section 3 of this Circular, as part of their responsibilities, the LBi Boards have continuously reviewed the various strategic options available to LBi.

- Exploration of a “stand-alone” scenario including further autonomous growth and expansion through acquisitions has been a continuous part of LBi’s ongoing strategic activities including the recent acquisitions of Mr Youth (in 2011) and Sceneric (in August 2012).
- LBi considered new possibilities for co-operation with other companies, realizing that such co-operation would be a next logical step for LBi as it would offer a more solid long term future for all of its stakeholders. In the past nine months these activities accelerated and LBi has spoken with several potential suitors interested in sector consolidation as part of an auction process. On 25 June 2012 LBi launched a press release in which it indicated that LBi was involved in initial discussions with third parties interested in pursuing further consolidation in the sector, but that these discussions were at a very preliminary stage. The discussion with third parties were unsuccessful, except for the terms discussed with Publicis Groupe, the third largest communications group in the world. These discussions ultimately culminated in a binding offer by Publicis Groupe to acquire the shares in LBi. Publicis Groupe subsequently performed a confirmatory due diligence investigation on LBi. The discussions between LBi and Publicis on the binding offer progressed quickly and they soon found common ground on a full merger. LBi and the Offeror were able to announce on 20 September 2012 that they had entered into the Merger Protocol in respect of the Offer in order to create a global leading player in the area of digital communication.

4.2 Strategic fit

LBi is Europe’s largest independent marketing and technology agency, blending insight, media, creativity and technical expertise to create value for brands. Publicis Groupe is the third largest communications group in the world, offering a full range of services and skills: digital and traditional advertising, public affairs and events, media buying and specialized communication.

The LBi Boards are of the opinion that the strategic rationale of the proposed transaction is compelling and will provide significant benefits to LBi, for the following reasons:

1. LBi’s strategic plans aimed at providing clients with a globally integrated service offering will be accelerated;
2. LBi’s geographic footprint, in particular increased presence in high growth emerging markets, will be strengthened;
3. the transaction with Publicis Groupe will provide a wider pool of resources and talent, resulting in enhancement of capabilities and a stronger platform for innovation;
4. the combination of LBi intellectual property and Publicis Groupe tools and technologies creates a unique platform for managing ROI across owned, earned and bought media;
5. increased scale and financial resources in the ongoing consolidation in digital media space; and
6. LBi and Publicis Groupe believe that this transaction will result in costs savings and minimization of administrative efforts.

In summary, the combination of LBi and Publicis Groupe has the potential to make a significant impact on the global digital advertising landscape and its clients as well as exciting opportunities for management and employees.

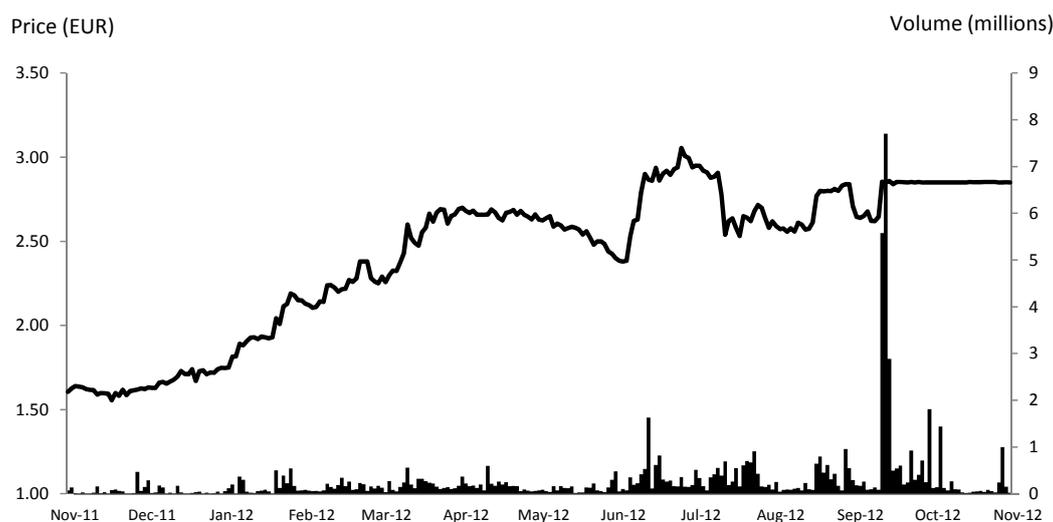
4.3 Financial considerations

The offer price of EUR 2.85 per Share (the **Offer Price**) represents a premium of 39.8% above the “unaffected” 12-month volume weighted average share price of LBi of EUR 2.04 prior to and including 15 June 2012 being the last trading day before rumors of a potential acquisition of LBi.²

Selected all-cash public offers for Dutch companies listed on Euronext Amsterdam with equity values between EUR 250 million and EUR 1,750 million (announced and completed between 1 January 2005 and 20 September 2012)³ have a median premium to the unaffected share price⁴ of 38.4%

The Share price performance (closing Share price) during the 12-month period prior to 10 November 2012 is set out below.

LTM Share Price Performance from 9 November 2011 to 9 November 2012



Note: Price and volumes as reported by Capital IQ.

At EUR 2.85 per share, the Offer values LBi at an enterprise value equal to approximately EUR 437 million. This calculation is based on 146,032,535 Shares, being the Fully Diluted Capital at EUR 2.85 per share, a net debt position of EUR 9.1 million as of 30 June 2012, reported earn-outs of EUR 11.9 million and associates of EUR 0.2 million as per the latest Company information.

The Enterprise Value implies multiples of 2.0x last twelve months (“LTM”) consolidated revenue of LBi and 11.9x LTM EBITDA. This calculation is based on LTM revenue of EUR 221.5m and LTM EBITDA of EUR 36.6m as of 30 June 2012.

Budgeted revenue for the year ended 31 December 2012 is EUR 242.7m and budgeted EBITDA for 2012 is EUR 40.3m as per the Company’s press release on 24 September 2012. This implies Enterprise Value multiples of 1.8x 2012 revenue and 10.8x 2012 EBITDA respectively.

For a selected group of peer companies, the average Enterprise Value to estimated calendar year 2012 and 2013 revenue multiples were 1.1x. The average Enterprise Value to estimated calendar year 2012 and 2013 EBITDA multiples were 8.4x and 7.8x respectively as of the public announcement date of 20 September 2012. The peer group includes Dentsu, Havas, Interpublic Group of Companies (IPG), Omnicom, Publicis Groupe, Sapient, and WPP.

In addition to the foregoing, the LBi Boards have considered the following in their financial assessment of the Offer:

- 2 In the event that, absent any trading transaction, no Share price was set on the relevant trading day on NSYE Euronext Amsterdam, the Share price of the previous trading day on Euronext Amsterdam was applied in order to determine the above mentioned premium.
- 3 Includes: Wavin / Mexichem, Océ / Canon, Smit Internationale / Boskalis, ERIKS / SHV Holdings, Corporate Express / Staples, Stork / Candover, Grolsch / SABMiller, Getronics / KPN, Univar / CVC, Wegener / Mecom, Nedschroef / Gilde, Athlon Holding / De Lage Landen, AM / BAM Groep and Versatel / Tele 2
- 4 Closing share price one day prior to the earlier of transaction announcement or material, public speculation of a potential transaction, if any.

1. The fairness opinion by ABN AMRO Bank N.V. (**ABN AMRO**) addressed to the LBi Supervisory Board dated 20 September 2012 stating that, subject to the assumptions made therein, ABN AMRO Bank N.V. is of the opinion that the consideration of a cash amount of EUR 2.85 per Share to be received by the Shareholders pursuant to the Offer is fair, from a financial point of view, to such Shareholders accepting the Offer (the **ABN AMRO Fairness Opinion**).

ABN AMRO acted as financial advisor to the LBi Supervisory Board in connection to the ABN Fairness Opinion for which it will receive a fee irrespective of whether or not the Offer is completed.

The ABN AMRO Fairness Opinion is attached hereto as **Annex I**.

