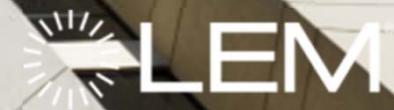


Results

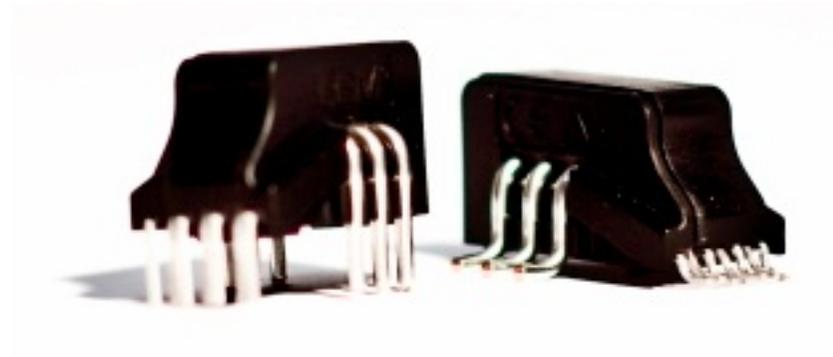
Q1 of 2013/14

1 April 2013 to 30 June 2013



Agenda

1. **LEM at a Glance**
2. Highlights and Business Review
3. Financial Review
4. Strategy and Outlook



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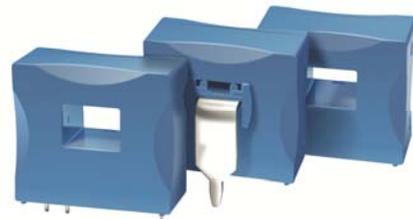
1. About LEM

- 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 industry and automotive applications.
- LEM is a high growth global company with approximately 1'200 employees. Production plants are in Beijing (China), Geneva (Switzerland), Machida (Japan) and from October 2013 Sofia (Bulgaria). With regional sales offices close to the customers' locations, LEM provides a seamless service.
- LEM (SIX: LEHN) has been listed on the SIX Swiss Exchange since 1986 and has a market cap of CHF 693 million per 30.6.2013.

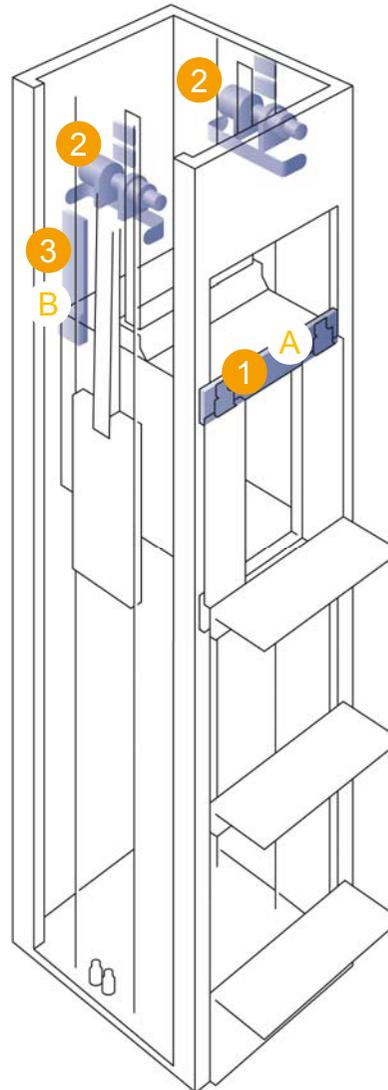
1. LEM Applications: Elevator



A LTS



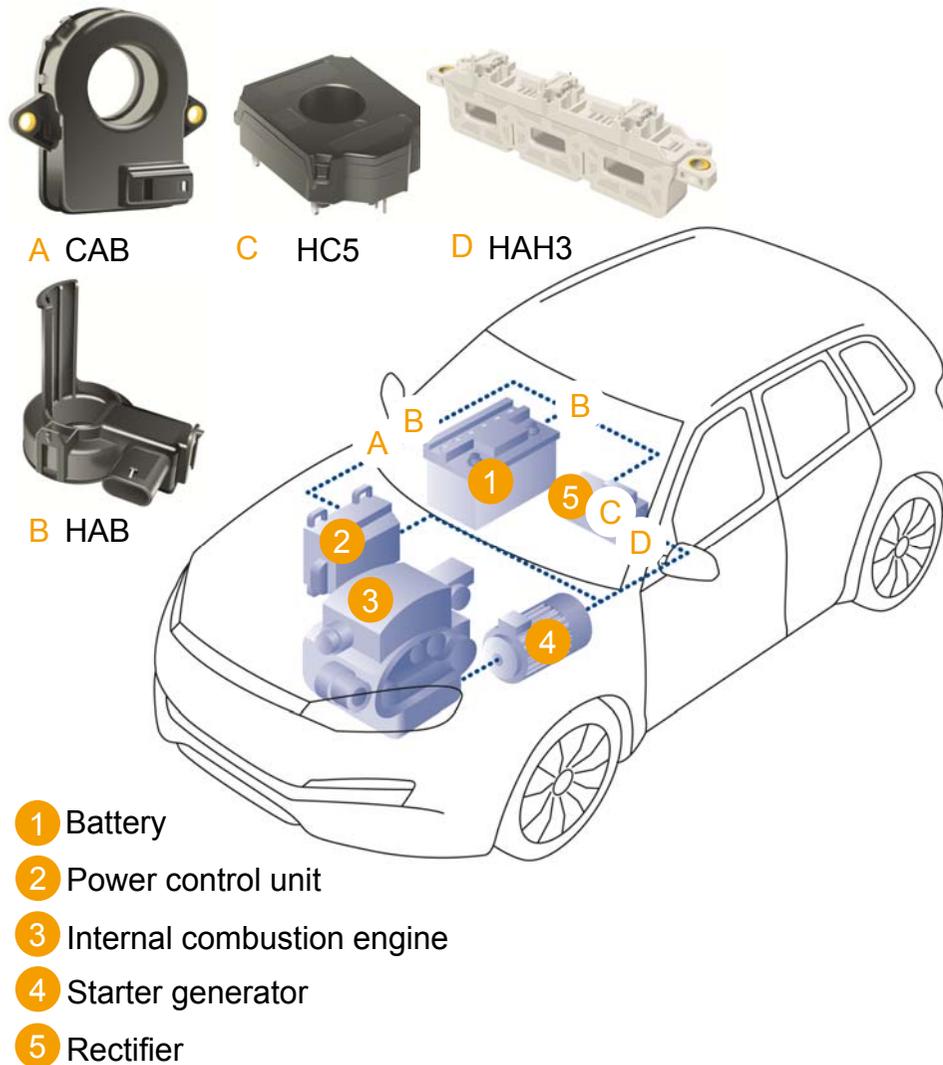
B LA 150-P



The controller moves the motor in the right direction and lets it stop exactly at the right position to the floor ground, independent of the weight in the elevator car. The current transducers take care that the motor is powered with the correct current.

Elevator doors are controlled by a control unit that integrates the motors of the sliding doors. The current transducer measures the current in the motors to run the panels smoothly and to discover if something (e.g., a finger, a leg) obstructs the doors.

