

Getupdated

Interim Report, January – June 2010



getupdatedTM
Internet marketing

New Vigorous Structural Measures Initiated to Recreate Profitability

Second quarter 2010

- Net sales were SEK 60.0 m (SEK 64.7 m). Sales growth was restrained by weaker-than-expected market progress. But organic growth in the core business of Internet marketing was some 3%.
- Operating profit/loss was SEK -5.0 m (SEK -11.4 m). The wholly owned Swedish operation charged SEK -3.5 m (SEK -0.1 m) to operating profit/loss.
- Cash flow from operating activities was SEK -6.7 m (SEK -6.0 m), compared to SEK -6.3 m in the previous quarter.
- Net profit/loss was SEK -8.9 m (SEK -14.2 m). Net profit/loss per share after dilution was SEK -0.15 (SEK -0.29).
- Sales in France were up by 167% year on year, and sales growth in the new start-up in Ireland was very positive.

Interim Period January-June 2010

- Net sales were SEK 121.4 m (SEK 124.0 m). Organic sales growth in the core business of Internet marketing was some 10%.
- Operating profit/loss was SEK -3.7 m (SEK -17.7 m). The improved profit/loss year on year is mainly a result of the cost-reducing measures implemented in 2009.
- Cash flow from operating activities was SEK -13.0 m (SEK -18.0 m).
- Net profit/loss was SEK -10.0 m (SEK -22.4 m). Net profit/loss per share after dilution was SEK -0.18 (SEK -0.59).

After the End of the Period

- Holding in MediaAnalys (51%) divested for SEK 32 m, implying a capital gain of some SEK 17 m before selling expenses of some SEK 2 m. This divestment frees up capital, which significantly improves the group's financial room to act.
- Decision taken on vigorous actions to recreate profitability in the Swedish operation. Further annualized cost savings of some SEK 8 m will be initiated in the third quarter. This will include the relocation of the head office and staff downsizing.
- A decision was taken to change the segment of Getupdated's stock from First North Premier to First North.

Outlook

The Board of Directors' judgment remains that in 2010, Getupdated will achieve good growth and profitability in its core business of Internet marketing. The Board also judges that the group will post a positive cash flow for 2010.

Consolidated Key Ratios	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Net sales, SEK 000	60,024	64,655	121,420	124,039	237,065	239,684
Sales growth	-7.2%	-27.9%	-2.1%	-25.6%	-4.5%	-17.6%
Net revenue per employee, SEK 000	253	221	521	419	976	878
Gross profit, SEK 000	40,046	44,937	84,045	90,271	164,608	170,834
Gross margin	66.7%	69.5%	69.2%	72.8%	69.4%	71.3%
Operating profit/loss, SEK 000	-4,976	-11,392	-3,669	-17,666	-14,495	-28,492
Operating margin	-8.3%	-17.6%	-3.0%	-14.2%	-6.1%	-11.9%
Operating profit/loss, excluding non-recurring items, SEK 000	-4,213	-2,682	-3,323	-6,653	-5,085	-8,415
Operating margin, excluding non-recurring items	-7.0%	-4.1%	-2.7%	-5.4%	-2.1%	-3.5%
Profit/loss for the period, SEK 000	-8,925	-14,203	-9,952	-22,416	-23,154	-35,618
Profit/loss for the period per share after dilution, SEK	-0.15	-0.29	-0.18	-0.59	-0.49	-0.74
Cash flow from operating activities, SEK 000	-6,670	-6,047	-12,969	-17,980	-22,498	-27,509
Cash and cash equivalents, SEK 000	2,899	3,441	2,899	3,441	2,899	7,693
Net debt, SEK 000	70,850	49,613	70,850	49,613	70,850	55,739
Average number of employees in the period	237	292	233	296	243	273

With Getupdated You Get the Complete Package

Getupdated is an international vendor of innovative Internet marketing services. Getupdated has a complete portfolio of services covering search engine optimization, paid search, social media, web development, visitor conversion, media planning and analysis. The Getupdated group now has some 185 employees in Sweden, the UK, France and Ireland. Its ambition is to expand into new markets in the Nordic region under the Getupdated brand, and under the Just Search brand in the rest of Europe. Parent company Getupdated Internet Marketing AB is listed on NASDAQ OMX First North and its certified adviser is Erik Penser Bankaktiebolag.





“Further cost-cutting necessary before our strategy pays off”

The second quarter presented new challenges for the group. The market did not develop as favourably as we anticipated and consequently, sales growth was not as strong as expected. Despite posting an operating loss of SEK 5.0 m in Q2 (2009: loss of SEK 11.4 m), I remain positive that the group is heading in the right direction.

The company has continued to concentrate on its core business activity. In a difficult quarter we reported 3% organic growth within this area of our business. The improvement in earnings on last year's is testament that the company indeed has improved its financial performance. Net revenue per employee continues to increase, offering more proof that our operational adjustments are having a positive impact on our efficiency.

In spite of the sweeping structural measures already carried out within the Swedish operation, costs are still too high in terms of our sales performance. Whilst waiting for our continued sales efforts to be rewarded, the next process in Sweden is a significant reduction of our head office costs. Actions are being initiated throughout Q3, aimed at reducing costs by some SEK 8 m on an annual basis.

One important recent structural measure carried out was the divestment of our interest in MediaAnalys, successfully completed at the beginning of August. This has significantly improved the financial stability of the group, with a net profit on disposal of our 51% shareholding of SEK 15 m. As this sale strengthens the Balance Sheet of the group, it provides funding for further cost reductions in the Swedish operations. These require short-term capital expenditure but produce longer-term financial benefits for the group. This important transaction took up a lot of management time and focus, which will now be put to better use in our continuing operational development and improvement.

