



PRESS RELEASE

First quarter results from April to June for the FY 2007/08

Continued profitable growth; Q1 net profit more than doubles

Plan-les-Ouates, 7 August 2007 - LEM continues to demonstrate solid growth with an increase in sales of 15% to CHF 49.9 million for the first quarter (CHF 43.6 million in Q1 2006/07). Compared to the same period of last year, the operating profit (EBIT) increased by 78% from CHF 5.4 million to CHF 9.6 million. Net earnings more than doubled and amounted to CHF 6.4 million versus CHF 3.0 in the same period last year.

Orders received grew by 10% to CHF 49.6 million (CHF 45.1 million). The Gross Margin developed very favorably and increased by 4.2 percentage points to 46.1% (41.9%).

On a sequential quarterly basis, sales were almost equal to last years Q4 level (-3%), marked by a higher gross margin (+1.8 percentage points) and net earnings (+5.8%).

“The first quarter results prove that we are on the right track for the year, both in growth, due to a strong demand, and in profitability as major cost reduction programs are showing their effects. The market for the various applications of power electronics remains strong and is driven by the need for better energy efficiency. Our China plant is growing nicely with an increase of 38% compared to the previous quarter.” says Paul Van Iseghem, President & CEO of LEM.

The new products launched last year have been well received by the market. Later this year a new flagship product will be launched which is a second surface mounted transducer for easy automatic assembly in high-volume applications.

Growth in the **Industrial Segment** remains strong with 20% reaching CHF 45.4 million (CHF 37.9 million). Here the more traditional markets - Industry and Traction - did very well, up respectively 17.3% and 28.3% year over year. The new market E&A – Energy & Automation has increased by 52% from a small basis.

Asia and Europe remain the main contributors to the sales growth with 22% each, followed by NAFTA with a rise of 13%. The BRIC countries (Brazil, Russia, India and China) outperformed again with a 28% increase.

The **Automotive Segment** continues to operate in an unfavorable market, and sales are down by 21% year over year to CHF 4.5 million, however the EBIT has become positive as a result of the transfer of a major product line to the Chinese plant.

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 power electronics.



Appendix:

in CHF million

Bookings	2006/07				2007/08	Variation
	Q1	Q2	Q3	Q4	Q1	to PY
Industrial Segment	39.5	42.3	42.2	44.8	45.1	14.3%
Automotive Segment	5.6	4.9	5.0	6.0	4.4	-21.4%
LEM total	45.1	47.2	47.2	50.8	49.6	9.9%

Billings	2006/07				2007/08	Variation
	Q1	Q2	Q3	Q4	Q1	to PY
Industrial Segment	37.9	39.6	39.4	46.3	45.4	19.9%
Automotive Segment	5.7	5.4	5.0	5.2	4.5	-20.8%
LEM total	43.6	45.0	44.5	51.5	49.9	14.6%

EBIT	2006/07				2007/08	Variation
	Q1	Q2	Q3	Q4	Q1	to PY
Industrial Segment	5.2	5.7	5.4	9.4	9.5	84.4%
Automotive Segment	0.2	0.2	0.1	-0.6	0.1	-75.2%
LEM total	5.4	5.8	5.5	8.8	9.6	77.7%



Consolidated Income Statement	April to June	
In CHF thousands	2006/07	2007/08
Sales	43,571	49,933
Cost of goods sold	(25,326)	(26,924)
Gross margin	18,246	23,009
	41.9%	46.1%
Sales expense	(5,227)	(5,371)
Administration expense	(5,356)	(5,731)
Research & development expense	(2,524)	(2,415)
Other expense	(21)	(9)
Other income	283	113
Earnings before interests and taxes (EBIT)	5,401	9,596
ROS in %	12.4%	19.2%
Financial Income/Expense (net)	(576)	75
Earnings before taxes	4,825	9,671
Income taxes	(1,822)	(3,316)
Net earnings	3,003	6,355

LEM – At the heart of power electronics

LEM is the global leader in providing innovative and high quality solutions for measuring electrical parameters. Its current and voltage transducers are used in a broad range of applications in industrial, traction, energy & automation and automotive markets. LEM is a high growth global company with approximately 900 employees worldwide. It has production plants in Geneva (Switzerland), Machida (Japan), Beijing (China) and regional sales offices close to its customers locations. LEM has been listed on the SWX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

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