1. LEM Applications: Start-Stop System for Cars



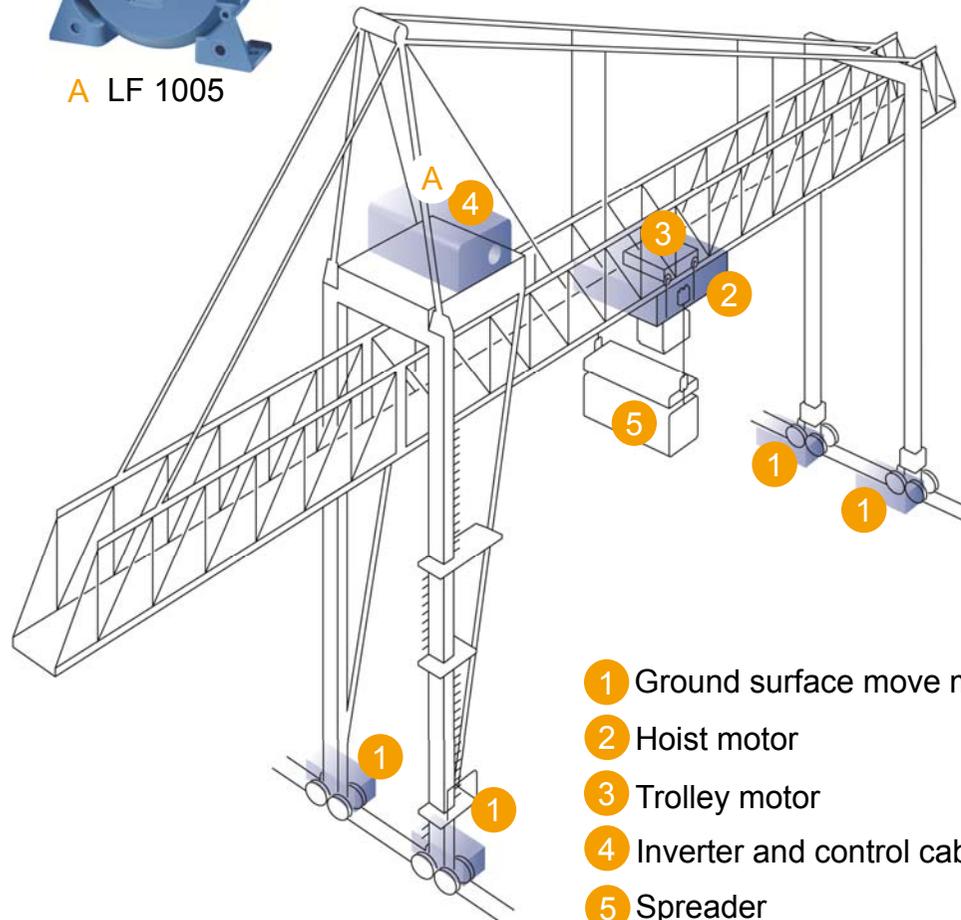
The current sensors (HAB, CAB) allow the battery management system to decide if enough energy is available in the battery to operate the accessories (such as air-conditioning, headlights, and radio) while the engine is off, and still have ample charge left to restart the engine.

The “power-control unit” will instruct the “starter generator” to restart the engine or recharge the battery, as needed, and current sensors (HC5, HAH3) used in the converters and inverter modules allow it to operate smoothly, improving the driver experience while helping the environment.

1. LEM Applications: Container Gantry Crane



A LF 1005

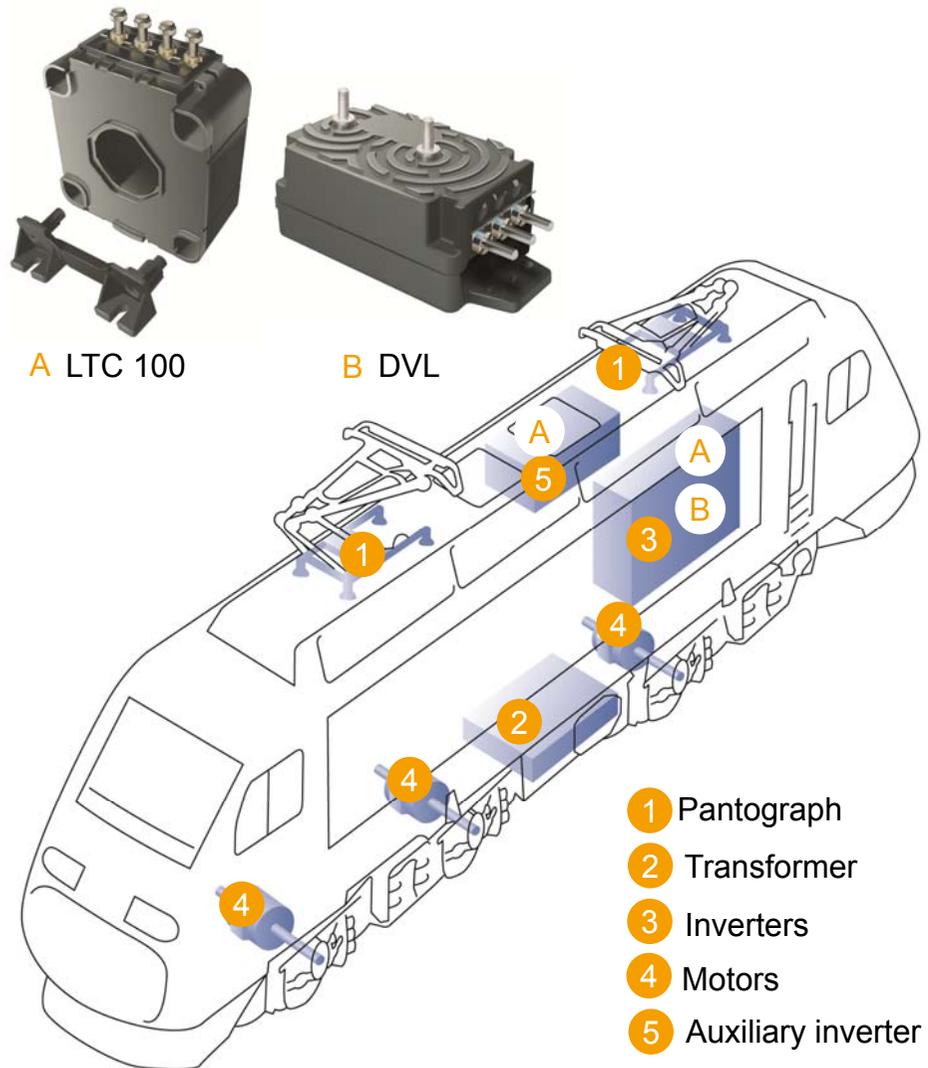


- 1 Ground surface move motors
- 2 Hoist motor
- 3 Trolley motor
- 4 Inverter and control cabinet
- 5 Spreader

A crane can be moved on rails over the ground surface normally driven by four motors. The trolley runs along rails that are located on top or sides of the boom and girder. The movement is done with two motors located on the trolley. Once the spreader locks onto a container, the container is lifted and moved. The lift of the container is done normally by one axis by a very sophisticated rope system and driven by one motor.

Current transducers are used in all motor inverters to satisfy all requirements for safe and accurate movements.