The company has continued to strive for more efficient operations across the group. Many of the initial integration

ideas have been implemented and our longer-term projects are now underway. We will continue to ensure that all subsidiaries within the group are aligning themselves to one another, ultimately benefitting the customer. We shall also continue to ensure that our customers have access to group-wide products and services that can be performed throughout Scandinavia and Europe.

We have seen successful growth within the French and Irish markets in particular under the Just Search brand. An additional 40 customers were gained in France during Q2, and in Ireland, we acquired some 30 customers since going live on 1 May 2010.

The significance of the Ireland project is paramount to our further strategies. We have managed to gain entry to a new European market, quickly, effectively and with a relatively low investment requirement.

The success of this project, and the upturn of sales towards the back end of Q2 in the UK, led by Just Search founder Justin Yates, led to a decision to appoint Justin as Sales Director for European Operations.

Despite seeing a tough quarter, we have still managed to bring on board many contracts with high-profile customers, highlighting that Getupdated is still in the right place to take advantage of market opportunities when they arise.

We are slightly behind where we anticipated, but are still on the right strategic pathway. Along the way, and in a short period of time, we have managed to prove certain growth models that will hold us in good stead for the future.

In light of this, I reiterate the positive outlook previously reported in Q1 2010.

Paul Yates,
CEO Getupdated

FIGURES IN BRACKETS ARE FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR. COMPARATIVE FIGURES INCLUDE THE US OPERATION, WHICH WAS CLOSED DOWN IN 2009.

Sales and Results of Operations

Second Quarter 2010

Net sales for the second quarter 2010 were SEK 60.0 m (SEK 64.7 m). The downturn relates mainly to the wholly owned Swedish operation. The market for Internet marketing was worse than expected in the second quarter, with demand negatively affected, primarily in Sweden. Despite this, organic sales growth in the core business of Internet marketing, which currently represents some 80% of total net sales, was some 3%.

Operating profit/loss for the period was SEK -5.0 m (SEK -11.4 m). In year-on-year terms, the group's personnel and other external expenses are down by some SEK 4 m as a result of structural measures implemented. These measures have not yet had their full effect, but further cost reduction is expected in 2010.

The wholly owned Swedish operation charged SEK -3.5 m (SEK -0.1 m) to operating profit/loss for the period. To recreate profitability in the Swedish operation, a number of new structural measures were initiated after the end of the period. Decisions included staff downsizing in Sweden. Moreover, Getupdated's head office in Stockholm, where some 40% of the company's staff are located, will relocate to premises with lower costs. In total, these actions are estimated to save some SEK 8 m annualized. Together with the structural measures actioned in 2009, total cost savings amount to some SEK 16 m.

The appreciation of the Swedish krona, primarily against sterling, had a negative effect on sales and profits in the second quarter. Given the same exchange rates as in the corresponding period of the previous year, sales and operating profit in the quarter would have been SEK 3.0 m (4.9%) and SEK 0.4 m (7.4%) higher.

Net profit/loss was SEK -8.9 m (SEK -14.2 m). Net profit/loss per share after dilution was SEK -0.15 (SEK -0.29).

Interim Period January-June 2010

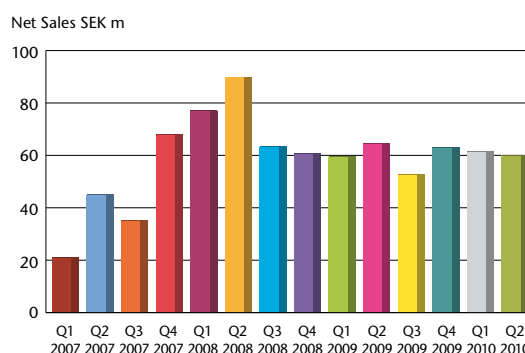
Net sales for the period January-June 2010 were SEK 121.4 m (SEK 124.0 m), down by 2.1% primarily related to the Swedish consulting operation (SEK -8.6 m). Organic sales growth in the core business of Internet marketing was some 10%.

Operating profit/loss was SEK -3.7 m (SEK -17.7 m). The improvement in profits is primarily an effect of cost-reducing structural measures implemented in 2009.

Given the same exchange rates as in the corresponding period of the previous year, sales and operating profit in the interim period would have been SEK 4.0 m and SEK 0.5 m higher.

Net profit/loss was SEK -10.0 m (SEK -22.4 m). Net profit/loss per share after dilution was SEK -0.18 (SEK -0.59).

Quarterly Sales, 2007-2010



Market Progress

The company's overall assessment remains that the prospects for long-term growth are positive on the market for Internet marketing. So far in 2010, a cautious improvement has been predicted, but the progress in the second quarter was weaker than expected.

In 2009, the value of the European market for Internet marketing was GBP 12.9 bn according to IAB Europe. After a temporary weakening of demand resulting from the recession, many forecasters estimate that the market will return to growth. For example, eMarketer estimates that the total market for Internet marketing in Europe will grow by a yearly average of 25% in 2010-2011. In its most recent report, Forrester Research expects somewhat more conservative growth of 9% until 2013 inclusive. Forrester Research cites search marketing as the highest-growth segment.

Swedish advertising and media statistics provider IRM indicates that growth on the Swedish advertising market will increase for the remainder of 2010, with Internet and TV advertising primarily driving the market, with expected growth of over 10%.

In France, investments in Internet marketing are forecast to rise by 8% to EUR 2.33 bn in 2010 (SRI/Cap Gemini, January 2010). For 2010, IRS expects a sharp increase on the French market for advertising investments in video marketing and social media.

