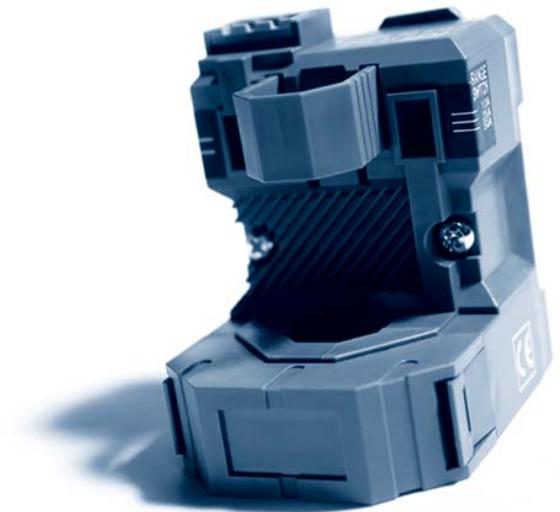


Q1 Results
Year 2009/10



Agenda

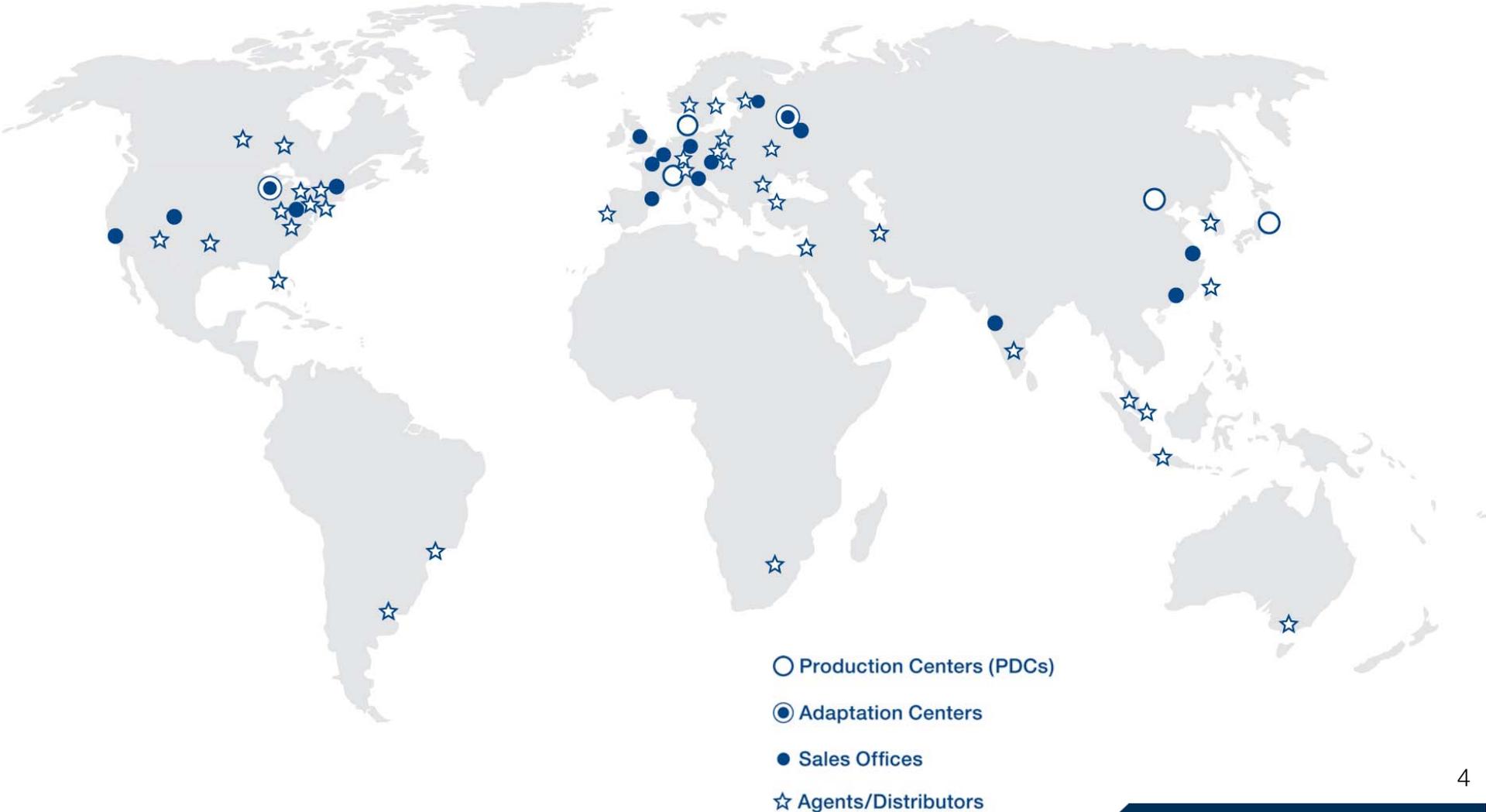
1. LEM at a Glance
2. Business Review
3. Recession Management
4. Financial Review
5. Outlook