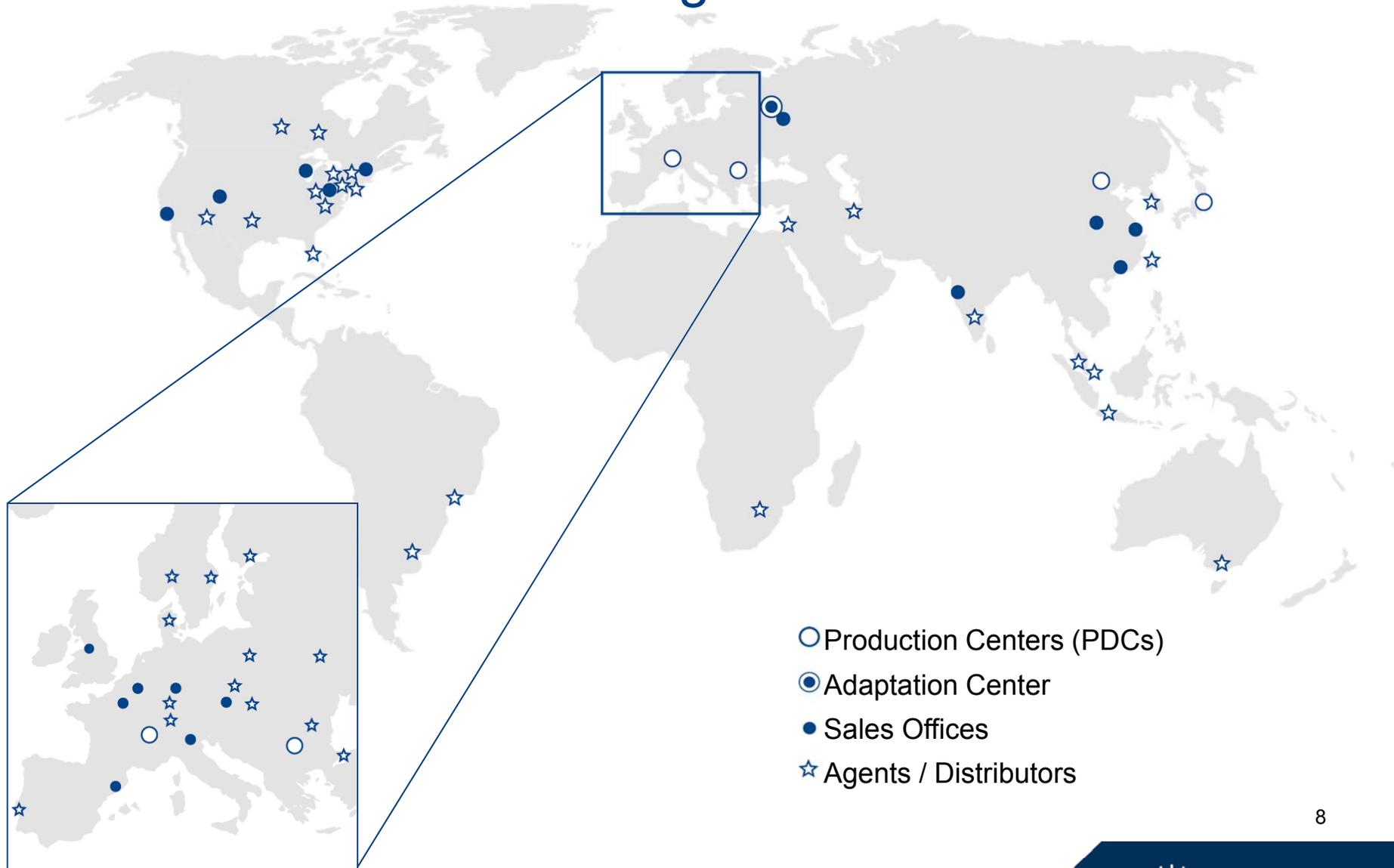
1. LEM Applications: Locomotive



Inverters are used to transform the energy into the right voltage and current to drive the motors. Voltage and current transducers are used to measure the current and the voltage on the secondary side of the transformer and on the DC-side. Special differential transducers are implemented at the secondary side of the transformer to detect any leakage current flowing in the train.

Additional inverters are used for heating, air-conditioning and ventilation. Transducers are used to measure the motor currents in order to optimize their efficiency.

1. LEM Production & Logistics World-Wide



1. LEM at a Glance – Businesses

Industry segment

Drives & welding

- Motor drives
- Welding
- Miscellaneous

Renewable energies & power supplies

- Solar
- Wind
- UPS
- Battery monitoring, process control, energy metering

Traction

- On-board applications
- Trackside
- Energy monitoring

High precision

- Medical scanner
- Test & measurement

Automotive segment

Conventional cars

- Lead battery management
- Start-stop application

Green cars (HEV, EV)

- Battery pack management
- Electric motor control
- Embedded charger



Agenda

1. LEM at a Glance
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4. Strategy and Outlook



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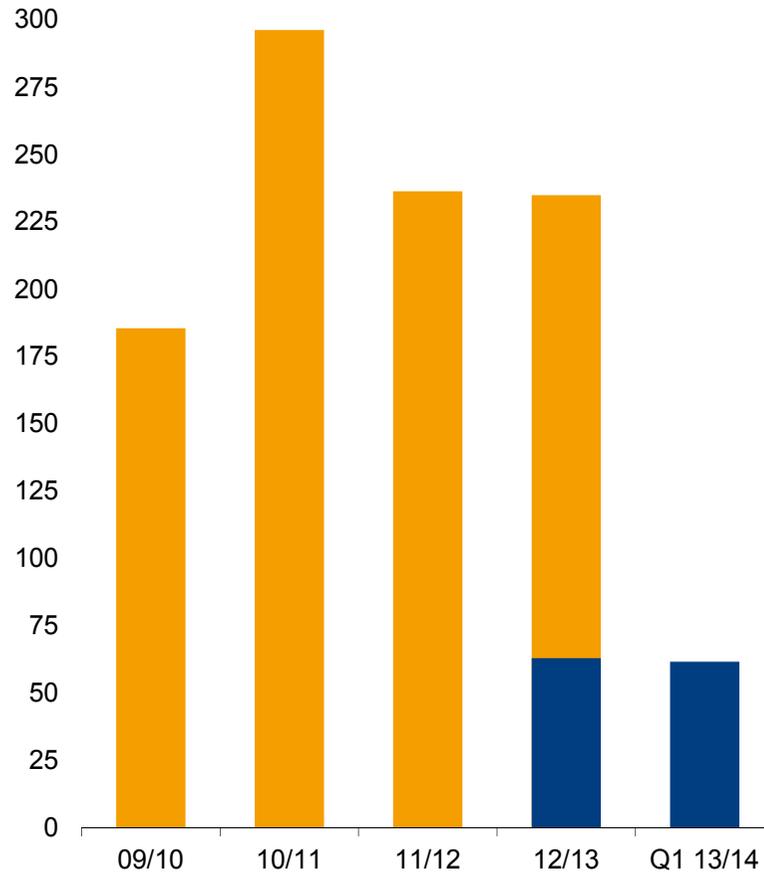
2. Highlights Q1 2013/14: Increased Margins

In CHF million, %	Q1 2013/14	Q1 vs. Q1 2012/13	Q1 vs. Q4 2012/13
Orders	65.1	+7.2%	+10.8%
Sales	61.8	-2.1%	+10.8%
EBIT	13.3	+16.7%	+101.3%
Net earnings	9.8	-10.7%	+147.8%

- Continued stabilization in Industry businesses
- Automotive businesses held back by customers' inventory corrections and slowing green cars business
- Operating margin above target range of 15 to 20%
- Stabilization of the business at the current level

