

Getupdated

Interim Report January – September 2010



getupdated[™]
Internet marketing

Structural Measures Executed Produce Improved Profit and Cash Flow

Third Quarter 2010

- Net sales were SEK 44.9 m (SEK 52.6 m). Excluding Media-Analys, net sales were SEK 44.9 m (SEK 45.3 m). The somewhat lower sales are a result of structural changes and negative currency effects. Organic growth in the core business of Internet marketing was some 6%.
- Operating profit/loss was SEK 6.0 m (SEK -9.5 m). Operating profit/loss included a capital gain for the sale of subsidiary MediaAnalys and provisions for restructuring expenses. Operating profits/loss excluding non-recurring items was SEK 0.0 m (SEK -2.4 m).
- Cash flow from operating activities was SEK -3.6 m (SEK -4.3 m), an improvement of SEK 3.1 m quarter on quarter. Cash flow includes some SEK 4.4 m of payments for restructuring expenses, and adjusted for this, cash flow was SEK 0.8 m.
- Net profit/loss was SEK 5.5 m (SEK -10.0 m). Net profit/loss per share after dilution was SEK 0.08 (SEK -0.16).
- The Swedish core business achieved growth and improved profits. Net sales were up by some 3% and operating profit/loss excluding non-recurring items was SEK 0.9 m (SEK -1.8 m).
- Net sales in France were up by 97% year on year, and sales growth in the new start-up in Ireland was positive.

Interim Period January-September 2010

- Net sales were SEK 166.3 m (SEK 176.6 m). Excluding Media-Analys, net sales were SEK 145.6 m (SEK 151.7 m). Organic sales growth in the core business of Internet marketing was some 11%.
- Operating profit/loss was SEK 2.4 m (SEK -27.2 m). Profit/loss excluding non-recurring items amounted to SEK -3.3 m (SEK -9.1 m). The improved profit/loss year on year is mainly a result of cost-reducing measures.
- Cash flow from operating activities was SEK -16.5 m (SEK -22.3 m).
- Net profit/loss was SEK -4.5 m (SEK -32.5 m). Net profit/loss per share after dilution was SEK -0.09 (SEK -0.69).
- Decision taken to start up operation in Italy.

After the End of the Period

Letter of intent signed to invest in UK video content provider Wooshii.

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	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Net sales, SEK 000	44,927	52,593	166,347	176,632	229,399	239,684
Sales growth	-14.6%	-16.8%	-5.8%	-23.2%	-3.4%	-17.6%
Net revenue per employee, SEK 000	257	203	774	622	1,038	878
Gross profit, SEK 000	28,861	36,997	112,906	127,268	156,472	170,834
Gross margin	64.2%	70.3%	67.9%	72.1%	68.2%	71.3%
Operating profit/loss, SEK 000	6,050	-9,510	2,381	-27,176	1,065	-28,492
Operating margin	13.5%	-18.1%	1.4%	-15.4%	0.5%	-11.9%
Operating profit/loss, excluding non-recurring items, SEK 000	11	-2,397	-3,312	-9,050	-2,677	-8,415
Operating margin, excluding non-recurring items	0.0%	-4.6%	-2.0%	-5.1%	-1.2%	-3.5%
Profit/loss for the period, SEK 000	5,463	-10,034	-4,489	-32,450	-7,657	-35,618
Profit/loss for the period per share after dilution, SEK	0.08	-0.16	-0.09	-0.69	-0.14	-0.74
Cash flow from operating activities, SEK 000	-3,572	-4,322	-16,541	-22,302	-21,748	-27,509
Cash and cash equivalents, SEK 000	4,038	5,064	4,038	5,064	4,038	7,693
Net debt, SEK 000	59,697	47,587	59,697	47,587	59,697	55,739
Average number of employees in the period	175	259	215	284	221	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 160 employees in Sweden, the UK, France, Ireland and Italy. 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.





“Clear Advances Give Cause for Optimism”

The group's progress in the third quarter is creating optimism in our business. The company posted an operating profit of SEK 6 m in the third quarter, compared to a SEK 10 m deficit in the corresponding of the previous year. So progress is matching the expectations of improved financial performance I stated in our previous report, and I'm delighted about the progress we've made. Once again, I'd like to highlight that net revenue per employee is continuing to rise, demonstrating that our operational improvement work is having a positive effect on the efficiency of our business.

The divestment of MediaAnalys, with a capital gain of nearly SEK 15 m, was a significant contributor to enhancing the group's financial stability. It was also justified strategically, as we are now focusing our efforts on growing in our wholly owned core business. In the quarter, we executed the work we had promised, to restructure our business and create profitability and a positive cash flow. We executed a series of actions, and had over SEK 8 m of structural expenses in the third quarter. Decisions were taken on certain actions, which were implemented, and we've already started to see pay-offs in the form of increased sales and continued financial improvement.

The firm foundation for the company that we have talked about laying is now becoming a reality. Our organization is increasingly market, customer and sales oriented. We are seeing clear, customer-driven sales growth in our core business. Our core business has continued to grow, and adjusted for exchange rate fluctuations, it grew by 6 per cent. All subsidiaries significantly improved their operational efficiency in the third quarter of this year compared to last.