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 a high growth global company with approximately 900 employees
Production plants are in Geneva (Switzerland), Copenhagen (Denmark), Machida (Japan), Beijing (China) and regional sales offices close to the clients locations
- LEM is listed on the SWX Swiss Exchange since 1986
Market cap of CHF 287 million

1. LEM Production & Logistics World-Wide



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1. LEM at a Glance - Markets served

Traditional Markets



- Industry

- All areas of reliable current measurement
- Motor drives, power conversion AC/DC, power supplies, UPS, welding, medical scanners, new energies, leakage current, test & measurement



Traction & Trackside

- on-board applications, inverters
- Trackside and energy monitoring

New Markets



- Automotive

- Battery Management in SUV, HEV
- Motor Control



- Energy & Automation

- Process control
- Battery Monitoring, Energy Metering

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2. Business Review



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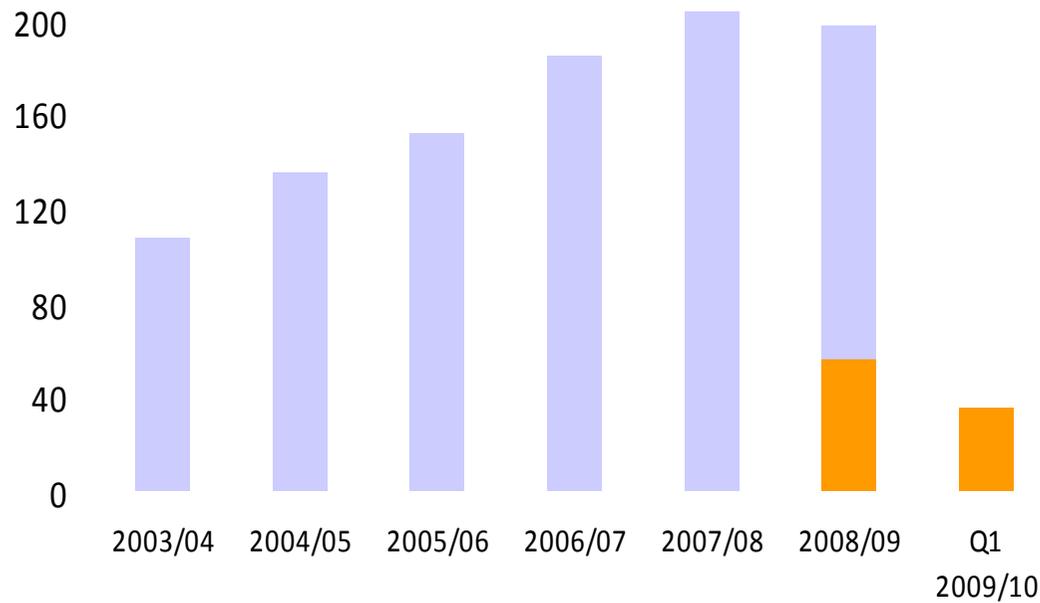
2. Highlights YTD Q1 2009/10

- After 3 quarters of negative book to bill, a positive book to bill ratio in Q1 2009/10
- Sales decreased to CHF 35.6 million, -36% to the prior year and -12% to prior quarter
- Gross margin improved to 42.4% versus 39.7% in prior quarter
- Operational EBIT of CHF 3.2 million, or 8.9% of sales
- Net earnings decreased to CHF -1.3 million due to the provisions for the stock option plans (CHF 4.3 million)
- First signs of recovery in all 4 markets

- Acquisition of LEM Danfysik with new focus on high precision Industry applications