Operations

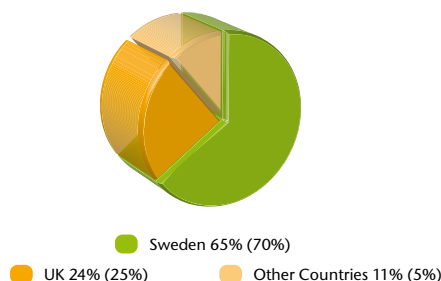
Getupdated's operations are currently reported in three primary segments: Sweden (Getupdated Sweden, Circuit¹ and MediaAnalys²), UK and Other Countries (France, Ireland and the US³).

¹ Corporate name changed from Getupdated Internet Solutions.

² All shares of MediaAnalys were divested after the end of the period.

³ Closed down in 2009. Included in the comparative figures for 2009.

External Net Sales by Segment Q2 2010 (Q2 2009)



External Net Sales and Operating Profit/loss by Segment, SEK m

Segment	External Net Sales		Operating Profit/loss	
	Q2 2010	Q2 2009	Q2 2010	Q2 2009
Sweden	39.0	45.5	-2.2	-0.4
UK	14.3	15.9	2.9	2.4
Other Countries	6.8	3.2	-1.0	-3.0
Group-wide	–	–	-4.7	-10.4
Total	60.0	64.7	-5.0	-11.4

In the second quarter, Getupdated signed a strategic partnership with search engine technology specialist adX with an estimated transaction volume of SEK 3.7 m annually. The agreement means Getupdated taking over adX's SEO customers in Sweden, the UK and Ireland, and Getupdated licensing adX's PPC technology platform.

Sweden

External net sales in Sweden for the second quarter were SEK 39.0 m (SEK 45.5 m). Operating profit/loss was SEK -2.2 m (SEK -0.4 m).

Wholly Owned Internet Marketing Business—Getupdated Sweden

In the second quarter, sales in this sub-segment were SEK 20.9 (26.1) m and operating profit/loss was SEK -3.5 m (SEK -0.1 m). In Sweden, the market for Internet marketing was weaker than expected in the second quarter, exerting a negative effect on sales.

If common costs in 2010 had been allocated according to the same principles as previous years, operating profit/loss would have been SEK 1 m higher in Q2 (see the 'Comparative Figures and Segment Reporting' section).

To recreate profitability in the Swedish operation, a number of new structural measures were initiated after the end of the period (see the section 'Sales and Results of Operations').

In the period, bathroom product group Svedbergs, which has been a Getupdated account since 2004, decided to extend its collaboration with the company. The assignment is to enhance Svedbergs' Internet visibility through an extensive SEO solution across all the Nordic countries.

In the second quarter, Getupdated signed an agreement with a Nordic auction company to deliver a multinational, business-driven Internet presence on its behalf in Sweden, Norway, Denmark, Finland and the Baltics. Getupdated will be delivering the web analysis, SEO and PPC services, while simultaneously assisting the customer to create more business-driven web communication and enhancing the value of its website.

Getupdated also signed agreements with customers including Mountain Horse, Dahls and Beijer Bygg.

Consulting Operation—Circuit

In the second quarter, sales in this sub-segment were SEK 8.2 m (SEK 10.8 m) and operating profit/loss was SEK -0.2 m (SEK 0.6 m). After restructuring the consulting operation in 2009, the focus is now sharply on highly specialized web services. The number of consultants has reduced from 44 in the second quarter 2009 to 32. This operation has been reprofiled with its own name, Circuit, and in the period, the company was renamed to The Interactive Circuit in Stockholm AB (previously Getupdated Internet Solutions AB).

Swedish regional chambers of commerce umbrella organisation Handelskamrarna assigned Circuit to conduct a feasibility study for developing a new collective platform for all Swedish and international chambers of commerce. StreamServe also assigned Circuit to develop its community StreamShare. In the second quarter, an agreement was also signed with Swedish specialist retail chain Elkedjan regarding an upgrade and enhancement of its website and intranet.

MediaAnalys

In the second quarter, sales in this sub-segment were SEK 10.0 m (SEK 8.7 m) and operating profit/loss was SEK 1.5 m (SEK -0.9 m).

After the end of the period, Getupdated divested all its holdings in MediaAnalys. The motive for this sale is that Getupdated wants to concentrate the group's investments on growth in wholly owned operations.



UK

External net sales in the UK for the second quarter were SEK 14.3 m (SEK 15.9 m). Operating profit/loss was SEK 2.9 m (SEK 2.4 m). In local currencies, sales were down nearly 3% year on year, and operating profit/loss increased by 30%. Sales growth was somewhat restrained by customers' hesitancy and the market overall being weaker than expected.

Just Search was assigned by fashion chain Republic to serve as its strategic partner in Internet marketing and to drive the company's PPC campaigns. This partnership has no advance limitations, but a test campaign was piloted with positive results, and is now being followed by a full-scale campaign which will run for the next half-year.

Multinational company Vista Print extended its collaboration with Just Search in the period. Just Search already helps Vista Print to improve its Internet visibility in the UK. The partnership will now go Europe-wide as a result of this agreement.

Just Search has developed a bundled service, assisting customers on strategy and execution of social media campaigns. This service, which was developed in-house over a six-month period, was launched successfully in the second quarter. A new service for video content and the internally developed CMS *SEOCMS* was also launched on the UK market in the period.

Other Countries

External net sales in other countries in the second quarter were SEK 6.8 m (SEK 3.2 m), equating to growth of 110%. The operating profit/loss was SEK -1.0 m (-3.0 m). The comparative figures for 2009 include the US operation, which was closed down in 2009. It had SEK 0.6 m of sales and SEK -1.9 m of operating profit/loss.

France

The French operation's growth in the quarter was positive, and in year-on-year terms, sales increased by 167%.

The majority of new business sales were PPC. Historically, this has been a key initial business for the group, which creates long-term customer relations. Going forward, the focus is on offering customers services with higher margins, such as SEO. Substantial local market knowledge has been accumulated, which will be utilized for this operation's ongoing expansion.