As a result of the cost reductions executed in the third quarter, the Swedish operation has become more efficient. The UK operation had a fairly weak quarter in terms of sales growth, but still succeeded in delivering the same profits as in the previous year.

One of the group's goals in the year has been expanding on new markets. The aim is to reduce our dependency on Sweden and the UK, and to converge on the goal of becoming a pan-European organization. For the first time, the “other countries” reporting segment achieved over 20 per cent of group sales.

Our French subsidiary is growing briskly. Since we concentrated on that operation and introduced new products and services, the French business has grown by 142 per cent compared to the period January-September 2009. Sales are setting new records month by month. The Irish market has now contracted 61 accounts since start-up in May, and this business is already profitable. The success of this launch, like our growth in France, has enabled us to replicate this model for success and apply it to the launch of a subsidiary in Italy in the fourth quarter.

The coordination of subsidiaries remains important for the group. We've continued our successful work in the quarter, and it will get more important as our business starts up in new countries. Accordingly, we are continuing towards our goal of becoming a dominant player on the European Internet market.

As I've stated in previous reports, we're consolidating our business in some segments, while searching for new growth opportunities in certain key segments. We are still looking for acquisitions that offer synergies with our current product portfolio. In the fourth quarter, we signed a letter of intent to invest in Wooshii, a UK video content provider with 3,500 registered users worldwide. In the first phase, we will gain a new service to offer our customers in exchange. Initially, this investment means us getting a participating interest of 25 per cent. We have an option to acquire up to 51 per cent of all the shares of the company. This is a big step for our group and a sign that we will not stand still in an ever developing internet marketing industry. Video content is becoming paramount within the industry and this product is a perfect accompaniment to our existing core range of products.

In light of this, I believe even more firmly that the company is on the right strategic path, and reiterate the positive outlook I have made in previous reports this year.

Paul Yates, CEO

Stockholm, Sweden, 11 November 2010

FIGURES IN BRACKETS ARE FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR. COMPARATIVE FIGURES INCLUDE THE US OPERATION, WHICH WAS CLOSED DOWN IN 2009, AND MEDIAANALYS, WHICH WAS DIVESTED IN THE THIRD QUARTER OF 2010.

Sales and Results of Operations

Third quarter 2010

Net sales for the third quarter 2010 were SEK 44.9 m (SEK 52.6 m). Excluding MediaAnalys, net sales were SEK 44.9 m (SEK 45.3 m). The reduction primarily relates to structural changes and negative currency effects. Organic sales growth in the core business of Internet marketing was some 6% (see table below).

Operating profit/loss for the period was SEK 6.0 m (SEK -9.5 m). Operating profit/loss includes a capital gain arising on the sale of part-owned subsidiary MediaAnalys and provisioning for restructuring expenses. Operating profit/loss excluding non-recurring items was SEK 0.0 m (SEK -2.4 m).

To recreate profitability in the Swedish business, a number of new structural measures were initiated in the quarter. The majority of the structural measures decided were also executed in the quarter. Subletting space in premises is expected to reduce the cost of premises further, from the first quarter of 2011 onwards.

The appreciation of the Swedish krona, primarily against sterling, had a negative effect on sales and profits in the third 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 1.7 m (3.3%) and SEK 0.1 m (0.8%) higher.

Net profit/loss was SEK 5.5 m (SEK -10.0 m). Net profit/loss per share after dilution was SEK 0.08 (SEK -0.16).

Interim Period January-September 2010

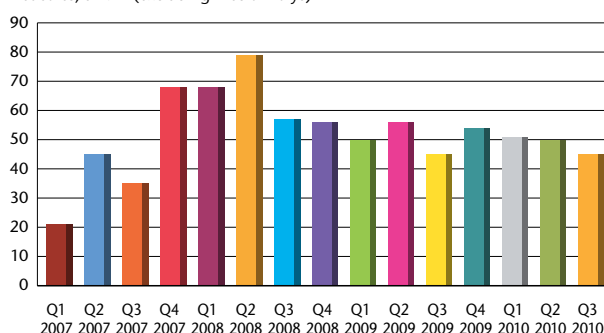
Net sales for the period January-September 2010 were SEK 166.3 m (SEK 176.6 m), down by 6%. Excluding MediaAnalys, net sales were SEK 145.6 m (SEK 151.7 m). But organic sales growth in the core business of Internet marketing was some 11%. Operating profit/loss was SEK 2.4 m (SEK -27.2 m). Operating profit/loss includes a capital gain arising on the sale of MediaAnalys and provisioning for restructuring expenses. Operating profit/loss excluding non-recurring items was SEK -3.3 m (SEK -9.0 m). The improvement in profits is primarily an effect of cost-reducing structural measures.

Given the same exchange rates as in the corresponding period of the previous year, sales and operating profit in the nine-month period would have been SEK 5.7 m and SEK 0.6 m higher.

