



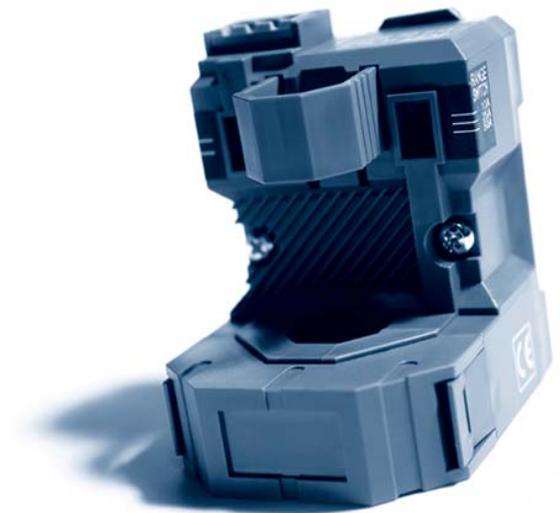
Q3 Results April to December 2008/09

At the heart of power electronics



Agenda

1. Business Review
2. Recession Management
3. Financial Review
4. Outlook



1. About LEM

- LEM is the global market leader in providing innovative and high quality solutions for measuring electrical parameters
- The current and voltage transducers are used in a broad range of applications in industrial, traction, energy & automation and automotive markets
- LEM is listed on the SIX Swiss Exchange since 1986
Market cap of CHF 160 million



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1. LEM Production & Logistics World-Wide



★ Production Centers:
Geneva, Switzerland 290 employees
Beijing, China 360 employees
Tokyo, Japan 90 employees

★ Adaptation Centers:
Milwaukee, USA 20 employees
Tver, Russia 90 employees

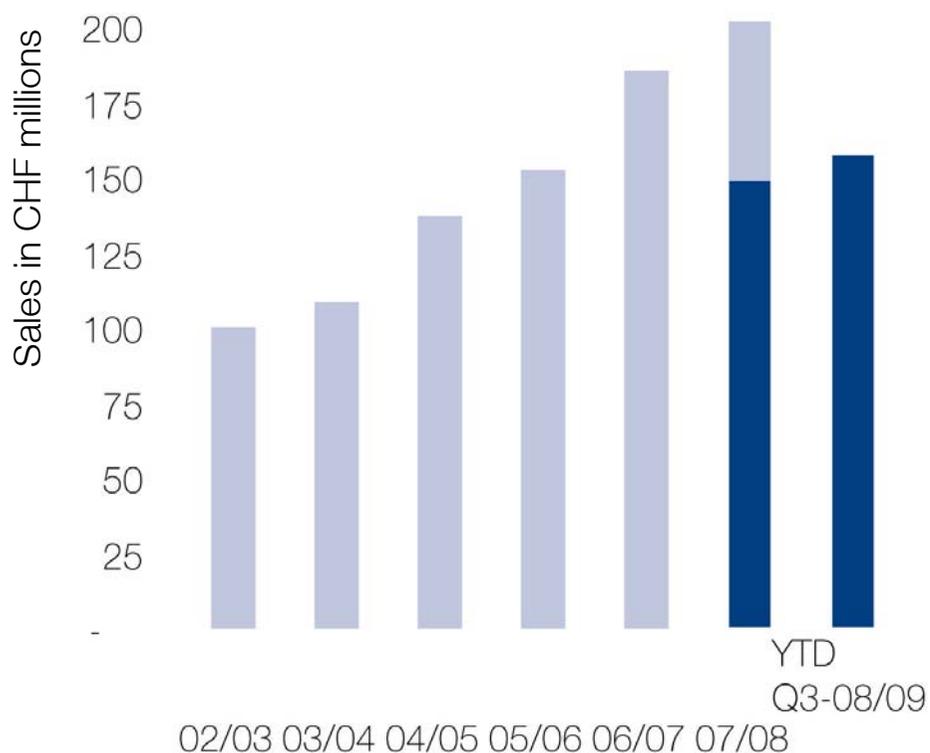
1. Highlights YTD Q3 2008/09

- Sales increased by 5.1% to CHF 156 million
 - at constant exchange rates +9.0%
- Operational EBIT reached CHF 25.4 million (CHF 27.0 million)
- EBIT increased by 43.5% to CHF 30.4 million (SOP effect)

- Net Earnings increased by 48.4% to CHF 21.6 million

- LEM is impacted by the recession starting in Q3
- Restructuring measures were taken to adjust the capacity and cost base to the weak market as of November 2008

