



Results
Year 2008/09

Media & Analyst Conference
Zurich, 4 June 2009



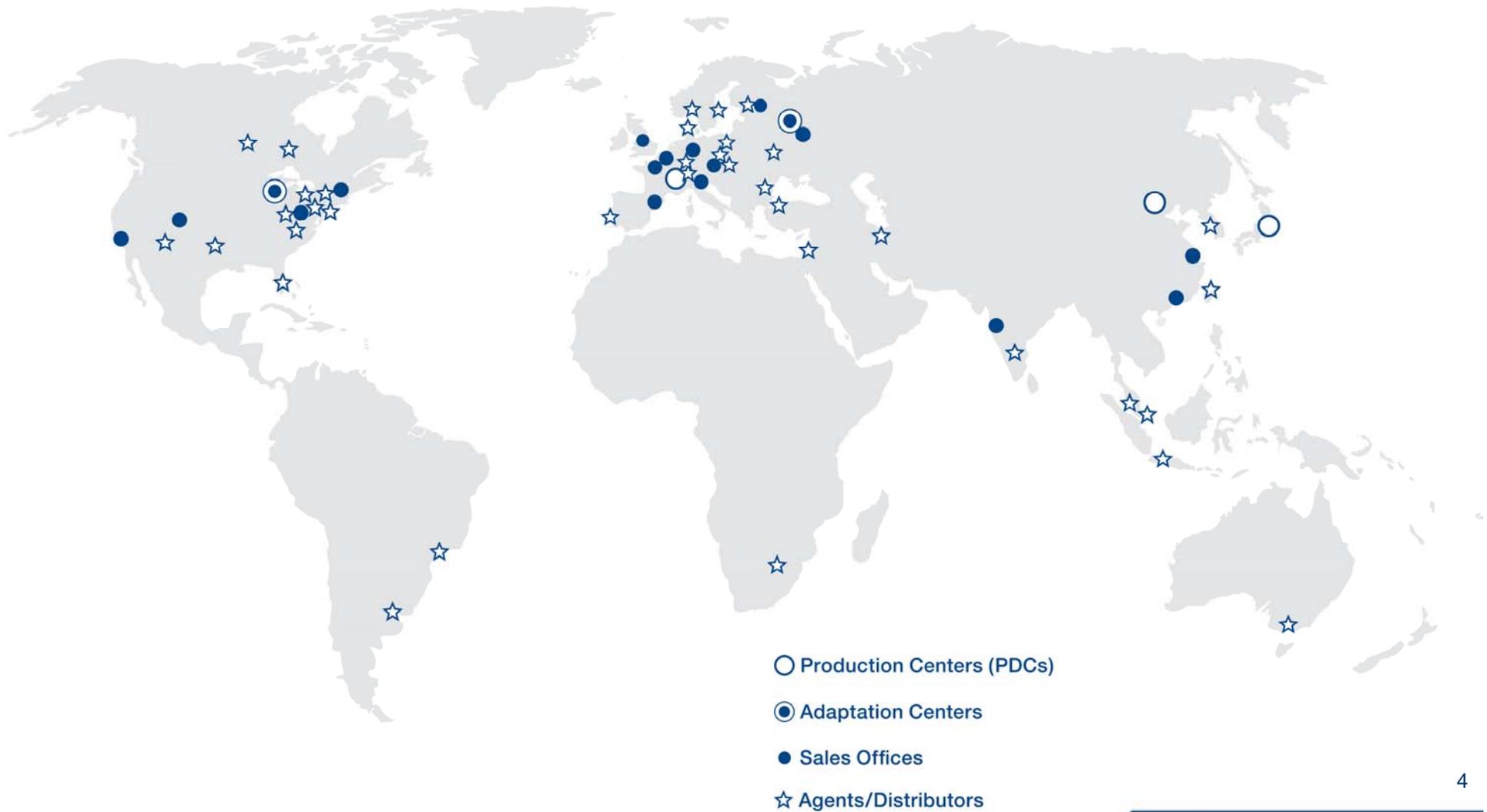
Agenda

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|------------------------------------|--------------------|
| 1. Highlights and Business Review | Paul Van Iseghem |
| 2. Business Development | “ |
| 3. Recession Management | “ |
| 4. Financial Review | Heinz Stübi |
| 5. Strategy and Outlook | Paul Van Iseghem |
| 6. Proposals Shareholders' Meeting | Felix Bagdasarjanz |

LEM Business Card

- LEM is the global market 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 industry, traction, energy & automation and automotive markets
- LEM is a high growth global company with approximately 900 employees. It has production plants in Geneva (Switzerland), Machida (Japan), Beijing (China) and regional sales offices close to its clients locations
- LEM is listed on the SIX Swiss Exchange since 1986

LEM Production & Logistics World-Wide



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1. Highlights and Business Review