Net profit/loss was SEK -4.5 m (SEK -32.5 m). Net profit/loss per share after dilution was SEK -0.09 (SEK -0.69).

Quarterly Sales, 2007-2010

Net Sales, SEK m (excluding MediaAnalys)



Organic Growth and Profit/loss	Actual 2010	Currency Effects	Structural Changes	Non-core Bus.	Adjusted 2010	Actual 2009	Structural Changes	Non-core Bus.	Adjusted 2009	Changes, SEK 000	Change, %
Third Quarter											
Net sales, SEK 000	44,927	1,745	-1,517	-8,632	36,523	52,593	-7,189	-10,828	34,576	1,947	5.6%
Operating profit/loss, SEK 000	6,050	79	-178	2,246	8,197	-9,510	-341	1,238	-8,613	16,810	
Operating profit/loss, excluding non-recurring items, SEK 000	11	103	-178	841	777	-2,397	-441	1,091	-1,747	2,524	
January-September											
Net sales, SEK 000	166,347	5,722	-22,821	-33,689	115,559	176,632	-26,730	-45,626	104,276	11,283	10.8%
Operating profit/loss, SEK 000	2,381	615	-3,766	1,987	1,217	-27,176	99	-1,125	-28,202	29,419	
Operating profit/loss, excluding non-recurring items, SEK 000	-3,312	569	-3,654	647	-5,750	-9,050	-1,468	647	-9,871	4,121	

Market

Demand recovered in the third quarter after the general deterioration of the market apparent in the second quarter. This recovery was clearest in Sweden and France. In the UK, an extended effect of the holiday period was primarily apparent, which reduced overall demand in the quarter.

In the third quarter, the Swedish advertising market grew by nearly 15%, or over SEK 900 m quarter on quarter according to Swedish advertising and media statistics provider IRM.

Investments in Internet advertising were also in high growth in the quarter, with this growth driven by PPC marketing, which is actually outgrowing TV advertising, which itself grew by 27% compared to the third quarter of 2009.

No fully comparable statistics are available for Getupdated's other main markets. The company's own judgment is that structural progress is similar on different markets, but that the business cycle is in somewhat differing phases, illustrated by the downturn in the UK in the summer being heavier than usual.

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 USA³).

¹ Corporate name changed from Getupdated Internet Solutions.

² All shares of MediaAnalys were divested in the third quarter of 2010. Included in comparative figures for 2009.

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

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

Segment	External Net Sales		Operating Profit/loss		Operating Profit/loss, Excluding Non-recurring Items		Change, Net Sales
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010
Sweden	23,173	31,371	-3,682	-2,110	37	-2,436	-26.1%
UK	12,728	17,064	2,459	2,616	2,459	5,735	-25.4%
Other Countries	9,026	4,158	-278	84	-278	-140	117.1%
Group-wide	-	-	7,551	-10,100	-2,207	-5,556	-
Total	44,927	52,593	6,050	-9,510	11	-2,397	-14.6%

Sweden

External net sales in Sweden for the third quarter were SEK 23.2 m (SEK 31.4 m). The reduction is mainly explained by the divestment of MediaAnalys, which is no longer included in the figures for the quarter, while the company's sales are included in the comparative figures for 2009. Operating profit/loss was SEK -3.7 m (SEK -2.1 m) and operating profit/loss excluding non-recurring items was SEK 0.0 m (SEK -2.4 m). Further structural measures were implemented in the Swedish business in the period. Further downscaling was completed in parts of the organization, with simultaneously, resources being reassigned to enhance the sales team. SEK 3.3 m of structural expenses were charged to profit/loss in the quarter.

External net sales in Sweden for the interim period January-September were SEK 100.2 m (SEK 118.4 m). This reduction is explained by a downturn in the consulting business and the divestment of MediaAnalys. Operating profit/loss was SEK -4.1 m (SEK -2.5 m) and SEK -0.8 m (SEK 1.0 m) excluding non-recurring items.

Wholly Owned Internet Marketing Business—Getupdated Sweden

Getupdated Sweden Posted growth and improved profit/loss in the third quarter. Net sales increased by some 3% to SEK 17.4 m (SEK 16.9 m) and operating profit/loss excluding non-recurring items was SEK 0.9 m (SEK -1.8 m). If common costs in 2010 had been allocated according to the same principles as previous years, operating profit/loss would also have been some SEK 1 m higher in the third quarter.

New customer agreements were signed with Attendo Care, Samglas and Elkedjan.

In the interim period January-September, net sales were SEK 56.6 m (SEK 60.7 m). Operating profit/loss was SEK -6.3 m (SEK -4.8 m), and SEK -4.2 m (SEK -2.8 m) excluding non-recurring items.

Consulting Operation—Circuit

In the third quarter, net sales in this sub-segment were SEK 5.8 m (SEK 7.2 m) and operating profit/loss was SEK -2.2 m (SEK -1.2 m) and adjusted operating profit/loss was SEK -0.9 m (SEK -1.1 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 41 in the third quarter 2009 to 27.