1. Net Sales

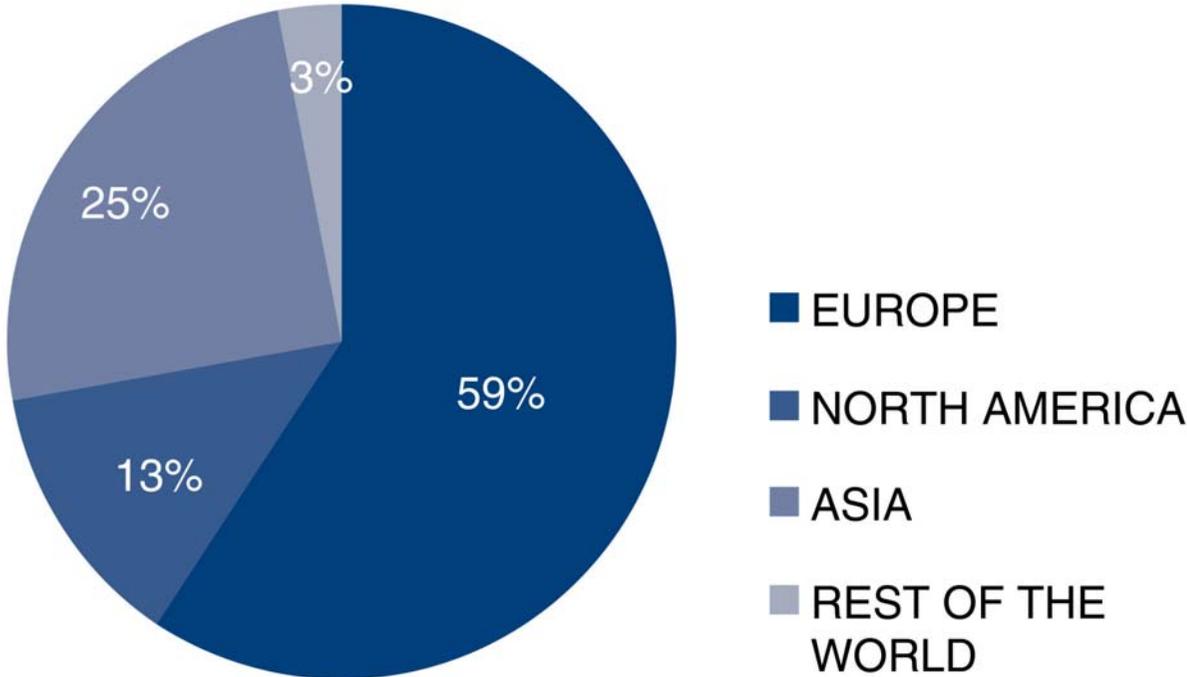


	CHF millions	Sales	Growth	At constant exch.rate
Total Sales		156.1	5.1%	+9.0%
Industrial		143.8	8.1%	+12.0%
Automotive		12.4	-20.5%	-16.3%

Effect of currencies:

EUR	-2.0%
USD	-1.7%
Others	-0.2%

1. Industrial Segment: Regional Markets



Sales growth YTD Q3:

- Europe 11.3%
- N. America 1.6%
- Asia 6.1%
- ROW -5.3 %
- Total growth 8.1%

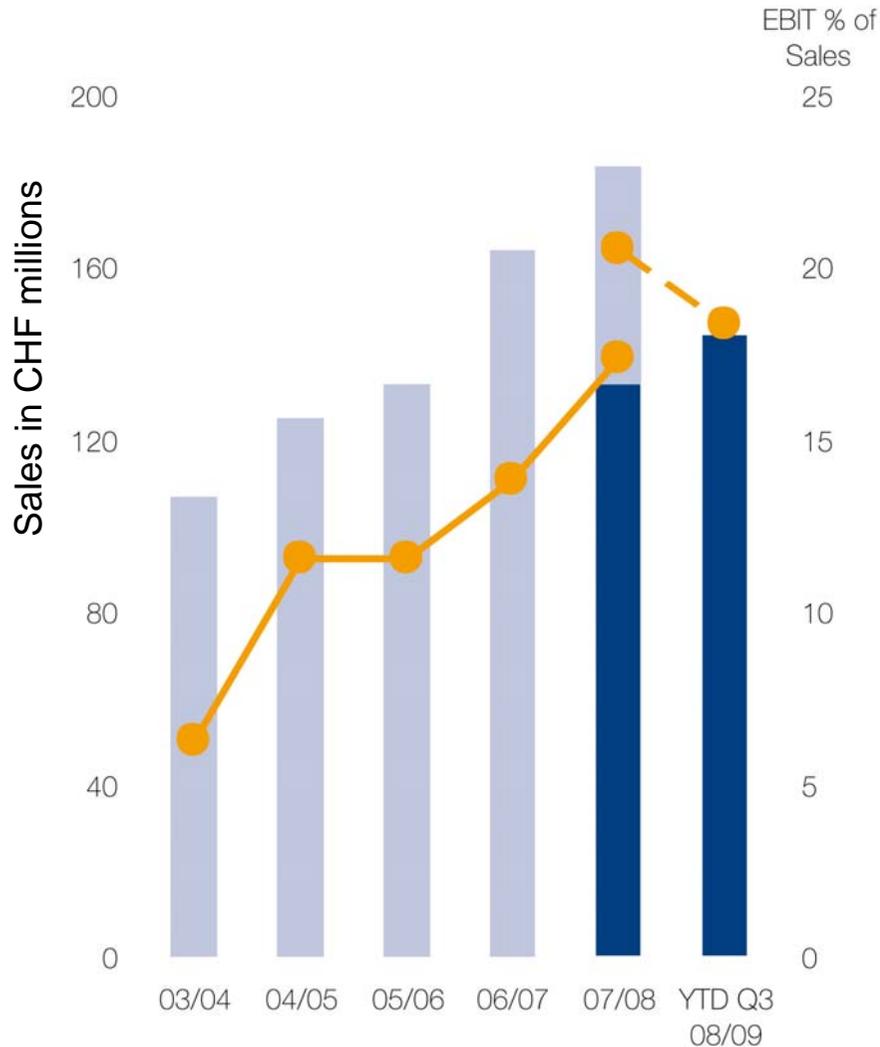
- Total sales CHF 143.8 million for YTD Q3 2008/09

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1. Industrial Segment: Business Development



