



PRESS RELEASE

Half year results from April to September for the FY 2009/10

Second quarter is on the road to recovery

Plan-les-Ouates, 5 November 2009 – LEM, the market leader in providing innovative and high quality solutions for measuring electrical parameters, announces sales of CHF 78.8 million and Operational EBIT of CHF 8.6 million (10.9% of sales) for the first half of the financial year 2009/10.

- Q2 sales of CHF 43.2 million were up 21.1% from Q1 35.6 million. Organic growth, exclusive LEM Danfysik was 17.4%. In local currencies 18.9%.
- Q2 Operational EBIT of CHF 5.4 million was up 70.0% from Q1 of CHF 3.2 million.
- Half year sales reached CHF 78.8 million and decreased by -29.0% compared to same period of the last FY (CHF 111.0 million).
- Half year net profit decreased to CHF 1.6 million (CHF 16.0 million) due to the additional provision requirements of the stock option plans of the previous years (CHF 4.8 million) as a consequence of the recovery of the share price.
- H1 2009/10 shows a positive book to bill level of 1.09.

“We are seeing a good start of a recovery in all 4 of our markets. The European and North American regions are still slow but we have seen Asia becoming stronger, sales in China are 15% above the pre-recession levels. We have just opened a new state of the art facility in Beijing to support this growth at the same time we have celebrated our 20 year anniversary in China. We are also progressing well with the integration of LEM Danfysik; sales are in line with expectations and earnings are already contributing to the group profits. LEM has done quite well over the downturn as well as the present recovery. We can show an important increase in market share.” says Paul Van Iseghem, President & CEO of LEM.

The **Industrial Segment** shows over the half year a decrease in sales of 28.6% reaching CHF 72.7 million (CHF 101.9 million).

Sales in the second quarter of CHF 39.8 million were 21.1% higher than in Q1 of CHF 32.9 million, excluding LEM Danfysik growth was 17.0%. The Industry market has experienced growth in the area of renewable energy and motor drives. The Traction market is also up, despite some slowdown in demand for freight locomotives. Sales in Energy & Automation markets have increased substantially especially with the projects for Local Energy Metering and Battery Monitoring.

The **Automotive Segment** is impacted by the rapid changes in the market. Half year sales declined by -33.4% to reach CHF 6.1 million (CHF 9.2 million), while the Q2 sales were up 21.6% to Q1. We expect the second half of the year to be better thanks to several new car platforms and starts of production in our core applications of battery management and the electrical motor drives for hybrid and electrical cars.



Outlook:

Though the general market still shows uncertainties, we assume that the recovery will continue and that LEM will benefit from this, in all 4 markets except maybe in the Traction market.

At this time we expect sales for the year of about CHF 170 to 180 million (CHF 197 million in 2008/09).

Appendix:

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

	April to September	
	2009/10	2008/09
In CHF thousands		
Sales	78'816	111'040
Cost of goods sold	(45'132)	(60'010)
Gross margin	33'684	51'031
Sales expense	(9'199)	(12'609)
Administration expense	(10'920)	(11'823)
Research & development expense	(5'094)	(5'364)
Other expense	(65)	(2)
Other income	199	152
Operational EBIT	8'605	21'385
Revaluation SOP provision	(4'810)	(102)
EBIT	3'796	21'283
Financial expense	(162)	(200)
Financial income	19	135
Foreign exchange effect	(594)	317
Profit before taxes	3'059	21'535
Income taxes	(1'487)	(5'541)
Net profit of the year	1'571	15'994
Attributable to :		
LEM shareholders	1'553	15'945
Minority interests	18	48
Net profit	1'571	15'994



	2008/09				2009/10		Change	08/09	09/10	Change
Orders received	Q1	Q2	Q3	Q4	Q1	Q2	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	54.1	48.8	36.0	31.9	33.8	43.6	-11%	102.9	77.3	-25%
Automotive Segment	4.0	4.6	3.1	2.4	2.7	3.5	-23%	8.6	6.2	-28%
Total LEM	58.1	53.3	39.2	34.4	36.4	47.1	-12%	111.4	83.5	-25%
Sales	Q1	Q2	Q3	Q4	Q1	Q2	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	51.2	50.6	41.9	38.2	32.9	39.8	-21%	101.9	72.7	-29%
Automotive Segment	4.3	4.9	3.2	2.5	2.8	3.4	-32%	9.2	6.1	-33%
Total LEM	55.5	55.5	45.1	40.7	35.6	43.2	-22%	111.0	78.8	-29%
Operational EBIT	Q1	Q2	Q3	Q4	Q1	Q2	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	12.2	9.5	4.6	4.8	3.6	5.9	-38%	21.7	9.5	-56%
Automotive Segment	-0.2	-0.1	-0.6	-1.1	-0.4	-0.5	-483%	-0.3	-0.9	-204%
Total LEM	12.0	9.4	4.1	3.7	3.2	5.4	-42%	21.4	8.6	-60%
EBIT	Q1	Q2	Q3	Q4	Q1	Q2	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	10.1	11.5	9.2	4.5	-0.3	5.5	-53%	21.6	5.2	-76%
Automotive Segment	-0.4	0.1	-0.1	-1.1	-0.8	-0.5	-481%	-0.3	-1.4	-352%
Total LEM	9.6	11.6	9.1	3.4	-1.1	4.9	-58%	21.3	3.8	-82%

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.

For further information please contact:

Paul Van Iseghem
 President & CEO
 Phone: (+41) 22 706 1409
 Email: pvi@lem.com
 www.lem.com