New customers in the quarter included Globedoc, Ricoh and a new, expanded assignment for Visit Sweden etc.

In the interim period January-September, net sales were SEK 22.8 m (SEK 32.8 m). Operating profit/loss was SEK -2.0 m (SEK 1.6 m), and SEK -0.6 m (SEK 1.9 m) excluding non-recurring items.

MediaAnalys

The whole holding in MediaAnalys (51%) was divested in August. The motive for this sale was that Getupdated wants to concentrate the group's investments on growth in wholly owned operations. The sales price was SEK 32 m, implying a capital gain of SEK 14.7 m net. This sale has freed up capital and increased the group's financial room to act.

Of the total purchase price of SEK 32 m, SEK 19.6 m has been settled. The remaining SEK 12.4 m will be paid over a maximum period of four years. The purchase price may be reduced by a maximum of SEK 3.5 m if MediaAnalys's net sales are less than SEK 45 m in 2010.

MediaAnalys was not consolidated from 1 July 2010 onwards. Accordingly, MediaAnalys is not part of the group in the third quarter of 2010, but is included in the comparative figures for 2009. Net sales for this company in the third quarter of 2009 were SEK 7.3 m and operating profit/loss was SEK 0.3 m. For the interim period January-September 2010, consolidated sales were SEK 20.7 m (SEK 24.9 m). Operating profit/loss for the same period was SEK 4.2 m (SEK 0.5 m, and excluding non-recurring items, SEK 4.1 m (SEK 1.6 m).

UK

External net sales in the UK for the third quarter were SEK 12.7 m (SEK 17.1 m). Operating profit/loss was SEK 2.5 m (SEK 2.6 m). In local currency, sales were down some 21%. The reduction is mainly due to an actively executed consolidation of operations with the aim of rationalizing and prioritizing cash flow and profitability. It is also explained by a longer holiday period taken by customers and its own sales force. This longer holiday period is explained by cyclical and structural factors. Despite lower sales

volumes in the quarter, operating profit/loss is consistent with the previous year, which means that the operating margin improved from some 15% to some 20%.

Several major new customer agreements were signed with customers including currency broker TorFX, global services company Serco and a leader in the debt collection sector.

For the interim period January-September, net sales were SEK 42.8 m (SEK 46.7 m) and operating profit/loss was SEK 9.9 m (SEK 7.4 m).

Other Countries

External net sales in other countries in the third quarter were SEK 9.0 m (SEK 4.1 m), equating to growth of 117%. France represents the majority of the increase. This segment represented over 20% of the group's net sales for the first time. The operating profit/loss was SEK -0.3 m (SEK 0.1 m). For the interim period January-September, net sales were SEK 23.4 m (SEK 11.6 m) and operating profit/loss was SEK -1.4 m (SEK -3.3 m).

France

The French operation's growth in the quarter was very positive, and in year-on-year terms, sales increased by 97% in local currency. Sales growth has been positive ever since this operation was reorganized and concentrated around Just Search's services portfolio and branding. 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. New customers in the quarter included Bwin, Kebello and Attitudesk8.

Ireland

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. In the quarter, this business achieved breakeven and started to turn a profit.

Sales performance in Ireland remained positive in the quarter. Since the start, 61 new accounts have been secured.

Italy

In late-September, Getupdated reported that it was starting up in Italy, under the name Just Search Italy. This operation will be reported in the "other countries" segment, but there were no sales in the third quarter, nor any expenses.

Human and Organizational Resources

At the end of the period, Getupdated had 161 (247) employees, against 230 at the end of the second quarter 2010. This lower employee headcount compared to 2009 and the previous quarter is largely a result of the divestment of MediaAnalys, but also a consequence of structural measures and natural wastage. MediaAnalys, which was divested as of 1 July 2010, had 46 employees as of 30 June 2010, and 51 employees as of 30 September 2009.

Liquidity and Finance

Cash flow from operating activities was SEK -3.6 m (SEK -4.3m) for the third quarter, against SEK -6.7 m in the previous quarter, corresponding to an improvement of SEK 3.1 m. Cash flow in the quarter was negatively affected by SEK 4.4 m due to decided structural actions and rental payments for unutilized premises. Accordingly, adjusted for these payments for restructuring, cash flow from operating activities was a positive SEK 0.8 m. Structural actions are expected to have a positive effect on cash flow in the fourth quarter of 2010 and the first quarter of 2011.

The negative cash flow from operating activities means that liquidity remains strained. However, during the year, the group consolidated its financial position, partly through factoring of SEK 8 m out of total accounts receivable of SEK 40 m in 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, the divestment of MediaAnalys in the third quarter brought further improvement to the financial position.

Net debt was SEK 59.7 m (SEK 47.6 m) as of 30 September 2010, an increase of SEK 4.0 m since the previous year-end. The group's total financial liabilities (including other current financial liabilities) reduced by nearly SEK 2.0 m since year-end to SEK 69.4 m, mainly due to amortization in the year. However, this reduction was offset by increased factoring of the group's accounts receivable and previously granted credit facilities being drawn down. The group's cash and cash equivalents as of 30 September 2010 were SEK 4.0 m (SEK 5.0 m). The group's cash and cash equivalents including unutilized credit facilities were SEK 5.1 m (SEK 9.0 m) at the end of the period.