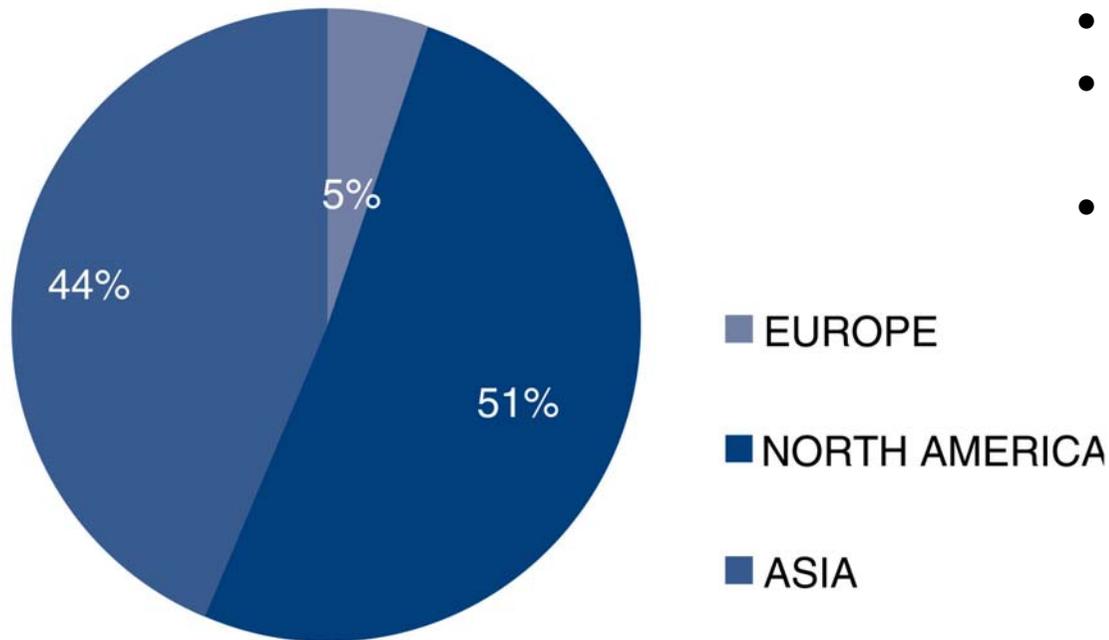
Market

- The Industry market has grown by only 3.3% due to lower demand in power supplies, medical, windmill and drive applications
- The Traction market performed well and increased by 22.1%
- The Energy & Automation market continued its growth with 56.4%

Applications

- Industry: motor drive controls, energy conversion and wind & solar energy
- Traction: general market and energy metering
- Energy & Automation: MacroComponents for automation control, Wi-LEM, Battery Monitoring

1. Automotive Segment: Regional Markets



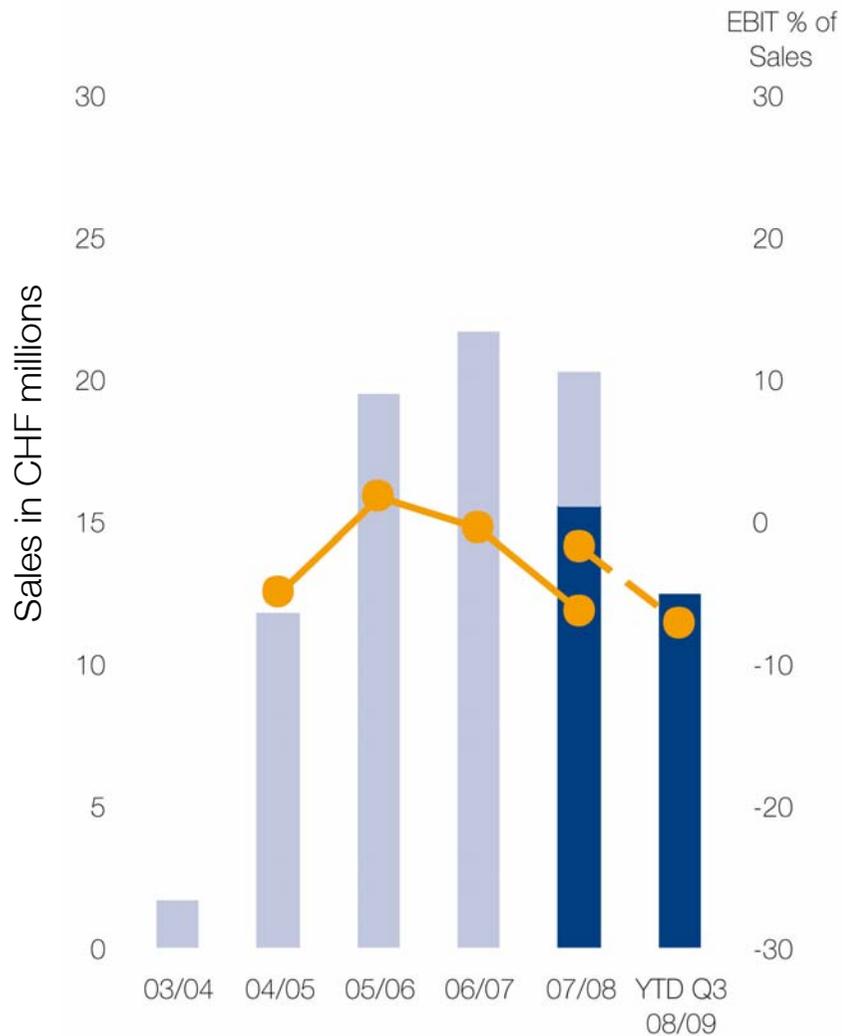
Sales growth YTD Q3:

- Europe -11.8%
- N. America -39.3%
- Asia 21.9%

- Total growth - 20.5%

- Sales CHF 12.4 million for YTD Q3 2008/09, representing 7.9% of total sales

1. Automotive Segment: Business Development



Market

- Poor sales of our key customers, USA first and now also Japan
- Major new design-ins for several battery management and hybrid projects were gained

Applications

- Battery management for sedans and hybrid electric vehicles
- Motor Controls for hybrids and electric vehicles