2. Net Sales

CHF Millions



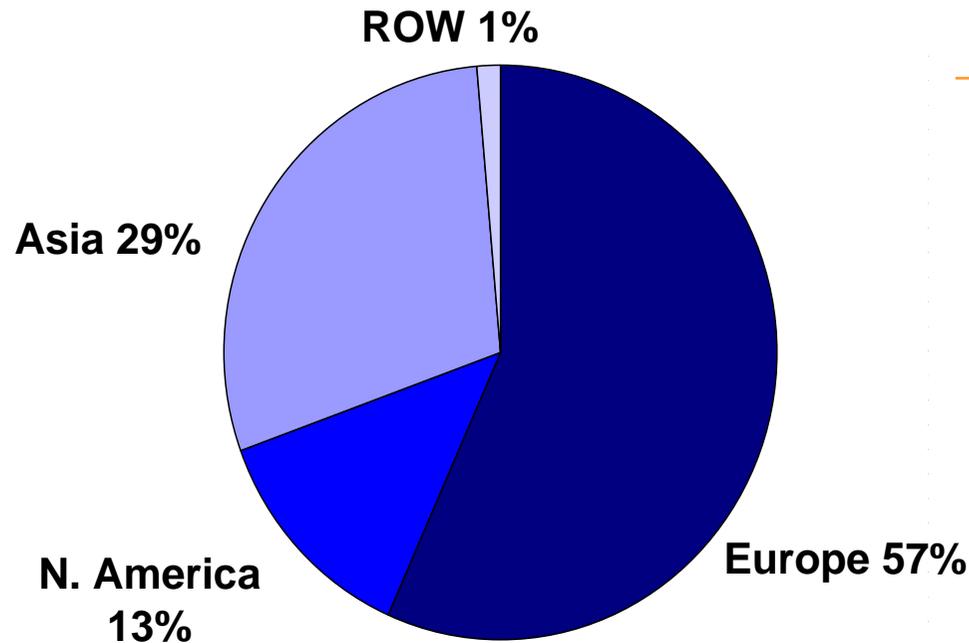
CHF millions	Sales	Growth Q1 to Q1	Growth Q1 to Q4
Total Sales	35.6	-35.8%	-12.3%
Industrial	32.9	-35.8%	-13.8%
Automotive	2.8	-35.3%	10.3%

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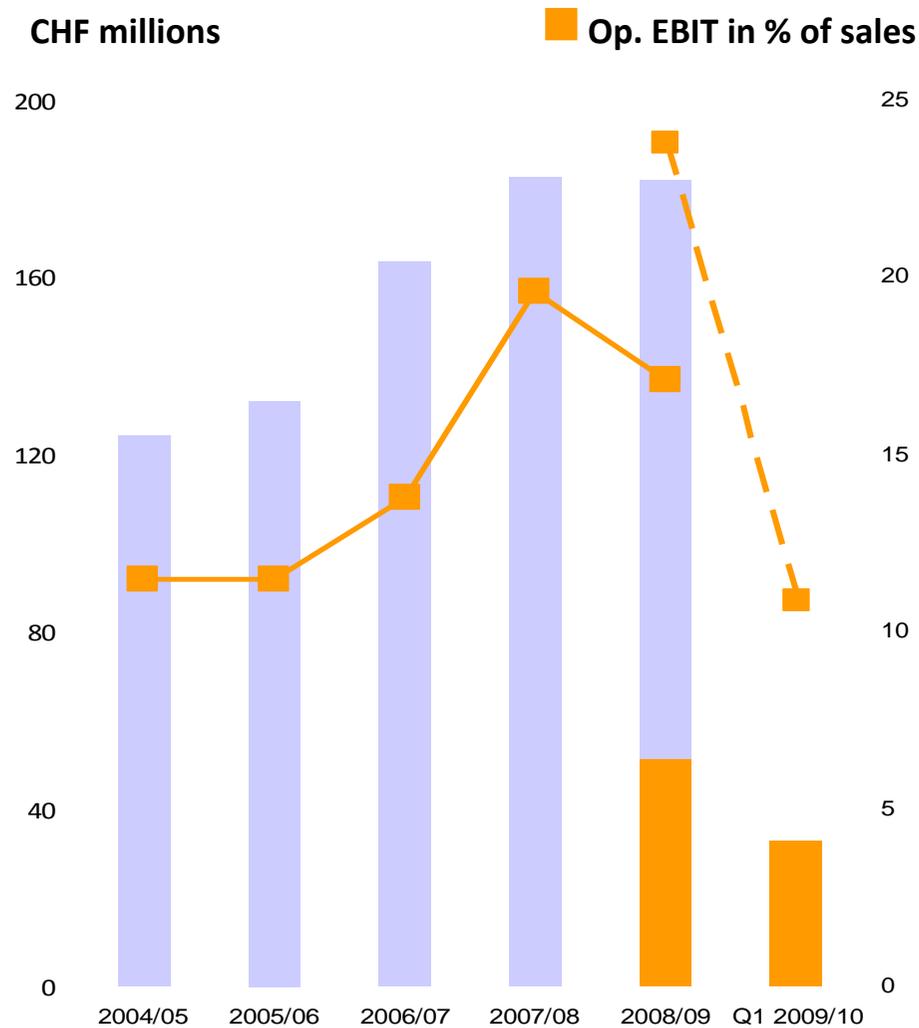
2. Industrial Segment: regional markets