The LBi Boards confirm that LBi has no other relations with ABN Amro except for financing and cash management agreements detailed below. LBi entered into a EUR 70m credit facility agreement with ABN AMRO per 8 November 2011. These credit facilities consist of an EUR 20m uncommitted multipurpose working capital facility, a three-year EUR 20m term loan facility to refinance previous term loans from Danske Bank and a three-year EUR 30m term loan facility for acquisitions which has been fully utilized. In addition, LBi entered in two interest rate swaps both starting per 5 December 2011 and ending on 31 October 2014 with notional amounts of EUR 20m and EUR 23m respectively. Furthermore, LBi entered into a Notional Pooling Agreement with ABN AMRO on 3 July 2012 for cash management purposes.

2. The fairness opinion from Jefferies International Limited (**Jefferies**) provided to the LBi Management Board dated 20 September 2012 stating that, based upon and subject to the factors and assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, the consideration of a cash amount of EUR 2.85 per Share to be received by Shareholders pursuant to the draft Merger Protocol was, as at 20 September 2012, fair, from a financial point of view, to such holders (the **Jefferies Fairness Opinion**).

Jefferies is engaged by LBi to act as its sole financial advisor in connection with the Offer and will therefore receive a fee from LBi for its services rendered. A significant portion of this fee is conditional upon the completion of the Offer.

The full text of the Jefferies Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached hereto as **Annex II**. Jefferies provided its opinion solely for the information and assistance of the LBi Management Board in connection with its consideration of the Offer. The opinion of Jefferies is not a recommendation as to whether or not any holder of Shares should tender such Shares in connection with the Offer or any other matter.

3. Publicis is able to fulfil its cash obligations under the Offer. Kindly refer to Section 4.4.6 below.

4.4 Non-Financial considerations

4.4.1 Interests of Employees

LBi and Publicis have agreed that Publicis will respect the existing rights of the employees of the Company and the group companies.

The combination of the businesses of the Offeror and its Affiliates, on the one hand, and the LBi and its Affiliates (the **LBi Group**), on the other hand, may have some overlap impact on the employment of the employees of the combined companies. It is expected that the existing level of employment within the LBi Group will not be subject to substantial changes as a direct result of the Transaction, except where the businesses of the Offeror and its Affiliates, on the one hand, and of the LBi Group, on the other hand, overlap.

4.4.2 Interests of other stakeholders

In addition to the above, LBi and Publicis have taken into account the effect of the Offer on other stakeholders of LBi, such as clients and creditors and have concluded LBi's clients will benefit from the outstanding service offering of this enlarged digital platform and the expertise of talented professionals.

4.4.3 Corporate Governance

Management Board

It is not contemplated that the number of members of the LBi Management Board, or the composition of the LBi Management Board, will change as a direct result of the Transaction. All of the current members of the LBi Management Board have agreed to continue as members of the LBi Management Board after the Offer. Therefore, as from the settlement date of the Offer, the LBi Management Board shall stay on in their respective roles and shall thus consist of two (2) members, being Mr. L.A.J. Taylor as CEO and Mr. H.J.F. Wezenberg as CFO.

Supervisory Board

It is agreed in the Merger Protocol, that as from the settlement date of the Offer, the LBi Supervisory Board shall consist of seven members:

- (i) two (2) members, being Mr. A. Mulder and Mr. G.W. Fink, who both qualify as members independent from the Offeror and any of its affiliates (such as defined in the Dutch Corporate Governance Code) (the **Continuing Supervisory Directors**); and
- (ii) five (5) additional members to be nominated by Publicis Groupe, one (1) of whom shall be the chairman of the LBi Supervisory Board. See the agenda of the EGM attached as Annex III for details of the Publicis Groupe nominees.⁵

The Continuing Supervisory Directors shall serve as members of the LBi Supervisory Board during the post settlement restructuring for the period that minority shareholders continue to hold Shares in the Company. The Continuing Supervisory Directors will resign as members of the LBi Supervisory Board at the end the aforementioned period. During such period the Continuing Supervisory Directors shall monitor and protect the interests of all the Company's stakeholders, including, in particular, the interests of the minority shareholders. The Continuing Supervisory Directors shall be requested to form their independent view of the relevant matter which they may communicate to the minority shareholders by and for the account of the Company and the Continuing Supervisory Directors shall have the opportunity to engage for the account of the Company, their own financial and legal advisers.

As long as the shares of LBI remain listed on Euronext Amsterdam, the LBi Supervisory Board shall have the right to approve and the Continuing Supervisory Directors shall have a veto right in respect of certain decisions of the LBi Management Board on the post settlement restructurings which are aimed at acquiring 100% (hundred per cent) of the share capital of the Company, provided that such post settlement restructurings may reasonably be expected to have an adverse effect of a material nature on the rights of minority shareholders of the Company (the **LBi Board Decisions**) with the exclusion of the following post settlement restructuring actions: (i) squeeze-out proceedings (*uitkoopprocedure*) or the take-over buy-out procedures (see Section 6.10 (b) under (i) of the Offer Document for more information), (ii) the sale of all or substantially all of LBi's assets and liabilities (see Section 6.10 (b) under (iv) of the Offer Document for more information), (iii) a (subsequent) public offer for any Shares held by Shareholders other than Publicis or any of its affiliates (see Section 6.10 (b) under (v) of the Offer Document for more information), (iv) a (subsequent) liquidation of the Company (see Section 6.10 (b) under (vi) of the Offer Document for more information), (v) the acquisition of Shares through open market purchases and as long as the Company remains listed at Euronext Amsterdam (see Section 6.10 (b) under (x) of the Offer Document for more information).

If Publicis waives the offer condition that on the Acceptance Closing Date (as defined in the Offer Document), the number of Shares validly tendered under the Offer and not withdrawn together with any Shares, directly or indirectly, held by Publicis or any of its Affiliates on the Acceptance Closing Date, represent at least 90% of the Fully Diluted Capital and declares the Offer unconditional (*gestanddoening*) whilst the number of tendered shares on Closing Date, whether or not extended, together with any Shares, directly or indirectly, held by Publicis or any of its affiliates represents less than 85% (eighty five per cent) of the Fully Diluted Capital, the LBi Supervisory Board shall have the right to approve and the Continuing Supervisory Directors shall have a veto right in respect of any LBi Board Decisions regarding (i) the sale of all or substantially all of LBi's assets and liabilities and (ii) a (subsequent) liquidation of the Company.

⁵ These will be Mr. J-Y Naouri, Mr. J-M Etienne, Mr. F. Voris, Mr. B. Lord and Mr. J. Tomasulo.

As at the settlement date of the Offer, Mr. J.F.P. Farrell, Mr. R.J.C. Easton, and Mr. A.H.A.M. van Laack will resign from their position as member of the LBi Supervisory Board and will confirm in writing that they have no claim whatsoever against the Company in respect of loss of office or otherwise, except with respect to compensation, payable on a quarterly basis and duly accrued prior to the Settlement Date.

Dutch Corporate Governance Code

Publicis has agreed that as long as LBi remains listed on NYSE Euronext Amsterdam, it shall continue to adhere to the Dutch Corporate Governance Code (the **Code**), except for current and future deviations from the Code in accordance with the provisions of the Code concerning such deviations and except as set out in the Merger Protocol and the Offer Document.

4.4.4 Integration

An integration plan is to be agreed upon between Publicis Groupe and LBi in order to align the company structure of the LBi and the Group Companies with the holding, financing and/or optimal tax structure of the Offeror and its Affiliates as soon as possible after Settlement, and to integrate the operations of the LBi's Affiliates with the operations of the Offeror and its Affiliates in order to optimise operations.

LBi and Publicis Groupe believe that the Transaction will create additional value for the Company and result in financial and administrative cost savings and prevention of administrative efforts, allowing the Company easier and faster growth, and that the combination of the Offeror and the Company has the potential to make a significant impact on the global digital advertising landscape and its clients as well as exciting opportunities for the management.

After Settlement LBi's digital activities will generally be continued as part of the Offeror's group in furtherance of the Offeror's objectives for the Offer. See for more information Section 6.3 of the Offer Document.

4.4.5 Place of business

The combination of the businesses of the Offeror and its Affiliates, on the one hand, and LBi and its Affiliates (the **LBi Group**), on the other hand, may have some overlap in respect of office locations. It is expected that to enhance synergies certain offices location will be combined.

4.4.6 Certainty of funds

Before the public announcement of the Offer on 20 September 2012, Publicis had already provided the LBi Boards with the necessary comfort that Publicis' will have sufficient funds to finance the Offer, including a comfort letter from BNP Paribas. Publicis will finance the Offer from its own readily available resources and the financing of the Offer will not be subject to third party conditions or contingencies.

