Press Release
Q1 results for the financial year 2010/11

Strong Q1 results driven by growth in the drives and renewable energy markets

Plan-les-Ouates, 5 August 2010 – LEM (SIX: LEHN), the market leader in providing innovative and high quality solutions for measuring electrical parameters, announces results for its first quarter of the fiscal year 2010/11 for the period of 1 April to 30 June 2010:

Q1 results compared to Q4 2009/10 (QoQ)

- **Orders received increased by 19.5% to CHF 93.6 million (CHF 78.3 million)**
- **Sales increased by 14.3% to CHF 66.8 million (CHF 58.4 million)**
- **The book to bill ratio increased to 1.40 (1.34)**
- **Operational EBIT increased by 40.7% to CHF 13.8 million (CHF 9.8 million)**
- **EBIT (after stock option plan revaluation) increased by 89.1% to CHF 13.4 million (CHF 7.1 million)**
- **Net profit increased by 62.9% to CHF 8.2 million (CHF 5.0 million)**

“We are very happy with the outstanding results for the first quarter. Since my start at LEM early July, I have been impressed by the achievements and technology developments. My objective is to leverage on the company’s strong leadership to lead LEM into this growth phase and beyond. We are currently concentrating our efforts on managing the strong market demands and are ramping up production. We are penalized by the shortage of products available in the electronics market so we are addressing this issue as a priority. We are confident for the rest of the year but we must take the ongoing global economic and currency uncertainties into consideration”, says François Gabella, President and CEO of LEM.

Performance of the Industrial Segment: strong growth
Sales in the Industrial Segment reached CHF 61.6 million in Q1 2010/11, which is an increase of 14.6% compared to Q4 of the previous year (CHF 53.8 million). The operational EBIT increased by 34.2% to CHF 13.2 million (CHF 9.8 million).
Sales for renewable energy products as well as for transducers in electric motor drives are now above pre-crisis levels. Production capacity for these products is being increased.

Performance of the Automotive Segment: sales increase
Sales in the Automotive Segment were CHF 5.2 million in Q1 2010/11, which is an increase of 11.3% compared to Q4 of the previous year (CHF 4.7 million). The operational EBIT was CHF 0.6 million (Q4 previous year CHF 0.0 million).
Sales for several models of hybrid electric vehicles have picked up and there is a general increase of business in the Automotive market.

Due to the share price increase from CHF 340.00 to 345.00 the liabilities for the stock option plans increased by CHF 0.4 million in Q1 2010/11.

LEM Holding SA
Case Postale 785
CH-1212 Grand-Lancy 1
Geneva, Switzerland

Chemin des Aulx 8
CH-1228 Plan-les-Ouates
Geneva, Switzerland

Tel. : +41 22 706 11 11
Fax.: +41 22 794 94 78
Email : lho@lem.com
www.lem.com

Appendix

In CHF millions	2009/10				2010/11	Change	
Orders received	Q1	Q2	Q3	Q4	Q1	Q1 to Q1	Q1 to Q4
Industrial Segment	33.8	43.6	50.5	73.2	88.2	+161.2%	+20.6%
Automotive Segment	2.7	3.5	4.3	5.2	5.4	+102.2%	+4.0%
Total LEM	36.4	47.1	54.8	78.3	93.6	+156.9%	+19.5%

Book to Bill ratio	Q1	Q2	Q3	Q4	Q1	Q1 to Q1	Q1 to Q4
Industrial Segment	1.03	1.09	1.14	1.36	1.43	+39.5%	+5.2%
Automotive Segment	0.97	1.04	1.09	1.11	1.04	+7.2%	-6.5%
Total LEM	1.02	1.09	1.14	1.34	1.40	+37.1%	+4.5%

Sales	Q1	Q2	Q3	Q4	Q1	Q1 to Q1	Q1 to Q4
Industrial Segment	32.9	39.8	44.3	53.8	61.6	+87.3%	+14.6%
Automotive Segment	2.8	3.4	3.9	4.7	5.2	+88.5%	+11.3%
Total LEM	35.6	43.2	48.3	58.4	66.8	+87.4%	+14.3%

Operational EBIT	Q1	Q2	Q3	Q4	Q1	Q1 to Q1	Q1 to Q4
Industrial Segment	3.6	5.9	7.5	9.8	13.2	+267.1%	+34.2%
Automotive Segment	-0.4	-0.5	-0.1	0.0	0.6	N/A	N/A
Total LEM	3.2	5.4	7.4	9.8	13.8	+333.0%	+40.7%

EBIT	Q1	Q2	Q3	Q4	Q1	Q1 to Q1	Q1 to Q4
Industrial Segment	-0.3	5.5	6.8	7.5	12.9	N/A	+71.8%
Automotive Segment	-0.8	-0.5	-0.2	-0.4	0.5	N/A	N/A
Total LEM	-1.1	4.9	6.6	7.1	13.4	N/A	+89.1%

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In CHF thousands	April to June 2010/11	2009/10
Sales	66'786	35'644
Cost of goods sold	(37'638)	(20'524)
Gross margin	**29'148**	**15'119**
Sales expense	(5'295)	(4'649)
Administration expense	(7'435)	(5'025)
Research & development expense	(2'756)	(2'293)
Other expense	(8)	(27)
Other income	81	62
Operational EBIT	**13'735**	**3'187**
Additional SOP costs/income	(388)	(4'312)
EBIT	**13'347**	**(1'125)**
Financial expense	(79)	(75)
Financial income	13	7
Foreign exchange effect	(1'602)	(165)
Profit before taxes	**11'679**	**(1'357)**
Income taxes	(3'469)	71
Net profit	**8'210**	**(1'286)**

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 1'100 employees worldwide. It has production plants in Geneva (Switzerland), Copenhagen (Denmark), Machida (Japan), Beijing (China), regional sales offices close to its clients' locations and offers a seamless service around the globe. LEM is listed on the SIX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

For further information please contact:
Suzanne Hochheimer
Corporate Communications
Phone: (+41) 22 706 12 57
Email: suh@lem.com

www.lem.com