Sales growth rates	Q1 to Q1	Q1 to Q4
Europe	-40.4%	-18.0%
N. America	-31.4%	-25.8%
Asia	-24.5%	-4.2%
ROW	-58.8%	-19.1%
Total	-35.8%	-13.8%

Total sales CHF 32.9 million for Q1 2009/10

2. Industrial Segment: business development



Market and Applications

This quarter each market was impacted by the recession:

Industry: declined by 39.8 - specially in the areas of robotics and welding

Traction: decreased by 17.3% due to decline in Russian business and some freight train project cancellations

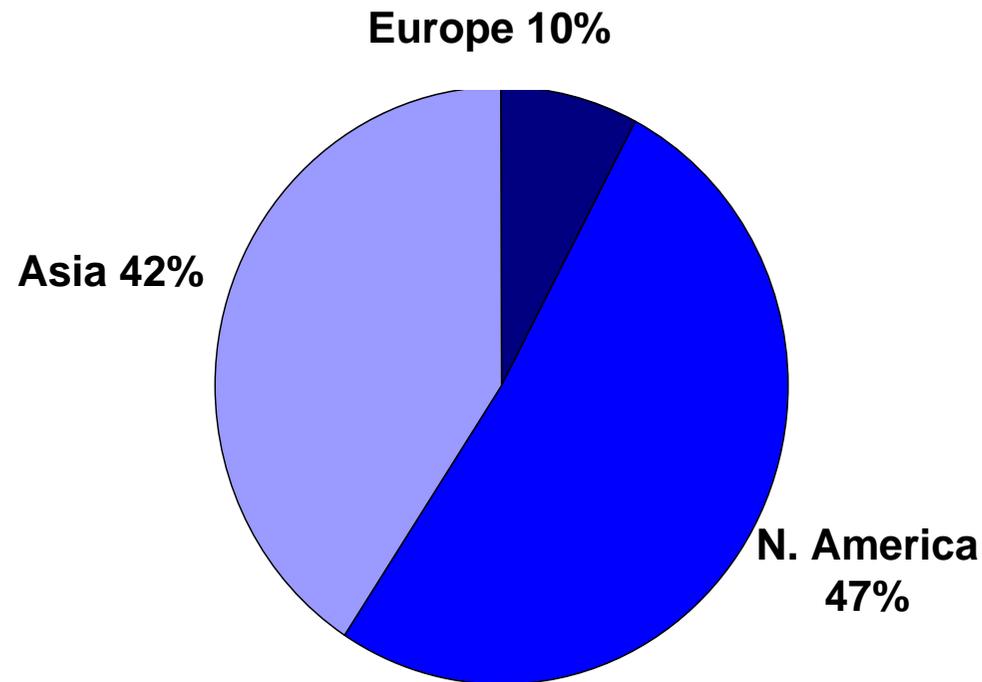
Energy & Automation: decreased by 51.3% still from a small basis mainly due to the government subsidized projects for solar and wind

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2. Automotive Segment: regional markets



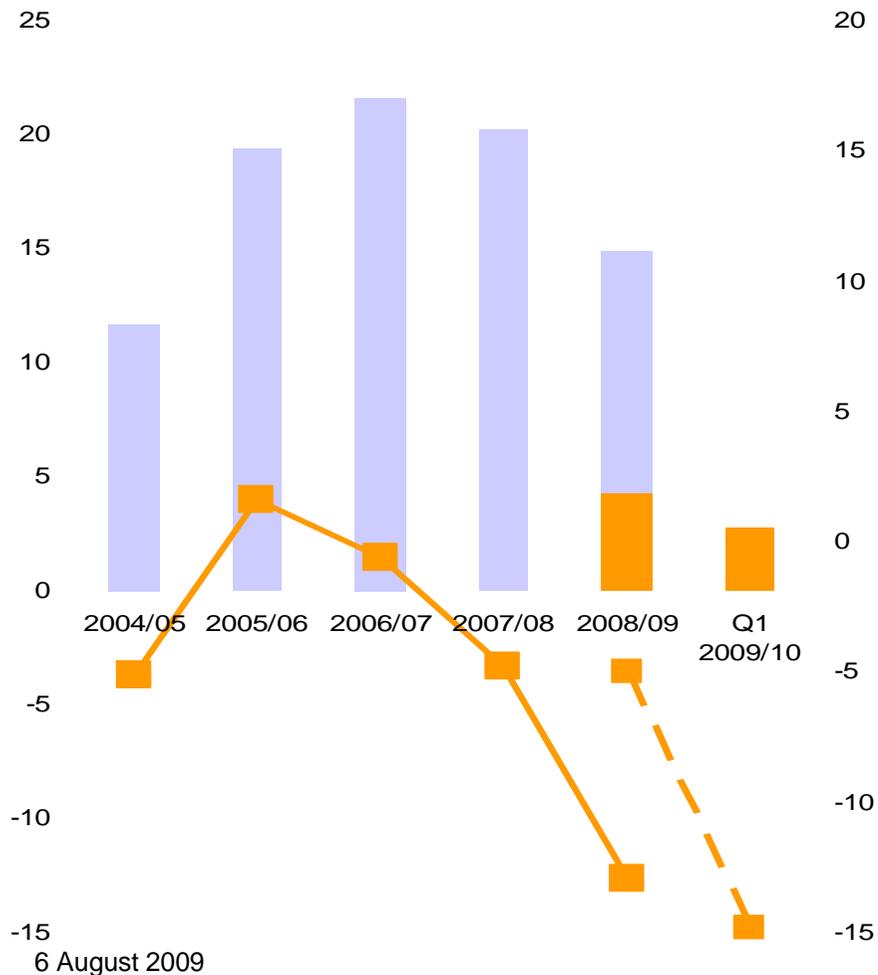
Sales growth rates	Q1 to Q1	Q1 to Q4
Europe	-17.0%	-2.5%
N. America	-40.2%	-10.3%
Asia	-34.2%	51.1%
Total	-35.9%	9.2%