Paul Van Iseghem
President & CEO



1. Highlights

Sales of CHF 196.8 million for the year

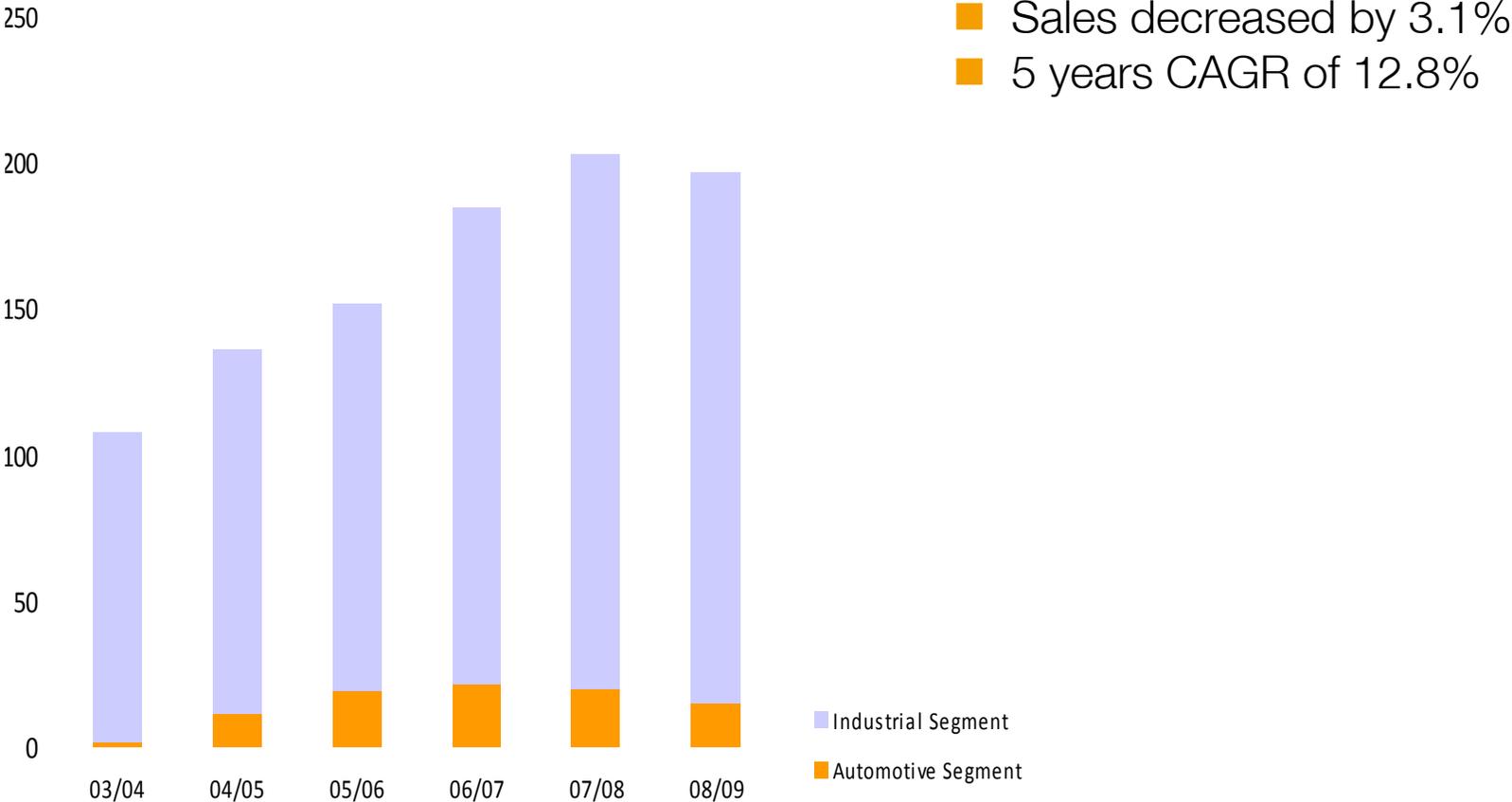
- Decrease of 3.1% from CHF 203.0 million last year
- Operational EBIT decreased by 16.3% to CHF 29.2 million
- EBIT (after accounting for the stock option plans) increased by 10.7% to CHF 33.8 million
- Net earnings increased by 9.1% to CHF 23.9 million
- Free cash flow increased to CHF 21.8 million (+24%)

Operations

- Recession Management program was announced in November 2008
- Continuation of transfer of production to China, increase in production of 65%

1. Business Review

CHF Millions

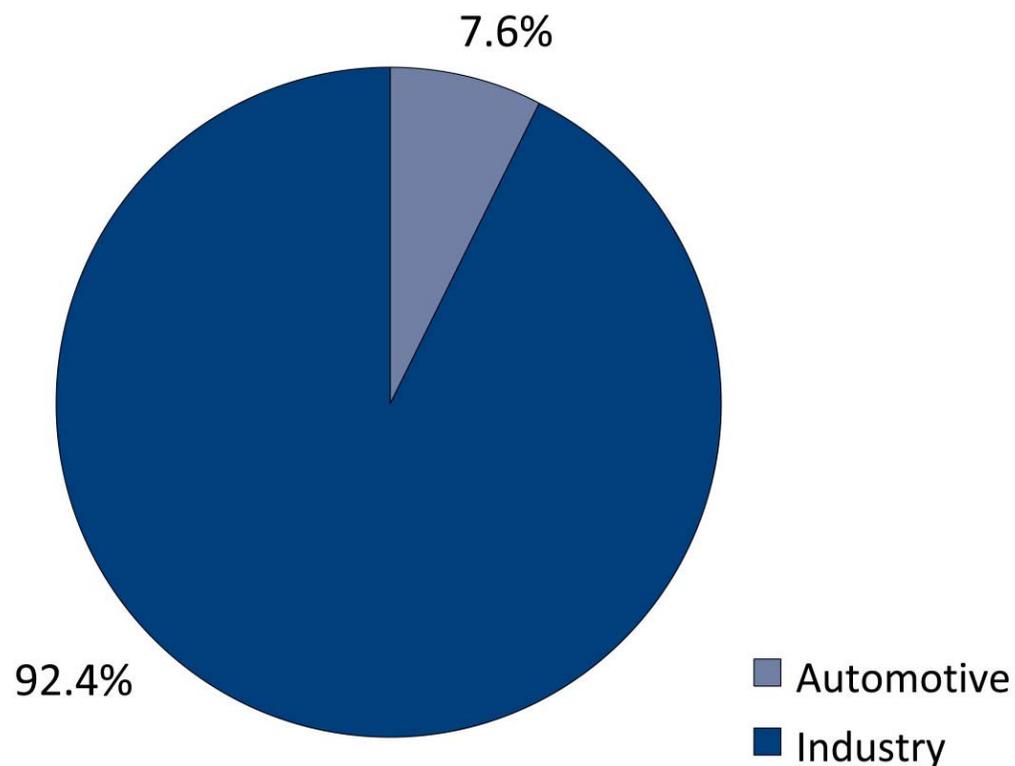


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1. Business Review – Sales by Segment



Total Sales CHF 196.8 million

Sales	CHF millions
Industrial	181.9
Automotive	14.9

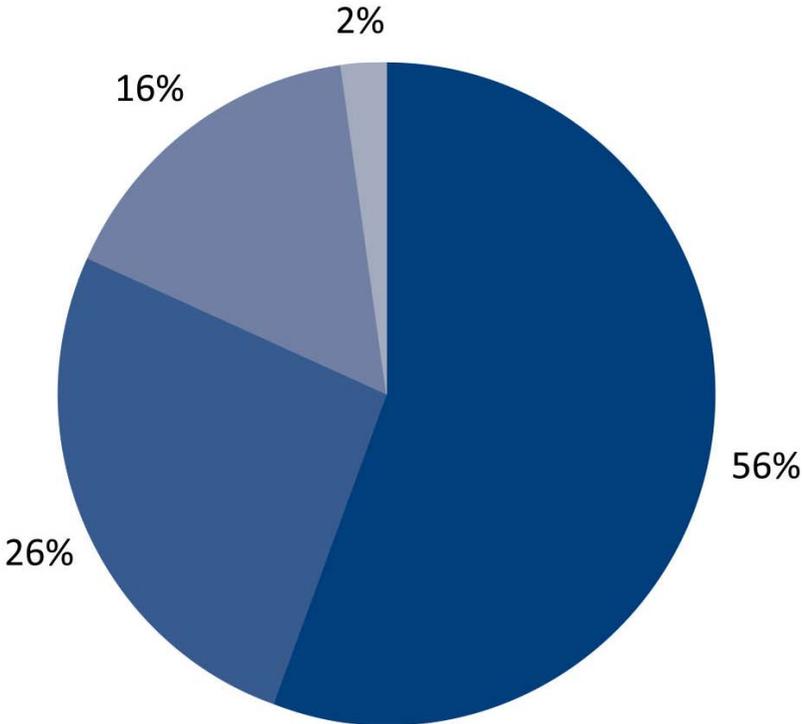
Sales growth YoY:	
Industrial	-0.5%
Automotive	-26.5%