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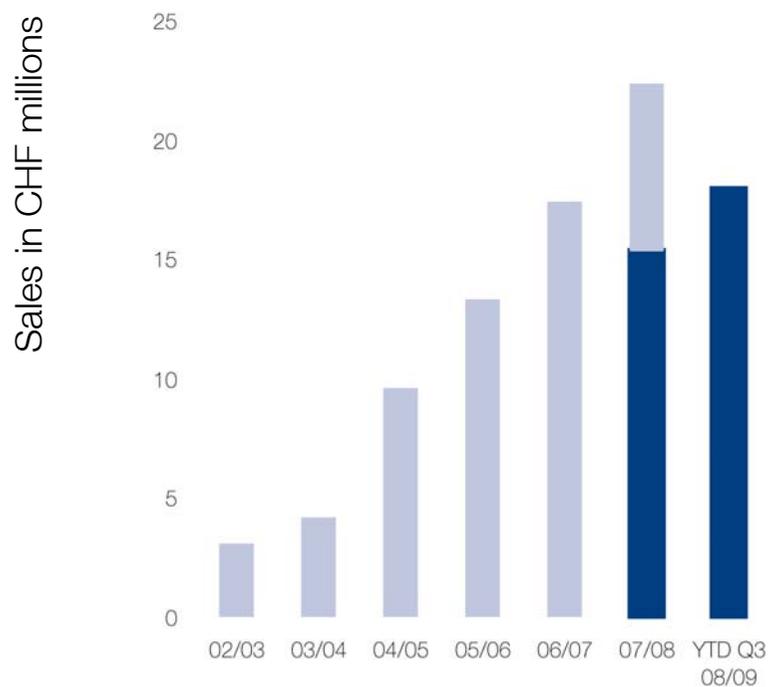
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1. China Development YTD Q3 2008/09

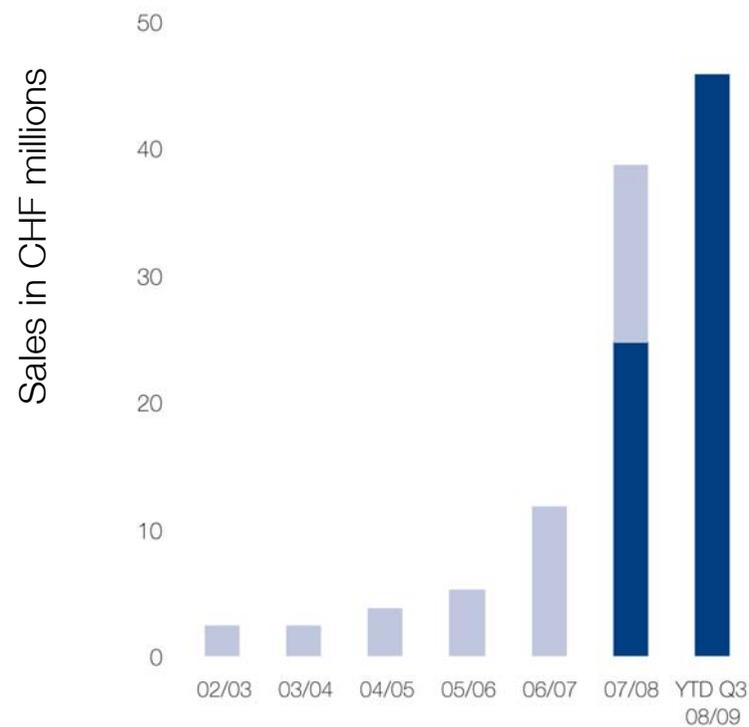
Sales

- Sales growth of 17.6%



Production

- Production volume increased by 85%
- Continued transfer of key products
- “Made by LEM” quality, site audited by several key customers

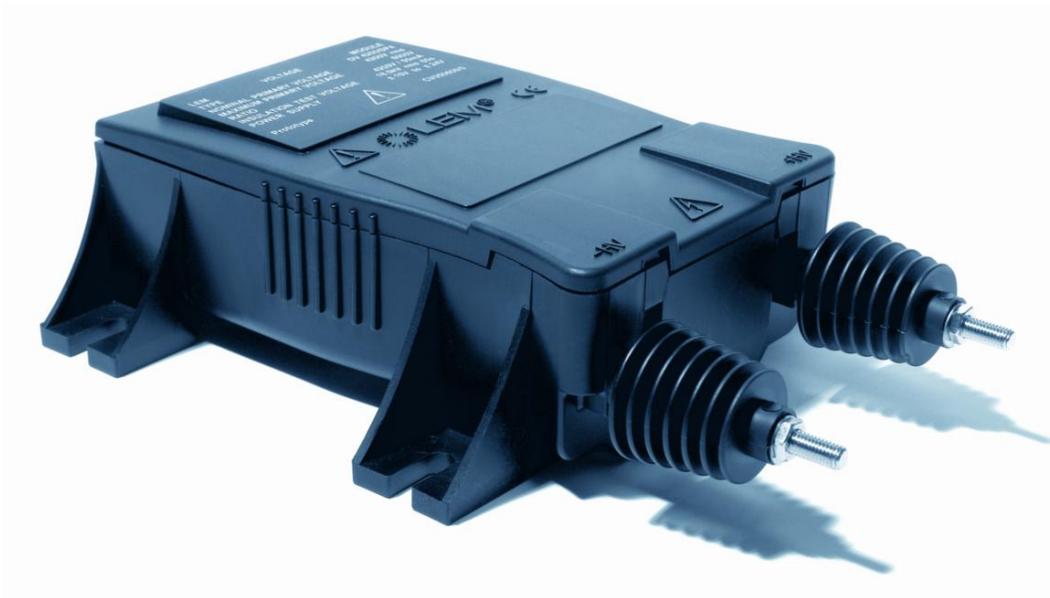


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2. Recession Management



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2. Recession Management

- Bookings started to decline in September 08
- LEM tends to be in the early part of the business cycle
- Order book started to decline in October 08

- On November, 19, 2008 we announced a headcount reduction of 10% to adapt to the ww economic downturn
- On Feb 10, 2009 we announced a further adaptation of capacity by introducing short time work in LGVA, like before in LJP

- We have **adapted capacities** to the needs of today, allowing a fast reaction to new markets and opportunities.