Ireland

The sales performance of the new start-up in Ireland was very positive. Getupdated has had a sales office in Dublin since March this year, operated under the Just Search brand. The Irish operation consists of a compact sales team with a locally tailored services offering marketed via www.justsearch.ie. Since start-up, agreements have been reached with thirty new customers, and the plan is to continue growth with further hirings in the year, as sales permit.

Human and Organizational Resources

At the end of the period, Getupdated had 230 (271) employees, against 234 at the end of the first quarter 2010. This lower employee headcount compared to 2009 is a result of the structural actions implemented in 2009. Decisions on further staff downsizing in Sweden were taken after the end of the period.

MediaAnalys, which was divested after the end of the period, had 46 employees as of 30 June 2010.

Justin Yates was appointed as Sales Director of Just Search Europe. He is responsible for sales growth on Just Search's current markets of the UK, France and Ireland, and his mission is also to exploit new markets. Justin Yates, a co-founder of Just Search, recently headed up the start-up of the new sales office in Dublin, Ireland.

Liquidity and Finance

Cash flow from operating activities was SEK -6.7 m (SEK -6.0 m) for the second quarter, against SEK -6.3 m in the previous quarter. The downturn on the previous year is primarily because of working capital increasing in the second quarter, affecting cash flow by SEK -0.9 m (SEK 1.2 m), mainly due to a small increase of trade payables. Cash flow in the previous year was positively affected by a respite granted on staff taxes and social security expenses. In quarterly terms, cash flow is currently being negatively affected by some SEK 3 m for previously decided structural actions and rental payments for unutilized premises. The structural measures will have positive effect on cash flow during Q4 2010 and Q1 2011.

Negative cash flow from operating activities in the first half-year means that liquidity remains strained. Against this, the group consolidated its financial position in the first half-year, partly through factoring the accounts receivable of Just Search and by signing an agreement with a new provider for factoring the accounts receivable of the wholly owned Swedish operation, offering increased scope for borrowing. Additionally, in the third quarter, sales in MediaAnalys brought further improvement to the financial position.

Net debt was SEK 70.9 m (SEK 49.6 m). The group's total financial liabilities (including other current financial liabilities) increased by nearly SEK 11 m since year-end to SEK 82.3 m, mainly due to increased factoring of the group's accounts receivable but also because previously granted credit facilities have been drawn down. The group's cash and cash equivalents as of 30 June were SEK 2.9 m (SEK 3.4 m). The group's cash and cash equivalents including unutilized credit facilities were SEK 5.7 m (SEK 8.8 m) at the end of the period.

The equity ratio at the end of the period was 56% (63%).

Investments

The group's investments in tangible assets were SEK 0.4 m (SEK 1.9 m) in the first half-year and investments in intangible assets were SEK 0.7 m (SEK 1.8 m).

Parent Company

Parent company net sales were SEK 2.1 m (SEK 2.7 m) for the second quarter of 2010. The operating profit/loss in the same period was SEK -4.7 m (SEK -10.9 m). The profit/loss before tax in the second quarter was SEK -6.4 m (SEK -22.9 m). The profit improvement is primarily an effect of the cost-reducing structural measures implemented in 2009, but also by common costs for the Swedish units being charged to the subsidiary Getupdated Sweden fully from 2010 onwards.

Investments in intangible and tangible assets were SEK 0.2 m (SEK 0.2 m) in the first half-year and investments in participations in subsidiaries were SEK 0.0 m (SEK 0.2 m).

The Share and Shareholders

Getupdated's stock is listed on Nasdaq OMX First North Premier, code GIM. After the end of the period, a decision was taken to change segment to NASDAQ OMX First North. Erik Penser Bankaktiebolag is the company's certified adviser. On 30 June, the share price was SEK 1.48 and total market capitalization was some SEK 95 m.

As of 30 June 2010, Getupdated had 64,364,410 shares outstanding, each with a nominal value of some SEK 0.567, equating to share capital of SEK 36,467,809.

Largest Shareholders as of 30 June 2010

Shareholder	No. of Shares	Holding (%)
Vattenormen AB ¹	21,234,975	33.0%
Paul Yates ²	9,666,155	15.0%
Bäverbäcken Förvaltning AB	3,250,395	5.0%
Avanza Pension	2,713,371	4.2%
Erik Penser Bankaktiebolag	2,569,700	4.0%
Yggdrasil AB	2,052,669	3.2%
Altraplan Bermuda Ltd.	2,032,095	3.2%
Johan Kadar ²	1,242,808	1.9%
Revert AB	1,164,100	1.8%
Nordnet Pensionförsäkring AB	927,210	1.4%
Other shareholders	17,510,932	27.2%
Total as of 30 June 2010	64,364,410	100.0%

¹ Owned by Åke Eriksson

² Privately and via companies

Transactions with Related Parties

Getupdated purchased IT and hosting services from Crystone on an arm's length basis. The group also purchases consulting services from the Board members Paul Cheetham, via the company Sedulo Accountants Ltd., and Anders Waltner via the company Advokatfirma DLA Nordic KB, on an arm's length basis.

Anders Waltner and Paul Cheetham are receiving Directors' fees of SEK 100,000 annually each. No fees are payable to other Board members.

Supplementary Information

Getupdated previously reported a tax dispute regarding loss carry-forwards, judged to imply a maximum exposure of SEK 13.2 m, of which a portion related to potential claims from an acquirer of a subsidiary. The Stockholm Administrative Court has found in the company's favor. Because no appeal against this ruling had been lodged when the deadline for appeal expired, the ruling has now come into definitive legal effect. Apart from the company's loss carry-forwards being approved, the company has been awarded legal costs. As of 31 December 2009, the group's total loss carry-forwards were SEK 167 m. The taxable value of these loss carry-forwards was SEK 44 m.