Growth at constant exchange rates:	
Industrial	2.9%
Automotive	-25.4%

1. Business Review – Industrial Segment Regional Markets

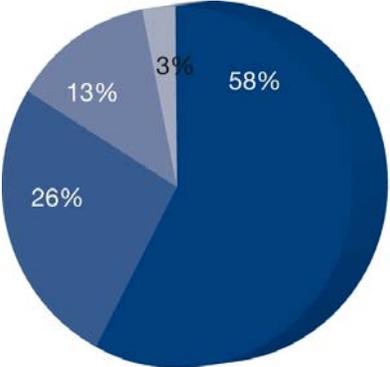
Sales growth YoY:

■ Europe	1.5%
■ Asia	- 3.3%
■ North America	- 0.8%
■ ROW	-14.9%



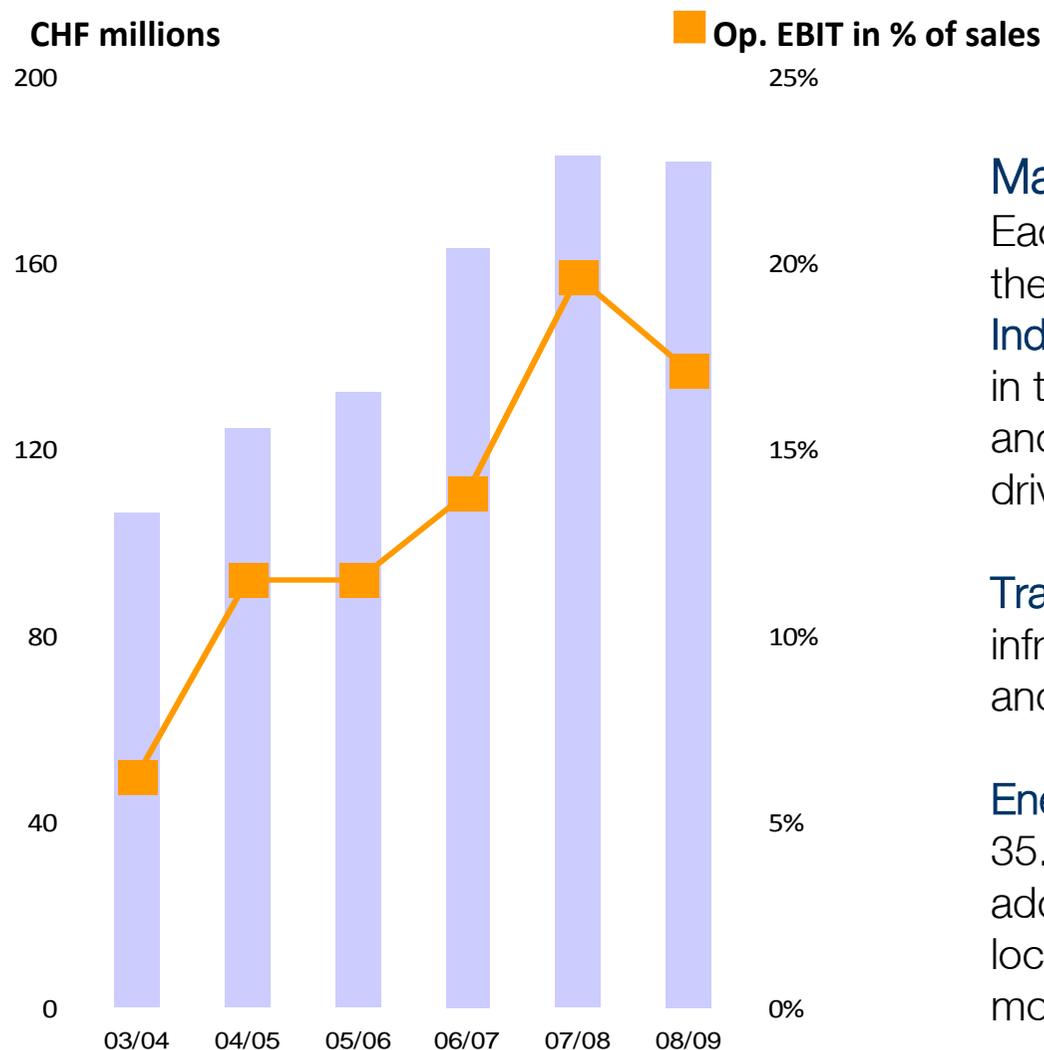
- Europe
- Asia
- North America
- Rest of the World

Sales 2007/08



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1. Business Review – Industrial Segment



Market and Applications

Each market was impacted differently by the recession:

Industry: declined by 6.5% - specially in the areas of welding, power supplies and wind energy. Market share gained in drives and photovoltaics

Traction: increased by 20.2% due to infrastructure investment in developed and developing countries

Energy & Automation: growth of 35.9% still from a small basis by value added transducers like Wi-LEM wireless local energy meter and Sentinel to monitor the health of standby batteries

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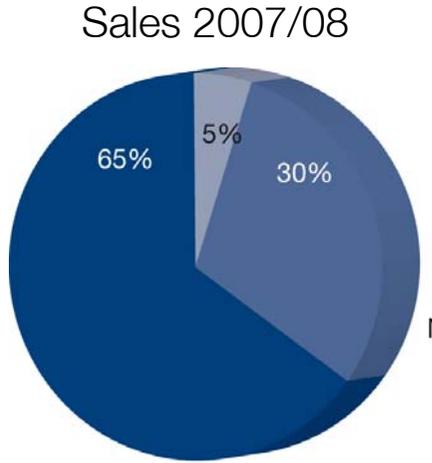
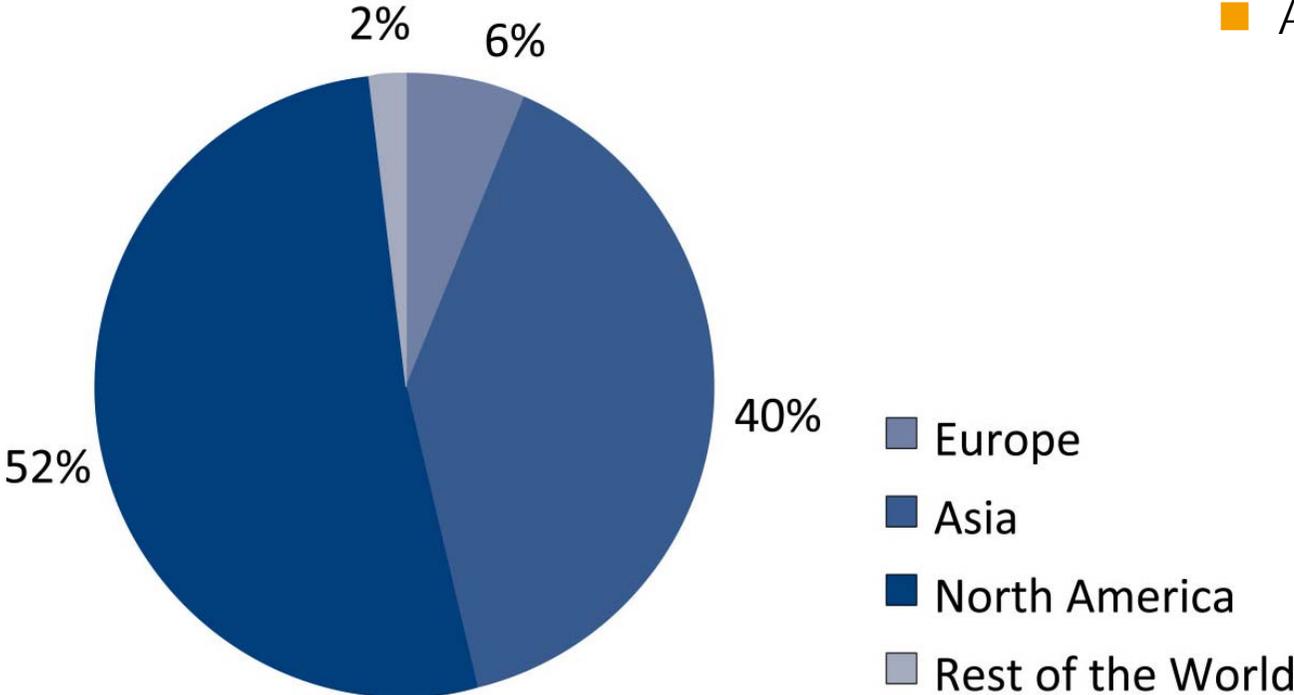
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1. Business Review – Automotive Segment Regional Markets