The equity ratio at the end of the period was 58% (61%).

Investments

The group's investments in tangible assets were SEK 0.6 m (SEK 1.1 m) in the period January-September and investments in intangible assets were SEK 0.9 m (SEK 0.8 m).

Parent Company

Parent company net sales were SEK 2.4 m (SEK 2.4 m) for the third quarter of 2010. The operating profit/loss in the same period was SEK 9.3 m (SEK -10.0 m). Operating profit/loss inclu-

des a capital gain for the sale of MediaAnalys of SEK 16.6 m net. Operating profit/loss was charged with restructuring expenses, primarily expenses for unutilized rental premises of SEK 5.6 m, and SEK 7.0 m for the nine-month period. Profit/loss before tax in the third quarter was SEK 6.3 m (SEK -14.6 m). The share of profits from participations in subsidiaries in the quarter was SEK -4.0 m, and is a capital contribution. Operating profit/loss adjusted for non-recurring items in the third quarter was SEK -2.4 m (SEK -14.5 m). The profit improvement is primarily an effect of cost-reducing structural measures, but also by common costs for the Swedish units being charged to the subsidiary Getupdated Sweden fully from 2010 onwards.

Net sales for the parent company in the interim period January-September were SEK 7.3 m (SEK 7.5 m). Operating profit/loss was SEK -0.2 m (SEK -29.0 m), or SEK -10.5 m (SEK -22.2 m) excluding non-recurring items.

Investments in intangible and tangible assets were SEK 0.2 m (SEK 0.2 m) in the nine-month period and investments in participations in subsidiaries, capital contribution, were SEK 4.0 m (SEK 5.2 m).

The Share and Shareholders

Getupdated's stock is listed on Nasdaq OMX First North, code GIM. In the quarter, a decision was taken to change segment from NASDAQ OMX First North Premier to NASDAQ OMX First North. Erik Penser Bankaktiebolag is the company's certified advisor. On 30 September, the share price was SEK 1.27 and total market capitalization was some SEK 82 m. As of 30 September 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 September 2010

Shareholder	No. of Shares	Holding (%)
Åke Eriksson ¹	21,957,487	34.1%
Paul Yates ²	9,088,919	14.1%
Bäverbäcken Förvaltning AB	4,040,593	6.3%
Erik Penser Bankaktiebolag	2,422,642	3.8%
Yggdrasil AB	2,052,669	3.2%
Altraplan Bermuda Ltd.	2,032,095	3.2%
Avanza Pension	2,009,893	3.1%
Six Sis AG	1,262,259	2.0%
Nordnet Pensionsförsäkrings AB	1,184,920	1.8%
Revert AB	1,164,100	1.8%
Other shareholders	17,148,833	26.6%
Total as of 30 September 2010	64,364,410	100.0%

¹ Privately and via companies.

² Privately and via companies. During the third quarter shares were transferred to original minority shareholders of Just Search Ltd.

Transactions with Related Parties

Getupdated purchases 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 become subject to a lawsuit from a bankruptcy estate, resulting from a tax dispute that Getupdated is not party to. Getupdated considers that the claim is not justified and that the likely main reason for the lawsuit being filed is that the bankruptcy estate then avoids missing deadlines.

Subsequent Events

In the fourth quarter, Getupdated signed a letter of intent to invest in Wooshii, a UK video content provider with 3,500 registered users globally. In the first phase, the investment means a participating interest of 25%. There is an option to first acquire up to 51% of all the shares of the company.

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 3 m higher for the interim period January-September, and the corresponding improvement for the third 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

Financial Statement 2010	17 February 2011
Interim Report for the first quarter	12 May 2011
Interim Report for the second quarter	25 August 2011
Interim Report for the third quarter	10 November 2011
Financial Statement 2011	16 February 2012

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.

Åke Eriksson, Chairman of the Board
Paul Cheetham
Anders Waltner
Paul Yates

Stockholm, Sweden, 11 November 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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Consolidated Key Ratios