Getupdated has been the subject of a lawsuit from a bankruptcy estate, related to a tax dispute that Getupdated is not a party to. Getupdated does not regard the claim to be justified and the claim has probably been raised in order for the bankruptcy estate to meet deadlines.

Subsequent Events

In August, all the holdings in MediaAnalys (51%) were divested for SEK 32 m, implying a capital gain of some SEK 17 m before selling expenses of some SEK 2 m. This divestment frees up capital, which increases the group's financial room to act. The purchase price is SEK 32 m, SEK 16 m of which was paid in cash on completion date and SEK 2 m will be paid within 30 days of completion date. The remaining SEK 14 m will be paid over a maximum period of four years. The purchase price may reduce by a maximum of SEK 3.5 m if the net sales of MediaAnalys are less than SEK 45 m in 2010.

A decision was taken on vigorous measures to recreate profitability in the Swedish operation. This includes relocating the head office and staff downsizing.

As part of the cost-saving package, a decision was taken to change the segment of Getupdated's stock from First North Premier to First North. By changing segment costs will be reduced, including cost for auditing.

Outlook

The Board of Directors' judgment remains that in 2010, Getupdated will achieve healthy growth and profitability in its core business of Internet marketing. The Board also judges that the group will generate a positive cash flow for 2010. Getupdated will establish a presence as an international leader in the innovative and expansive segment of Internet marketing.

Risks and Uncertainties

As a growth company, the financial risk of Getupdated lies in striking the optimal balance between operational growth and sound finances.

As Just Search secures increasing emphasis in operations, the group becomes increasingly exposed to exchange rate fluctuations between the SEK and GBP. Through its French operations, the group is also exposed to exchange rate fluctuations in the EUR to some extent.

The wider economy may affect customers' willingness and ability to pay, and demand for the company's services.

As a services company, Getupdated is dependent on its employees, with not least, the ability to attract and retain key employees being a decisive competitive factor.

A more detailed review of risks and uncertainty factors is in the Annual Report for 2009.

Estimates and Judgments

Preparing financial statements in accordance with IFRS requires the Board of Directors and management to make judgments and estimates for accounting purposes and to make assumptions affecting the application of accounting policies and the carrying amounts of assets, liabilities, revenues and costs. Actual outcomes may vary from these estimates and judgments. The estimates and assumptions are reviewed regularly. Revisions of estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Accounting Policies

The Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC). Recommendation RFR 1.3 from the Swedish Financial Reporting Board (RFR), Supplementary Accounting Rules for Groups, has been applied.

For the group, this Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act (ÅRL). The parent company's accounts are prepared in accordance with ÅRL and RFR 2.3, Accounting for Legal Entities.

The group uses the same accounting policies as reviewed in the Annual Report for 2009 with the following exceptions due to new or revised standards, interpretation statements and improvements endorsed by the EU, and that are to be applied from 1 January 2010 onwards. Only those amendments that have had an effect on the group are covered below.

IFRS 3 (Revised)—Business Combinations and IAS 27 (Revised)—Consolidated and Separate Financial Statements

These new standards have implications including the following:

- Transaction expenses coincident with business combinations are expensed.
- Conditional additional purchase prices are reported at fair value and changes in fair value are taken up as income after the acquisition.
- Reporting of 100% of goodwill of the acquired entity is permitted where the increased goodwill amount also increases minority share.
- When controlling influence is obtained, the acquired entity's assets and liabilities, including goodwill, are measured at fair value and potential restatements of previous carrying amounts of assets and liabilities are taken up as income.



- Acquisitions of further participations in a subsidiary after controlling influence is obtained, or partial divestments with retained controlling influence, are reported as an equity transaction with equity holders.
- Partial divestments implying controlling influence ceasing trigger a new measurement of the remaining holding at fair value, and the potential difference between fair value and carrying amount being taken up as income.

The group will be applying these standards for acquisitions and transactions with minority owners from 1 January 2010. The group judges that application of these new standards will result in greater volatility in accounting for the results of operations.

Revised Presentation of Income Statement

From 2010 onwards, costs of goods and services sold will be reported on their own line in the Income Statement, and accordingly, the new income concepts of gross profit/loss and gross margin are introduced. Because this information is only available from the full year 2008 onwards, the company has chosen to report consolidated profit/loss per quarter as in previous interim reports for the present.

Comparative Figures—Segment Reporting

Regarding segment reporting for the Swedish operation, profit/loss between years is not fully compatible because before 2010, this segment was not charged with all the expenses relating to this operation. Previously, the parent company was charged with these expenses. If common costs in 2010 had been allocated on the same basis as previous years, the operating profit/loss of the wholly owned Swedish operation would have been SEK 2 m higher for the interim period January-June, and the corresponding improvement for the second quarter would have been SEK 1 m.

Definitions

Gross profit/loss: net sales less expenses for goods and services sold.

Gross margin: gross profit/loss in relation to net sales.

Organic growth: growth adjusted for the effect of currencies as well as acquired and divested companies.

For other definitions, see the Annual Report for 2009.

Forthcoming Financial Reports

Interim Report for the Third Quarter 2010 11 November 2010
Financial Statement 2010 17 February 2011

Investor Contacts

Updated information on Getupdated is available at the financial website www.getupdated.com. The company is also accessible via e-mail at ir@getupdated.com, by phone on +46 (0)8 410 96100 or by mail at Getupdated Internet Marketing AB, Brahegatan 10, 114 37 Stockholm, Sweden.

The Board of Directors and Chief Executive Officer hereby certify that this Interim Report gives a true and fair view of the parent company's and group's operations, financial position and results of operations, and reviews the material risks and uncertainties factors facing the parent company and group companies.