Sales growth YoY:

■ Europe	-10.7%
■ North America	-40.9%
■ Asia	-2.4%

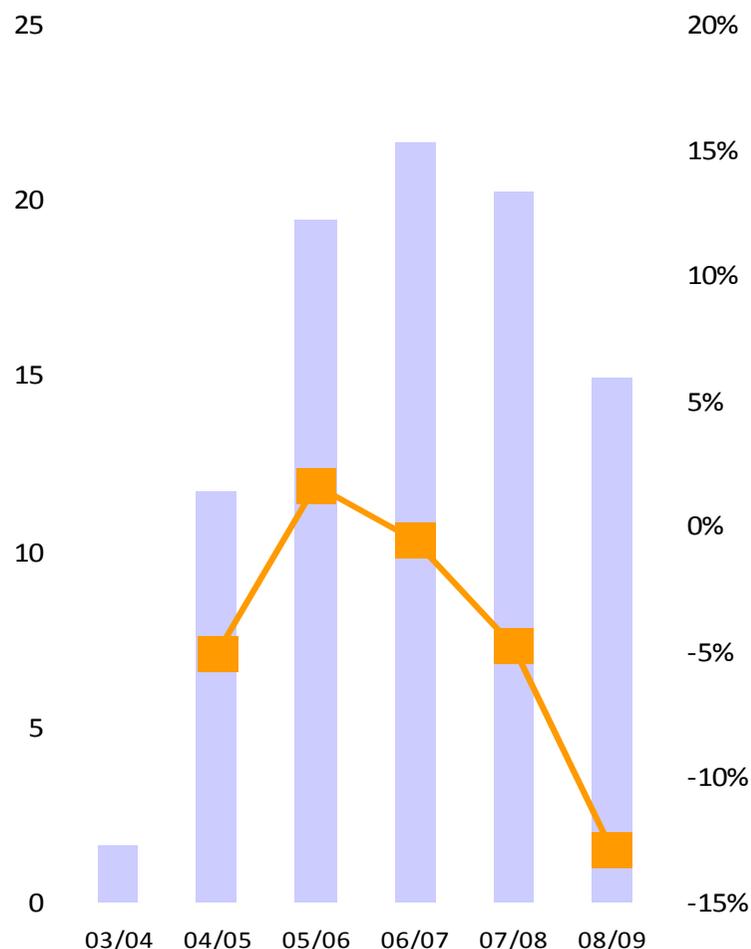


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1. Business Review – Automotive Segment

CHF millions

Op. EBIT in % of sales



Market

Sales declined by 26.5% as severely hit by the recession mostly in the American and Japanese markets

Applications

Concentration of efforts in two main areas:

Battery management now for sedans (formerly SUVs) with standard products

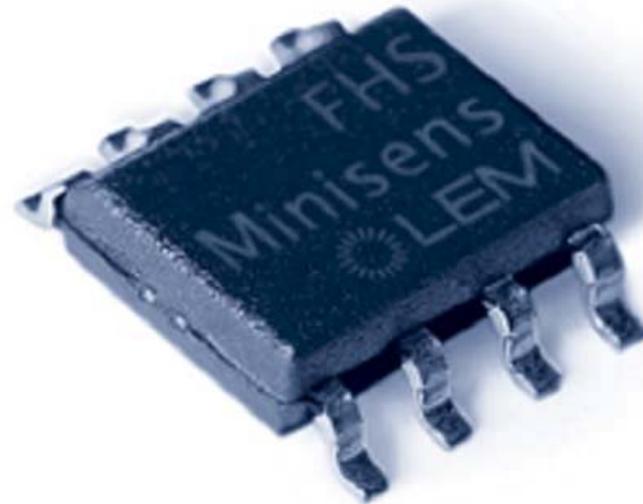
Motor controls for hybrid and electric vehicles

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2. Business Development

Paul Van Iseghem
President & CEO



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2. Business Development – Results for Industry Market

New Business > CHF 0.5 million	Region	SoP 2009/10	SoP 2010/11
Photovoltaic, Wind	China	Q1	
Photovoltaic	Japan	Q4	
Photovoltaic, Drives	Germany	Q3, Q4	
Wind	Scandinavia		Q3
Drives, Air conditioning	Scandinavia	Q4	
Photovoltaic, Wind	Spain		Q1
Drives, Air conditioning	N. America	Q3	

2. Business Development – Results for Automotive Market

New Business > CHF 0.5 million	Application	in volume	SoP 2009/10	SoP 2010/11
China	BM, EV, HEV	x		Q2
Japan	EV, HEV		Q1	
Japan	BM		Q4	Q2
Japan	BM			Q2
Japan	EPS	x		
Korea	EV, HEV			Q1
Europe	BM	x	Q3	
Europe	EV, HEV		Q4	Q1, Q2
USA	EV, HEV, BM	x	Q4	
Global F1	BM	x		

EV = electric vehicle, HEV = hybrid electric vehicle, BM = battery management, EPS = Electric Power Steering