Total sales CHF 2.8 million for YTD Q1 2009/10

2. Automotive Segment: business development

CHF millions

Op. EBIT in % of sales



Market

- Further decline in production of US platforms
- Substantial increase to Asian customers
- Design-in obtained for several BMGT and hybrid projects

Applications

- Battery management also for HEVs
- Motor Controls
- New starts of production later in 2009

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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	Q4	
Drives, Air conditioning	Scandinavia	Q4	
Photovoltaic, Wind	Spain		Q1
Drives, Air conditioning	N. America	Q4	

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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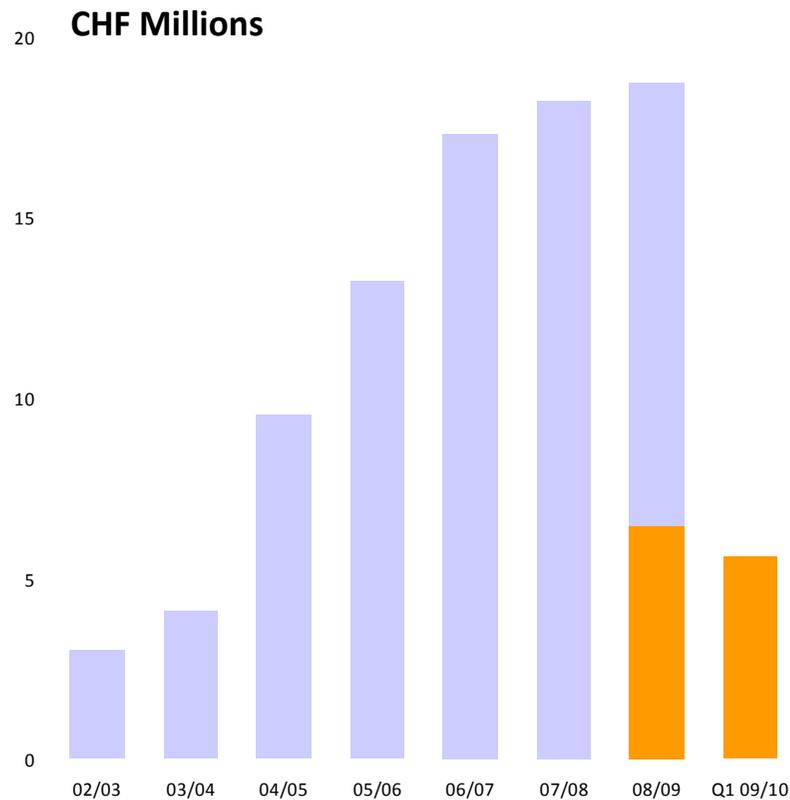
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2. Business Development - China