2. Net Sales

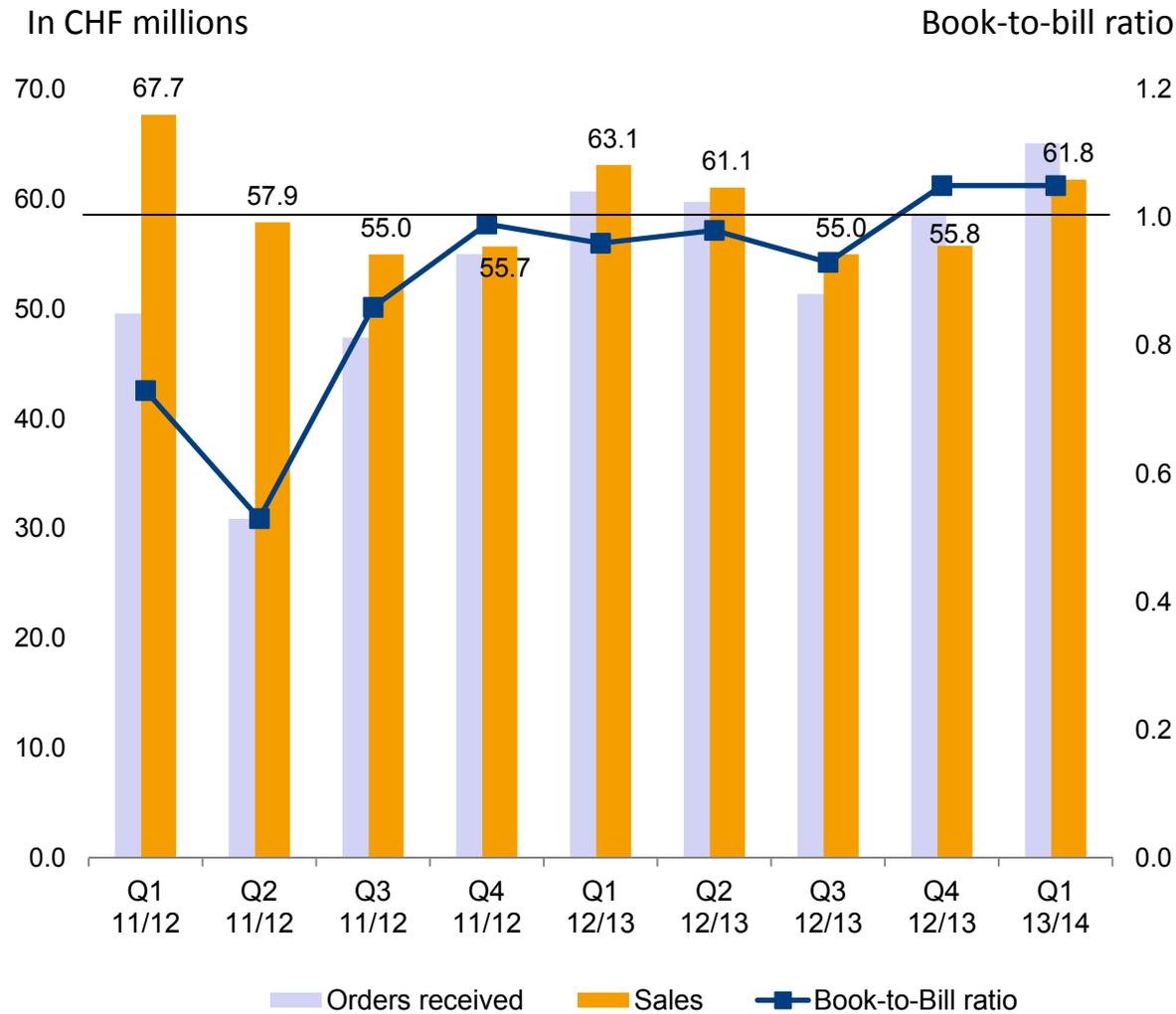
In CHF millions



In CHF million, %	Sales	Q1 vs. Q1	Q1 vs. Q4
Industry	53.5	-0.1%	+12.4%
Automotive	8.3	-13.2%	+1.5%
Total sales	61.8	-2.1%	+10.8%

- Recovery in Industry businesses in Asia and North America
- Automotive businesses restrained by inventory corrections and weak green cars business

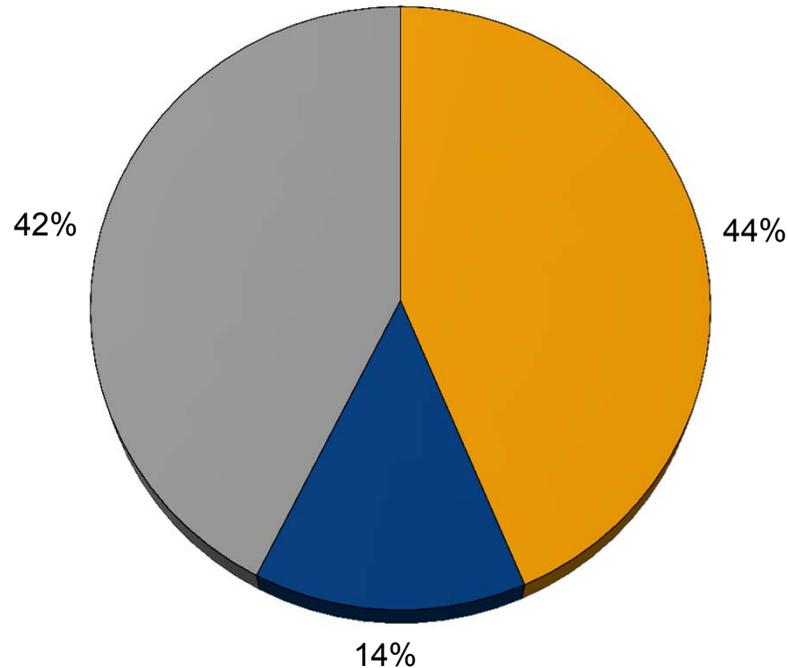
2. Quarterly View



- Book-to-bill ratio >1 for second consecutive quarter
- Lead times requested by customers getting ever shorter

2. Industry Segment: Regional Markets

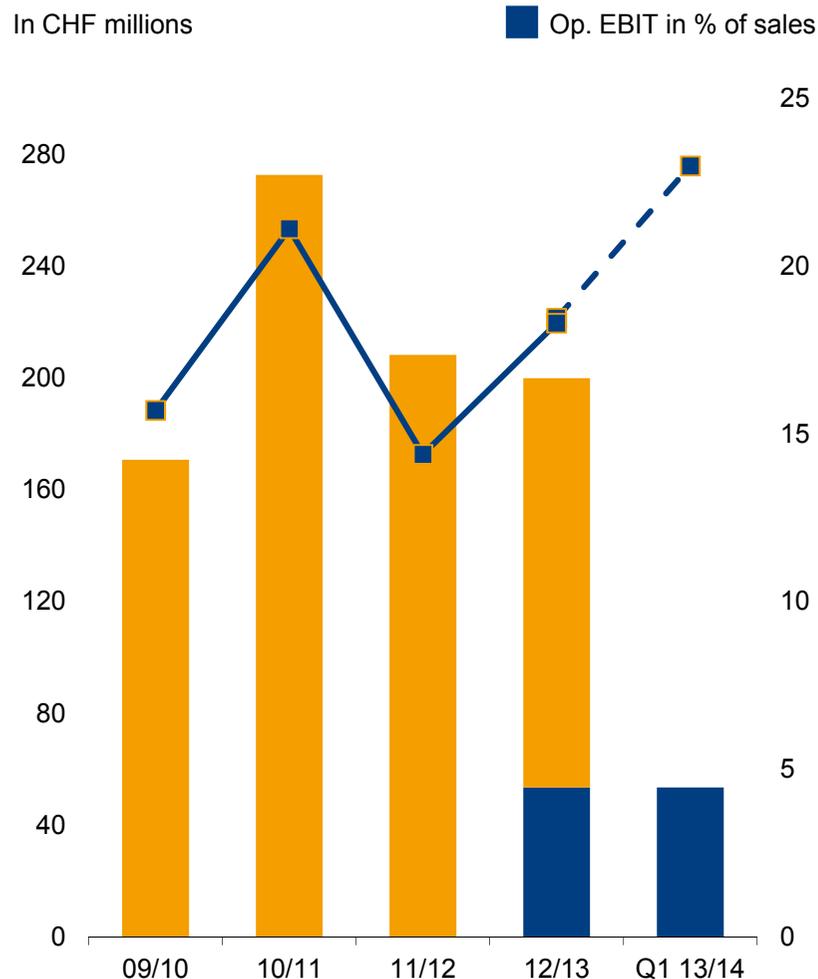
- Europe
- North America
- Asia and ROW



In CHF million, %	Sales	Q1 vs. Q1	Q1 vs. Q4
Europe	23.3	-12.1%	-3.8%
N. America	7.4	-1.5%	+14.7%
Asia and ROW	22.7	+17.0%	+34.9
Total	53.5	-0.1%	+12.4%

- European business still weak
- Double digit growth in Asia and North America
- China remains #1 Industry market

2. Industry Segment: Business Development



Businesses and Applications

Drives & welding (growth QoQ: +13%)

- Contribution from all regions
- Growth and market share increase in China

Renewable energies & power supplies (+31%)

- Seasonal effect in solar business
- Renewables markets in China and Japan benefitting from government subsidies
- Consolidation in solar and wind markets

Traction (-14%)

- Delays of projects
- Restrained investments in rail infrastructure

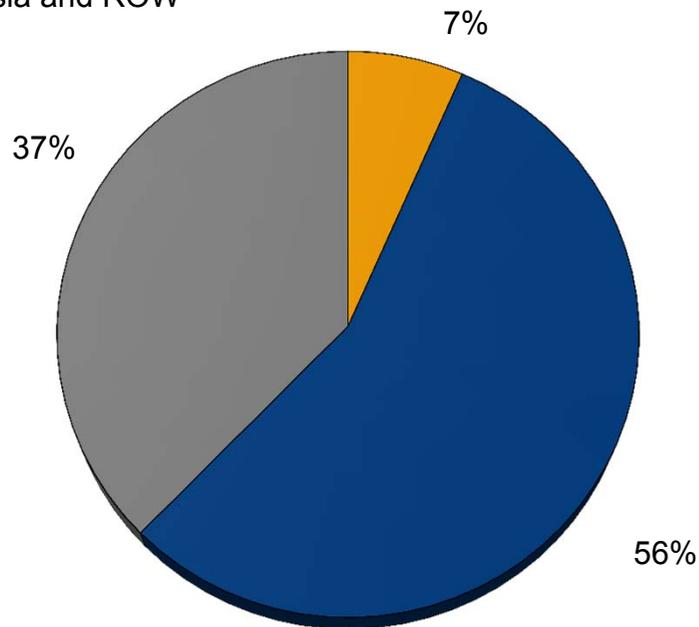
High-precision (+6%)

