



## PRESS RELEASE

First quarter results from April to June for the FY 2009/10

### LEM starts the year as expected

**Plan-les-Ouates, 6 August 2009 – LEM, the market leader in providing innovative and high quality solutions for measuring electrical parameters, announces sales of CHF 35.6 million and Operational EBIT of CHF 3.2 million (8.9% of sales) for the first quarter of the financial year 2009/10.**

- After 3 quarters of negative book-to-bill, Q1 2009/10 shows a positive level of 1.02
- Sales reached CHF 35.6 million and decreased by -35.8% compared to same period of the last FY (CHF 55.5 million); down -12% from Q4 2008/09
- Cost reduction measures show a positive effect resulting in an Operational EBIT of CHF 3.2 million (CHF 11.9 million)
- Net earnings decreased to CHF -1.3 million (CHF 7.3 million) due to the additional provision requirements of the stock option plans of the previous years (CHF 4.3 million) as a consequence of the recovery of the share price

“Following the bookings of Q4 2008/09 the first quarter of 2009/10 shows the results that we expected. We have kept concentrating our efforts on cost management and our SG&A levels could be further reduced. We are happy with the Operational EBIT results, which are a 9% return on sales. We are seeing first signs of a recovery in all 4 of our markets but remain prudently optimistic for the time being. The European and North American markets are still very slow but we have seen Asia and in particular China becoming stronger.” says Paul Van Iseghem, President & CEO of LEM.

The **Industrial Segment** shows a decrease in sales of 35.8% reaching CHF 32.9 million (CHF 51.2 million). All markets were showing a negative growth.

The **Automotive Segment** also continues to be the impacted by the recession. Sales have declined in about the same level as the rest of our business by -35.3% to reach CHF 2.8 million (CHF 4.3 million).

Appendix:

In CHF millions

Orders received	2008/09				2009/10 Q1	Q1 to Q1	Q1 to Q4
	Q1	Q2	Q3	Q4			
Industrial Segment	54.1	48.8	36.0	31.9	33.8	-38%	6%
Automotive Segment	4.0	4.6	3.1	2.4	2.7	-33%	9%
<b>Total LEM</b>	<b>58.1</b>	<b>53.3</b>	<b>39.2</b>	<b>34.4</b>	<b>36.4</b>	<b>-37%</b>	<b>6%</b>

Sales	2008/09				2009/10 Q1	Q1 to Q1	Q1 to Q4
	Q1	Q2	Q3	Q4			
Industrial Segment	51.2	50.6	41.9	38.2	32.9	-36%	-14%
Automotive Segment	4.3	4.9	3.2	2.5	2.8	-35%	10%
<b>Total LEM</b>	<b>55.5</b>	<b>55.5</b>	<b>45.1</b>	<b>40.7</b>	<b>35.6</b>	<b>-36%</b>	<b>-12%</b>

Operational EBIT	2008/09				2009/10 Q1	Q1 to Q1	Q1 to Q4
	Q1	Q2	Q3	Q4			
Industrial Segment	12.2	9.5	4.6	4.8	3.6	-71%	-25%
Automotive Segment	-0.2	-0.1	-0.6	-1.1	-0.4	-94%	61%
<b>Total LEM</b>	<b>12.0</b>	<b>9.4</b>	<b>4.1</b>	<b>3.7</b>	<b>3.2</b>	<b>-73%</b>	<b>-15%</b>

#### April to June

	2009/10 TCHF	2008/09 TCHF
Sales	35'644	55'494
Cost of goods sold	(20'524)	(29'155)
<b>Gross margin</b>	<b>15'119</b>	<b>26'339</b>
	42.4%	47.5%
Sales expense	(4'649)	(5'938)
Administration expense	(5'025)	(5'803)
Research & development expense	(2'293)	(2'648)
Other expense	(27)	(0)
Other income	62	33
<b>Operational EBIT</b>	<b>3'187</b>	<b>11'982</b>
Additional SOP costs/income	(4'312)	(2'333)
<b>EBIT</b>	<b>(1'125)</b>	<b>9'649</b>
Financial expense (net)	(233)	652
<b>Earnings before taxes</b>	<b>(1'357)</b>	<b>10'301</b>
Income taxes	71	(2'956)
<b>Net earnings</b>	<b>(1'286)</b>	<b>7'345</b>



**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), Copenhagen (Denmark), Machida (Japan), Beijing (China) and regional sales offices close to its customer's locations. LEM has been listed on the SIX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

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