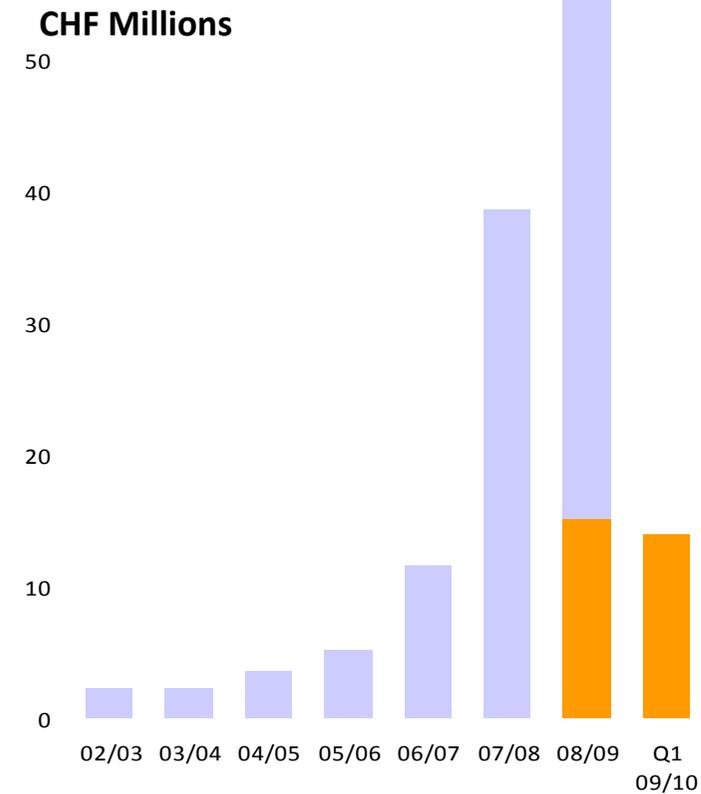
Sales

- Sales growth -7.3%
- Market share now over 40%



Production

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



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3. Recession Management



3. Recession Management - Q1 was profitable

CHF millions	Q1 2008/09	Q2 2008/09	Q3 2008/09	Q4 2008/09	Q1 2009/10
Orders received	58.1	53.3	39.2	34.4	36.4
Sales	55.5	55.5	45.1	40.7	35.6
Operational EBIT	12.0	9.4	4.1	3.7	3.2

- Strict cost reductions of production and overhead costs, implemented since Q3 2008/09, assured a +8.9% ROS in Q1 2009/10

4. Financial Review



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4. Income Statement

TCHF	Q1 2008/09	Q4 2008/09	Q1 2009/10
Sales	55'494	40'667	35'644
Gross margin %	47.5	39.7	42.4
SG&A	(14'357)	(12'363)	(11'933)
Operational EBIT*	11'982	3'776	3'187
EBIT	9'649	3'438	(1'125)
Financial expense (net)	652	332	(233)
Income taxes	(2'956)	(1'406)	71
Net earnings	7'345	2'365	(1'286)

- Share price development from CHF 149.90 to CHF 250.00 resulted in an additional provision of CHF 4.3 million

* Before revaluation of provisions for the stock option plans

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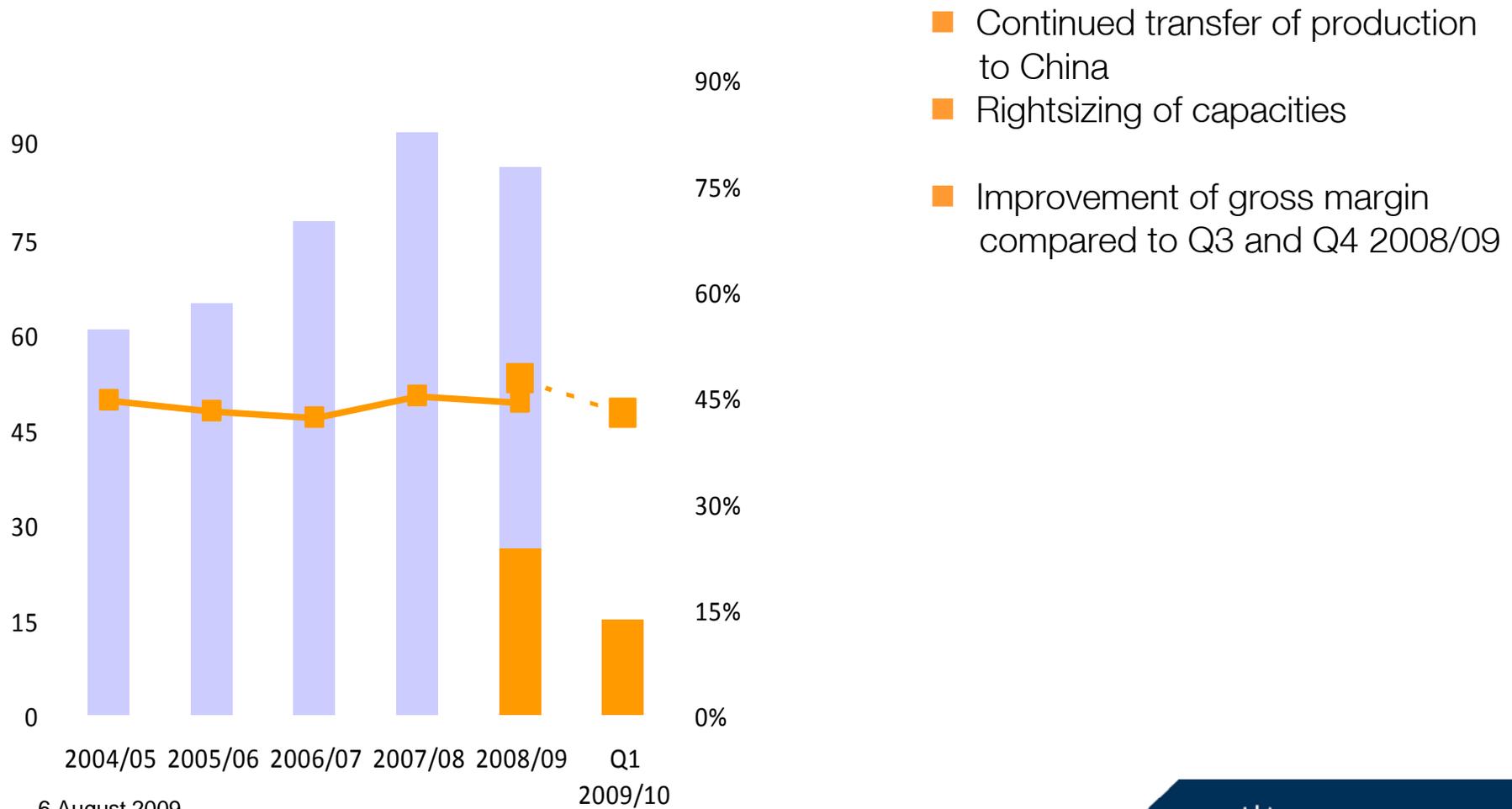
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4. Gross margin development