	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Net sales, SEK 000	44,927	52,593	166,347	176,632	229,399	239,684
Sales growth	-14.6%	-16.8%	-5.8%	-23.2%	-3.4%	-17.6%
Net revenue per employee, SEK 000	257	203	774	622	1,038	878
Gross profit, SEK 000	28,861	36,997	112,906	127,268	156,472	170,834
Gross margin	64.2%	70.3%	67.9%	72.1%	68.2%	71.3%
EBITDA, SEK 000	7,006	-8,713	5,125	-24,768	4,407	-25,486
EBITDA, margin	15.6%	-16.6%	3.1%	-14.0%	1.9%	-10.6%
EBITDA, excluding non-recurring items*, SEK 000	967	-1,600	-568	-6,642	665	-5,409
EBITDA margin, excluding non-recurring items*	2.2%	-3.0%	-0.3%	-3.8%	0.3%	-2.3%
Operating profit/loss, SEK 000	6,050	-9,510	2,381	-27,176	1,065	-28,492
Operating margin	13.5%	-18.1%	1.4%	-15.4%	0.5%	-11.9%
Operating profit/loss, excluding non-recurring items*, SEK 000	11	-2,397	-3,312	-9,050	-2,677	-8,415
Operating margin, excluding non-recurring items*	0.0%	-4.6%	-2.0%	-5.1%	-1.2%	-3.5%
Financial income/expense, SEK 000	214	-377	-2,979	-3,336	-4,714	-5,071
Profit/loss for the period, SEK 000	5,463	-10,034	-4,489	-32,450	-7,657	-35,618
Profit/loss for the period per share, SEK	0.08	-0.16	-0.09	-0.69	-0.14	-0.74
Profit/loss for the period per share after dilution, SEK	0.08	-0.16	-0.09	-0.69	-0.14	-0.74
Average number of outstanding shares, 000	64,364	64,364	64,364	47,016	64,364	48,324
Average number of outstanding shares after dilution, 000	64,364	64,364	64,364	47,016	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	-3,572	-4,322	-16,541	-22,302	-21,748	-27,509
Cash and cash equivalents, SEK 000	4,038	5,064	4,038	5,064	4,038	7,693
Equity ratio	58%	61%	58%	61%	58%	59%
Net debt, SEK 000	59,697	47,587	59,697	47,587	59,697	55,739
Average number of employees in the period	175	259	215	284	221	273
Number of employees at end of period	161	247	161	247	161	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	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Net sales	44,927	52,593	166,347	176,632	229,399	239,684
Cost of goods and services sold	-16,066	-15,596	-53,441	-49,364	-72,927	-68,850
Gross profit	28,861	36,997	112,906	127,268	156,472	170,834
Development expenditure for the company's own use and capitalized	161	209	344	459	915	1,030
Other external expenses	-9,756	-10,934	-35,715	-37,177	-48,135	-49,597
Personnel expenses	-18,299	-27,872	-78,103	-97,192	-108,587	-127,676
Depreciation, amortization and impairment	-956	-797	-2,744	-2,408	-3,342	-3,006
Other operating revenue	15,648	364	18,028	3,406	18,705	4,083
Other operating expenses	-9,609	-7,477	-12,335	-21,532	-14,963	-24,160
Total operating expenses, net	-22,811	-46,507	-110,525	-154,444	-155,407	-199,326
Operating profit/loss	6,050	-9,510	2,381	-27,176	1,065	-28,492
Financial income	605	522	625	554	597	526
Financial expenses	-391	-899	-3,604	-3,890	-5,311	-5,597
Profit/loss before tax	6,264	-9,887	-598	-30,512	-3,649	-33,563
Tax on profit/loss for the period	-801	-147	-3,891	-1,938	-4,008	-2,055
Profit/loss for the period	5,463	-10,034	-4,489	-32,450	-7,657	-35,618
Other comprehensive income						
Translation differences	-13,036	-21,413	-9,891	-2,412	-6,541	938
Tax relating to other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-7,573	-31,447	-14,380	-34,862	-14,198	-34,680
Profit/loss for the period attributable to equity holders of the parent	5,463	-10,218	-6,012	-32,673	-9,287	-35,948
minority share	0	184	1,523	223	1,630	330
Comprehensive income for the period attributable to equity holders of the parent	-7,573	-31,631	-15,903	-35,085	-15,828	-35,010
minority share	0	184	1,523	223	1,630	330
Earnings per share for the period, total, SEK	0.08	-0.16	-0.09	-0.69	-0.14	-0.74
Diluted earnings per share for the period, total, SEK	0.08	-0.16	-0.09	-0.69	-0.14	-0.74
Comprehensive income for the period per share, total, SEK	-0.12	-0.49	-0.25	-0.75	-0.25	-0.72
Comprehensive income for the period per share, total, diluted, SEK	-0.12	-0.49	-0.25	-0.75	-0.25	-0.72
Average number of shares before dilution (000)	64,364	64,364	64,364	47,016	64,364	48,324
Average number of shares after dilution (000)	64,364	64,364	64,364	47,016	64,364	48,324

Summary Consolidated Balance Sheet

SEK 000	30 Sep 2010	30 Sep 2009	31 Dec 2009
ASSETS			
Non-current assets			
Intangible assets	272,729	291,721	294,805
Property, plant and equipment	3,749	4,945	4,541
Financial assets	212	400	251
Total non-current assets	276,690	297,066	299,597
Current assets			
Accounts receivable	60,673	68,601	75,763
Other receivables	32,526	15,002	16,452
Cash and cash equivalents	4,038	5,064	7,693
Total current assets	97,237	88,667	99,908
TOTAL ASSETS	373,927	385,733	399,505
EQUITY AND LIABILITIES			
Total equity	217,971	234,526	234,780
Non-current liabilities			
Non-current liabilities to credit institutions	28,403	16,374	29,268
Other non-current liabilities	18	716	–
Total non-current liabilities	28,421	17,090	29,268
Current liabilities			
Current liabilities to credit institutions	35,332	35,537	32,541
Other current financial liabilities	5,636	10,979	9,676
Accounts payable	26,709	17,928	21,902
Other liabilities	59,858	69,673	71,338
Total current liabilities	127,535	134,117	135,457
Total liabilities	155,956	151,207	164,725
TOTAL EQUITY AND LIABILITIES	373,927	385,733	399,505

