



PRESS RELEASE

First quarter results from April to June for the FY 2008/09

LEM starts the year on a strong quarter; net earnings up 16%

Plan-les-Ouates, 7 August 2008 – LEM, the market leader in providing innovative and high quality solutions for measuring electrical parameters, continues its profitable growth path in the first quarter of the financial year 2008/09. Sales increased by 11.1% (by 18.0% at constant exchange rates) to CHF 55.5 million (CHF 49.9 million in Q1 2007/08). Net earnings increased by 15.6% and reached CHF 7.3 million (CHF 6.4 million).

Orders received grew by 17.2% to CHF 58.1 million (CHF 49.6 million). The book to bill ratio is 1.05. The Gross Margin developed favorably and increased by 1.4 percentage points to 47.5%.

The proforma EBIT increased by 24.9% to CHF 12.0 million, the EBIT grew by 0.5% to CHF 9.6 million due to the changes in the conditions of the Stock Option Plans that were announced in December 2007 and the corresponding charges.

“The first quarter results give us a good start to the year and we are very pleased to see the continuation of our profitable growth. We are keeping our focus on the areas of cost management and look forward to another profitable year.

The Automotive segment is still a concern. Sales are a negative 5% but at constant exchange rates sales would have been a positive 5.4%. The proforma EBIT loss of the Automotive segment was limited to CHF 0.2 million, which is substantially better than the previous quarter (- CHF 0.6 million). We expect to see improvements by the end of the year. We have managed to raise our prices for the USD markets.” says Paul Van Iseghem, President & CEO of LEM.

Growth in the **Industrial Segment** continues with 12.7% reaching CHF 51.2 million (CHF 45.4 million). The markets were favorable for power electronics and energy efficiency applications. The outperforming markets were Traction up by 24.1% and the new market E&A – Energy & Automation, which has increased by 101.4%, this is still from a small basis.

The BRIC countries (Brazil, Russia, India and China) show a 25% increase.

The **Automotive Segment** continues to operate in an unfavorable market. The new design-ins are making good progress for their start of production in 2009/10.

Appendix:

in CHF millions

	2007/08				2008/09	Change
Orders received	Q1	Q2	Q3	Q4	Q1	Q1 to Q1
Industrial Segment	45.1	52.8	49.0	49.6	54.1	20%
Automotive Segment	4.4	6.7	4.9	4.3	4.0	-9%
LEM total	49.6	59.5	53.9	53.8	58.1	17%

	Q1	Q2	Q3	Q4	Q1	Q1 to Q1
Sales						
Industrial Segment	45.4	42.6	44.9	49.8	51.2	13%
Automotive Segment	4.5	6.0	5.1	4.7	4.3	-5%
LEM total	49.9	48.6	50.0	54.5	55.5	11%

Proforma *

	Q1	Q2	Q3	Q4	Q1	Q1 to Q1
EBIT						
Industrial Segment	9.5	8.2	9.6	8.3	12.2	28%
Automotive Segment	0.1	0.2	(0.6)	(0.6)	(0.2)	-477%
LEM total	9.6	8.4	9.0	7.7	12.0	25%

	Q1	Q2	Q3	Q4	Q1	Q1 to Q1
EBIT						
Industrial Segment	9.5	8.2	4.5	9.6	10.1	6%
Automotive Segment	0.1	0.2	(1.3)	(0.5)	(0.4)	-893%
LEM total	9.6	8.4	3.2	9.1	9.6	1%

Consolidated Income Statement	April to June		
	2007/08	2008/09	2008/09
In CHF thousands		Proforma *	
Sales	49,933	55,494	55,494
Cost of goods sold	(26,924)	(29,155)	(29,155)
Gross margin	23,009	26,339	26,339
Gross margin in %	46.1%	47.5%	47.5%
Sales expense	(5,371)	(5,938)	(6,246)
Administration expense	(5,731)	(5,803)	(7,713)
Research & development expense	(2,415)	(2,648)	(2,764)
Other expense	(8)	0	0
Other income	112	33	33
Earnings before interests and taxes (EBIT)	9,596	11,983	9,649
ROS in %	19.2%	21.6%	17.4%
Financial Expense (net)	75		652
Earnings before taxes	9,671		10,301
Income taxes	(3,316)		(2,956)
Net earnings	6,355		7,345

* before changes in the conditions of the stock option plans.



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 1000 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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