2. Recession Management

Costs:

- We continue to improve the cost base, mostly the external and indirect costs, to lower the break-even point.
- SG&A to remain in the same % range to sales as before

New business opportunities are developed aggressively:

- New products for the mainstream Industry market
- Automotive expansion in the Asian markets
- E&A market with the good progress of the Wi-LEM energy metering and Battery management components

LEM considers the recession to be longer than one year, but expects to stay profitable and ready for a new growth phase.

2. Recession Management

Our multiple markets approach is helping us to reduce the impact of the recession

	Traction	Energy & Automation	Industry	Automotive
Q3 to Q3 growth*	+5.0%	+13.4%	-10.2%	-37.4%

* Comparing Q3 2008/09 to Q3 2007/08

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2. Recession Management - Automotive

Automotive is impacted most by the recession, primarily in USA and Japan, where LEM has its major sales.

We are concentrating our focus on 2 main areas:

- Battery Management with near standard transducers for most cars
 - Up to now 1 major customer in NAFTA
 - 2009/10 year end +1 major customer in Japan
+1 major customer in NAFTA
- HEV – EV motor controls for the new “green cars”
 - Many design-ins in Asia, NAFTA and Europe, but very low volumes
 - Strategic position is good – however the ramp-up time remains an issue

Major cost reductions (direct and indirect) in the pipeline

3. Financial Review



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3. Profit and Loss

CHF millions	YTD Q3 2007/08	YTD Q3 2008/09	Change
Sales	148.5	156.1	+5.1%
Gross margin	67.4	69.9	
Gross margin in %	45.4%	44.8%	
Operating costs	(40.4)	(44.5)	
Operational EBIT (pro forma) *	27.0	25.4	-5.7%
SOP revaluation	(5.8)	5.0	
EBIT	21.2	30.4	+43.5%
Net financial expense	0	(1.3)	
Income taxes	(6.7)	(7.5)	
Tax rate	31.4%	25.9%	
Net earnings	14.5	21.6	+48.4%

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

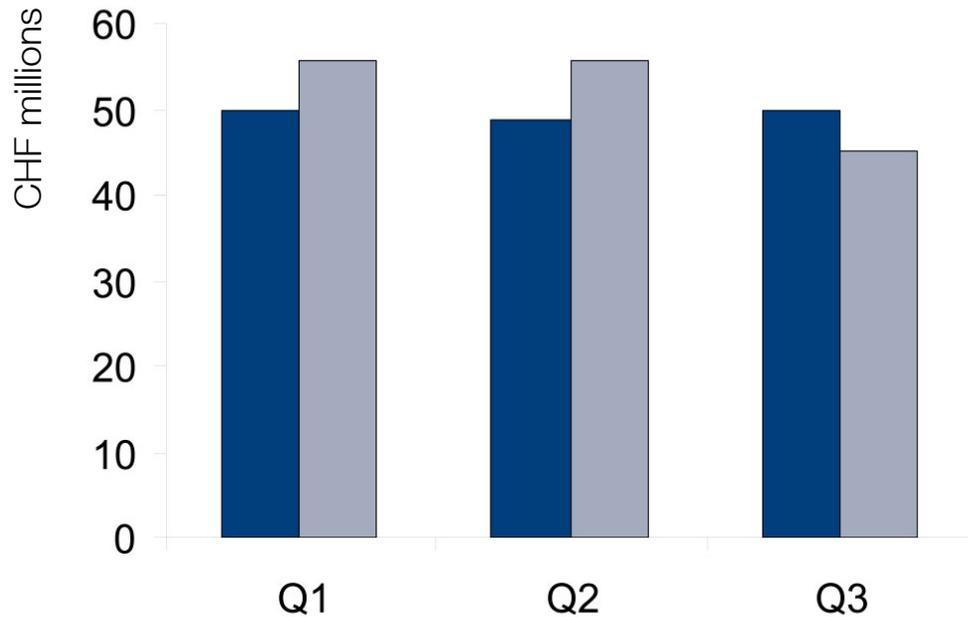
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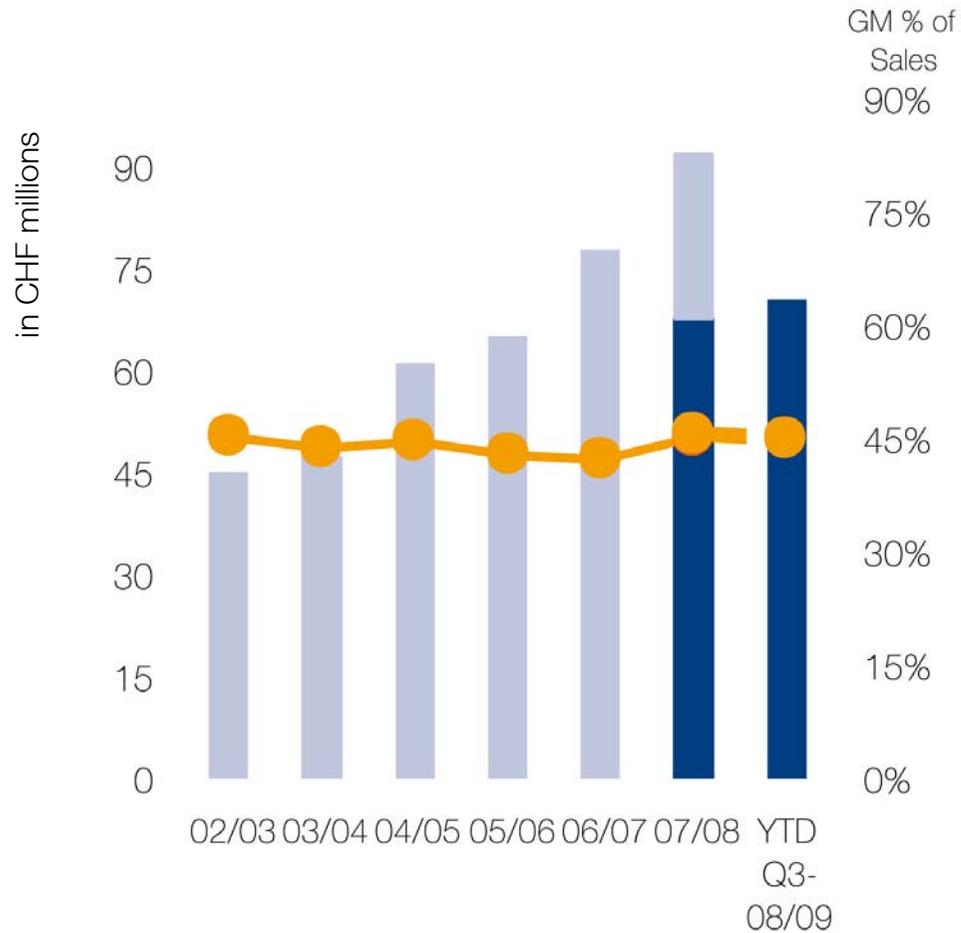
3. Sales by Quarter