Summary Consolidated Cash Flow Statement

SEK 000	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Profit/loss before tax	6,264	-9,887	-598	-30,512	-3,649	-33,563
Adjustment for non-cash items	-9,843	6,099	-6,330	15,009	-4,223	17,116
Tax paid	-2,687	-548	-6,541	-4,279	-6,619	-4,357
Cash flow from operating activities before change in working capital	-6,266	-4,336	-13,469	-19,782	-14,491	-20,804
Increase (-)/decrease (+) in receivables	2,949	521	-8,399	1,084	-19,150	-9,667
Increase (+)/decrease (-) in payables	-255	-507	5,327	-3,604	11,893	2,962
Change in working capital	2,694	14	-3,072	-2,520	-7,257	-6,705
Cash flow from operating activities	-3,572	-4,322	-16,541	-22,302	-21,748	-27,509
Cash flow from investing activities	16,699	4,318	14,453	-15,407	12,881	-16,979
Cash flow after investing activities	13,127	-4	-2,088	-37,709	-8,867	-44,488
Kassaflöde från finansieringsverksamheten	-11,968	1,506	-1,481	32,697	7,920	42,098
Cash flow for the period	1,159	1,502	-3,569	-5,012	-947	-2,390
Cash and cash equivalents at beginning of period	2,899	3,441	7,693	9,952	5,064	9,952
Exchange rate difference in cash and cash equivalents	-20	121	-86	124	-79	131
Cash and cash equivalents at end of period	4,038	5,064	4,038	5,064	4,038	7,693

Quarterly Consolidated Income Statement

SEK 000	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net sales	44,927	60,024	61,396	63,052	52,593	64,655	59,384	60,891	63,181	89,725	76,972	67,774	34,982
Development expenditure for the company's own use and capitalized	161	-217	400	571	209	250	-	-	-	-	-	-	-
Other operating revenue	15,648	1,108	1,272	677	364	871	2,171	717	-	-195	195	-449	690
Total other operating revenue	15,809	891	1,672	1,248	573	1,121	2,171	717	-	-195	195	-449	690
Cost of goods and services sold*	-16,066	-19,978	-17,397	-19,486	-15,596	-19,718	-14,050						
Other external expenses	-9,756	-12,294	-13,665	-12,420	-10,934	-13,249	-12,994	-37,678	-34,361	-42,012	-40,224	-27,009	-22,958
Personnel expenses	-18,299	-30,827	-28,977	-30,484	-27,872	-33,804	-35,516	-42,581	-30,737	-31,214	-29,448	-29,959	-11,980
Depreciation, amortization and impairment	-956	-921	-867	-598	-797	-816	-795	-62,924	-798	-970	-455	-588	-698
Other operating expenses	-9,609	-1,871	-855	-2,628	-7,477	-9,581	-4,474	-23,243	-1,552	-3,495	-	-804	2,940
Total operating expenses	-54,686	-65,891	-61,761	-65,616	-62,676	-77,168	-67,829	-166,426	-67,448	-77,691	-70,127	-58,360	-32,696
Operating profit/loss	6,050	-4,976	1,307	-1,316	-9,510	-11,392	-6,274	-104,818	-4,267	11,839	7,040	8,965	2,976
Financial income	605	-567	587	-28	522	-425	457	1,324	-199	376	15	307	16
Financial expenses	-391	-2,331	-882	-1,707	-899	-1,532	-1,459	-2,027	-2,330	-1,721	-2,275	-2,394	-344
Profit/loss before tax	6,264	-7,874	1,012	-3,051	-9,887	-13,349	-7,276	-105,521	-6,796	10,494	4,780	6,878	2,648
Tax on profit/loss for the period	-801	-1,051	-2,039	-117	-147	-854	-937	-8,833	6,081	-2,986	-1,842	-816	-701
Profit/loss for the period	5,463	-8,925	-1,027	-3,168	-10,034	-14,203	-8,213	-114,354	-715	7,508	2,938	6,062	1,947
Profit/loss attributable to divested assets	-	-	-	-	-	-	-	1,636	-13,945	1,099	1,573	-707	1,605
Reported profit/loss*	5,463	-8,925	-1,027	-3,168	-10,034	-14,203	-8,213	-112,718	-14,660	8,607	4,511	5,355	3,552
Net sales, rolling 12 months	229,399	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	-3.2%	-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 Sep 2010	30 Sep 2009	31 Dec 2009
Equity, opening balance	234,780	203,475	203,475
New share issue, net	–	66,663	66,663
Option premiums received	–	230	302
Dividend to minority shareholders	–490	–980	–980
Minority share of subsidiary at the time of the sale	–1,939	–	–
Total transactions reported directly to equity	232,351	269,388	269,460
Comprehensive income for the period	–14,380	–34,862	–34,680
Equity, closing balance	217,971	234,526	234,780