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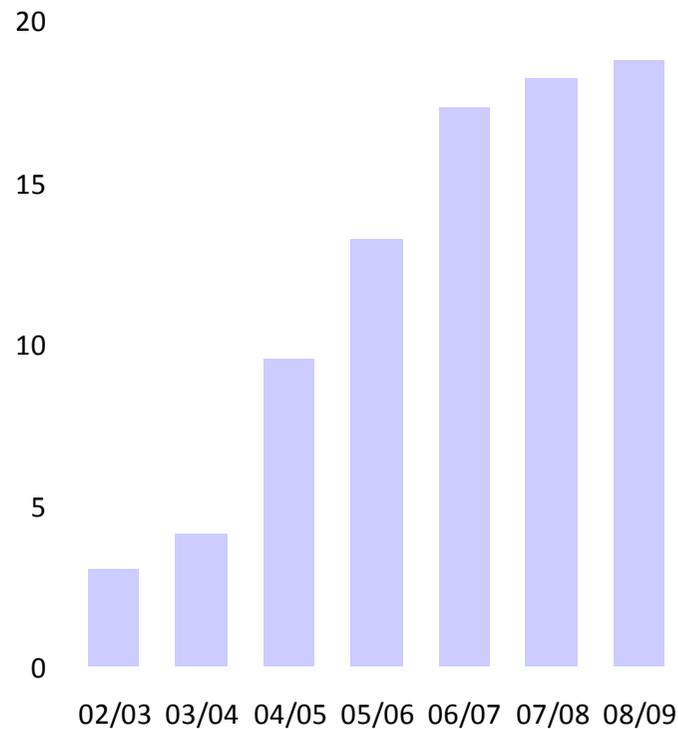


2. Business Development - China

Sales

- Sales growth 4.3%
- Market share now over 40%

CHF Millions

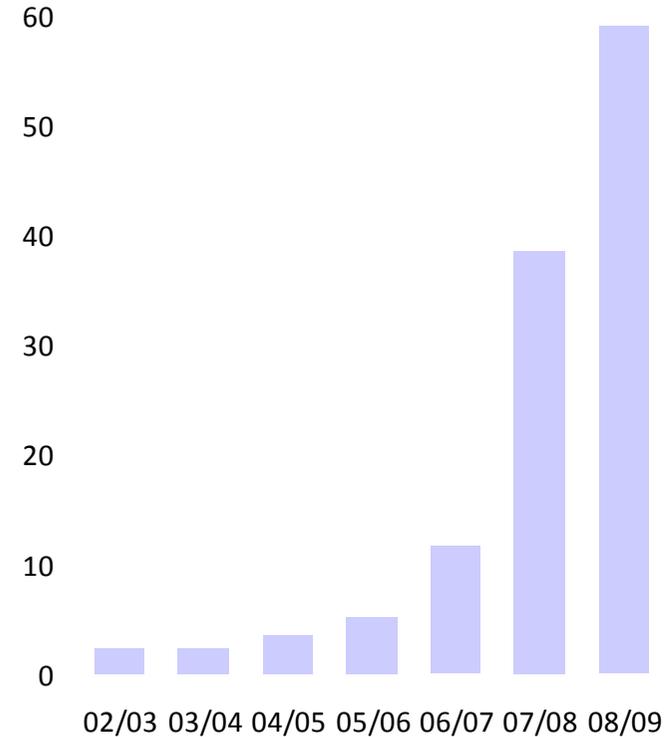


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Production

- Continued transfer of key products
- “Made by LEM” quality
- Production to start in new leased building in July 2009

CHF Millions



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2. Business Development – Innovation

Two major products were launched in 2008/09

- The CAS, CASR and CKSR family of current transducers using a new closed loop Fluxgate technology
 - For high performance applications in the Industry market
- The DV voltage transducer compatible with all standards in the Traction market
 - Class 1 certified for measurement of AC and DC energy consumption



3. Recession Management

Paul Van Iseghem
President & CEO



3. Recession Management

Bookings started to decline in September 08

- LEM tends to be in the early part of the business cycle
- 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

3. Recession Management

Costs:

- We drastically improved the cost base, mostly the external and internal 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

3. Recession Management

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

	Traction	Energy & Automation	Industry	Automotive
FY to FY growth*	+20.2%	+35.9%	-0.5%	-26.5%

* Comparing FY 2008/09 to FY 2007/08

3. Recession Management

Q4 was profitable

CHF millions	Q1 2008/09	Q2 2008/09	Q3 2008/09	Q4 2008/09
Orders received	58.1	53.3	39.2	34.4
Sales	55.5	55.5	45.1	40.7
Operational EBIT	12.0	9.4	4.1	3.7

4. Financial Review

Heinz Stübi
Interim CFO

Due to the introduction of the revised IFRS standard IFRIC 14 the results 2007/08 were restated, for details refer to page 27 of the annual report.



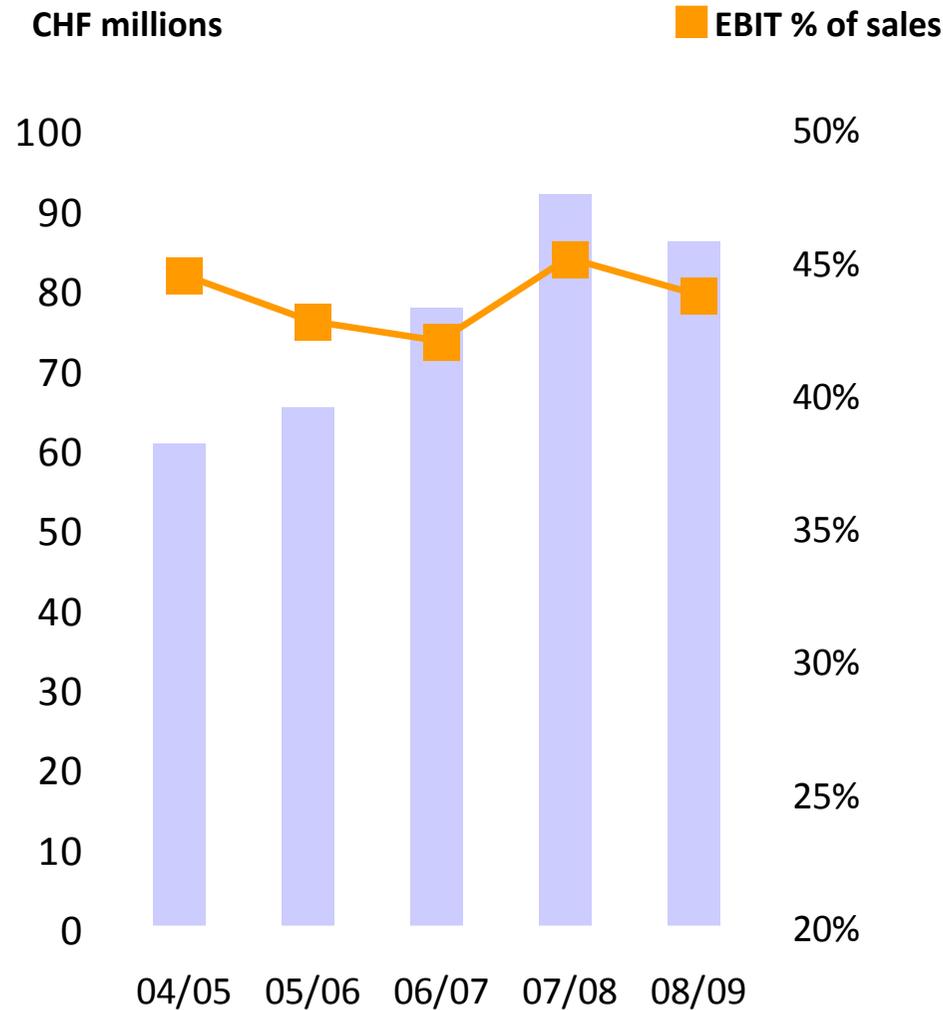
4. Income Statement

TCHF	2007/08	2008/09	%
Sales	203'033	196'813	-3.1%
Gross margin %	45.1	43.7	
Operating costs	(56'684)	(56'806)	
Operational EBIT*	34'904	29'219	-16.3%
EBIT	30'572	33'841	10.7%
Net financial expenses	(1'413)	(990)	
Income taxes	(7'248)	(8'926)	
Net earnings	21'911	23'925	9.2%

