



Press Release

Year end results for the financial year 2008/09

**Sales exceed outlook with CHF 196.8 million,
net profit for the year increased by 9%**

Plan-les-Ouates, 4 June 2009 – LEM (SIX: LEHN), the market leader in providing innovative and high quality solutions for measuring electrical parameters, announces results for its financial year 2008/09 ending 31 March 2009.

- **Sales reached CHF 196.8 million, a decrease of 3.1% compared to the previous year (CHF 203.0 million)**
- **The gross margin decreased by 1.4 percentage points to 43.7%**
- **Operational EBIT decreased by 16.3% to CHF 29.2 million (CHF 34.9 million)**
- **EBIT (after the stock option plan revaluation) reached CHF 33.8 million, an increase of 10.7% from last year (CHF 30.6 million)**
- **Net profit of the year increased by 9.2% to CHF 23.9 million (CHF 21.9 million)**

Performance of the Industrial Segment: global crisis impacts each market differently

Sales in the Industrial Segment reached CHF 181.9 million which is a decrease of 0.5% compared to the previous year. The operational EBIT (before the stock option plan revaluation) decreased by 13.3% to CHF 31.1 million.

The business in the traditional market of Industry was impacted by the global economic crisis. Sales decreased by 6.5%. The Traction market performed well, increasing by over 20%, and so did the market of Energy & Automation, up 36%, though still growing from low numbers. Overall, growth in the Industrial Segment was 1.5% for Europe, followed by North America at -0.8% and Asia with -3.3%. Of course this includes the important currency effects of the year. Sales in the BRIC countries (Brazil, Russia, India and China) declined by 0.8%.

To drive the business development two major products were launched for the Industrial Segment. The DV, a class 1 certified voltage transducer, compatible with all the new standards for the global Traction market. For the Industry market the CAS, CASR and CKSR family was launched, designated for high precision applications such as motor drives and photovoltaics. We achieved an increase in market share with some major customers for our most important application, the electric motor drives. We could also increase our share of business in photovoltaics.

Performance of the Automotive Segment: highest impact of the recession

This past year has been very difficult for the Automotive Segment. With most of our sales coming from North America and Japan, we have seen a decrease of 26.5%. Sales amounted to CHF 14.9 million. Operational EBIT was CHF -1.9 million.

In this past year we have concentrated our efforts in two main areas of business development.



The first area is the battery management in sedans and hybrid electric vehicles now with standard transducers. This is a successful extension of the prior focus on SUVs for this application.

The second area of our attention is the motor controls for hybrid and electric vehicles. LEM has reached a very high design-in rate worldwide. However, the uncertainty about the timing and the volume of the mass production of these vehicles still exists.

Recession management

In November 2008 we announced restructuring measures and managed to rapidly decrease our capacity by reducing our global manufacturing headcount where needed and by introducing short-time working plans in Geneva and Japan. In addition we reduced our overhead cost and implemented severe cost reductions.

The recession put the priority on the size and the risk of working capital, especially the areas of accounts receivable and inventories. After an initial increase of CHF 12 million in both after Q2, due to the market slowdown and the recession, we have reduced it by CHF 20 million for the year end and are back to a low risk situation.

“This was a challenging year for LEM. After the two first quarters with record results and sales of over CHF 55 million each we were pleased. Then around summer time, we started to see the impact of what was to become a global recession. In November 2008 we announced restructuring measures and rapidly decreased our capacity. These actions have paid off as we managed to surpass our outlook given with the third quarter results of sales of over CHF 190 million and a positive operational EBIT in Q4.

Our fast and firm reaction to the recession will enable us to be stronger coming out of this downturn. We also trust that our multi-market approach and our global reach will be clear benefits to us to make a fast recovery as soon as the market allows. ”, says Paul Van Iseghem, President and CEO of LEM.

Proposals to the ordinary shareholders’ meeting on 26 June 2009

It is LEM’s policy to return 25% to 50% of the net profit for the year to the shareholders. In view of the good financial result and the solid balance sheet of LEM, the Board of Directors will propose the payment of a dividend of CHF 10.00 per share.

Investor calendar

26 June 2009	Ordinary shareholders’ meeting
6 August 2009	Q1 results
5 November 2009	Q2 results
9 February 2010	Q3 results
3 June 2010	Q4 results
25 June 2010	Ordinary shareholder's meeting



Appendix:

Orders received	2007/08				2008/09				2007/08	2008/09	Variation to PY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	
Industrial Segment	45.1	52.8	49.0	49.6	54.1	48.8	36.0	31.9	196.5	170.8	-13.1%
Automotive Segment	4.4	6.7	4.9	4.3	4.0	4.6	3.1	2.4	20.2	14.1	-30.1%
Total LEM	49.6	59.5	53.9	53.8	58.1	53.3	39.2	34.4	216.8	185.0	-14.7%

Sales	2007/08				2008/09				2007/08	2008/09	Variation to PY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	
Industrial Segment	45.4	42.6	44.9	49.8	51.2	50.6	41.9	38.2	182.8	181.9	-0.5%
Automotive Segment	4.5	6.0	5.1	4.7	4.3	4.9	3.2	2.5	20.2	14.9	-26.5%
Total LEM	49.9	48.6	50.0	54.5	55.5	55.5	45.1	40.7	203.0	196.8	-3.1%

Operational EBIT	2007/08				2008/09				2007/08	2008/09	Variation to PY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	
Industrial Segment	9.5	8.2	9.6	8.6	12.2	9.5	4.6	4.8	35.9	31.1	-13.3%
Automotive Segment	0.1	0.2	-0.6	-0.6	-0.2	-0.1	-0.6	-1.1	-0.9	-1.9	103.7%
Total LEM	9.6	8.4	9.0	8.0	12.0	9.4	4.1	3.7	34.9	29.2	-16.3%

EBIT	2007/08				2008/09				2007/08	2008/09	Variation to PY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	
Industrial Segment	9.5	8.2	4.5	9.9	10.1	11.5	9.2	4.5	32.1	35.3	10.0%
Automotive Segment	0.1	0.2	-1.3	-0.5	-0.4	0.1	-0.1	-1.1	-1.5	-1.5	-3.0%
Total LEM	9.6	8.4	3.2	9.4	9.6	11.6	9.1	3.4	30.6	33.8	10.7%

April to March

	2008/09	2007/08
	TCHF	TCHF
Sales	196'813	203'033
Cost of goods sold	(110'788)	(111'444)
Gross margin	86'025	91'588
Sales expense	(22'925)	(23'676)
Administration expense	(23'183)	(22'367)
Research & development expense	(10'820)	(11'103)
Other expense	(111)	(31)
Other income	232	493
Operational EBIT	29'219	34'904
Additional SOP costs/incomes	4'622	(4'332)
EBIT	33'841	30'572
Financial expense	(516)	(965)
Financial income	318	287
Exchange effect	(792)	(735)
Profit before taxes	32'851	29'159
Income taxes	(8'926)	(7'248)
Net profit	23'925	21'911
Attributable to :		
LEM shareholders	23'846	21'828
Minority interests	79	83
Net profit	23'925	21'911



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 is listed on the SIX Swiss Exchange since 1986; the company's ticker symbol is LEHN.

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