Åke Eriksson, Chairman of the Board

Paul Cheetham

Anders Waltner

Paul Yates

Stockholm, Sweden, 27 August 2010

Getupdated Internet Marketing AB (publ)

Corp. ID no. 556264-3022

This Interim Report has not been subject to review by the company's Auditors.

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This information is mandatory for Getupdated Internet Marketing AB (publ) to publish pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication at 8:30 a.m. on 27 August 2010.

Consolidated Key Ratios

	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Net sales, SEK 000	60,024	64,655	121,420	124,039	237,065	239,684
Sales growth	-7.2%	-27.9%	-2.1%	-25.6%	-4.5%	-17.6%
Net revenue per employee, SEK 000	253	221	521	419	976	878
Gross profit, SEK 000	40,046	44,937	84,045	90,271	164,608	170,834
Gross margin	66.7%	69.5%	69.2%	72.8%	69.4%	71.3%
EBITDA, SEK 000	-4,055	-10,576	-1,881	-16,055	-11,312	-25,486
EBITDA, margin	-6.8%	-16.4%	-1.5%	-12.9%	-4.8%	-10.6%
EBITDA, excluding non-recurring items*, SEK 000	-3,292	-1,866	-1,535	-5,042	-1,902	-5,409
EBITDA margin, excluding non-recurring items*	-5.5%	-2.9%	-1.3%	-4.1%	-0.8%	-2.3%
Operating profit/loss, SEK 000	-4,976	-11,392	-3,669	-17,666	-14,495	-28,492
Operating margin	-8.3%	-17.6%	-3.0%	-14.2%	-6.1%	-11.9%
Operating profit/loss, excluding non-recurring items*, SEK 000	-4,213	-2,682	-3,323	-6,653	-5,085	-8,415
Operating margin, excluding non-recurring items*	-7.0%	-4.1%	-2.7%	-5.4%	-2.1%	-3.5%
Financial income/expense, SEK 000	-2,898	-1,957	-3,193	-2,959	-5,305	-5,071
Profit/loss for the period, SEK 000	-8,925	-14,203	-9,952	-22,416	-23,154	-35,618
Profit/loss for the period per share, SEK	-0.15	-0.29	-0.18	-0.59	-0.49	-0.74
Profit/loss for the period per share after dilution, SEK	-0.15	-0.29	-0.18	-0.59	-0.49	-0.74
Average number of outstanding shares, 000	64,364	48,677	64,364	38,343	64,364	48,324
Average number of outstanding shares after dilution, 000	64,364	48,677	64,364	38,343	64,364	48,324
Registered number of shares at end of period, 000	64,364	64,364	64,364	64,364	64,364	64,364
Cash flow from operating activities, SEK 000	-6,670	-6,047	-12,969	-17,980	-22,498	-27,509
Cash and cash equivalents, SEK 000	2,899	3,441	2,899	3,441	2,899	7,693
Equity ratio	56%	63%	56%	63%	56%	59%
Net debt, SEK 000	70,850	49,613	70,850	49,613	70,850	55,739
Average number of employees in the period	237	292	233	296	243	273
Number of employees at end of period	230	271	230	271	230	225

* Non-recurring items are the net of other operating revenue and other operating expenses in the Consolidated Statement of Comprehensive Income. Otherwise, please refer to the definitions in the Annual Report for 2009.

Consolidated Statement of Comprehensive Income

SEK 000	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Net sales	60,024	64,655	121,420	124,039	237,065	239,684
Cost of goods and services sold	-19,978	-19,718	-37,375	-33,768	-72,457	-68,850
Gross profit	40,046	44,937	84,045	90,271	164,608	170,834
Development expenditure for the company's own use and capitalized	-217	250	183	250	963	1,030
Other external expenses	-12,294	-13,249	-25,959	-26,243	-49,313	-49,597
Personnel expenses	-30,827	-33,804	-59,804	-69,320	-118,160	-127,676
Depreciation, amortization and impairment	-921	-816	-1,788	-1,611	-3,183	-3,006
Other operating revenue	1,108	871	2,380	3,042	3,421	4,083
Other operating expenses	-1,871	-9,581	-2,726	-14,055	-12,831	-24,160
Total operating expenses, net	-45,022	-56,329	-87,714	-107,937	-179,103	-199,326
Operating profit/loss	-4,976	-11,392	-3,669	-17,666	-14,495	-28,492
Financial income	-567	-425	20	32	514	526
Financial expenses	-2,331	-1,532	-3,213	-2,991	-5,819	-5,597
Profit/loss before tax	-7,874	-13,349	-6,862	-20,625	-19,800	-33,563
Tax on profit/loss for the period	-1,051	-854	-3,090	-1,791	-3,354	-2,055
Profit/loss for the period	-8,925	-14,203	-9,952	-22,416	-23,154	-35,618
Other comprehensive income						
Translation differences	10,615	12,703	3,145	19,001	-14,918	938
Tax relating to other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	1,690	-1,500	-6,807	-3,415	-38,072	-34,680
Profit/loss for the period attributable to equity holders of the parent	-9,478	-13,883	-11,475	-22,455	-31,543	-35,948
minority share	553	-320	1,523	39	1,203	330
Comprehensive income for the period attributable to equity holders of the parent	1,137	-1,180	-8,330	-3,454	-32,693	-35,010
minority share	553	-320	1,523	39	1,203	330
Earnings per share for the period, total, SEK	-0.15	-0.29	-0.18	-0.59	-0.49	-0.74
Diluted earnings per share for the period, total, SEK	-0.15	-0.29	-0.18	-0.59	-0.49	-0.74
Comprehensive income for the period per share, total, SEK	0.02	-0.02	-0.13	-0.09	-0.51	-0.72
Comprehensive income for the period per share, total, diluted, SEK	0.02	-0.02	-0.13	-0.09	-0.51	-0.72
Average number of shares before dilution (000)	64,364	48,677	64,364	38,343	64,364	48,324
Average number of shares after dilution (000)	64,364	48,677	64,364	38,343	64,364	48,324