- Increased market share in US medical applications

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2. Automotive Segment: Regional Markets

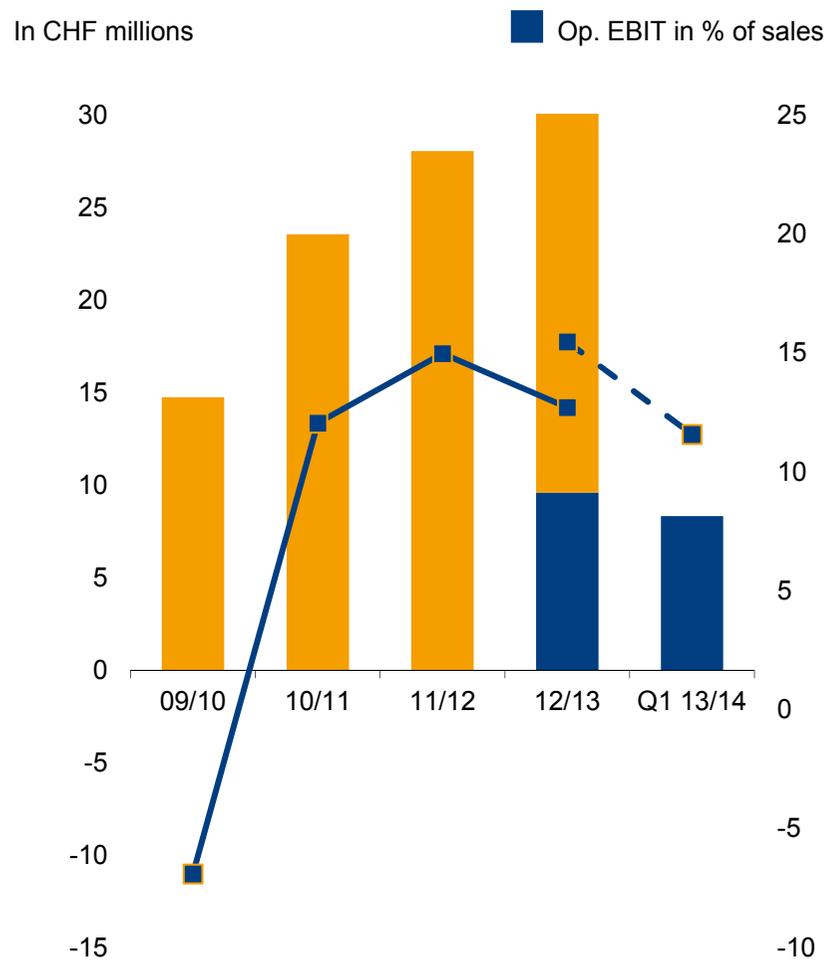
- Europe
- North America
- Asia and ROW



In CHF million, %	Sales	Q1 vs. Q1	Q1 vs. Q4
Europe	0.5	-39.2%	-37.3%
N. America	4.6	+1.0%	+5.1%
Asia and ROW	3.1	-23.5%	+7.6%
Total	8.3	-13.2%	+1.5%

- Conventional cars business driving performance
- Focus on Asian and North American markets
- Customers' inventory corrections, mainly in the US

2. Automotive Segment: Business Development



Businesses and Applications

Conventional cars (growth QoQ: +8%)

- Growth in battery management application
- Ramp-up of LEM's new start-stop-application faster than expected

Green cars (HEV, EV) (-32%)

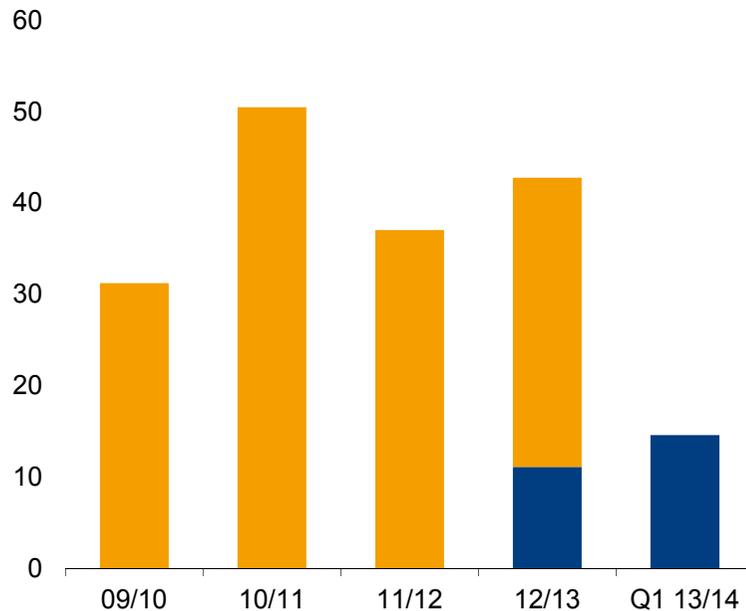
- Market burdened by high vehicle prices
- Continued technological hurdles
- Limited success of electrical cars

2. Business Development China

Sales

- Market share of over 50%
- Market share increase in some drives & welding applications
- Biggest market with 24% of total sales

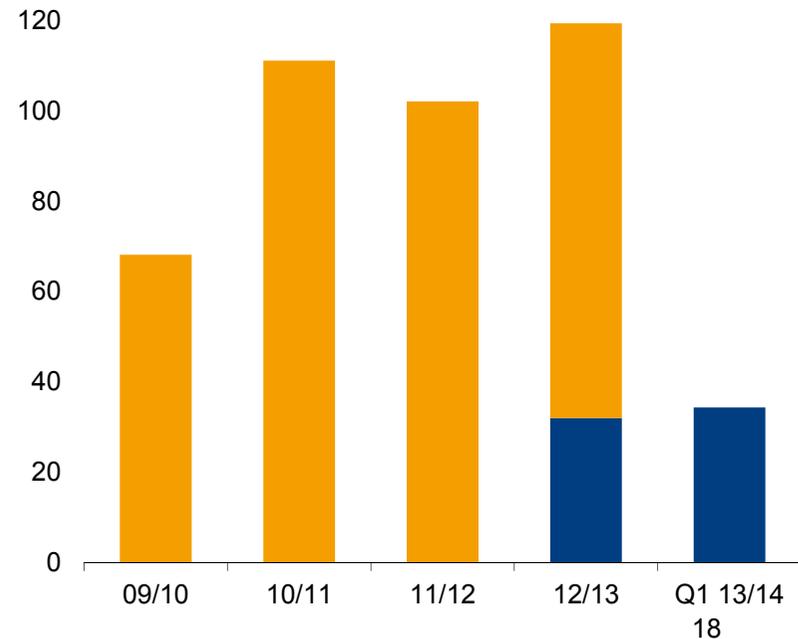
In CHF millions



Production

- LEM China expands its #1 position as largest manufacturing site of the Group (56% of total production, compared to 51% in financial year 2012/13)
- “Made by LEM” quality

In CHF millions



2. New Production Plant in Sofia (Bulgaria)

- Objectives of the new site
 - Diversify LEM's low cost production
 - Increase production capacity close to European customers
 - Increase natural hedge of operations
 - Absorb major part of LEM's future growth
- Continuation of strategy initiated in 2004
 - Production lines to be relocated from Machida (Japan) and Geneva (Switzerland) to low cost countries
 - Geneva (Switzerland) site strengthened with investment in R&D and marketing
 - Machida (Japan) site to focus on local Japanese market
- Project on plan
 - Investment of CHF 2 million into new site
 - Ramp-up production as from October 2013