- Share price development resulted in a reversal of provisions of CHF 4.6 million (PY CHF -4.3 million)

* Before revaluation of provisions for the stock option plans

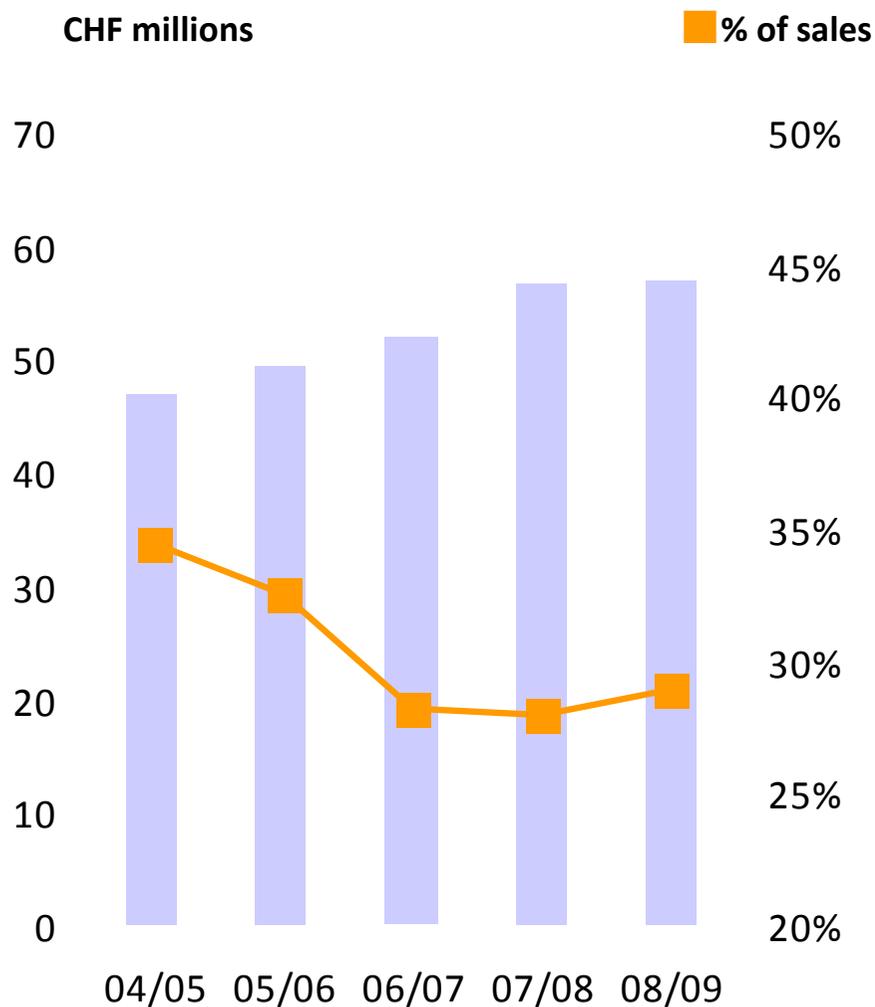
4. Gross Margin Development



CHF millions	2007/08	2008/09
Gr. M	91.6	86.0
Gr. M %Sales	45.1%	43.7%

- Lower sales volume led to leveraging effect (unabsorbed capacity costs)
- Ramp-up costs China

4. Operating Expenses

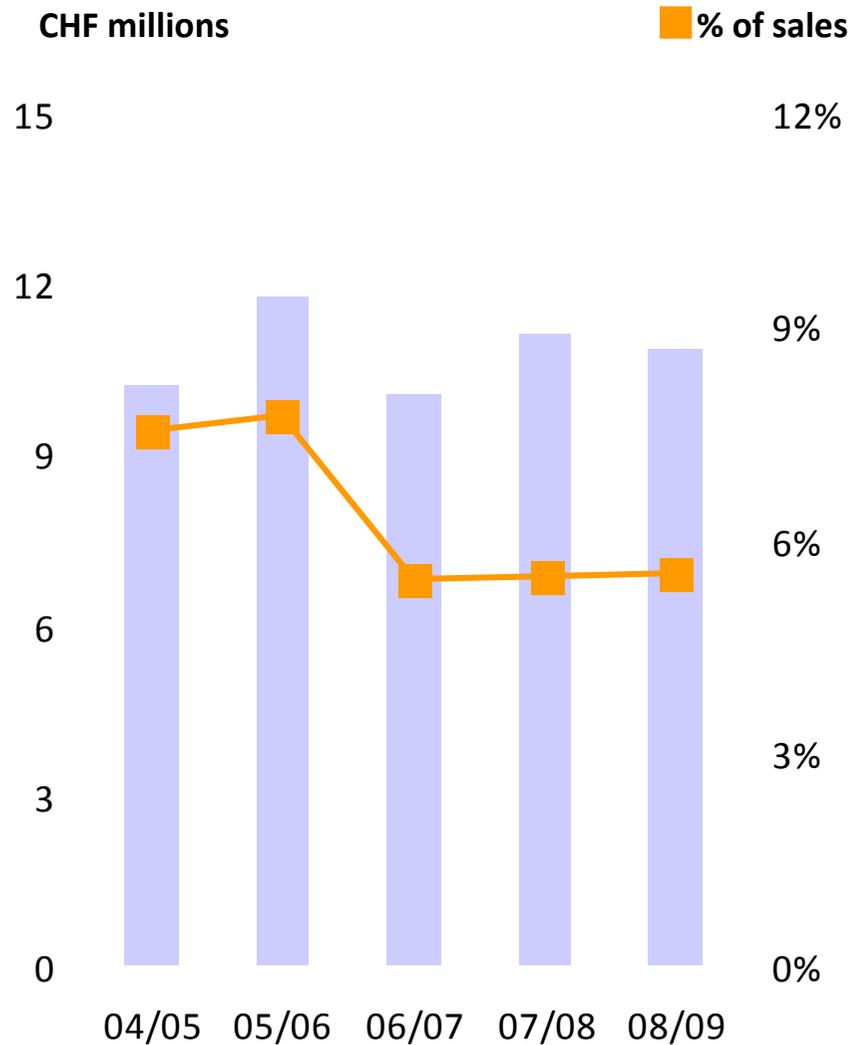


CHF millions	2007/08	2008/09
Opex	56.7	56.8
Opex % Sales	27.9%	28.9%

- Operating expenses stayed in line with the previous year
- Costs for International transfer pricing projects

