



– For immediate release –

PRESS RELEASE

Half year results from April to September for the FY 2006/07

LEM confirms continued profitable growth – sales increase by 27%

Plan-les-Ouates, 17 November, 2006 – LEM (SWX: LEHN) announces the continuing trend of substantial sales growth with an increase of 27% to CHF 88.6 million for the first half of the year (CHF 69.9 million for the first half 2005/06). Compared to the same period of last year, the operating profit (EBIT) almost doubled (+94%) and increased from CHF 5.8 million to CHF 11.2 million. Net earnings of the continuing operations increased to CHF 6.2 million from CHF 1.7 million of the same period last year.

Orders received grew by 29% to CHF 92.3 million (CHF 71.8 million) reflecting a healthy book to bill ratio of 1.04. With an EBIT margin of 12.7% (8.3%) profitability was increased significantly. These results are the effects of sales growth and continuous operational improvements despite the strong rise in raw material costs.

“We are pleased with our results and confirm that the strategy to reach profitable growth in our market is successful. We are increasing our targets and expect to reach 15-18% growth for the year. Sales remain at a very high level and our order entry will allow us to continue to deliver strong earnings for the year. In addition several new products will start to contribute to our sales. The focus for the second half of the year will be continuing to improve our operational excellence with an emphasis on improving and increasing the low cost supply chain” says Paul Van Iseghem, President & CEO of LEM.

Growth in the **Industrial Segment** remains significant with 27% reaching CHF 77.6 million (CHF 61.3million). EBIT increased by 80% to CHF 10.8 million (CHF 6.0 million). Europe and Asia have both been the main contributors to this growth where sales have increased by 29 and 27% followed by NAFTA with 17% year on year. Main drivers are the increasing demands that the energy related markets are experiencing: the breakthrough of renewable energy, the overall need for better motor controls and energy savings.

The **Automotive Segment** continues its strong growth with a 28% increase in sales reaching CHF 11.0 million (CHF 8.6 million). EBIT amounted to CHF 0.4 million (CHF- 0.2 million). Growth drivers in this segment have been Asia experiencing an upturn of over 100% followed by NAFTA with 13%. Growth in Nafta was limited due to the difficulties of our main customer in the SUV market. LEM's two main markets in this segment remain the Battery Management – primarily for SUV's and hybrid electric vehicles – and the drive applications in which more and more hydraulic systems are being replaced by electronics.

Changes in the Executive Management

Ageeth Walti has commenced her role as CFO replacing Heinz Stübi, who was acting as interim CFO.



Appendix:

CHF million, except per share data	HY 2005/06	HY 2006/07
Sales	69.9	88.6
Gross margin	28.4	36.3
in % of sales	40.6%	41.0%
Operating expenses	-22.6	-25.1
in % of sales	32.3%	28.3%
EBIT	5.8	11.2
in % of sales	8.3%	12.7%
Net Earnings from Continuing Operations	1.7	6.2
in % of sales	2.5%	7.0%
Working capital *	26.8	35.2
Capital employed *	39.3	52.0
Return on Capital Employed	28.0%	47.0%
Share price *	119	153
Earnings per share continuing operations	1.4	5.3

* per 30.09

In CHF million

	2005/06				2006/07		2005/06	2006/07	Variances	
Bookings	Q1	Q2	Q3	Q4	Q1	Q2	1HY	1HY	YoY	QoQ
INDUSTRIAL	30.1	32.6	38.8	44.8	39.5	42.3	62.8	81.8	30%	7%
AUTO	4.3	4.7	5.3	6.0	5.6	4.9	9.0	10.5	16%	-12%
TOTAL	34.4	37.4	44.1	50.8	45.1	47.2	71.8	92.3	29%	5%
Billings	Q1	Q2	Q3	Q4	Q1	Q2	1HY	1HY	YoY	QoQ
INDUSTRIAL	30.4	30.9	32.6	38.4	37.9	39.6	61.3	77.6	27%	5%
AUTO	3.7	4.8	5.2	5.6	5.7	5.4	8.6	11.0	28%	-5%
TOTAL	34.1	35.8	37.7	44.0	43.6	45.0	69.9	88.6	27%	3%
EBIT	Q1	Q2	Q3	Q4	Q1	Q2	1HY	1HY	YoY	QoQ
INDUSTRIAL	2.8	3.2	3.5	5.7	5.2	5.7	6.0	10.8	80%	10%
AUTO	(0.4)	0.2	0.3	0.2	0.2	0.2	(0.2)	0.4	268%	-25%
TOTAL	2.4	3.4	3.8	6.0	5.4	5.8	5.8	11.2	94%	8%

The complete financial report in accordance with IAS-34 (interim financial reporting) is available on www.lem.com.



LEM – At the heart of power electronics

LEM is the market leader in providing innovative and high quality solutions for measuring electrical parameters. Its core products - current and voltage transducers - are used in a broad range of applications in industrial, traction, energy and automotive markets. LEM's strategy is to exploit the intrinsic strengths of its core business, and to develop opportunities in existing and new markets with new applications. LEM is a mid-size, global company with approximately 700 employees worldwide. It has production plants in Geneva (Switzerland), Machida (Japan), Beijing, (China), regional sales offices close to its clients' locations and offers a seamless service around the globe. LEM has been listed on the SWX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

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