4.4.7 Delisting and Post-Settlement Restructurings

LBi and Publicis discussed and agreed that as soon as practicable after Settlement, it is intended (i) to procure the delisting of the Shares on Euronext Amsterdam and the termination of the listing agreement between LBi and Euronext Amsterdam in relation to the listing of the Shares, (ii) that the Offeror obtains all Shares that have not been tendered under the Offer, and (iii) to align the company structure of the Company with the holding, financing and/or optimal tax structure of the Offeror and its Affiliates, and to integrate the operations of the LBi and its Affiliates with the operations of the Offeror and its Affiliates in order to optimise operations. It is intended that this be achieved by a legal squeeze out, a (cross border) bilateral or triangular legal merger (*grensoverschrijdende (driehoeks-)fusie*), a demerger (*juridische splitsing*) or a sale of all or substantially all of the assets of LBi or any one or more of the other measures set out in Section 6.10 (b) of the Offer Document (Post-Settlement Restructurings).

4.4.8 Committed shares

To date Publicis Groupe has received an irrevocable commitment from certain selected shareholders, including, but not limited to, Carlyle Europe Tenchology Partners, Cyrte Investments, Janivo, Red Valley and Westerduin, the members of the LBi Boards and selected senior managers of LBi, representing together with their Affiliates 64.83% of the Fully Diluted Capital to tender their Shares (including Shares to be acquired by them after the entering into of the Undertaking, including where it concerns Board members and senior managers, pursuant to Equity Incentives

that should be exercised by them as part of their Undertaking) under the Offer (the **Undertakings**). These Undertakings contain certain customary undertakings and conditions. The Shares under the Undertakings will be tendered against the Offer Price and under the same conditions and restrictions as apply to all other Shareholders under the Offer.

In addition, on 12 November 2012 Janivo, as holders of and Share B respectively, entered into a sale and purchase and transfer agreements with the Offeror pursuant to which it was agreed that the Share B is sold and transferred to the Offeror subject to the Offer being declared unconditional, subject to similar conditions as the Undertakings entered into by Janivo. It should be noted that, in accordance with the Articles, with effect as of the transfer, the Share B shall convert into an ordinary Share.

On 12 November 2012 Carlyle Technology Europe Partners transferred the Share A to the Offeror. In accordance with the Articles, with effect as of the transfer the Share A converted into an ordinary Share.

The amendments to the Articles proposed for adoption in the EGM and, subject to the Offer being declared unconditional, taking effect as of Settlement, partially serve to delete all references to the Share A and Share B as after Settlement the Share A and B shall have been converted into ordinary Shares. The special rights attached to the Share A and Share B shall therefore have lapsed after Settlement.

See Section 6.14 (EGM) of the Offer Document for more information.

4.4.9 Superior Offer

LBi and Publicis have agreed that LBi is permitted to explore an Alternative Proposal (as defined below) which in the reasonable opinion of the LBi Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, is reasonably likely to lead to a Superior Offer (a **Potential Superior Offer**) and engage in discussions or negotiations with, and provide information to the third party making the Potential Superior Proposal, provided that the proposing party will sign a confidentiality agreement on terms no less stringent than those of the confidentiality agreement between Publicis and the Company.

LBi and Publicis have furthermore agreed that LBi may accept a Superior Offer: (i) if it is a *bona fide* written offer or proposal relating to an Alternative Transaction (as defined below), which is not solicited, encouraged, initiated or knowingly facilitated by LBi or any Relevant Persons (as defined in Section 4 of the Offer document); (ii) for a (a) a full public offer (*volledig bod*) as defined in the Takeover Decree for the Shares, (b) a legal merger, demerger, recapitalisation, business combination or other transaction directly or indirectly involving LBi resulting in the acquisition by a person or group of persons acting in concert (or their respective shareholders), directly or indirectly, of all or substantially all of the outstanding Shares, or (c) an acquisition by a person or group of persons acting in concert of all or substantially all the assets of LBi; (iii) which in any such case is made by a party who, in the reasonable opinion of the LBi Boards, is a *bona fide* third party and which proposal, in the reasonable opinion of the LBi Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, is more beneficial to LBi's shareholders and other stakeholders than the Offer, taking into account the overall terms and conditions set out in the Merger Protocol (including any proposed binding changes to the terms of the Merger Protocol proposed by Publicis in response to such Alternative Proposal or otherwise), and, with respect to such Alternative Proposal, taking into account the overall terms and conditions of such Alternative Proposal and taking into account the certainty and timing thereof, including the pre-offer conditions and offer conditions, any financing condition or contingency and compliance with Antitrust Laws and regulatory requests, provided that: (A) the consideration payable to LBi's shareholders in connection with such Superior Offer shall exceed the valuation of LBi based on the per Share Offer Price of the Offer of any Revised Offer by at least 9%;(B) the Superior Offer is binding on the third party; and (C) the consideration payable in a (consecutive) (Potential) Superior Offer may not consist of any debt securities, or any securities which are not publicly traded on a regulated market.

LBi shall not be permitted to accept the Superior Offer if Publicis has within 10 (ten) business days from receipt of written notice from LBi in respect of the Superior Offer (the **Revised Offer Period**) made a "**Revised Offer**" meaning an offer on overall terms and conditions which are, in the reasonable opinion of the LBi Boards, taking into account their fiduciary duties and having

consulted their financial and legal advisers, at least equal to the Superior Offer from the point of view of LBi's shareholders and other stakeholders, taking into account the overall terms and conditions of the Superior Offer and the revised offer by Publicis, the certainty and timing thereof, including the pre-offer conditions and offer conditions and compliance with anti-trust laws and regulatory requests.

If Publicis does not make a Revised Offer within the Revised Offer Period (or, if earlier, if Publicis notifies LBi in writing of its intent not to make a Revised Offer), then (i) LBi may accept the Superior Offer; provided that (a) such acceptance must be made within 10 (ten) business days after the earlier of the end of the Revised Offer Period and the date of any written notice by Publicis of its intent not to submit a Revised Offer, with written notice thereof concurrently provided to Publicis, and (b) simultaneously with such acceptance, LBi must terminate the Merger Protocol in accordance with the terms of the Merger Protocol and pay the EUR 7.5 (seven and a half) million termination fee required by the Merger Protocol, and (ii) Publicis may immediately terminate the Merger Protocol in accordance with the terms of the Merger Protocol and become entitled to receive the EUR 7.5 (seven and a half) million termination fee payable by LBi pursuant to the terms of the Merger Protocol.

As used in the Merger Protocol and in this Offer Document:

Alternative Proposal means a proposal for an Alternative Transaction;

Alternative Transaction means (i) the acquisition by tender offer, exchange offer or otherwise), by a person or a group of persons acting in concert, directly or indirectly, of any or all of the Shares or any securities convertible into, or rights or options to subscribe for or to acquire Shares or any class of equity securities of LBi; or (ii) a legal merger, demerger, reorganisation, recapitalisation, business combination or other transaction, directly or indirectly, involving LBi; or (iii) the acquisition, by a person or a group of persons acting in concert, directly or indirectly, of assets or businesses representing in value 2.5% or more of LBi's total assets or assets or businesses that constitute 2.5% or more of LBi's total revenues or net income.

4.4.10 Other grounds to terminate the Merger Protocol

Not only in case of a Superior Offer, but also in, *inter alia*, the following circumstances the Merger Protocol can be terminated by Publicis or LBi (the **Termination Party**) as the case may be: (i) any offer condition has not been satisfied or waived within three (3) business days of the (final) Acceptance Closing date, (ii) a material breach of the Merger Protocol by LBi or Publicis which has not been waived by the other party and has not been remedied within ten (10) business days after written notification of the other party, (iii) in case of a breach of exclusivity provisions in the Merger Protocol by LBi, (iv) in case LBi or the LBi Boards have withdrawn, amended or qualified the recommendation of the Offer by the LBi Boards or made any contradictory statements as to their position with respect to the Offer or did not reaffirm the recommendation within ten (10) business days following receipt of a written request by Publicis to provide such reaffirmation following an alternative proposal, and (v) by mutual written consent of both LBi and Publicis. In the event of (ii) (in the event of a breach by LBi), (iii) and (iv) LBi will also have to pay Publicis the Termination Fee.

5 FINANCIALS

Reference is made to Part II Section 14 of the Offer Document which is incorporated by reference herein.