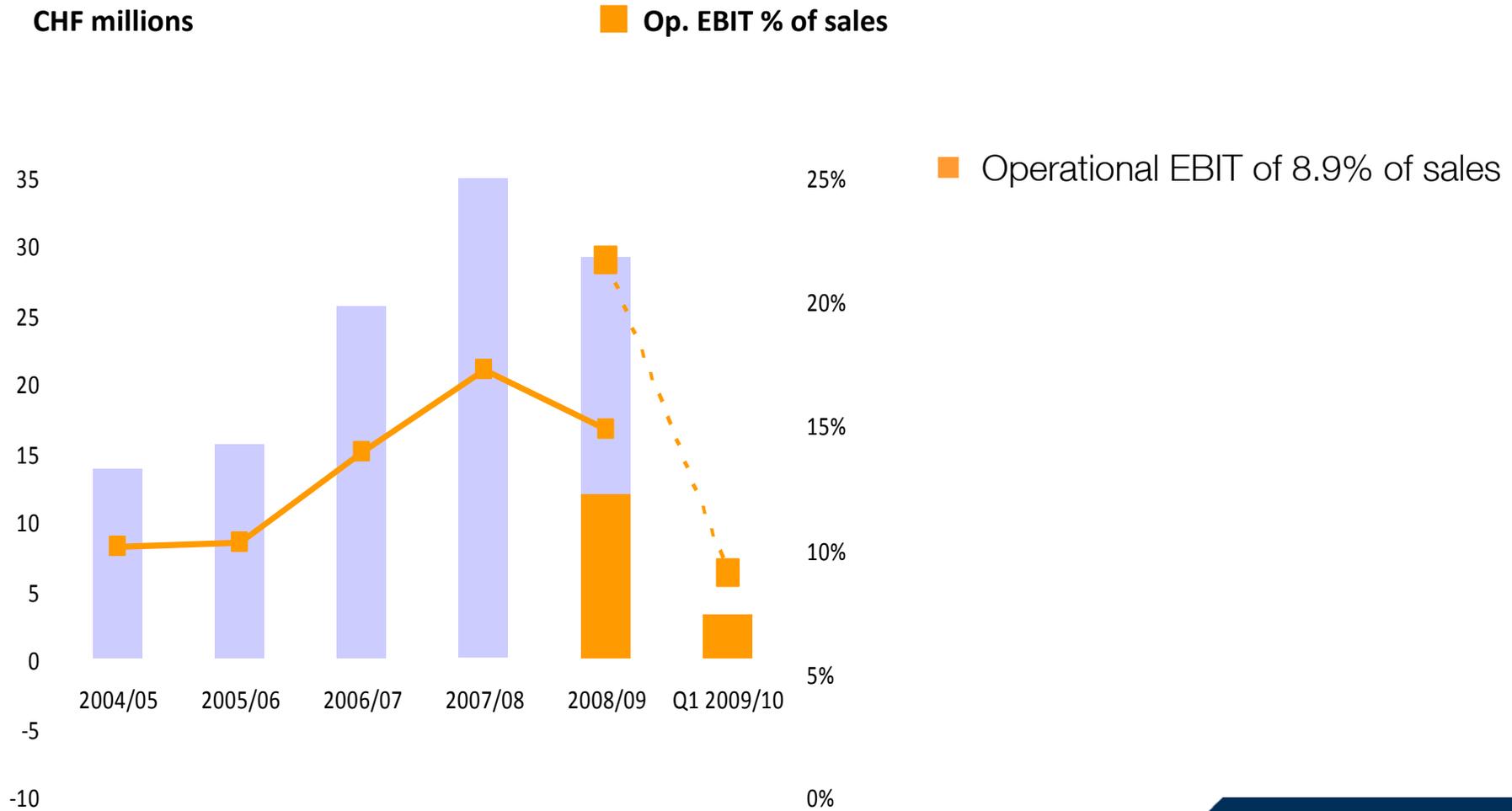
CHF millions

GM % of sales



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4. Operational EBIT development after change in conditions of the SOP



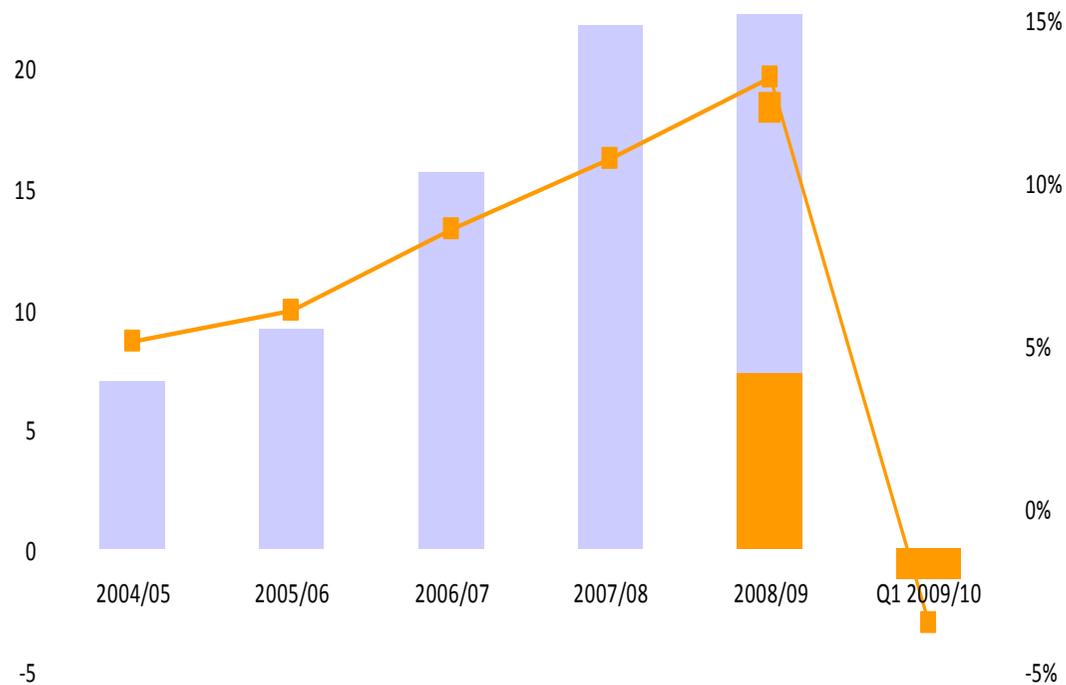
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4. Net earnings after change in conditions of the SOP

CHF millions

■ % of sales

■ Negative effect of revaluation of cash settled stock option plan of CHF 4.3 million



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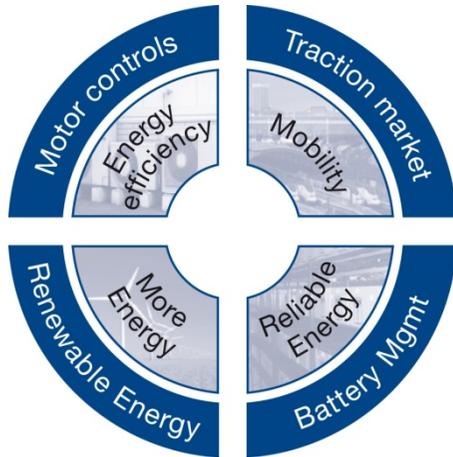
5. Outlook



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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, including the fast integration of LEM Danfysik

- We believe that the market downturn has bottomed out
- All 4 markets show first signs of a recovery
- Region Asia outperforms Europe and Nafta

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

5. Financial Calendar and Contact Details

Financial calendar

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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