CHF millions	Q1	Q2	Q3	YTD Q3
2007/08	49.9	48.6	50.0	148.5
2008/09	55.5	55.5	45.1	156.2

- Slowdown of growth in Q3 2008/09

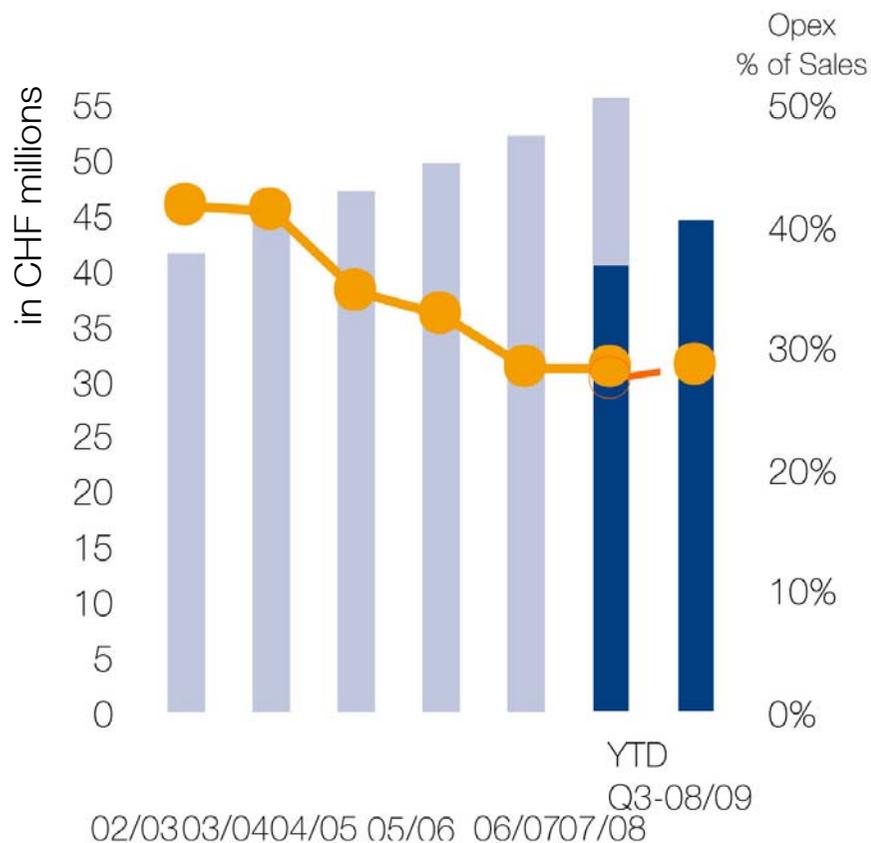
3. Gross Margin Development



CHF millions	YTD Q3 2007/08	YTD Q3 2008/09
Gr.M.	67.4	69.9
Gr.M. %	45.4%	44.8%

- Gross margin % below PY due to lower capacity utilization

3. Operating Expense (before SOP revaluation)

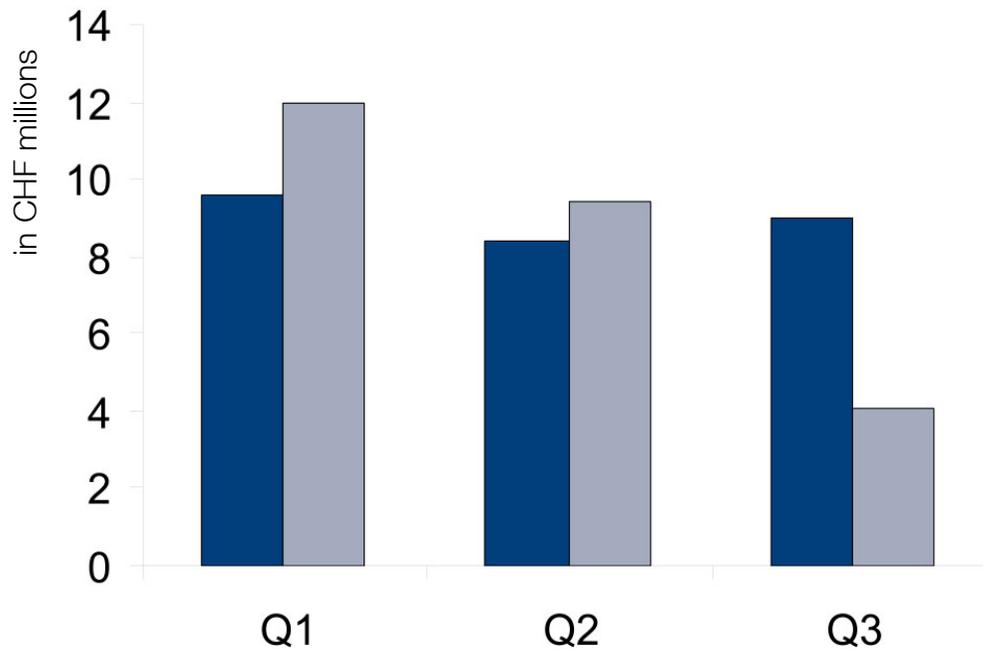


CHF millions	YTD Q3 2007/08	YTD Q3 2008/09
Opex	40.4	44.5
Opex % sales	27.2%	28.5%

Operating expenses increased due to:

- Build up of sales structure:
 - India and Energy & Automation
- Tax optimization project

3. Operational EBIT