6 EMPLOYEE CONSULTATION PROCESS

The Social Economic Council (*Sociaal Economische Raad*) has been informed of the Offer in accordance with the *SER Fusiegedragsregels 2000*. The LBi Boards confirm that the Company has not established, has not been requested to establish nor is in the process of establishing any works council (*ondernemingsraad*) and no works council (*ondernemingsraad*) has jurisdiction over the contemplated transaction.

7 OVERVIEW OF TRADING IN LBI

7.1 Overview of shareholdings

As at the date of this Circular, the following securities are held by members of the LBi Management Board:

Board member	Number of shares
Luke Taylor (CEO)	743,667
Huub Wezenberg (CFO)	171,666
Total Management Board	915,333
Fred Mulder (Chairman)	349,417
Total Supervisory Board	349,417
Total	1,264,750

Note:

Except for Fred Mulder, none of the LBi Supervisory Board members holds any Shares in the Company.

7.2 Outstanding Equity Incentives

The members of the LBi Boards hold the following number of Equity Incentives at the date of this Circular:

Name	Serie	Strike	Grant date	Maturity date	Options/ awards outstanding	Type of equity incentive plan		
						JSOP	SAR	GSOP
Luke Taylor	G	SEK 16.57	2008-08-26	2013-08-26	280,000	0		280,000
Luke Taylor	I	SEK 15.50	2009-09-21	2014-09-21	500,000	0		500,000
Luke Taylor	A5	EUR 1.20	2010-09-08	2015-09-08	1,000,000	1,000,000		0
Luke Taylor	A6	EUR 1.80	2010-09-08	2015-09-08	1,000,000	1,000,000		0
Luke Taylor	A7	EUR 2.80	2010-09-08	2015-09-08	1,000,000	1,000,000		0
Subtotal Luke Taylor (CEO)					3,780,000	3,000,000	0	780,000
Huub Wezenberg	G	SEK 16.57	2008-08-26	2013-08-26	84,000	0	84,000	
Huub Wezenberg	I	SEK 15.50	2009-09-21	2014-09-21	250,000	0	250,000	
Huub Wezenberg	A1	EUR 1.20	2010-09-08	2015-09-08	233,333	0	233,333	0
Huub Wezenberg	A2	EUR 1.80	2010-09-08	2015-09-08	233,333	0	233,333	0
Huub Wezenberg	A3	EUR 2.80	2010-09-08	2015-09-08	233,334	0	233,334	0
Subtotal Huub Wezenberg (CFO)					1,034,000	0	700,000	334,000
Total Management Board					4,814,000	3,000,000	700,000	1,114,000
Fred Mulder	A1	EUR 1.20	2010-09-08	2015-09-08	213,333	—	213,333	—
Fred Mulder	A2	EUR 1.80	2010-09-08	2015-09-08	213,333	—	213,333	—
Fred Mulder	A3	EUR 2.80	2010-09-08	2015-09-08	213,334	—	213,334	—
Subtotal Fred Mulder (Chairman)					640,000	—	640,000	—
George Fink	A1	EUR 1.20	2010-09-08	2015-09-08	160,000	—	160,000	—
George Fink	A2	EUR 1.80	2010-09-08	2015-09-08	160,000	—	160,000	—
George Fink	A3	EUR 2.80	2010-09-08	2015-09-08	160,000	—	160,000	—
Subtotal George Fink (Member)					480,000	—	480,000	—
John Farrell	A5	EUR 1.20	2010-09-08	2015-09-08	160,000	160,000	—	—
John Farrell	A6	EUR 1.80	2010-09-08	2015-09-08	160,000	160,000	—	—
John Farrell	A7	EUR 2.80	2010-09-08	2015-09-08	160,000	160,000	—	—
Subtotal John Farrell (Member)					480,000	480,000	—	—
Total Supervisory Board					1,600,000	480,000	1,120,000	0
Total					6,414,000	3,480,000	1,820,000	1,114,000

Note:

The Supervisory Board members, Mr. A.H.A.M. van Laack and Mr. R.J.C. Easton do not hold any option rights in the Company.

The LBi Supervisory Board members, Mr. A.H.A.M. van Laack and Mr. R.J.C. Easton do not hold any Shares or option rights in the Company.

None of the aforesaid persons nor any member of the LBi Boards have conducted any transaction of the (aforesaid) securities in the Company in the year preceding the date of the public announcement of the Offer on 20 September 2012, pursuant to paragraph 3, Annex H of the Decree.

8 FURTHER INFORMATION

Copies of this Circular are available free of charge at the office of LBi and can be obtained by contacting LBi at the address below.

LBi International N.V. Joop Geesinkweg 209, 1096 AV Amsterdam, the Netherlands.

Digital copies of the Circular are also available on the website of LBi (www.lbi.com).

The agenda for the EGM of LBi to be held on 20 December 2012 is attached hereto as **Annex III**.

9 DECISION MAKING PROCESS

The LBi Boards were in frequent contact throughout the process leading to the Offer and discussed the key decisions that have to be made in the context of the Offer as well as the progress of the Offer process.

The LBi Boards received extensive financial and legal advice and have taken into account, among other things, the following matters in their consideration of the Offer: (i) the continuity of LBi; (ii) the strategic rationale of the Offer; (iii) the interests of all stakeholders; (iv) the Offer Price and the character of consideration; (v) execution risk and conditionality to completion; (vi) the interests of all employees of the Company and its group and other social aspects; (vii) the future governance of LBi; (viii) credit risk and operational risk; (ix) the interests of third parties (such as customers, creditors and suppliers); and (x) possibility for a *bona fide* third party to make a competing (public) offer.

The LBi Supervisory Board has carefully monitored and supervised the decision-making process by the LBi Management Board from the beginning and provided the LBi Management Board with advice in relation thereto. The LBi Supervisory Board engaged ABN AMRO Bank N.V. to render the ABN AMRO Fairness Opinion in relation to the Offer and the Offer Price (see Section 4.3 of this Circular for more information).

10 INTERESTS OF THE LBI BOARDS

Outlined below are relationships, agreements or arrangements that certain members of the LBi Management Board and the LBi Supervisory Board have that provide them with interests in the proposed transaction with the Offeror that may be in addition to or different from the interests of LBi generally in the Offer. The members of the LBi Boards were aware of these relationships, agreements and arrangements during their respective deliberations on the merits of the Offer and addressed such interests as appropriate under applicable Dutch law relating to conflicts of interests.

- The current members of the LBi Management Board will stay on as members of the LBi Management Board after settlement. See Section 4.4.3 of this Circular.
- Certain members of the LBi Boards hold Shares in LBi. See Section 7.1 of this Circular.
- Certain members of the LBi Boards hold Equity Incentives. See Section 7.2 of this Circular.
- Mr. Luke Taylor will receive a remuneration payment in respect of the consummation of the Offer as more fully described in Section 6.7(d)(ii) of the Offer Document.

The Chairman of the LBi Supervisory Board took due notice of the financial interest of the members of the LBi Management Board and the LBi Supervisory Board in LBi and the fact that the members of the LBi Management Board would at Settlement stay on as members of the LBi Management Board. It was concluded that the interests of LBi, the Shareholders and the members of the LBi Management Board and the LBi Supervisory Board were aligned. Therefore, the members of the LBi Boards participated in the discussions and negotiations regarding the Offer and the decision-making process in respect thereof.

11 CONCLUSION AND RECOMMENDATION BY THE LBI BOARDS

The LBi Boards have unanimously resolved, after having taking into account their fiduciary duties, applicable laws, rules and regulations and the terms and conditions of the proposed Transaction, after having taken financial and legal advice and after having concluded that, taking into account the current circumstances, the Offer is fair to the Shareholders from a financial point of view and in the best interest of LBi and its stakeholders:

- to unanimously approve and fully support the Offer;
- to approve the Company's entering into of the Merger Protocol;
- to unanimously recommend to the holders of Shares to accept the Offer and to tender their Shares pursuant to the Offer; and
- to unanimously recommend to Shareholders to adopt the Governance Resolutions.

