



***LION, Inc. Announces Financial Results
and Achieves EBITDA Profitability
for First Quarter 2001***

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Immediate Release:

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Renton, WA - LION, Inc. (OTC Bulletin Board: LINN), a premier provider of Internet products and services for the mortgage industry, today announced the financial results for the first quarter ended March 31, 2001 and EBITDA profitability for the first time in the Company's history.

Earnings before interest, taxes, depreciation and amortization (EBITDA), a measure of earnings from operations, totaled \$97,216, or \$.003 per share, in the first quarter ended March 31, 2001. This compares to an EBITDA loss of \$110,690, or \$.003 per share, for the fourth quarter ended December 31, 2000 and an EBITDA loss of \$238,825, or \$.007 per share, for the first quarter in the prior year. Net losses narrowed to \$51,542, or \$.002 per share, compared to net losses of \$257,424, or \$.008 per share, for the fourth quarter ended December 31, 2000 and net losses of \$413,855, or \$.013 per share, for the first quarter ended March 31, 2000.

Revenues for the quarter were \$1,491,135, down 2 percent from \$1,514,857 for fourth quarter 2000 and down 3% from \$1,542,082 for first quarter 2000.

"We are continuing to make good progress toward reaching sustained profitability," said David Stedman, President. "We've seen notable improvement each month during the first quarter which is very promising. To accomplish a \$205,882 swing towards profitability from fourth quarter last year to the first quarter this year is a strong indication of our progress."

"The mortgage industry is rapidly changing and the market that we are competing in is very competitive, as is reflected by our sales decreasing slightly on a quarter to quarter basis. We know that our success will not come from concentrating on just one issue, but from focusing on a variety of key issues simultaneously. In the first quarter, we focused our efforts on two major initiatives.

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LION FINANCIAL RESULTS 1ST QTR 2001 – 2

First, we moved towards sustained profitability by improving business practices and reducing expenses for the Company. We merged our subsidiary, Lioninc.com, with our parent company, LION, Inc., moved our state of domicile from Minnesota to Washington, and reorganized the senior management team. We also consolidated originator sales into one location allowing us to focus more closely on areas where we can begin to grow revenue. We completed the re-organization of the engineering department to more effectively handle internal infrastructure issues and product development. The customer service department was also reorganized and procedures modified to aggressively address customer retention and collection issues.

Second, we solidified core business with new product improvements. In April 2001, we opened 38 new regional databases for our business-to-business mortgage marketplace. These 38 new regions have been added to LION Loan Search™, which enables mortgage originators to search and compare interest rates from wholesale lenders. We have expanded the wholesale rate database used for LION Loan Search™ from 37 regions in 22 states to 75 regions that cover all 50 states and Washington DC. A new template system for building our web sites was also developed which decreased production time, improved functionality, and increased the value of our web site products.

In the second quarter, we will continue focusing on future revenue growth by expanding the LION marketplace and making it more efficient to use. LION has built one of the largest online mortgage marketplaces where buyers (consumers and originators) and sellers (lenders and vendors) can interact to create commerce. Our future revenue growth will come from creating efficiencies and improving the connectivity between the marketplace users through integrated rate and application programs. Our success will not only come from our ability to meet the needs of our customers today, but also through our efforts to position and build the company to respond to the needs of the future. Short-term gain at the expense of long-term success is not an option for us. We will continue to focus on those initiatives that strengthen the LION marketplace and support the longer term viability of LION.”

About LION, Inc.

LION, Inc. has been a pioneer of online business-to-business products and services since 1995. It has emerged as a premier provider of Internet products and services for the over \$1 trillion mortgage industry, creating one of the largest mortgage marketplaces in the country. LION, Inc. brings together borrowers, real estate companies, mortgage brokers, mortgage lenders and financial institutions, enabling them to facilitate home loans in an easy, efficient and quick manner.

LION, Inc. has offices in two locations: Renton, at 2201 Lind Ave. SW, Renton, WA 98055, and Denver, at 2000 S Colorado Blvd, Denver, CO, 80222. For more information, please visit www.lioninc.com.

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LION, Inc.

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	<u>Q1 2001</u>	<u>Q4 2000</u>	<u>Q1 2000</u>
Revenues	\$ 1,491,135	\$ 1,514,857	\$ 1,542,082
Expenses			
Direct costs	260,178	167,808	208,187
Selling and marketing	470,325	590,581	524,150
General and administrative	610,456	715,134	661,449
Compensation from stock options issued below fair market value	-	-	181,260
Research and development	58,126	127,226	222,003
Depreciation and amortization	148,112	145,184	111,788
	<u>1,547,197</u>	<u>1,745,933</u>	<u>1,908,837</u>
Operating loss	(56,062)	(231,076)	(366,755)
Other income (expense) – net	<u>4,520</u>	<u>(26,348)</u>	<u>(47,100)</u>
NET LOSS	<u>\$ (51,542)</u>	<u>\$ (257,424)</u>	<u>\$ (413,855)</u>
Loss per common share, basic and diluted	<u>\$ (.002)</u>	<u>\$ (.008)</u>	<u>\$ (.013)</u>
EBITDA	<u>\$ 97,216</u>	<u>\$ (110,690)</u>	<u>\$ (238,825)</u>
EBITDA per share	<u>\$.003</u>	<u>\$ (.003)</u>	<u>\$ (.007)</u>

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LION, Inc.

CONDENSED BALANCE SHEETS

ASSETS

	March 31, 2001 (Unaudited)	December 31, 2000
CURRENT ASSETS		
Cash and cash equivalents	\$ 313,662	\$ 117,254
Accounts receivable - net	392,992	457,705
Prepaid expenses and other	134,017	92,615
	<hr/>	<hr/>
Total current assets	840,671	667,574
PROPERTY AND EQUIPMENT, net	840,537	861,847
OTHER ASSETS		
Goodwill – net	655,150	706,873
Other assets	45,377	45,377
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	<u>\$ 2,381,735</u>	<u>\$ 2,281,671</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 191,006	\$ 236,836
Accrued liabilities	380,865	381,087
Deferred revenue	304,513	305,100
	<hr/>	<hr/>
Total current liabilities	876,384	923,023
STOCKHOLDERS' EQUITY	<hr/>	<hr/>
	1,505,351	1,358,648
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	<u>\$ 2,381,735</u>	<u>\$ 2,281,671</u>

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This press release and its attachments contain forward-looking statements that involve risks and uncertainties concerning LION's expected performance (as described without limitation in the quotations from current management in this release). Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. LION believes that its potential risks and uncertainties include, without limitation: its substantial dependence on mortgage brokers and the mortgage broker industry; mortgage market trends; interest rate changes; housing and consumer trends effecting home purchases; the management of its potential growth; risks of new business areas and new internet technology; joint-marketing and sales agreements; LION's need for additional financing; its ability to attract and retain high quality employees; changes in the overall economy and in technology; and the number and size of our internet competitors. Statements in this release should be evaluated in light of these important factors. All information set forth in this release and its attachments is as of April 26, 2001, and LION undertakes no duty to update this information. More information about these and other important factors that could affect our business and financial results is included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2000, including (without limitation) under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is on file with the Securities and Exchange Commission. Additional information will also be set forth in those sections in our quarterly report on Form 10-QSB for the three-month period ended March 31, 2001, which will be filed with the Securities and Exchange Commission in the near future.