CHF millions	Q1	Q2	Q3	YTD Q3
2007/08	9.6	8.4	9.0	27.0
2008/09	12.0	9.4	4.1	25.4

- Significant drop in operational EBIT in Q3 as a result of lower sales, reduced capacity utilization and higher operating expenses

3. EBIT Development



CHF millions	YTD Q3 2007/08	YTD Q3 2008/09
EBIT	21.2	30.4
EBIT % sales	14.3%	19.5%

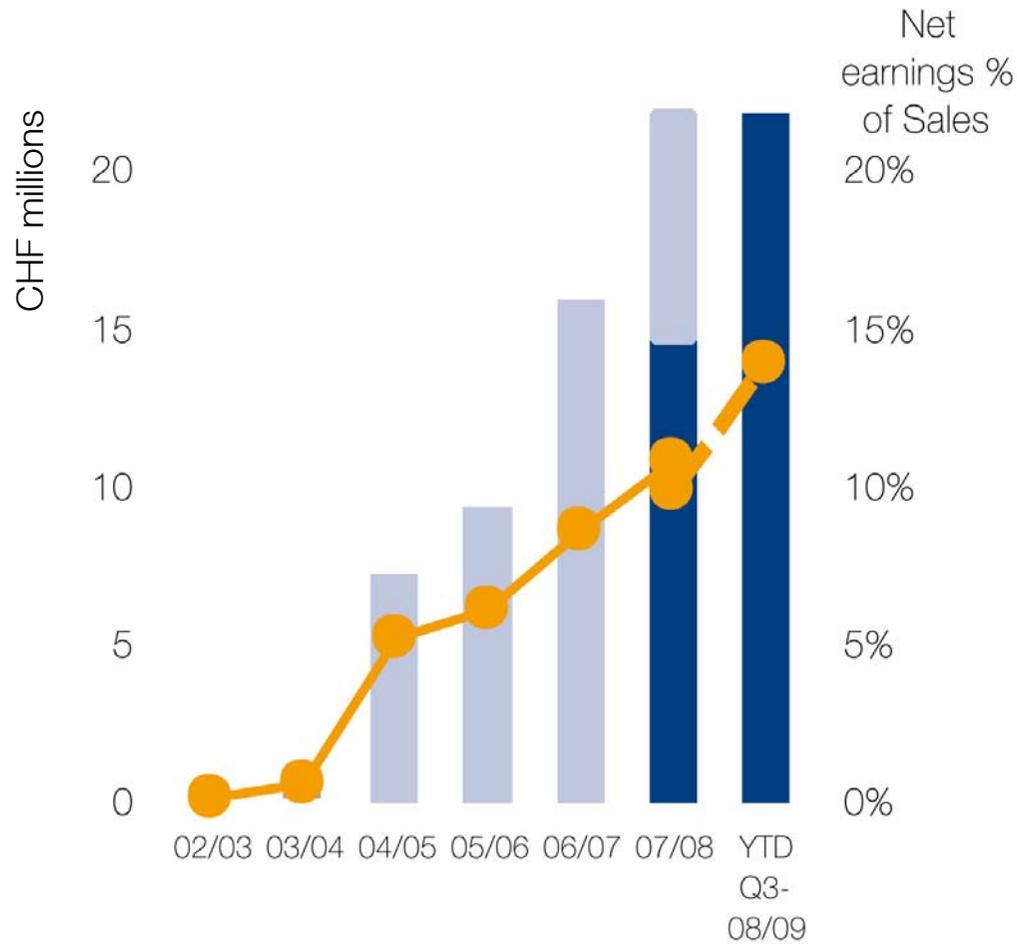
- Effect of the reversal of SOP provisions

3. Financial Expense

TCHF	YTD Q3 2007/08	YTD Q3 2008/09
Financial expense	(708)	(401)
Financial income	217	199
Exchange effect	484	(1'120)
Net financial expense	(7)	(1'322)

- Unfavorable exchange effects from the translation of the balance sheet positions in foreign currency (EUR).