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4. R&D Expenses



CHF millions	2007/08	2008/09
R&D	11.1	10.8
R&D %Sales	5.5%	5.5%

■ R&D expenses were maintained at constant ratio to sales

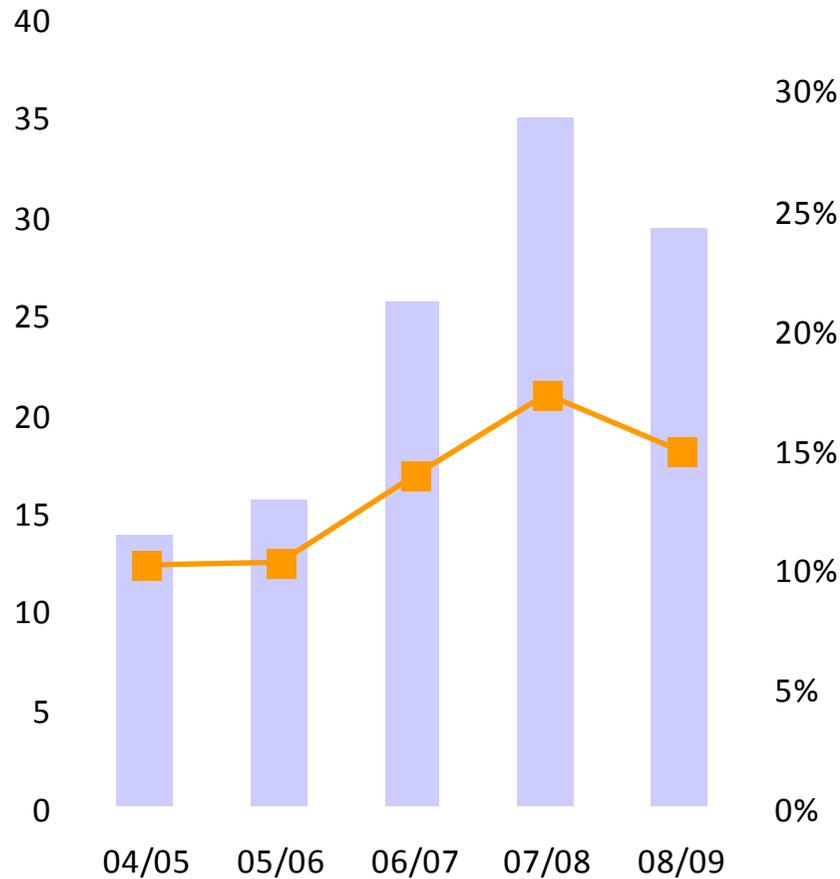
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4. Operational EBIT *

CHF millions

Op. EBIT % of sales



CHF millions	2007/08	2008/09
Op. EBIT	34.9	29.2
Op. EBIT %Sales	17.1%	14.8%

* Before SOP revaluation

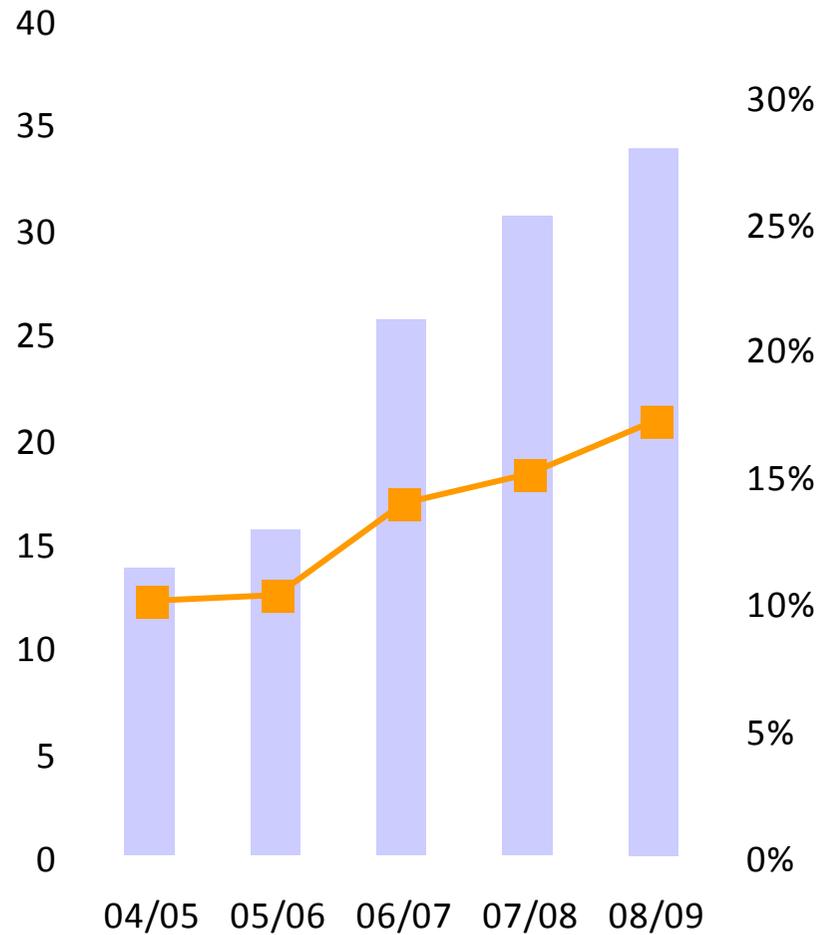
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4. EBIT

CHF millions

■ % of sales



CHF millions	2007/08	2008/09
EBIT	30.6	33.8
EBIT %Sales	15.1%	17.2%

■ Constant EBIT growth continues

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4. Taxes

	2007/08	2008/09
Expected tax rate	28.2%	25.0%
One-time effects	(3.3%)	2.2%
Effective tax rate	24.9%	27.1%