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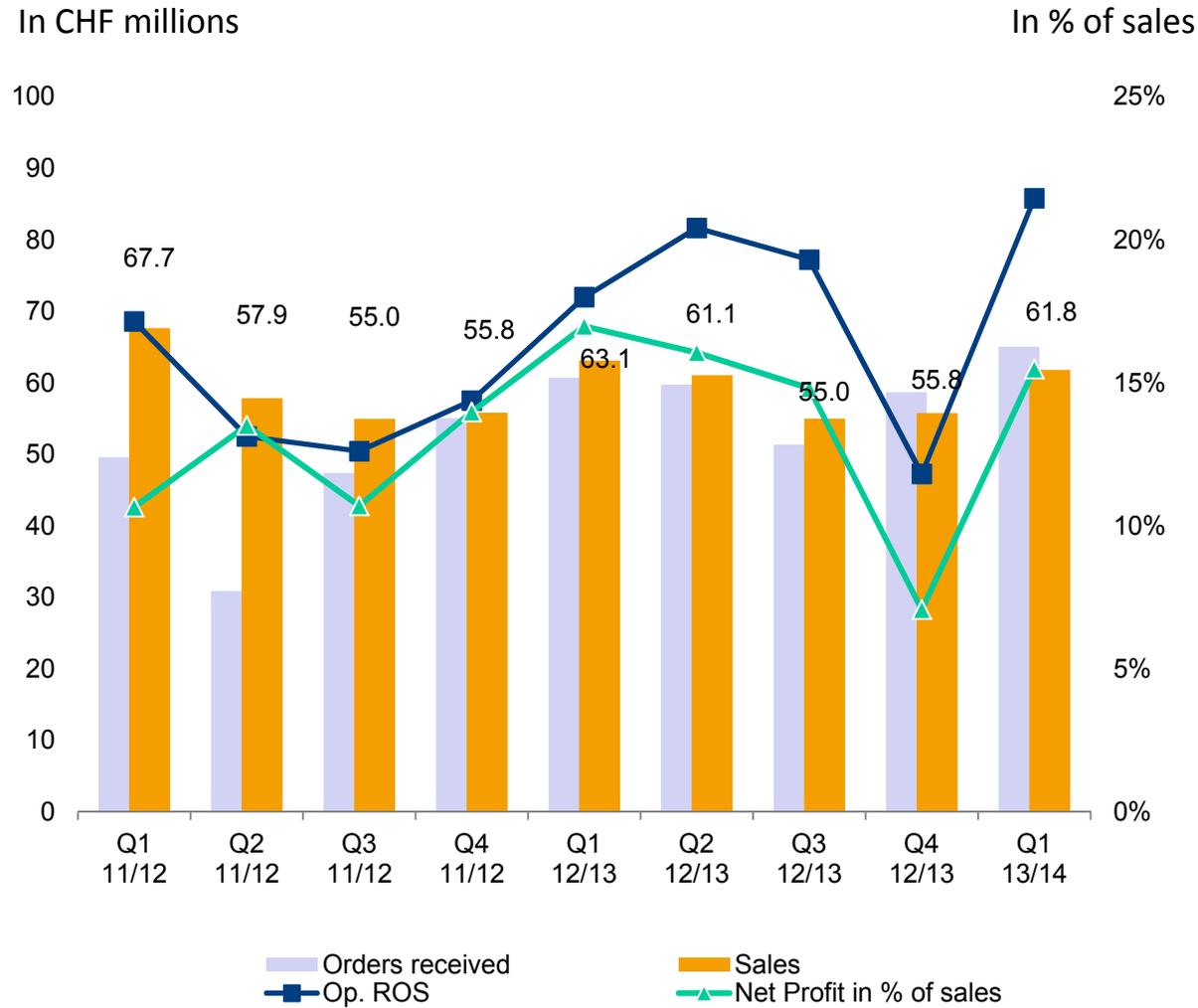


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3. Income Statement

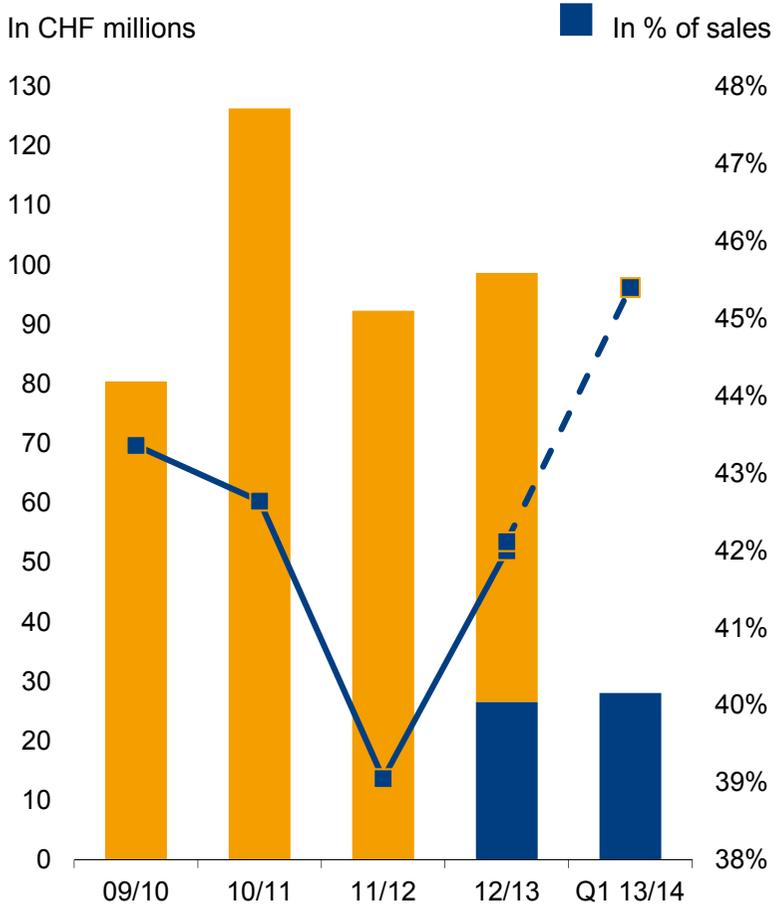
In CHF thousands,%	Q1 2013/14	Q4 2012/13	Q1 vs. Q4	Q1 2012/13	Q1 vs. Q1
Sales	61'811	55'770	+10.8%	63'118	-2.1%
Gross margin	45.4%	37.6%	+7.8%pt	42.1%	+3.3%pt
Operating costs	-14'801	-14'392	+2.8%	-15'224	-2.8%
EBIT	13'261	6'589	+101.3%	11'359	+16.7%
Financial expense (net)	-1'361	-1'257	+8.3%	1'501	N/A
Income tax	-2'131	-1'389	+53.3%	-2'140	-0.5%
Net profit	9'770	3'943	+147.8%	10'720	-8.9%

3. Results by Quarter



- Positive volume leverage effect on margins in Q1 of 2013/14
- Q4 of 2012/13 includes a restructuring charge of CHF 1.9 million

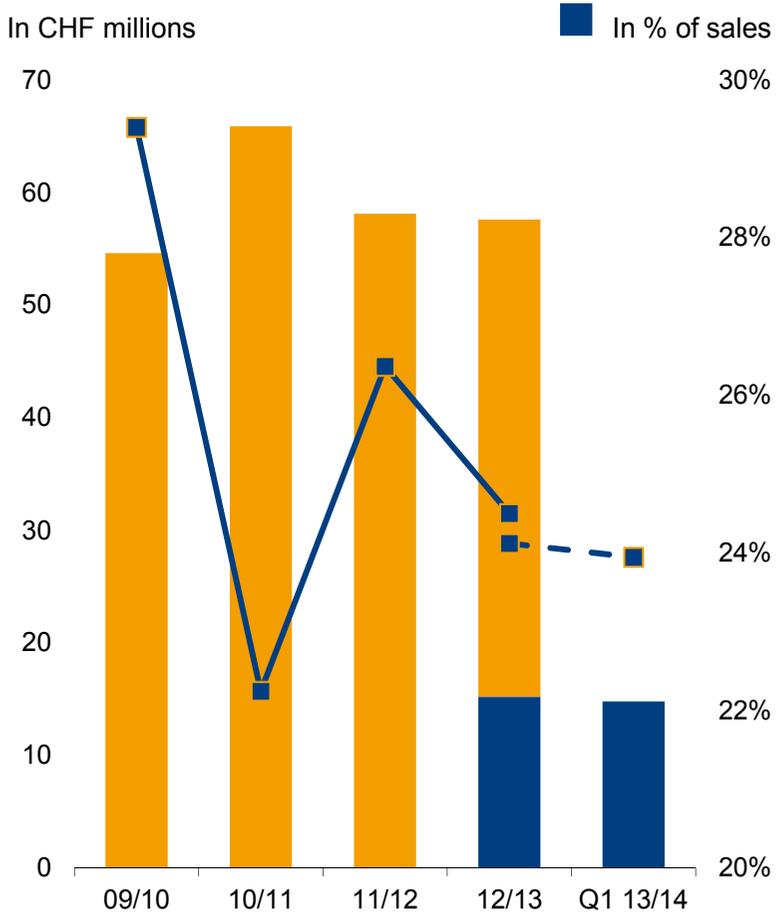
3. Gross Margin



	Q1 2012/13	Q4 2012/13	Q1 2013/14
Gross margin in CHF million	26.6	21.0	28.1
Gross margin in % of sales	42.1%	37.6%	45.4%