Consolidated Segment Reporting

Sales, SEK 000	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Sweden	31,749	35,948	124,079	130,147	171,888	177,956
UK	12,729	17,064	43,027	46,660	57,357	60,990
Other countries	9,164	4,426	23,901	11,821	31,137	19,057
Group-wide	–8,715	–4,845	–24,660	–11,996	–30,983	–18,319
Total	44,927	52,593	166,347	176,632	229,399	239,684

External Sales, SEK 000	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Sweden	23,173	31,371	100,176	118,419	141,872	160,115
UK	12,728	17,064	42,790	46,660	57,120	60,990
Other countries	9,026	4,158	23,381	11,553	30,407	18,579
Total	44,927	52,593	166,347	176,632	229,399	239,684

Operating Profit/loss	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Sweden	–3,682	–2,110	–4,075	–2,464	–3,366	–1,755
UK	2,459	2,616	9,887	7,429	14,071	11,613
Other countries	–278	84	–1,438	–3,294	–689	–2,545
Group-wide	7,551	–10,100	–1,993	–28,847	–8,951	–35,805
Total	6,050	–9,510	2,381	–27,176	1,065	–28,492

Operating Profit/loss Excluding Non-recurring Items	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Sweden	37	–2,436	–777	1,006	213	1,996
UK	2,459	5,735	9,887	12,821	14,788	17,722
Other countries	–278	–140	–1,438	–653	–912	–127
Group-wide	–2,207	–5,556	–10,984	–22,224	–16,766	–28,006
Total	11	–2,397	–3,312	–9,050	–2,677	–8,415

Parent Company Income Statement

SEK 000	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Oct 2009 -Sep 2010	Full Year 2009
Net sales	2,381	2,387	7,266	7,523	9,374	9,631
Other operating revenue	17,312	93	18,244	443	18,342	541
Total operating revenue	19,693	2,480	25,510	7,966	27,716	10,172
Other external expenses	-3,447	-4,687	-11,507	-17,281	-17,290	-23,064
Personnel expenses	-1,084	-3,040	-5,585	-11,807	-7,751	-13,973
Depreciation and amortization	-239	-212	-712	-617	-968	-873
Other operating expenses	-5,639	-4,586	-7,931	-7,304	-8,645	-8,018
Total operating expenses	-10,409	-12,525	-25,735	-37,009	-34,654	-45,928
Operating profit/loss	9,284	-10,045	-225	-29,043	-6,938	-35,756
Profit/loss from participations in subsidiaries	-4,000	-5,103	-3,562	-14,701	-3,687	-14,826
Financial income	906	0	906	0	906	0
Financial expenses	84	538	-2,085	-4,135	-3,350	-5,400
Profit/loss before tax	6,274	-14,610	-4,966	-47,879	-13,069	-55,982
Tax on profit/loss for the period	-	-	-	-	-	-
Net profit/loss for the period	6,274	-14,610	-4,966	-47,879	-13,069	-55,982

Parent Company Balance Sheet

SEK 000	30 Sep 2010	30 Sep 2009	31 Dec 2009
ASSETS			
Non-current assets			
Intangible non-current assets	936	910	877
Property, plant and equipment	1,476	2,257	2,053
Participations in group companies	355,065	368,219	368,219
Other long-term receivables	185	373	224
Total non-current assets	357,662	371,759	371,373
Accounts receivable	429	295	70
Receivables from group companies	256	735	279
Other receivables	15,817	3,438	3,030
Prepaid costs and accrued income	3,478	3,429	4,546
Cash and cash equivalents	0	19	3,410
Total current assets	19,980	7,916	11,335
TOTAL ASSETS	377,642	379,675	382,708
EQUITY AND LIABILITIES			
Equity	272,054	285,123	277,020
Non-current liabilities			
Non-current liabilities to credit institutions	–	15,625	12,500
Total non-current liabilities	–	15,625	12,500
Current liabilities			
Current liabilities to credit institutions	24,081	19,763	17,750
Other current financial liabilities	5,636	10,979	9,676
Accounts payable	7,530	7,408	7,224
Liabilities to group companies	56,373	28,431	48,476
Other liabilities	11,968	12,346	10,062
Total current liabilities	105,588	78,927	93,188
Total liabilities	105,588	94,552	105,688
TOTAL EQUITY AND LIABILITIES	377,642	379,675	382,708

Parent Company Statement of Changes in Equity

SEK 000	30 Sep 2010	30 Sep 2009	31 Dec 2009
Opening equity	277,020	266,339	266,339
New share issue, net	–	66,663	66,663
Total transactions reported directly to equity	277,020	333,002	333,002
Net profit/loss for the period	–4,966	–47,879	–55,982
Closing equity	272,054	285,123	277,020

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