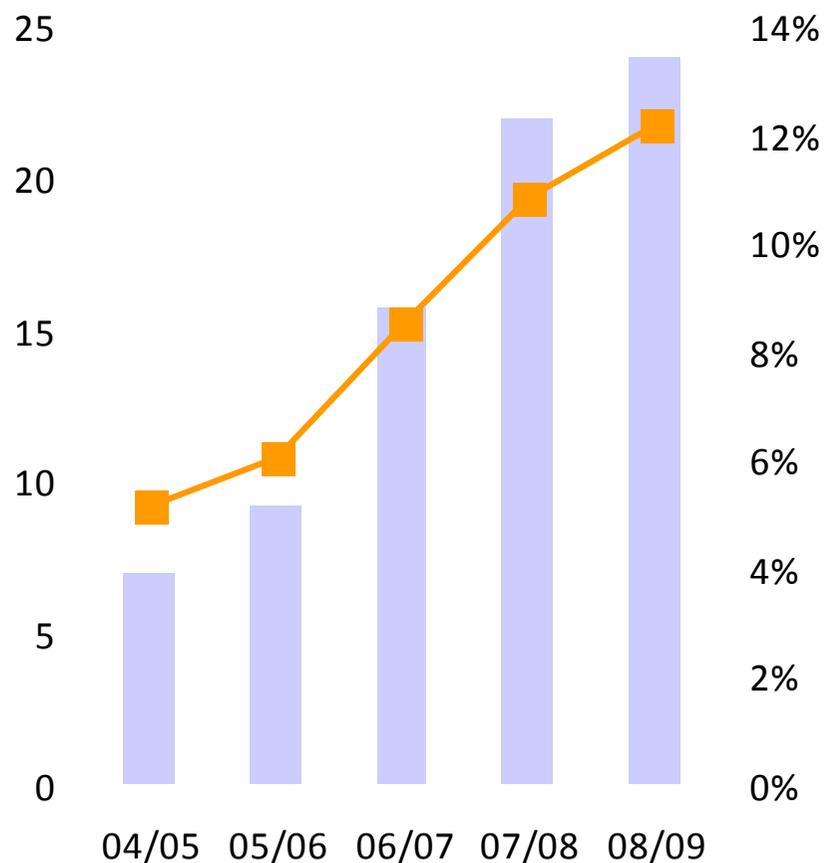
- Expected tax rate reduced as a consequence of optimization of international trading flows
- One-time effects due to withholding tax on repatriation of profits from previous periods

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4. Net Profit

CHF millions

■ % of sales



CHF millions	2007/08	2008/09
Net profit	21.9	23.9
Net profit % sales	10.8%	12.1%

- Net earnings increase 9.2% compared to previous year
- EPS increases from CHF 18.6 to CHF 20.9

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4. Consolidated Balance Sheet

TCHF	31.03.2008	31.03.2009
Cash and cash equivalents	25'787	27'951
Accounts receivable	41'169	31'920
Other current assets	2'051	2'834
Inventories	22'411	23'728
Total non-current assets	24'540	29'778
Total assets	115'958	116'211
Accounts payables	17'034	12'614
Other short-term liabilities	20'590	16'187
Total non-current liabilities	7'125	3'918
Equity	71'209	83'492
Total liability and equity	115'958	116'211
Avg. net working capital % sales	21.2%	20.6%
■ Inventory turns	5.0	4.7
■ Equity ratio	61%	72%
■ Net financial assets (CHF millions)	23.7	27.9

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4. Cash Flow Statement

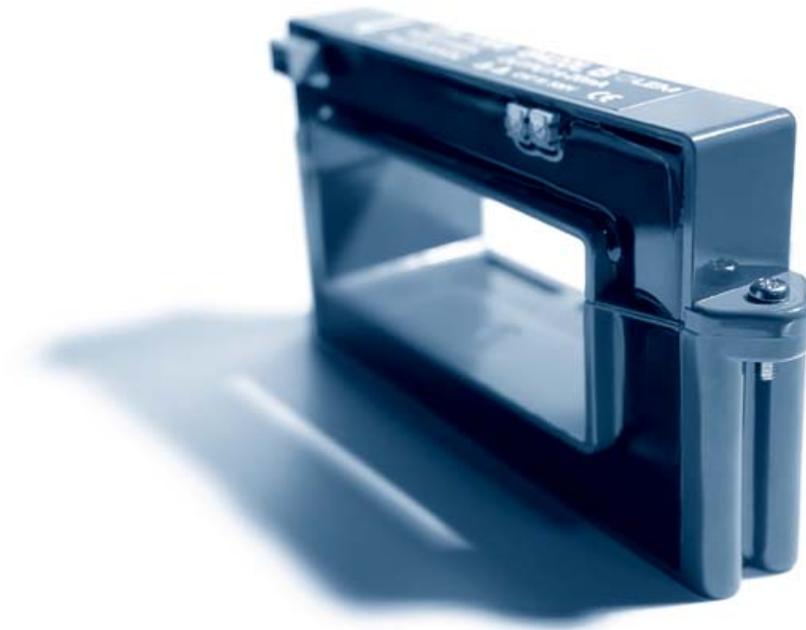
TCHF	2007/08	2008/09
Net profit	21'911	23'925
Cash flow before changes in NWC	26'401	27'286
Changes in net working capital (NWC)	(2'279)	3'651
Cash flow from investing activities	(6'507)	(9'052)
Free cash flow	17'615	21'855

4. Summary Financial Results

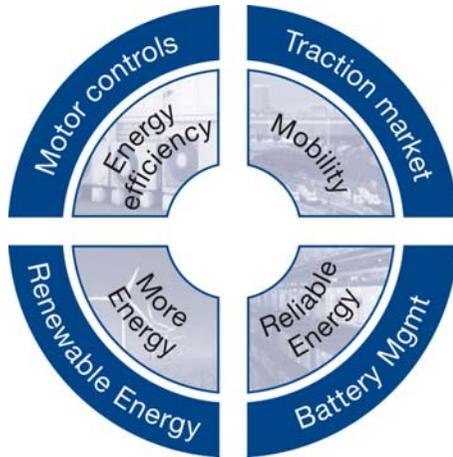
- Continuous EBIT growth despite impact of economic downturn in the second half of 2008/09
- Recession Management programs show effect as of Q4
- Positive impact of outstanding SOP programs
- Strong net profit of CHF 23.9 million (+9.2%)
- Solid balance sheet
 - Net financial assets of CHF 27.9 million (+18%)
 - Equity ratio of 72%
- Strong free cash flow of CHF 21.8 million (+24%)

5. Strategy and Outlook

Paul Van Iseghem
President & CEO



5. 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

- The underlying market trends continue to provide tailwind
- Our multi-market and global reach are clear benefits

5. Outlook

Our fast and firm reaction to the recession will enable us to be stronger coming out of the downturn.

- We will maintain our focus on cost control and operational priorities
- We will continue our investments in the new businesses
- We believe that the market downturn has bottomed out

However at this time we can not judge the timing and extent of the upturn

6. Proposals for the Shareholders' Meeting

Felix Bagdasarjanz
Chairman of the
Board of Directors



6. Proposals for the Shareholders' Meeting

In view of the strong performance and solid balance sheet the Board of Directors has decided to propose:

- Ordinary dividend payment of CHF 10.00 per share, which represents a payout ratio of 48 %.

6. Summary

- Recession Management is effective
- Strong balance sheet
- Outlook is difficult but we are confident to have the right strategy in place

6. Financial Calendar and Contact Details

Financial calendar

26 June	2009	Ordinary Shareholders' Meeting
6 August	2009	Q1 2009/10 results
5 November	2009	Q2 2009/10 results
9 February	2010	Q3 2009/10 results
3 June	2010	Full year 2009/10 results

For further information

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