



## PRESS RELEASE

9 month results for the FY 2009/10 from April to December 2009

### LEM reports a strong recovery of its markets

**Plan-les-Ouates, 9 February, 2010 – LEM, the market leader in providing innovative and high quality solutions for measuring electrical parameters, showed a continuing solid recovery of its businesses in the third quarter of the FY 2009/10. An increasing book-to-bill ratio supports the positive outlook.**

#### Q3 results compared to Q2 2009/10 (QoQ)

- Bookings were CHF 54.8 million, up 16.3%
- Sales were CHF 48.3 million, up 11.8%
- The book-to-bill ratio was 1.14, up from 1.09
- The gross margin improved by 2.1 percentage points to 45.1%
- The operational EBIT reached CHF 7.4 million, up 36.5%

#### 9 months results compared to 9 months 2008/09

- Sales reached CHF 127.1 million, down 18.6%
- The gross margin decreased to 43.6% (44.8 %)
- The operational EBIT reached CHF 16.0 million, (CHF 25.4 million)
- The EBIT after provisions for the stock option plan (SOP) charges was CHF 10.4 million (CHF 30.4 million)
- Net profit decreased by 74.5% to CHF 5.5 million (CHF 21.6 million)

Based on the share price development from CHF 149.90 on the 31.03.2009 to CHF 278.50 on the 30.12.2009, the provisions for the stock option plans had to be increased by CHF 5.6 million, compared to a release of provisions of CHF 5.0 million for the same period of last year.

Paul Van Iseghem, President & CEO of LEM, commented the results as follows: "We are very happy with our performance so far. After the severe economic crisis our markets are returning to pre-recession levels. The diversification with our core technology in a broad range of applications, is paying off. We see good performance in the important Industry market with a strong advance in the renewable energy market and also in the Automotive segment. We have benefitted from our focus on China where our business is above pre-crisis levels. Consequently, our bookings grew by 16% and our sales increased by 12% compared to previous quarter. We are also returning to our good volume leveraging with an operational EBIT increase of 36%, resulting in a return on sales of 15.3% for the 3<sup>rd</sup> quarter."

Sales in the **Industrial Segment** reached CHF 117 million, which is an increase of 11.3% QoQ and a decrease of 18.6% compared to the same period of 2008/09 (CHF 143.8 million). The operational EBIT reached CHF 17.0 million, which is an increase of 27.1% QoQ and a decrease of 35.5% compared to the same period of the previous year.

Sales in the **Industry** market decreased by 21.7% compared to the same period last



year. The **Traction** market was impacted the least by the economic crisis and decreased by 6.3% compared to the 9 months last year. The **Energy & Automation** market decreased by 22.7% compared to last year.

The **Automotive Segment**, which accounts for about 8% of total sales, started to pick up with an increase of 17.6% QoQ, though the 9 months of 2009/10 still show a drop in sales of 18.7% to CHF 10.1 million. The operational EBIT in Q3 was CHF -0.1 million.

### Outlook

At this time we expect sales for the year to be at the higher end of the range we had outlined in Q2 of about CHF 170 to 180 million (CHF 197 million in 2008/09). We anticipate the operational EBIT to be about CHF 25 million.

### Appendix:

In CHF millions	2008/09				2009/10			Change	08/09	09/10	Change
<b>Orders received</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 to Q2	9 months	9 months	9m to 9m
Industrial Segment	54.1	48.8	36.0	31.9	33.8	43.6	50.5	+16.0%	138.9	127.9	-7.9%
Automotive Segment	4.0	4.6	3.1	2.4	2.7	3.5	4.3	+22.7%	11.7	10.5	-10.5%
<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>47.1</b>	<b>54.8</b>	<b>+16.5%</b>	<b>150.6</b>	<b>138.3</b>	<b>-8.1%</b>
<b>Book to Bill ratio</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 to Q2	9 months	9 months	9m to 9m
Industrial Segment	1.06	0.96	0.86	0.84	1.03	1.09	1.14	+4.2%	0.97	1.09	+13.1%
Automotive Segment	0.94	0.93	0.98	0.98	0.97	1.04	1.09	+4.3%	0.95	1.04	+10.1%
<b>Total LEM</b>	<b>1.05</b>	<b>0.96</b>	<b>0.87</b>	<b>0.85</b>	<b>1.02</b>	<b>1.09</b>	<b>1.14</b>	<b>+4.2%</b>	<b>0.96</b>	<b>1.09</b>	<b>+12.9%</b>
<b>Sales</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 to Q2	9 months	9 months	9m to 9m
Industrial Segment	51.2	50.6	41.9	38.2	32.9	39.8	44.3	+11.3%	143.8	117.0	-18.6%
Automotive Segment	4.3	4.9	3.2	2.5	2.8	3.4	3.9	+17.6%	12.4	10.1	-18.8%
<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>43.2</b>	<b>48.3</b>	<b>+11.8%</b>	<b>156.1</b>	<b>127.1</b>	<b>-18.6%</b>
<b>Operational EBIT</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 to Q2	9 months	9 months	9m to 9m
Industrial Segment	12.2	9.5	4.6	4.8	3.6	5.9	7.5	+26.9%	26.3	17.0	-35.5%
Automotive Segment	-0.2	-0.1	-0.6	-1.1	-0.4	-0.5	-0.1	+81.0%	-0.9	-1.0	-12.6%
<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>5.4</b>	<b>7.4</b>	<b>+36.5%</b>	<b>25.4</b>	<b>16.0</b>	<b>-37.1%</b>
<b>EBIT</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 to Q2	9 months	9 months	9m to 9m
Industrial Segment	10.1	11.5	9.2	4.5	-0.3	5.5	6.8	+24.0%	30.8	11.9	-61.2%
Automotive Segment	-0.4	0.1	-0.1	-1.1	-0.8	-0.5	-0.2	+67.5%	-0.4	-1.6	-310.2%
<b>Total LEM</b>	<b>9.6</b>	<b>11.6</b>	<b>9.1</b>	<b>3.4</b>	<b>-1.1</b>	<b>4.9</b>	<b>6.6</b>	<b>+33.9%</b>	<b>30.4</b>	<b>10.4</b>	<b>-65.8%</b>



In CHF thousands	April to December	
	2009/10	2008/09
Sales	127'082	156'146
Cost of goods sold	(71'626)	(86'261)
<b>Gross margin</b>	<b>55'455</b>	<b>69'886</b>
Sales expense	(14'286)	(18'071)
Administration expense	(17'195)	(18'444)
Research & development expense	(8'118)	(8'094)
Other expense	(108)	(34)
Other income	253	200
<b>Operational EBIT</b>	<b>16'001</b>	<b>25'443</b>
Additional SOP costs/income	(5'614)	4'960
<b>EBIT</b>	<b>10'387</b>	<b>30'403</b>
Financial expense	(296)	(401)
Financial income	62	199
Foreign exchange effect	(817)	(1'120)
<b>Profit before taxes</b>	<b>9'336</b>	<b>29'080</b>
Income taxes	(3'844)	(7'520)
<b>Net profit of the year</b>	<b>5'493</b>	<b>21'560</b>
Attributable to :		
LEM shareholders	5'452	21'498
Minority interests	41	62
<b>Net profit</b>	<b>5'493</b>	<b>21'560</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 950 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 is listed on the SIX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

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