LBi Supervisory Board

Mr. A. Mulder

Mr. G.W. Fink

Mr. A.H.A.M. van Laack

Mr. R.J.C. Easton

Mr. J.F.P. Farrell

LBi Management Board

Mr. L.A.J. Taylor

Mr. H.J.F. Wezenberg

Annex I

CONFIDENTIAL

LBi International N.V.
Attn.: Members of the Supervisory Board
Joop Geesinkweg 209
1096 AV Amsterdam

Date
20 September 2012
Subject
Letter of Opinion

Dear Members of the Supervisory Board,

We understand that Publicis Groupe S.A. ("Publicis" or the "Offeror") intends to make a recommended public offer (the "Offer") for all issued and outstanding ordinary shares, 1 (one) A share and 1 (one) B share, with a nominal value of EUR 0.25 each (these shares together with shares from exercised equity incentives are referred to as the "Shares", each a "Share") of LBi International N.V. ("LBi" or the "Company") (the "Proposed Transaction").

At the date hereof, a draft version (dated 19 September 2012) is available of the agreement inter alia between the Offeror and the Company (the "Draft Merger Protocol") on the terms of a public offer to be made by the Offeror for all the issued and to be issued shares of the Company not already owned by Publicis and its affiliates. Pursuant to the terms of the Offer, the Offeror will offer an amount in cash equal to EUR 2.85 per each Share tendered under the terms of the Offer (the "Consideration") to the holders of these Shares (the "Shareholders"). Please be advised that while certain provisions of the Proposed Transaction are summarised above, the terms and conditions of the Proposed Transaction are set forth in more detail in the Draft Merger Protocol.

The supervisory board of the Company (the "Supervisory Board") has asked ABN AMRO Bank N.V. ("ABN AMRO") to render its opinion as to whether the Consideration is fair, from a financial point of view, to the holders of the Shares (the "Opinion").

For the purposes of providing our Opinion, ABN AMRO has:

- a) reviewed certain publicly available business and financial information relating to the Company which we deemed relevant for the purpose of providing the Opinion, including the Company's annual reports for the financial years 2008 to 2011 and the Company's interim reports for the years 2010 to H1 2012;
- b) reviewed financial and operating information with respect to the business, operations and prospects of the Company furnished to us by the Company, including a latest

estimate for the year 2012 prepared by management of the Company and a management presentation prepared by management and its financial advisors;

- c) reviewed certain publicly available information such as equity research reports with respect to certain other companies we believe to be generally comparable with the Company;
- d) reviewed the financial terms, to the extent publicly available, of certain recent transactions involving companies we deemed relevant and the consideration paid for such companies;
- e) reviewed the current and historical stock prices and trading volumes of the Company's ordinary shares;
- f) had discussions with the CEO and CFO of the management board of the Company (the "Management Board") as well as the CEO EMEA, its vendor due diligence advisor and its financial advisor concerning the past and current business, operations, financial condition and future prospects of LBi, certain clarifications on the financial information on LBi and certain other matters we believe necessary or appropriate to our inquiry;
- g) reviewed parts of the Draft Merger Protocol we deemed relevant; and
- h) conducted such other studies, analyses and investigations and considered such other factors as we deemed appropriate, based on the information available to us to date.

LBi has confirmed to ABN AMRO that (i) LBi has provided ABN AMRO with all material information relating to LBi, which it understands to be relevant for the Opinion and have not omitted to provide ABN AMRO with any information relating to LBi that would render the provided information inaccurate, incomplete or misleading or may reasonably have a material impact on the Opinion, (ii) after delivery of aforementioned information, as far as LBi is aware, no events have occurred that may reasonably have a material impact on the Opinion, (iii) all financial and other information provided by LBi to ABN AMRO in relation to the Opinion is true and accurate and no information was withheld from ABN AMRO that could reasonably affect the Opinion, and (iv) financial forecasts and projections of the Company provided by LBi to ABN AMRO have been reasonably prepared on a basis reflecting the best currently available information, estimates and judgments of the management of the Company as to the future financial performance of the Company.

This Opinion is subject to the above confirmation and is furthermore subject to the following:

- a) ABN AMRO does not express any opinion as to any tax or other consequences that might result from the Proposed Transaction, nor does our opinion address any actuarial, legal, tax, regulatory or accounting matters and as such assumes no liability or responsibility in connection herewith;

- b) ABN AMRO has not been authorized to solicit, and ABN AMRO has not solicited, any indications of interest from any third party with respect to the purchase of all or a part of the Company's business;
- c) ABN AMRO has relied on the accuracy and completeness of all the financial and other information used by it without any independent verification of such information, and assumed such accuracy and completeness for the purposes of rendering this Opinion;
- d) ABN AMRO has not performed any investigation or otherwise undertaken to verify the accuracy and completeness of the information reviewed by it for the purposes of rendering this Opinion and therefore does not accept any responsibility regarding this information;
- e) ABN AMRO has assumed that all confirmations made to ABN AMRO by the Company (as set out above) are true, accurate and not misleading;
- f) ABN AMRO has assumed the accuracy of the representations and warranties contained in the Draft Merger Protocol and all agreements related thereto;
- g) ABN AMRO has not made any evaluation or appraisal of the assets and liabilities (including any derivative or off balance sheet assets and liabilities) of the Company;
- h) ABN AMRO has not conducted a physical inspection of the properties and facilities of LBi;
- i) ABN AMRO has not evaluated the solvency or fair value of LBi under any laws relating to bankruptcy, insolvency or similar matters;
- j) ABN AMRO has assumed that the Proposed Transaction will be consummated in accordance with the terms of the Draft Merger Protocol without waiver, modification or amendment of any material term, condition or agreement thereof;
- k) the Offer being declared unconditional on the basis of the terms and conditions set out in the Draft Merger Protocol;
- l) receipt of all governmental, regulatory, third party or other consents, approvals and releases for the Proposed Transaction will be obtained within the constraints contemplated by the Draft Merger Protocol; and
- m) ABN AMRO has not reviewed and does not opine on the question whether the price of the offer for the Shares is the fair price (*billijke prijs*) within the meaning of Section 5:80a of the Financial Supervision Act (*Wet op het financieel toezicht*).

This Opinion necessarily is based upon prevalent financial, economic, monetary, market and other conditions as they exist on, and on the information made available to us, and may be assessed, as at the date of this letter. Accordingly, although subsequent events or circumstances, and any other information that becomes available after this date, may affect this Opinion, ABN AMRO has not assumed any responsibility to update, revise or reaffirm this Opinion once given.

This Opinion is for the use and benefit of the Supervisory Board in connection with its evaluation of the Proposed Transaction and shall not be used for any other purpose without our prior written approval. This Opinion is not intended to be relied upon or confer any rights or remedies upon any employee, creditor or shareholder of LBi or any other party. This Opinion does not address the merits of the underlying decision of LBi to engage in, recommend or proceed with the Offer and does not constitute a recommendation to any Shareholder as to whether such Shareholder should accept the Offer. We have also not been requested to opine on, and no opinion is expressed on, and our Opinion does not in any other manner address, any alternatives available to the Proposed Transaction and whether any alternative transaction might be more beneficial to the Shareholders than the Proposed Transaction. We have also not been requested to opine as to, and our Opinion does not in any manner address, (i) the likelihood of the consummation of the Proposed Transaction or (ii) the method or form of payment of the Consideration. In addition, we express no opinion on, and our Opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the Proposed Transaction, or any class of such persons, relative to the Consideration payable in the Proposed Transaction.

ABN AMRO is acting as financial advisor to the Supervisory Board of LBi in connection to the Opinion and will receive a fee from LBi for our services, which fee will not be conditional upon completion of the Offer. LBi has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of the agreement with regard to our role as financial advisor of the Supervisory Board. ABN AMRO will receive a fee upon the issue of the Opinion, irrespective of the contents of the Opinion and/or the Proposed Transaction being completed. ABN AMRO is involved in a wide range of banking and other financial services business, both for its own account and for the account of its clients, out of which a conflict of interest or duties may arise. ABN AMRO may, from time to time, (i) provide financial advisory services and/or financing to LBi and/or the Offeror, (ii) maintain a banking or other commercial relationship with LBi and/or the Offeror, and (iii) trade shares and other securities of LBi and/or the Offeror in the ordinary course of business for our own account and for the accounts of our customers and may, therefore, from time to time hold long or short positions in such securities. Within ABN AMRO practices and procedures, including 'Chinese walls', are maintained, designed to help ensure the independence of advice and to restrict the flow of information and to manage such conflicts of interests or duties.