3. Net Earnings



CHF millions	YTD Q3 2007/08	YTD Q3 2008/09
Net earnings	14.5	21.6
Net earnings % sales	9.8%	13.8%

- Improved Net earnings due to SOP revaluation

3. Consolidated Balance Sheet HY 2008/09

TCHF	31.09.2007	31.03.2008	31.09.2008
Cash and cash equivalents	13'227	25'787	19'172
Trade debtors	37'588	41'169	49'442
Other current assets	1'724	2'051	2'786
Inventories	26'269	22'411	32'847
Total non-current assets	23'402	24'541	26'960
Total assets	102'210	115'959	131'207
Trade payables	13'075	17'034	23'215
Other short-term liabilities	19'271	20'591	27'797
Total long-term liabilities	3'909	7'125	7'749
Equity	65'955	71'209	72'446
Total liability and equity	102'210	115'959	131'207

- The recession puts renewed focus on trade debtors and inventory management

3. Summary

- Sales increased by 5.1% to CHF 156 million
 - at constant exchange rates +9.0%
- Operational EBIT reached CHF 25.4 million (CHF 27.0 million)
- EBIT increased by 43.5% to CHF 30.4 million (SOP effect)
- Net Earnings increased by 48.4% to CHF 21.6 million
- High priority on working capital management

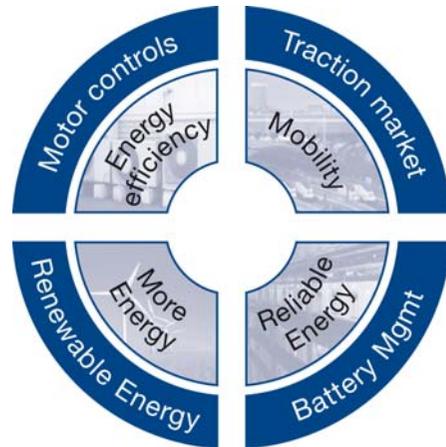
4. Outlook



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4. Market Factors and Strategy



The present recession challenges our growth strategy:

- Weakness in important Industry market
- Very weak market situation in Automotive
- Weakness in energy savings and renewable energy

We firmly believe in our Strategic Direction

- Our fast and firm reaction will make us stronger coming out of the downturn
- Our multi-market and global reach are clear benefits

4. Innovation: 2 New Major Product Launches

New products are our investment for the future

- DV is the first DC class 1 accurate voltage transducer for the Traction market
 - Applications: energy metering in trains
- The CAS, CASR and CKSR families are a new generation of our mainstream products for the Industry market using a new technology
 - Applications: variable speed drives, UPS, air conditioning, home appliances, solar inverters and precision systems like servo drives for wafer production and high-accuracy robots.

DV



CASR



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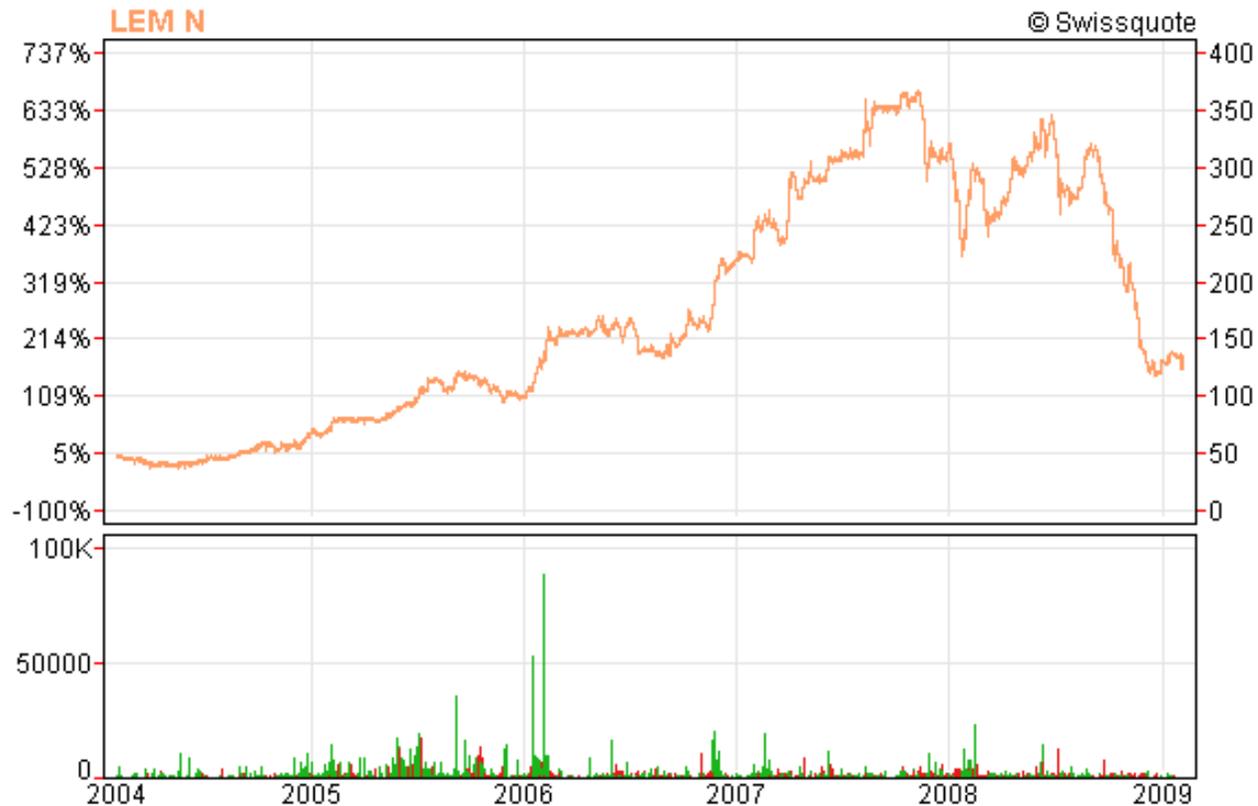
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4. Outlook

- We are able to increase our outlook statement after Q2, of November
- In terms of Sales and EBIT we will remain below last years results (2007/08: sales CHF 203 million, EBIT CHF 30.3 million)
- We expect a positive EBIT for the fourth quarter

4. Share Price Development



P/E ratio was:
5.2 end Q3 08/09
19.0 end Q3 07/08
19.8 end Q3 06/07

4. Financial Calendar and Contact Details

Financial calendar

4 June 2009

Full year 2008/09 results

26 June 2009

Annual Shareholder's Meeting

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