



Press Release

Year end results for the financial year 2006/07

Continued strong growth resulting in excellent financial performance

Plan-les-Ouates, 5 June, 2007 – LEM (SWX: LEHN) announces for the financial year 2006/07 that ended 31 March, 2007 sales of CHF 184.5 million and growth of 22% compared to the previous year (CHF 151.7 million). Operating profit (EBIT) reached CHF 25.5 million which is an increase of over 64% from last year (CHF 15.5 million) resulting in an improved EBIT margin of 13.8% up 3.6 points from last year. Net earnings of the Group amounted to CHF 15.6 million plus 72% from CHF 9.1 million (continuing operations) for the last year.

Performance of the Industrial Segment: driver for success

Sales in the Industrial Segment reached CHF 163.3 million which is an increase of 23% compared to the previous year with CHF 132.2 million. EBIT improved to CHF 25.7 million up from CHF 15.2 million last year. This is an increase of more than 69%. This outstanding result is driven by the overall high demand in the industry, the increasing role of power electronics in motor controls and the growth in renewable energies such as solar and wind.

Growth was especially strong in Western Europe which has seen an increase of 29% year over year followed by Asia with a 17% increase and North America with 14%. The growth in the BRIC countries (Brazil, Russia, India and China) exceeded all others and reached a plus of 41% compared to last year.

Performance of the Automotive Segment: modest growth

Sales in this Segment amounted to CHF 21.3 million which is an increase of 10% compared to CHF 19.4 million of last year. EBIT was slightly negative at CHF -0.1 million from CHF +0.3 million. The result in the Segment is lower than expected mainly due to the situation in the Automotive industry especially in the North American region. The growth was achieved thanks to our customers in Asia with applications such as Electronic Power Steering that are continuing to become an important part of the Automotive business segment.

Operational Highlights

The volume capacity in the factories has been progressively built up and increased by 50% during the last two years. Part of which was the expansion of the production in China. Major product lines were transferred and the production for this site has reached CHF 4.6 million in the last quarter.

“We are very pleased with the results showing superb growth and profitability above our expectations. All regions and markets have contributed to this success and we have exceeded our outlook.” says Paul Van Iseghem President and CEO of LEM.



New products: major launches will enable future growth

The past year was one of innovation for LEM and has seen the launch of 13 new products. Three of these are flagship products and will broaden the total available market: The Sentinel, which is a transducer to monitor the state of health of standby batteries, Wi-LEM (Wireless Local Energy Meter) is a transducer that monitors electricity consumption and communicates via a wireless network and the Minisens, a tiny fully fledged transducer with the size of a chip.

Proposals to the annual shareholders' meeting on 29 June, 2007

In view of the strong performance and the solid balance sheet, the Board of Directors has decided to propose a dividend payment of CHF 4.50 per share – an increase of 80% compared to the previous year's ordinary dividend.

Based on a recommendation by the major shareholder of LEM, Mr. Werner O. Weber, the Board of Directors of LEM Holding SA proposes the election of Mr. Ueli Wampfler, senior partner of Wampfler + Partner in Zurich, as a new member of the Board.

Investor calendar

29 June 2007	Annual Shareholders Meeting
7 August 2007	First quarter results 2007/08
6 November 2007	Half-year results 2007/08
7 February 2008	Nine months results 2007/08
5 June 2008	Financial year 2007/08 results
27 June 2008	Annual Shareholders Meeting

Appendix:

In CHF million

	2005/06				2006/07				2005/06	2006/07	Variances	
Bookings	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Full year	Full year	YoY	QoQ
INDUSTRIAL	30.1	32.6	38.8	44.8	39.5	42.3	42.1	44.8	146.4	168.7	15.3%	0.0%
AUTO	4.3	4.7	5.3	6.0	5.6	4.9	5.0	6.0	20.3	21.5	5.9%	-0.18%
TOTAL	34.4	37.4	44.1	50.8	45.1	47.2	47.1	50.8	166.7	190.2	14.1%	0.0%
Billings	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			YoY	QoQ
INDUSTRIAL	30.4	30.9	32.6	38.4	37.9	39.6	39.4	46.3	132.3	163.3	23.4%	20.5%
AUTO	3.7	4.8	5.2	5.6	5.7	5.4	5.0	5.2	19.4	21.3	9.6%	-7.8%
TOTAL	34.1	35.8	37.7	44.0	43.6	45.0	44.5	51.5	151.7	184.5	21.7%	16.9%
EBIT	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			YoY	QoQ
INDUSTRIAL	2.8	3.2	3.5	5.7	5.2	5.7	5.4	9.4	15.2	25.7	68.8%	64.0%
AUTO	(0.4)	0.2	0.3	0.2	0.2	0.2	0.1	(0.6)	0.3	(0.2)	-148.2%	-372.1%
TOTAL	2.4	3.4	3.8	6.0	5.4	5.8	5.5	8.8	15.5	25.5	64.4%	47.9%



Consolidated Profit & Loss account	April to March	
	2005/06	2006/07
In CHF thousands		
Sales	151,665	184,555
Cost of goods sold	(86,871)	(107,068)
Gross margin	64,795	77,487
	42.7%	42.0%
Sales expense	(20,024)	(21,217)
Administration expense	(17,975)	(20,807)
Research & development expense	(11,736)	(10,032)
Other expense	(154)	(407)
Other income	627	533
Earnings before interests and taxes (EBIT)	15,533	25,557
ROS in %	10.2%	13.8%
Financial Expense (net)	(4,762)	(712)
Earnings before taxes	10,771	24,845
Income taxes	(1,667)	(9,225)
Net earnings from Continuing Operations	9,104	15,620
Earnings from Discontinued operations	15,909	0
Net earnings	25,013	15,620

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

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