This letter may be incorporated in full, for information purposes only, in the position statement to be made available by LBi to the Shareholders in connection with the Offer. Notwithstanding the foregoing, this letter may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with the prior written approval of ABN AMRO. This Opinion is issued in the English language and reliance may only be placed on this Opinion as issued in the English language. If any translations of this Opinion are delivered they are provided only for ease of reference, have no legal effect and ABN AMRO makes no representation as to, and accepts no liability in respect of, the accuracy of any such translations.

This letter and the obligations of ABN AMRO to LBi hereunder shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in

connection with, this letter shall be subject to the exclusive jurisdiction of the competent court in Amsterdam without prejudice to the right of appeal and that of appeal at the Supreme Court.

Based upon and subject to the foregoing, we are of the opinion that, as of the date of this letter, the Consideration to be received by the Shareholders pursuant to the Offer is fair, from a financial point of view, to such Shareholders accepting the Offer.

Yours sincerely,

ABN AMRO Bank N.V.

Annex II

PRIVILEGED AND CONFIDENTIAL

20 September 2012

The Management Board
LBI International N.V.
Joop Geesinkweg 209
1096 AV Amsterdam
The Netherlands

Members of the Management Board:

We understand that LBI International N.V. (the “Company”) and Publicis Groupe Holdings B.V. (“PGH”) propose to enter into a merger protocol (the “Merger Protocol”) in connection with a proposed transaction, to be effected through a firm public offer (the “Offer”) to be made by PGH or another wholly-owned subsidiary of Publicis Groupe S.A. (the “Offeror”) for all the Company’s issued and outstanding ordinary share capital (consisting of ordinary shares with a nominal value of €0.25 each, which shares are collectively referred to herein as the “Ordinary Shares” and individually as an “Ordinary Share”). The Offeror is understood to be willing to offer for each Ordinary Share tendered under the terms of the Offer, a cash amount of €2.85 per Ordinary Share (the “Consideration”). The terms and conditions of the Offer are more fully set forth in the Draft Merger Protocol (as defined below).

You have asked for our opinion as to whether the Consideration to be received by the holders of the Ordinary Shares pursuant to the Draft Merger Protocol is fair, from a financial point of view, to such holders (other than the Offeror and its affiliates and the trustees of the LBI Employee Benefit Trust).

In arriving at our opinion, we have, among other things:

- (i) reviewed a draft dated 20 September 2012 of the Merger Protocol, which bears a header stating “Mark-up Loyens & Loeff N.V. - 20 September 2012” and which, for the avoidance of doubt, was emailed to us by Liesbeth Prins at 14:16 CET and did not include Schedules 2.8, 4.7, 4.13, 8.1(b), 8.1(c), 8.1(d), 8.3(b) and (J) (the “Draft Merger Protocol”);
- (ii) reviewed certain publicly available financial and other information about the Company;
- (iii) reviewed certain information furnished to us by the Company’s management, including financial forecasts and analyses, relating to the business, operations and prospects of the Company;
- (iv) held discussions with members of senior management of the Company concerning the business, operations and prospects of the Company and, in particular, the matters described in clauses (ii) and (iii) above;

- (v) reviewed the share trading price history and valuation multiples for the Ordinary Shares and compared them with those of certain publicly traded companies that we deemed relevant;
- (vi) reviewed certain publicly available financial and other information about certain publicly traded companies that we believe to be generally comparable to the Company;
- (vii) compared the proposed financial terms of the Offer with the financial terms of certain other transactions that we deemed relevant; and
- (viii) conducted such other financial studies, analyses and investigations as we deemed appropriate.

In our review and analysis and in rendering this opinion, we have assumed and relied upon, but have not assumed any responsibility to independently investigate or verify and have not independently investigated or verified, the accuracy and completeness of all financial and other information that was supplied or otherwise made available by or on behalf of the Company or that was publicly available to us (including, without limitation, the information described above), or that was otherwise reviewed by us. We have not assumed and do not assume any responsibility or liability for any such information and have relied on assurances of the management of the Company that it is not aware of any facts or circumstances that would make such information inaccurate or misleading. In our review, we did not obtain any independent evaluation or appraisal of any of the assets or liabilities of, nor did we conduct a physical inspection of any of the properties or facilities of, the Company, nor have we been furnished with any such evaluations or appraisals of such physical inspections, nor do we assume any responsibility to obtain any such evaluations or appraisals. We have also not evaluated the solvency or fair value of the Company under any laws relating to bankruptcy, insolvency or similar matters.

With respect to the financial forecasts provided to and examined by us, we note that projecting future results of any company is inherently subject to uncertainty. The Company has informed us, however, and we have assumed, that financial forecasts made available to us by or on behalf of it were reasonably prepared on bases reflecting (and continuing to reflect) the best currently available estimates and good faith judgments of the management of the Company as to the future financial performance of the Company. To the extent we have relied on publicly available financial forecasts from various equity research analysts, we have done so at the direction of the management of the Company and we have assumed that they were reasonably prepared on bases reflecting (and continuing to reflect) the best currently available estimates and good faith judgments of such analysts as to the future financial performance of the Company. We express no opinion as to the Company's or any equity research analyst's financial forecasts or the assumptions on which they are made.

Our opinion is based on economic, monetary, regulatory, market and other conditions existing and which can be evaluated and the information made available to us as of the date hereof. It should be understood that subsequent developments and other information that becomes available after this date may affect our opinion. We expressly disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting our opinion of which we become aware after the date hereof and we have not assumed any responsibility to

update, revise or reaffirm our opinion. We further note that the current volatility and disruption in the credit and financial markets, including in relation to the Eurozone, may affect the proposed transaction, the financial terms of the Offer and/or the Company's or the Offeror's ability to consummate the proposed transaction and we are not expressing an opinion as to the effects of such volatility or such disruption on any of the foregoing.

Our opinion does not address any legal, regulatory, tax or accounting matters. We have made no independent investigation of, and assume no responsibility or liability in connection with, any legal, regulatory, tax or accounting matters affecting the Company, and we have assumed the correctness in all respects material to our analysis of all legal, regulatory, tax and accounting advice given to the Company and either of its Boards, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the Draft Merger Protocol to the Company and its stakeholders. In addition, in preparing this opinion, we have not taken into account any tax consequences of the proposed transaction to any holder of Ordinary Shares and we have assumed that there will be no requirement for the Offeror or the Company or any other person to deduct and withhold any payment due pursuant to the Merger Protocol.

Our opinion is based on the Draft Merger Protocol and we have assumed that the final form of the Merger Protocol will be substantially similar to the Draft Merger Protocol and that the Offer will be declared unconditional and the proposed transaction consummated in accordance with, and on the basis of, the terms of the Draft Merger Protocol without any adverse waiver, amendment or breach of any material term or condition thereof. We have also assumed that the representations and warranties to be made by the Company and PGH in the Draft Merger Protocol are and will be true and correct in all respects material to our analysis and that the execution, delivery and performance by the Company of the Merger Protocol will not violate or be prohibited by either the Company's internal constitution or by any provision of any existing law applicable to the Company or any agreement or instrument binding on the Company or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument. In addition, we have assumed that the Consideration will not be reduced as a result of any declaration and/or payment of any dividend or other distribution or otherwise and that in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Offer, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company or the contemplated benefits of the Offer.

It is understood that our opinion is solely for the use and benefit of the Management Board of the Company (solely in its capacity as such) in its consideration of the Offer and shall not be used for any other purpose, and our opinion does not address the relative merits of the transactions contemplated by the Draft Merger Protocol as compared to any alternative transaction or opportunity that might be available to the Company, nor does it address the underlying business decision by the Company to engage in the Offer or the terms of the Draft Merger Protocol or the documents referred to therein. Our opinion does not constitute a recommendation to any person as to whether such person should tender shares pursuant to the Offer or as to how any shareholder of the Company should vote or act with respect to the proposed transaction or any other matter relating thereto or as to any other matter. Our opinion is not intended to be relied upon or confer any rights or remedies upon any employee, creditor or shareholder of the Company or any other person and we accept no responsibility to any person in relation to the contents of this letter other than the Company, even if it has been disclosed with our consent. In addition, you have not asked us to address, and this opinion does not address, the

fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company, other than the holders of Ordinary Shares. Our opinion addresses only the fairness, from a financial point of view, of the Consideration to be received by the holders of Ordinary Shares pursuant to the Draft Merger Protocol, and does not address any other aspect or implication of the proposed transaction (including the likelihood of the consummation of the transaction, the likely timetable of the transaction or the method or form of payment of any consideration). We express no opinion as to the price at which Ordinary Shares will trade at any time. Furthermore, we do not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable or to be received by any of the Company's officers, directors or employees, or any class of such persons, in connection with the Offer relative to the Consideration to be received by holders of Ordinary Shares. Our opinion has been authorised by the Fairness Committee of Jefferies International Limited.