- Positive impacts on gross margin
 - Continued operating savings in COGS
 - Continued relocation to low cost manufacturing sites
- Q4 of 2012/13 includes a restructuring charge of CHF 1.9 million

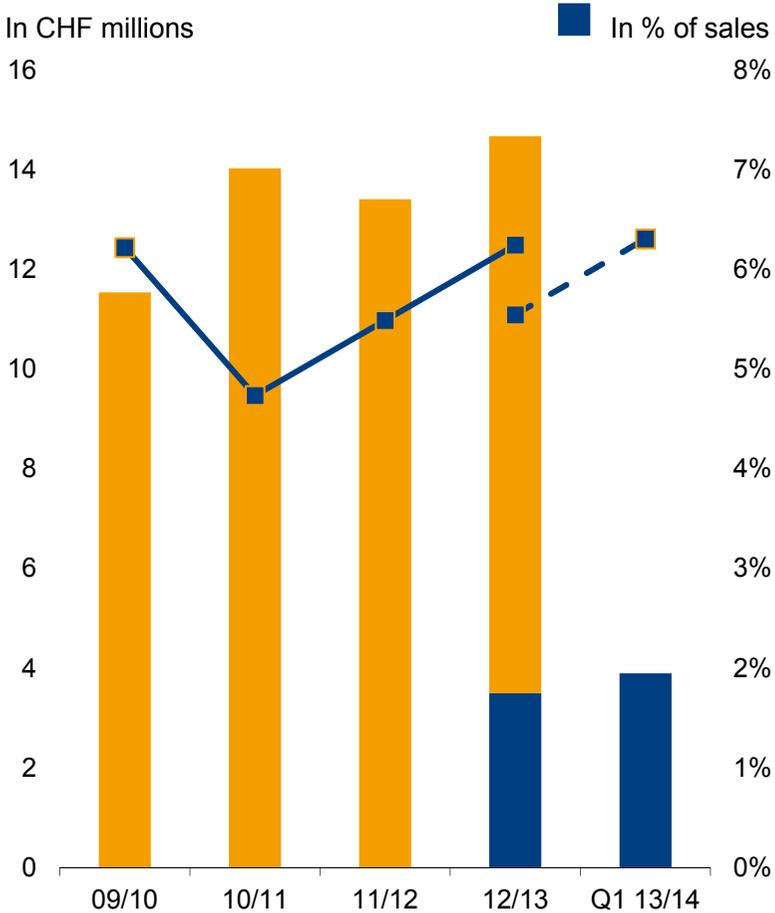
3. Operating Expense



	Q1 2012/13	Q4 2012/13	Q1 2013/14
Operating expense in CHF million	15.2	14.4	14.8
Operating expense in % of sales	24.1%	25.8%	23.9%

- Ongoing strict cost control measures
- Operating expense as a percentage of sales remain on low levels compared to historical average

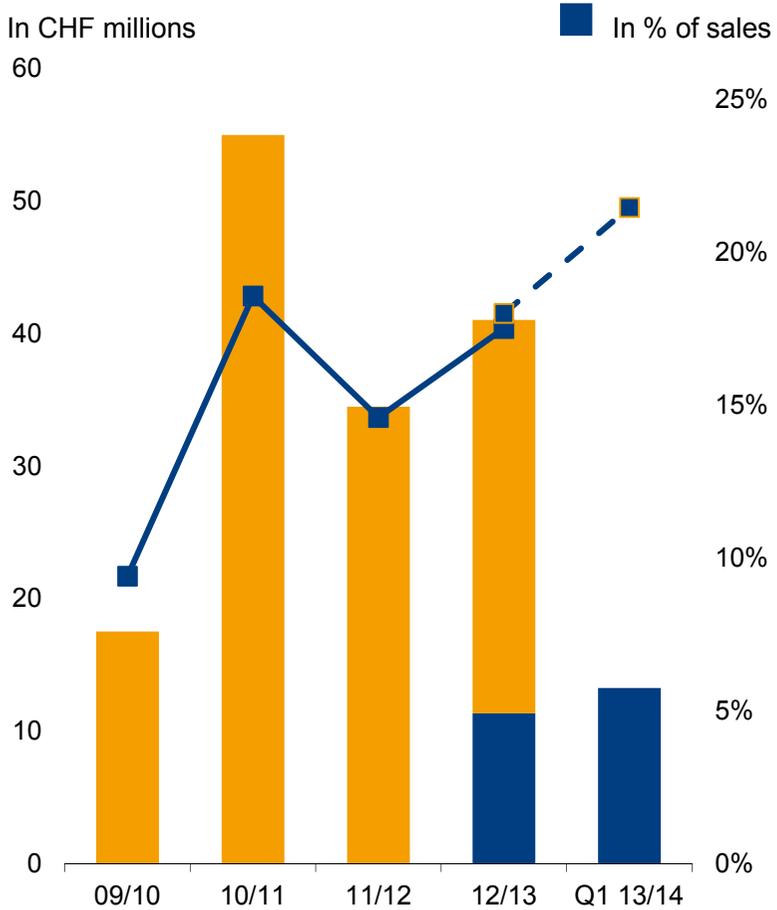
3. R&D Expense



	Q1 2012/13	Q4 2012/13	Q1 2013/14
R&D expense in CHF million	3.5	3.9	3.9
R&D expense in % of sales	5.5%	7.1%	6.3%

- Maintained high investment in R&D for both segments
- R&D expense above the long-term average of 5.5%
- Ongoing renewal of product range with focus on optimized cost, higher accuracy and new functions

3. EBIT



	Q1 2012/13	Q4 2012/13	Q1 2013/14
EBIT in CHF million	11.4	6.6	13.3
EBIT in % of sales	18.0%	11.8%	21.5%

- Profitability slightly above target range of 15 to 20%
- Q4 of 2012/13 EBIT includes a restructuring charge of CHF 1.9 million

3. Financial Expense

In CHF thousands

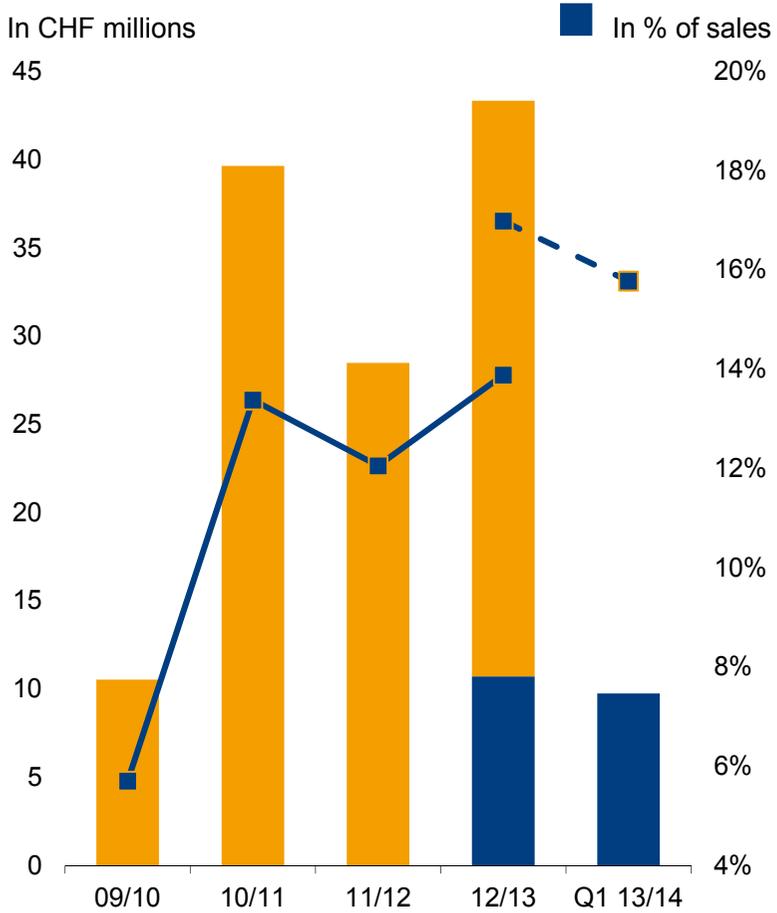
	Q1 2012/13	Q4 2012/13	Q1 2013/14
Exchange effect*	1'522	-1'253	-1'373
Other financial expense & income	-21	-4	13
Total	1'501	-1'257	-1'361