Summary Consolidated Balance Sheet

SEK 000	30 Jun. 2010	30 Jun. 2009	31 Dec. 2009
ASSETS			
Non-current assets			
Intangible assets	296,999	309,118	294,805
Property, plant and equipment	4,283	6,587	4,541
Financial assets	230	400	251
Total non-current assets	301,512	316,105	299,597
Current assets			
Accounts receivable	75,729	72,243	75,763
Other receivables	26,039	30,463	16,452
Cash and cash equivalents	2,899	3,441	7,693
Total current assets	104,667	106,147	99,908
TOTAL ASSETS	406,179	422,252	399,505
EQUITY AND LIABILITIES			
Total equity	227,483	266,137	234,780
Non-current liabilities			
Non-current liabilities to credit institutions	29,806	19,775	29,268
Other non-current liabilities	18	716	–
Total non-current liabilities	29,824	20,491	29,268
Current liabilities			
Current liabilities to credit institutions	43,943	32,539	32,541
Other current financial liabilities	8,553	10,661	9,676
Accounts payable	22,591	17,552	21,902
Other liabilities	73,785	74,872	71,338
Total current liabilities	148,872	135,624	135,457
Total liabilities	178,696	156,115	164,725
TOTAL EQUITY AND LIABILITIES	406,179	422,252	399,505

Summary Consolidated Cash Flow Statement

SEK 000	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Profit/loss before tax	-7,874	-12,849	-6,862	-20,125	-20,300	-33,563
Adjustment for non-cash items	3,170	6,900	3,513	8,910	11,719	17,116
Tax paid	-1,026	-1,322	-3,854	-3,731	-4,480	-4,357
Cash flow from operating activities before change in working capital	-5,730	-7,271	-7,203	-14,946	-13,061	-20,804
Increase (-)/decrease (+) in receivables	-3,734	-3,995	-11,348	563	-21,578	-9,667
Increase (+)/decrease (-) in payables	2,794	5,219	5,582	-3,597	12,141	2,962
Change in working capital	-940	1,224	-5,766	-3,034	-9,437	-6,705
Cash flow from operating activities	-6,670	-6,047	-12,969	-17,980	-22,498	-27,509
Cash flow from investing activities	-1,618	-3,221	-2,246	-19,725	500	-16,979
Cash flow after investing activities	-8,288	-9,268	-15,215	-37,705	-21,998	-44,488
Cash flow from financing activities	6,069	6,719	10,487	31,191	21,394	42,098
Cash flow for the period	-2,219	-2,549	-4,728	-6,514	-604	-2,390
Cash and cash equivalents at beginning of period	5,118	6,218	7,693	9,952	3,441	9,952
Exchange rate difference in cash and cash equivalents	0	-228	-66	3	62	131
Cash and cash equivalents at end of period	2,899	3,441	2,899	3,441	2,899	7,693

Quarterly Consolidated Income Statement

SEK 000	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net sales	60,024	61,396	63,052	52,593	64,655	59,384	60,891	63,181	89,725	76,972	67,774	34,982	44,986
Development expenditure for the company's own use and capitalized	-217	400	571	209	250	-	-	-	-	-	-	-	-
Other operating revenue	1,108	1,272	677	364	871	2,171	717	-	-195	195	-449	690	-22
Total other operating revenue	891	1,672	1,248	573	1,121	2,171	717	-	-195	195	-449	690	-22
Cost of goods and services sold*	-19,978	-17,397	-19,486	-15,596	-19,718	-14,050							
Other external expenses	-12,294	-13,665	-12,420	-10,934	-13,249	-12,994	-37,678	-34,361	-42,012	-40,224	-27,009	-22,958	-20,998
Personnel expenses	-30,827	-28,977	-30,484	-27,872	-33,804	-35,516	-42,581	-30,737	-31,214	-29,448	-29,959	-11,980	-15,096
Depreciation, amortization and impairment	-921	-867	-598	-797	-816	-795	-62,924	-798	-970	-455	-588	-698	-419
Other operating expenses	-1,871	-855	-2,628	-7,477	-9,581	-4,474	-23,243	-1,552	-3,495	-	-804	2,940	-2,940
Total operating expenses	-65,891	-61,761	-65,616	-62,676	-77,168	-67,829	-166,426	-67,448	-77,691	-70,127	-58,360	-32,696	-39,453
Operating profit/loss	-4,976	1,307	-1,316	-9,510	-11,392	-6,274	-104,818	-4,267	11,839	7,040	8,965	2,976	5,511
Financial income	-567	587	-28	522	-425	457	1,324	-199	376	15	307	16	7
Financial expenses	-2,331	-882	-1,707	-899	-1,532	-1,459	-2,027	-2,330	-1,721	-2,275	-2,394	-344	-468
Profit/loss before tax	-7,874	1,012	-3,051	-9,887	-13,349	-7,276	-105,521	-6,796	10,494	4,780	6,878	2,648	5,050
Tax on profit/loss for the period	-1,051	-2,039	-117	-147	-854	-937	-8,833	6,081	-2,986	-1,842	-816	-701	-1,791
Profit/loss for the period	-8,925	-1,027	-3,168	-10,034	-14,203	-8,213	-114,354	-715	7,508	2,938	6,062	1,947	3,259
Profit/loss attributable to divested assets	-	-	-	-	-	-	1,636	-13,945	1,099	1,573	-707	1,605	1,267
Reported profit/loss*	-8,925	-1,027	-3,168	-10,034	-14,203	-8,213	-112,718	-14,660	8,607	4,511	5,355	3,552	4,526
Net sales, rolling 12 months	237,065	241,696	239,684	237,523	248,111	273,181	290,769	297,652	269,453	224,714	168,643		
Net sales growth, rolling 12 months/previous quarter	-1.9%	0.8%	0.9%	-4.3%	-9.2%	-6.0%	-2.3%	10.5%	19.9%	33.2%			

* Direct expenses have only been reported since 31 December 2008.