We have been engaged by the Company to act as financial adviser to the Company in connection with the Offer and will receive a fee for our services. We also will be reimbursed for expenses incurred. The Company has agreed to indemnify us against liabilities arising out of or in connection with the services rendered and to be rendered by us under such engagement. We have, in the past, provided financial advisory and financing services to the Company and may continue to do so and have received, and may receive, fees for the rendering of such services. In the ordinary course of our business, we and our affiliates may trade or hold securities of the Company or PGH and/or their respective affiliates for our own account and for the accounts of our customers and, accordingly, may at any time hold long or short positions in those securities. In addition, we may seek to, in the future, provide financial advisory and financing services to the Company, PGH or entities that are affiliated with the Company or PGH, for which we would expect to receive compensation.

Our opinion is rendered on the condition that it shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose without the prior written consent of Jefferies International Limited.

Our opinion is issued in the English language and reliance may only be placed on our opinion as issued in the English language. If any translations of our opinion are delivered, they are provided only for ease of reference, have no legal effect and Jefferies International Limited makes no representation as to, and accepts no liability in respect of, the accuracy of any such translations.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, the Consideration to be received by the holders of the Ordinary Shares pursuant to the Draft Merger Protocol is fair, from a financial point of view, to such holders (other than the Offeror and its affiliates and the trustees of the LBi Employee Benefit Trust).

Very truly yours,



JEFFERIES INTERNATIONAL LIMITED

Annex III

AGENDA AND EXPLANATORY NOTES THERETO

for the extraordinary general meeting of shareholders of

LBi INTERNATIONAL N.V.

to be held on 20 December 2012 at 15:00 hours CET
at Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands

Opening

1. **Discussion public offer** (discussion item)
2. **Amendment of the Articles of Association** (voting item)
3. **Resignation and Discharge Supervisory Board members** (voting item)
4. **Appointment of new Supervisory Board members** (voting item)
5. **Compliance Corporate Governance Code** (discussion item)
6. **Any other business**

Closing

EXPLANATORY NOTES TO THE AGENDA for the extraordinary general meeting of shareholders of LBi International N.V. (the **Company** or **LBi**), to be held on 20 December 2012 at Hilton Hotel, Apollolaan 138, 1077 BG Amsterdam, the Netherlands, at 15:00 hours CET (the **General Meeting**).

Further information regarding this extraordinary general meeting of shareholders can be found on www.lbi.com.

1. Discussion public offer (discussion item)

On 20 September 2012 the Company and Publicis Groupe S.A. (**Publicis Groupe**) jointly announced they had reached conditional agreement on a recommended public cash offer to acquire all outstanding shares in LBi.

After the fulfilment or waiver of the relevant pre-offer conditions under this agreement, the Company and Publicis Groupe Holdings B.V. , an indirectly wholly owned subsidiary of Publicis Groupe, (the **Offeror**) will jointly announce that the Offeror is making a recommended all cash public offer for all the issued and outstanding shares in the capital of LBi with a nominal value of EUR 0.25 each (the **Shares**) at an offer price of EUR 2.85 cum dividend per Share (the **Offer**) on the basis of an offer document setting out the full details of the Offer (the **Offer Document**). The pre-offer conditions include the approval by the AFM of the Offer Document. The Offer Document will be published on the Company's website (www.lbi.com).

The Management Board and the Supervisory Board will also make available a position statement which will set out the background of the proposed transaction, the key terms of the Offer and the reasons for the recommendation of the Offer by the Management Board and the Supervisory Board.

This position statement will be made available free of charge to shareholders and other persons entitled to attend general meetings of the Company at the offices of the Company or at the Company's website (www.lbi.com), from the announcement of the Offer until the end of this extraordinary general meeting.

2. Amendment of the Articles of Association (voting item)

The Supervisory Board proposes to the General Meeting to amend the articles of association of the Company (the **Articles of Association**), subject to the Offer being declared unconditional and effective as per the settlement date of the Offer (the **Settlement Date**) and in accordance with the proposal to amend the Articles of Association in accordance with the draft drawn up by Allen & Overy LLP.

The proposal to amend the Articles of Association, in which the amendments have been set forth ad verbatim, as well as explanatory notes thereto, have been made available, free of charge, to shareholders and other persons entitled to attend general meetings of the Company at the offices of the Company or at the Company's website (www.lbi.com), until the end of this extraordinary general meeting.

The proposal further entails the proposal to authorise each Management Board member and each (candidate) civil-law notary, paralegal, and notarial employee of Allen & Overy LLP, lawyers, tax lawyers and civil-law-notaries in Amsterdam, either jointly or individually, subject to the Offer being declared unconditional and effective as per the Settlement Date, to execute the deed of amendment to the Articles of Association.

3. Resignation and Discharge Supervisory Board members (voting item)

Subject to the Offer being declared unconditional and the amendment to the Articles of Association becoming effective and effective as per the Settlement Date, the following Supervisory Board members will resign:

- Mr. J.F.P. Farrell;
- Mr. R.J.G. Easton;
- Mr. A.H.A.M. van Laack,

together: the **Resigning Supervisory Board members**.

It is proposed to the General Meeting to discharge the Resigning Supervisory Board members from all liability with respect to their duties and obligations performed and incurred in their respective capacity as Supervisory Board member, in as far as such duties and obligations appear from the most recently adopted annual accounts of the Company or as otherwise been made available in the public domain.

4. Appointment of new Supervisory Board members (voting item)

Subject to the Offer being declared unconditional and the amendment to the Articles of Association becoming effective and effective as per the Settlement Date, it is proposed to the General Meeting to appoint the following persons, who have been nominated by the Offeror, as new Supervisory Board members for a period of four years:

- (a) Mr. J-Y Naouri;
- (b) Mr. J-M Etienne;
- (c) Mr. F. Voris;
- (d) Mr. B. Lord;
- (e) Mr. J. Tomasulo.

Mr. Naouri shall be the chairman of the Supervisory Board.

The number of members of the Supervisory Board will upon the appointments being effective be set at seven.

The particulars of the persons mentioned above and a further explanation regarding their experience and present and former positions are attached to these explanatory notes (**Annex**). The proposal to appoint the proposed new Supervisory Board members is supported by the Management Board and the Supervisory Board.

5. Compliance Corporate Governance Code (discussion item)

For as long as the Company has minority shareholders and the Company continues to be listed on the stock exchange, the Offeror shall procure that the Company shall continue to comply with the Dutch Corporate Governance Code (the **Code**), except for current and future deviations from the Code in accordance with the provisions of the Code in respect of such deviations or as set out otherwise in the Offer Document in respect of the Offer to be published by the Offeror.

The Company and the Offeror have agreed that two existing members, being Mr A. Mulder and Mr G. Fink, who both qualify as members independent from the Offeror and any of its affiliates (such as defined in the Dutch Corporate Governance Code) (the **Continuing Supervisory Directors**) shall serve as members of the Supervisory Board for the period that minority shareholders continue to hold shares in the Company. The Continuing Supervisory Directors will resign as members of the Supervisory Board at the end of the aforementioned period. The remaining five members shall be appointed by the general meeting of shareholders upon nomination by Publicis Groupe.

Annex

(a) Conditional Appointment of Mr. J-Y Naouri as a member of the Supervisory board as per the Settlement Date (vote)

Name

Jean-Yves Naouri

Age

53

Nationality

French

Current Positions

Chief Operating Officer, Publicis Groupe
Executive Chairman, Publicis Worldwide
COO and Chairman, Publicis Groupe China
Member of the Publicis Groupe Management Board (Directoire)
Member of the Publicis Groupe P12
Board member of various other Publicis Groupe affiliates

Resume

Jean-Yves Naouri holds a Ph.D. of the Ecole Polytechnique (graduating class of '79) and is Chief Engineer of the Corps des Mines, the post-graduate management school.