- Q1 2013/14 exchange effect mainly driven by depreciation of CHF vs. EUR, USD and JPY
- Foreign exchange hedging policy
 - EUR: 100% of net exposure 18 months forward
 - USD: 50-100% of net exposure 6-18 months forward

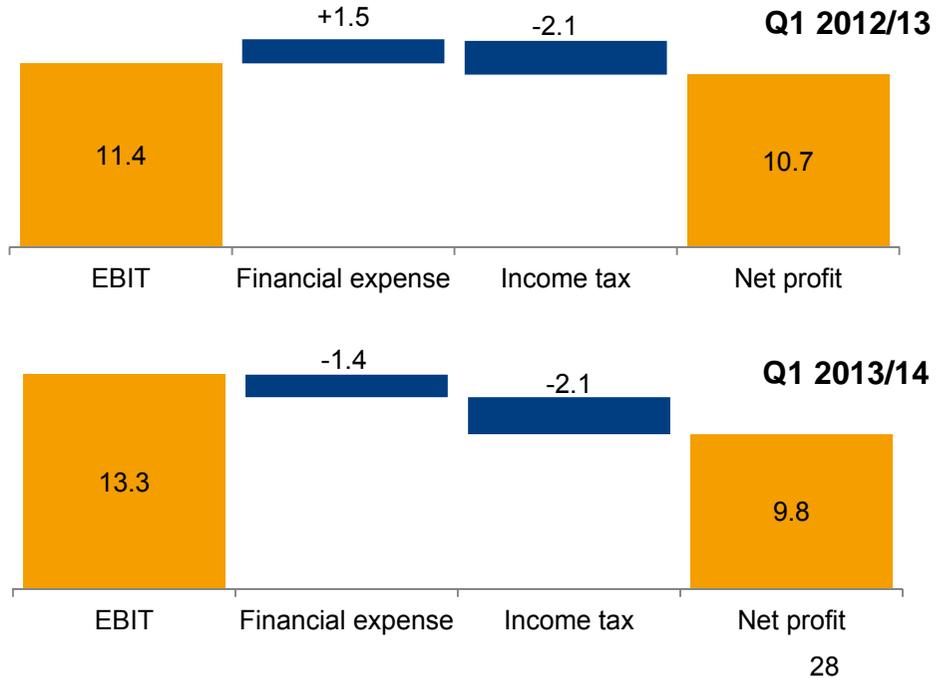
* The line "exchange effect" in the financial result is mainly due to currency volatility during the time between booking and settling a receivable/payable. Over and above this line, foreign exchange rates impact every P&L line through the rate at which each transaction is booked and at which it is consolidated into CHF.

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3. Net Profit

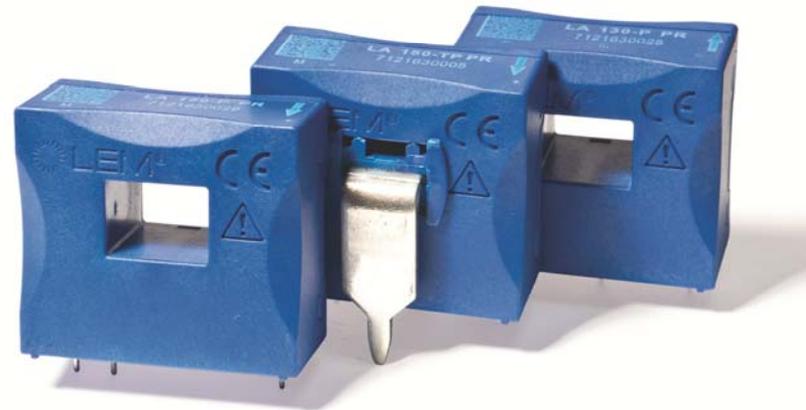


	Q1 2012/13	Q4 2012/13	Q1 2013/14
Net profit in CHF million	10.7	3.9	9.8
Net profit in % of sales	17.0%	7.1%	15.8%



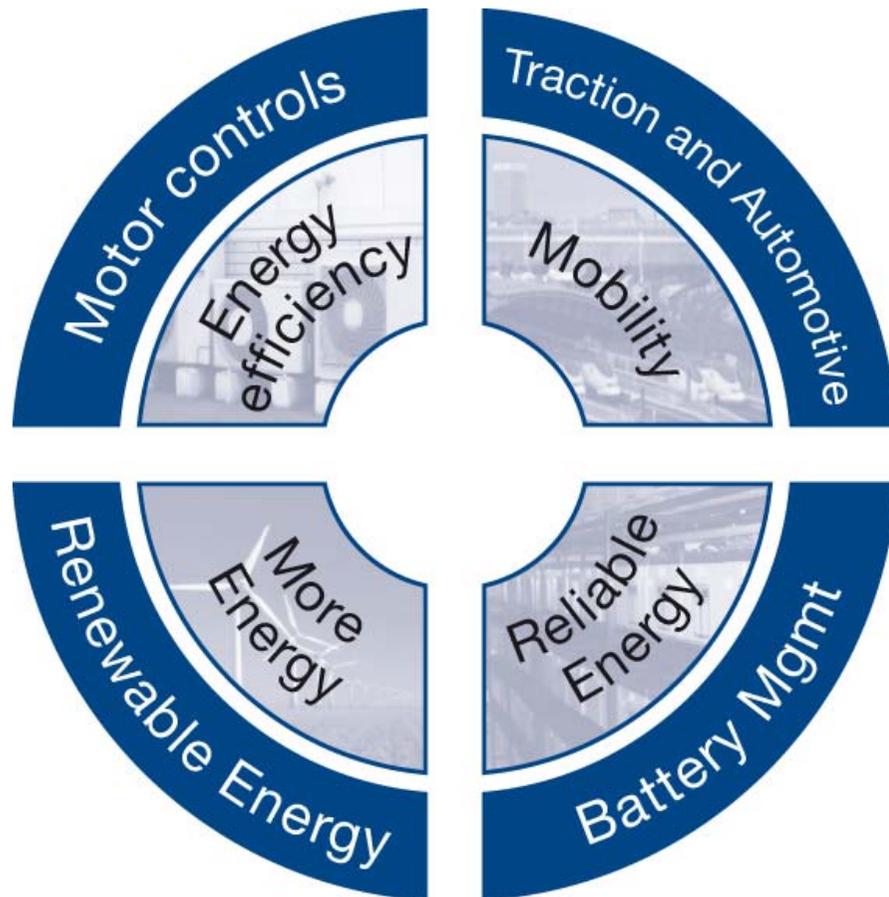
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4. Market Factors and Strategy



- We firmly believe in our strategic direction and the 4 drivers for our business remain unchanged
- We will continue to capitalize on the drivers of LEM's markets through
 - pure play components company
 - diversification across geographies and markets

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4. Outlook

- Economic climate expected to remain volatile
- For 2013/14 we expect
 - Industry segment: progressive restart of sales in North America and Asia, Europe to remain weak
 - Automotive segment: continued growth
- Further implementation of key strategic initiatives
- Operating margins to remain within target range of 15 to 20%

Financial Calendar and Contact Details

Financial calendar

13 November 2013	Half-year results of 2013/14
18 February 2014	Third quarter results of 2013/14
4 June 2014	Year-end results and media and analyst conference
26 June 2014	Ordinary shareholders' meeting for the year 2013/14
1 July 2014	Dividend ex-date
4 July 2014	Dividend payment date

For further information

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