



## PRESS RELEASE

### Half year results from April to September for the FY 2008/09 Strong top and bottom line growth

**Plan-les-Ouates, 6 November, 2008 – LEM, the market leader in providing innovative and high quality solutions for measuring electrical parameters, announces top and bottom line growth for the first half of the FY 2008/09.**

- Sales reached CHF 111.0 million and increased by 12.7% compared to the first half of the last FY (CHF 98.5 million). At constant exchange rates, sales growth was 17.5%.
- The gross margin developed favorably increasing by 0.3 percentage points reaching 46.0% (45.7%)
- EBIT increased by 18.5% to CHF 21.3 million (CHF 18.0 million)
- Net earnings increased by 29.8% to CHF 16.0 million (CHF 12.3 million)
- The book to bill ratio was 1.00 for the half year

"I am pleased with our results for the first half of this year. This is our second quarter of record level sales of over CHF 55 million. However, the current turmoil in the global markets is also affecting our company. We will stay focused on executing our strategic priorities, fostering growth with new products in new markets and at the same time reduce our cost base. We remain confident to have a good strategy in place, which remains the tailwind for LEMs development." says Paul Van Iseghem, President & CEO of LEM.

Growth in the **Industrial Segment** continued with sales reaching CHF 101.9 million which is an increase of 15.7% compared to the first half of 2007/08 (CHF 88.1 million). The EBIT was in line with our profitable growth and has increased by 21.9% to reach CHF 21.6 million.

Sales in the **Industry** market were robust and up 10%. The main application for LEM products remain the electric motor drives. The renewable energies represent a market which continues to gain importance and LEM saw a 60% increase in sales. LEM plays an important role in the generation and conversion of energy produced by wind turbines and solar panels.

The main growth was seen in the market of **Traction** with an increase of 31%. The global investments in transportation for goods and passengers have led to this increase.

The **Energy & Automation** market continued to develop well and sales were up by 79% from the first half of last year. These numbers however are still growing from a small base.



The **Automotive Segment** continued to be impacted by the weak performance of the US car market. The first half of 2008/09 showed a negative growth of 12% which was a total sales of CHF 9.2 million (CHF 10.4 million). The EBIT is CHF -0.3 million compared to the CHF +0.3 million of the previous year.

Looking at the two first quarters of the fiscal year an increase of sales of 15.3% from CHF 4.3 million in Q1 to CHF 4.9 million in Q2 can be seen.

LEM keeps progressing well with new design-ins, for which production will start in 2009/10.

The **BRIC** (Brazil, Russia, India and China) countries continue to develop well. Sales increased by 29.4% compared to the previous half year. Growth was particularly high in China and Russia.

**Outlook** - the turmoil in the global markets is also affecting our company. For the full year we expect sales to be about CHF 190 million (CHF 203 million in 2007/08).

Appendix:

	April to September	
	2008/09	2007/08
	TCHF	TCHF
Sales	111,040	98,513
Cost of goods sold	(60,010)	(53,455)
<b>Gross margin</b>	<b>51,031</b>	<b>45,058</b>
Sales expense	(12,609)	(11,050)
Administration expense	(11,823)	(11,290)
Research & development expense	(5,364)	(5,071)
Other expense	(2)	(13)
Other income	152	331
<b>EBIT proforma *</b>	<b>21,385</b>	<b>17,965</b>
Additional SOP costs	(102)	0
<b>EBIT</b>	<b>21,283</b>	<b>17,965</b>
Financial expense	(200)	(570)
Financial income	135	136
Exchange effect	317	542
<b>Earnings before taxes</b>	<b>21,535</b>	<b>18,074</b>
Income taxes	(5,541)	(5,755)
<b>Net earnings</b>	<b>15,994</b>	<b>12,318</b>



in CHF millions	2007/08			2008/09			Change		07/08	08/09	Change
<b>Orders received</b>	Q1	Q2	Q3	Q4	Q1	Q2	Y o Y	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	45.1	52.8	49.0	49.6	54.1	48.8	16%	-8%	98.0	102.9	5%
Automotive Segment	4.4	6.7	4.9	4.3	4.0	4.6	-6%	-32%	11.1	8.6	-23%
LEM total	49.6	59.5	53.9	53.8	58.1	53.3	14%	-10%	109.1	111.4	2%
<b>Sales</b>	Q1	Q2	Q3	Q4	Q1	Q2	Y o Y	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	45.4	42.6	44.9	49.8	51.2	50.6	12%	19%	88.1	101.9	16%
Automotive Segment	4.5	6.0	5.1	4.7	4.3	4.9	-5%	-17.6%	10.4	9.2	-12%
LEM total	49.9	48.6	50.0	54.5	55.5	55.5	10%	14%	98.5	111.0	13%
<b>EBIT - proforma *</b>	Q1	Q2	Q3	Q4	Q1	Q2	Y o Y	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	9.5	8.2	9.6	8.3	12.2	9.5	39%	16%	17.7	21.7	22%
Automotive Segment	0.1	0.2	(0.6)	(0.6)	(0.2)	(0.1)	N/A	N/A	0.3	-0.3	N/A
LEM total	9.6	8.4	9.0	7.7	12.0	9.4	36%	12%	18.0	21.4	19%
<b>EBIT</b>	Q1	Q2	Q3	Q4	Q1	Q2	Y o Y	Q2 to Q2	HY1	HY1	HY to HY
Industrial Segment	9.5	8.2	4.5	9.6	10.1	11.5	24%	41%	17.7	21.6	22%
Automotive Segment	0.1	0.2	(1.3)	(0.5)	(0.4)	0.1	N/A	N/A	0.3	-0.3	N/A
LEM total	9.6	8.4	3.2	9.1	9.6	11.6	19%	39%	18.0	21.3	18%

\* before changes in the conditions of the stock option plans (Q3 2007/08)

The complete financial report in accordance with IAS-34 (interim financial reporting) is available on [www.lem.com](http://www.lem.com).

### 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 1'000 employees worldwide. It has production plants in Geneva (Switzerland), Machida (Japan), Beijing (China) and regional sales offices close to its customer's locations. LEM has been listed on the SWX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

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