In 1991, he joined the staff of the Minister of Industry and Foreign Trade, Mr. Dominique Strauss-Kahn, as a Cabinet Advisor. In this position, he was in charge of various industrial sectors: chemical and pharmaceutical industry, health sector, luxury goods, electronic components, consumer electronics and information technology, metallurgical and steel industry. He was also responsible of supervising quality and environment issues for all industrial sectors.

He joined Publicis Groupe in 1993, as one of the founding partners of Publicis Consultants, a subsidiary of Publicis, specialized in strategic and corporate communication consultancy.

In November 2000, Jean-Yves Naouri took the presidency of Publicis Conseil, the Paris flagship agency, founded by Marcel Bleustein-Blanchet in 1926 and led by Maurice Levy since 1975.

In April 2003, Jean-Yves Naouri was appointed Regional Chairman for Publicis Worldwide agencies in Northern Europe (Germany, Austria, Switzerland, Benelux, Nordic and Baltic Countries) and Country Chairman for Publicis Germany.

Jean-Yves Naouri became Executive Vice President of Publicis Groupe in April 2004, and appointed to lead and implement Project Horizon, a strategic plan following the merger with Bcom3. In January 2005, he was additionally appointed to head the Publicis Groupe Shared Service Centers, as well as Information Technology, Procurement, Real Estate and Insurance.

In September 2006, Jean-Yves was named Executive Vice President – Group Operations, Publicis Groupe, and Member of the “P12” Board, Executive Committee. In December 2007, he was named Member of the Management Board of Publicis Groupe.

Jean-Yves Naouri's responsibilities have been extended and include overseeing Publicis Healthcare Communications Group (since July 2008), as well as the Publicis Groupe Production Platforms (May 2009). More recently (April 2010), he was also appointed to lead China Publicis Groupe, and in June 2010, he was named Chief Operating Officer of Publicis Groupe. In March 2011, he was appointed Executive Chairmand of Publicis Worldwide, with the responsibility of overseeing the network.

Jean-Yves Naouri is married and has 3 children.

Other positions

None

Reasons for nomination

As one of the most senior officers of Publicis Groupe, Jean-Yves Naouri will have substantial added value for the Supervisory Board of LBi.

Owner of LBI International N.V. shares

None

(b) Conditional Appointment of Mr. J-M Etienne as a member of the Supervisory board as per the Settlement Date (vote)

Name

Jean-Michel Etienne

Age

61

Nationality

French

Current Positions

Executive Vice-President, Chief Financial Officer of Publicis Groupe
Member of the Publicis Groupe Management Board and of the Publicis Groupe Executive Committee (P12)
Board member of various other Publicis Groupe affiliates

Resume

Jean-Michel Etienne holds a Master's degree in economics and advanced accounting qualifications. He began his career as an auditor with Price Waterhouse from 1975 to 1980. He then joined the finance department of Renault where he assumed a number of responsibilities for the group's financial planning. He was appointed Director of Accounting at Générale Occidentale in 1986 and held the same position at Valeo from 1998 to 1990 before moving on to the Pinault group as Director of Planning and Control.

In 1991, he was appointed Group Vice President and Group Financial Controller at CarnaudMetalbox, where he worked on the merger with Crown Cork and Seal. This led to the creation of the world's number-one business in metal and plastic packaging (listed in New York). He contributed to implementing the merger through a number of different functions, going on to become Senior Vice President and Chief Financial Officer, Europe.

Jean-Michel Etienne joined Publicis Groupe as Chief Financial Officer in September 2000 and in September 2006, he was appointed Executive Vice President – Chief Financial Officer. He was closely involved in the Saatchi & Saatchi, Bcom3, Digitas, Razorfish and Rosetta acquisitions that placed Publicis Groupe number three worldwide in its industry.

Other positions

None

Reasons for nomination

Jean-Michel Etienne has long term experience in the field of digital marketing and as Chief Financial Officer of Publicis Groupe was involved in the key acquisitions of Publicis Groupe as described above. As such, he will have substantial added value for the Supervisory Board of LBi.

Owner of LBI International N.V. shares

None

(c) Conditional Appointment of Mr. F. Voris as a Member of the Supervisory board as per the settlement date (vote)

Name

Frank Voris

Age

47

Nationality

American

Current Positions

Chief Financial Officer, VivaKi Inc.
Board member of various other Publicis Groupe affiliates

Resume

Frank Voris earned a B.A. in accounting in 1987 from the University of Illinois at Champaign-Urbana and is also a certified public accountant.

As VivaKi's Chief Financial Officer, Frank Voris is responsible for managing the financial operations spanning our four agency networks. He assumed this role in June 2008 and served previously as CFO for Publicis Groupe Media (PGM).

Prior to his role at PGM, he was CFO of Starcom MediaVest Group, which operates 110 offices in 76 countries. In May 2000, Voris was charged with managing the transition to the newly formed SMG (a merger of Starcom Worldwide and MediaVest Worldwide) holding company's financial system – a task he completed seamlessly.

Voris was also responsible for the successful financial split between Leo Burnett and Starcom and has installed financial reporting systems for Starcom's global operations while orchestrating merger and acquisition activity.

Other positions

None

Reasons for nomination

As VivaKi's Chief Financial Officer, Frank Voris has been responsible for all VivaKi operations, including technology, product development and the integration of acquisition targets. As such, Frank Voris will have substantial added value for the Supervisory Board of LBi.

Owner of LBI International N.V. shares

None

(d) Conditional Appointment of Mr. B. Lord as a Member of the Supervisory board as per the Settlement Date (vote)

Name

Bob Lord

Age

49

Nationality

American

Current Position

Global CEO, Razorfish
Member of the Publicis Groupe Executive Committee (p12)
Member of the Board of Directors for Publicis Groupe's VivaKi
Board member of various other Publicis Groupe affiliates.

Resume

Bob Lord holds a BS in engineering from Syracuse University and a MBA from Harvard Business School.

As Global CEO since April 2009, Bob Lord oversees the global operations at Razorfish and focuses the company's agenda on empowering its clients to take action and create engaging digital experiences that build their businesses – not just advertise. Prior to that, Bob served six years as president of the company's East region.

Since joining Razorfish in 2000, Bob has helped Razorfish develop its business and gain several agency-of-record relationships. He has also served as executive sponsor for several key clients, including Condé Nast, Mercedes and Wyeth. In 2004, Bob served as COO of Razorfish, prior to its merger with Avenue A.

Previously, Bob served as COO and executive vice president of Prism Rehab Systems, a professional services firm in the healthcare sector. Before Prism, he was a partner consultant with Symmetrix, a strategic systems re-engineering firm. He holds an MBA from Harvard Business School and a BS in engineering from Syracuse University.

In addition to leading Razorfish globally, Mr. Lord is a member of Publicis Groupe's P12 and Strategic Leadership team, and has a seat on the Board of Directors for Publicis Groupe's VivaKi unit as well as the Ad Council and The Nantucket Project. He also an active member of the TED community.

Other positions

None

Reasons for nomination

As Global CEO of Razorfish a leading global digital agency, Bob Lord will have substantial added value for the Supervisory Board of LBi.

Owner of LBI International N.V. shares

None

(e) Conditional Appointment of Mr. J. Tomasulo as a Member of the Supervisory board as per the Settlement Date (vote)

Name

Joseph Tomasulo

Age

48

Nationality

American

Current Position

Global CFO at Digitas and Razorfish
Board member of various other Publicis Groupe affiliates

Resume

Mr. Tomasulo holds a B.B.A. in Accounting from Iona College, a JD from New York Law School and an LLM from New York University School of Law. He is a member of the New York and New Jersey Bar Associations and is a Certified Public Accountant.

As Global CFO at Digitas and Razorfish, Joe Tomasulo is responsible for all financial affairs of Digitas and Razorfish globally, including overseeing financial operations and all accounting and financial functions.

Prior to joining Digitas, Joe Tomasulo was Senior Vice President of Mergers & Acquisition/Real Estate for Publicis Groupe, S.A., where he played an integral role in Publicis Groupe's expansion and in supporting the infrastructure needs in the US market.

Other positions

None

Reasons for nomination

Mr. Tomasulo has extensive international experience in the financial and legal issues facing the advertising industry. As Global CFO of Digitas and Razorfish, Joseph Tomasulo will have substantial added value for the Supervisory Board of LBi.

Owner of LBI International N.V. shares

None