Consolidated Statement of Changes in Equity

SEK 000	30 Jun. 2010	30 Jun. 2009	31 Dec. 2009
Equity, opening balance	234,780	203,475	203,475
New share issue, net	–	67,057	66,663
Option premiums received	–	–	302
Dividend to minority shareholders	–490	–980	–980
Total transactions reported directly to equity	234,290	269,552	269,460
Comprehensive income for the period	–6,807	–3,415	–34,680
Equity, closing balance	227,483	266,137	234,780

Consolidated Segment Reporting

Sales, SEK 000	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Sweden	46,041	48,895	92,330	94,199	176,087	177,956
UK	14,509	15,913	30,298	29,596	61,692	60,990
Other countries	6,936	3,224	14,737	7,395	26,399	19,057
Group-wide	–7,462	–3,377	–15,945	–7,151	–27,113	–18,319
Total	60,024	64,655	121,420	124,039	237,065	239,684

External Sales, SEK 000	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Sweden	38,978	45,518	77,003	87,048	150,070	160,115
UK	14,273	15,913	30,062	29,596	61,456	60,990
Other countries	6,773	3,224	14,355	7,395	25,539	18,579
Total	60,024	64,655	121,420	124,039	237,065	239,684

Operating Profit/loss	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Sweden	–2,213	–376	–393	–354	–1,503	–1,755
UK	2,875	2,392	7,428	4,813	14,702	11,613
Other countries	–981	–2,963	–1,160	–3,378	–1,748	–2,545
Group-wide	–4,657	–10,445	–9,544	–18,747	–25,946	–35,805
Total	–4,976	–11,392	–3,669	–17,666	–14,495	–28,492

Operating Profit/loss Excluding Non-recurring Items	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Sweden	–2,507	1,363	–814	3,442	–1,969	1,996
UK	2,875	4,665	7,428	7,086	18,538	17,722
Other countries	–981	–450	–1,160	–513	–774	–127
Group-wide	–3,600	–8,260	–8,777	–16,668	–20,880	–28,006
Total	–4,213	–2,682	–3,323	–6,653	–5,085	–8,415

Parent Company Income Statement

SEK 000	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jul 2009 -Jun 2010	Full Year 2009
Net sales	2,056	2,730	4,885	5,136	9,380	9,631
Other operating revenue	637	215	932	350	1,123	541
Total operating revenue	2,693	2,945	5,817	5,486	10,503	10,172
Other external expenses	-3,057	-6,950	-8,060	-12,594	-18,530	-23,064
Personnel expenses	-2,056	-4,010	-4,501	-8,767	-9,707	-13,973
Depreciation and amortization	-237	-204	-473	-405	-941	-873
Other operating expenses	-2,069	-2,690	-2,292	-2,718	-7,592	-8,018
Total operating expenses	-7,419	-13,854	-15,326	-24,484	-36,770	-45,928
Operating profit/loss	-4,726	-10,909	-9,509	-18,998	-26,267	-35,756
Profit/loss from participations in subsidiaries	567	-9,598	438	-9,598	-4,790	-14,826
Financial income	-846	0	0	0	0	0
Financial expenses	-1,363	-2,345	-2,169	-4,673	-2,896	-5,400
Profit/loss before tax	-6,368	-22,852	-11,240	-33,269	-33,953	-55,982
Tax on profit/loss for the period	-	-	-	-	-	-
Net profit/loss for the period	-6,368	-22,852	-11,240	-33,269	-33,953	-55,982

Parent Company Balance Sheet

SEK 000	30 Jun. 2010	30 Jun. 2009	31 Dec. 2009
ASSETS			
Non-current assets			
Intangible non-current assets	948	931	877
Property, plant and equipment	1,686	2,447	2,053
Participations in group companies	368,219	368,219	368,219
Other long-term receivables	203	373	224
Total non-current assets	371,056	371,970	371,373
Accounts receivable	510	222	70
Receivables from group companies	279	617	279
Other receivables	2,847	10,771	3,030
Prepaid costs and accrued income	3,303	3,556	4,546
Cash and cash equivalents	0	32	3,410
Total current assets	6,939	15,198	11,335
TOTAL ASSETS	377,995	387,168	382,708
EQUITY AND LIABILITIES			
Equity	265,780	300,127	277,020
Non-current liabilities			
Non-current liabilities to credit institutions	–	18,750	12,500
Total non-current liabilities	–	18,750	12,500
Current liabilities			
Current liabilities to credit institutions	24,576	17,569	17,750
Other current financial liabilities	8,553	9,747	9,676
Accounts payable	5,061	9,551	7,224
Liabilities to group companies	65,294	22,995	48,476
Other liabilities	8,731	8,429	10,062
Total current liabilities	112,215	68,291	93,188
Total liabilities	112,215	87,041	105,688
TOTAL EQUITY AND LIABILITIES	377,995	387,168	382,708

Parent Company Statement of Changes in Equity

SEK 000	30 Jun. 2010	30 Jun. 2009	31 Dec. 2009
Opening equity	277,020	266,339	266,339
New share issue, net	–	67,057	66,663
Total transactions reported directly to equity	277,020	333,396	333,002
Net profit/loss for the period	–11,240	–33,269	–55,982
Closing equity	265,780	300,127	277,020

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