



LMA International NV

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LMA REPORTS 10% INCREASE IN NET SALES FOR FY2007

- Group net sales up 10% year-on-year to US\$99.6 million; Q4 group net sales up 7% year-on-year to US\$25.3 million
- Sales in International West improve quarter-on-quarter as measures to regulate pricing and ordering patterns take effect
- Additions to management expected to improve operational efficiencies and effectiveness
- Group net income down 36% year-on-year but improved over guidance announced on October 11, 2007

Singapore, 19 February 2008 – Mainboard-listed LMA International N.V. (“LMA” or the “Group”), the global leader in the development and marketing of the LMA™ laryngeal mask airway range of supraglottic airway management devices, has announced its audited results for the financial year ended December 31, 2007 (“FY2007”) and its unaudited results for the fourth quarter (“Q4 FY2007”).

LMA achieved group net sales for FY2007 of US\$99.6 million, a 10% increase over the previous financial year. Consolidation of LMA PacMed Pty Ltd (“LMA PacMed”) and sales of the LMA StoneBreaker™ device contributed to the increase. In January 2007, the Group acquired an additional 50% stake in LMA PacMed, raising its stake in the Australian distributor to 80%. The LMA StoneBreaker™ device contributed US\$2.3 million to group net sales.

Group net sales in Q4 FY2007 were 7% higher year-on-year at US\$25.3 million. The consolidation of LMA PacMed and increased sales of all single-use products in the United States contributed to the increase. The McGrath® Video Laryngoscope continued to see strong demand in the United States, while sales of laryngeal masks in the International West division improved quarter-on-quarter as measures taken to restore pricing and improve distributor ordering patterns took effect.

Gross profit for the Group in FY2007 increased to US\$65.3 million, up slightly from US\$64.2 million in the previous financial year. Gross profit for Q4 FY2007 amounted to US\$15.0 million, down from US\$16.0 million year-on-year. Gross profit margin for the year dipped to 65.4% from 70.9% the previous financial year, attributed to the ongoing trend of conversion from reusable to single-use devices, increasing sales of third-party products such as the McGrath® Video Laryngoscope, additional inventory provisions in Q4 FY2007 and the dilutive effect of the consolidation of LMA PacMed in the first six months of FY2007.

Group net income for FY2007 (excluding non-cash stock compensation charge and non-cash U.K. tax charge) was US\$15.5 million, down 36% year-on-year but an improvement over the guidance announced on October 11, 2007, of a potential 40% decline in group net income for FY2007.

Selling, general and administrative expenses for FY2007 (excluding expenses for the LMA Urology joint venture and LMA PacMed) were US\$41.3 million, up from US\$36.9 million the previous financial year. This increase reflects higher legal costs related to the protection of the Group's Intellectual Property, primarily from action taken against Ambu A/S in Europe and in the United States, increased investment in management resources, and one-off costs relating to management restructuring.

Mr John Lim, Executive Deputy Chairman of LMA, said, "We are encouraged by the overall sales performance of the Group this financial year, despite the disruptions to sales in the International West division. Measures quickly taken to restructure that division have proven effective and we expect to see sales performance there return to normal levels in 2008."

Preparing for further growth

On October 15, 2007, the Group announced the acquisition of LMA PerfectTemp™, a warming and pressure reduction pad which is expected to dramatically reduce the risk of post-operative hypothermia in patients who undergo surgical procedures involving general anaesthesia. The PerfectTemp™ is currently awaiting European CE marking, having already obtained FDA approval in the United States. Sales of this device have just commenced in the United States.

LMA also launched the size 5 LMA Supreme™ globally at the end of 2007, to complement the existing adult sizes 3 and 4 which were launched on a roll out basis at the end of Q1 FY2007.

The Group recently announced the new appointments of Mr Simon Hubbert as Vice President of Sales for its International division and Dr Markus Haller as President of LMA Urology and Head of Product Development. These strategic appointments are expected to contribute to LMA's future growth and performance.

Mr Lim added, "2007 has been a very challenging year. The Group has risen to the challenge by enhancing management and operational capabilities while maintaining the product quality and standards that our customers have come to expect. We continue to seek and evaluate acquisition opportunities to expand our product range while innovating our existing products. We remain committed to delivering long term value to our shareholders and expect that our efforts in 2007 will result in a better overall performance in 2008."

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About LMA

Incorporated in the Netherlands Antilles in 1998, LMA listed on the Mainboard of the Singapore Exchange in March 2005. LMA designs, develops, markets and distributes medical equipment, principally the LMA™ laryngeal mask airway range of supraglottic airway management devices. These devices are used by physicians to allow respiration, provide ventilation to, and support the airway of patients undergoing surgical procedures and life-saving interventions. Since its first product, the LMA Classic™, was approved by the FDA for use in the United States in 1991, LMA's growth has been driven by the development of innovative products, geographic expansion, and increased customer awareness of the LMA™ laryngeal mask airway as an alternative airway management device. LMA has established a leading position in this growing market.

LMA has an office in Jersey, Channel Islands, and subsidiaries in Singapore, Bonn, Germany, San Diego, California and Melbourne, Australia. Through its 50 percent joint venture in LMA Urology Limited, the Group has a subsidiary in Gland, Switzerland to design, manufacture and distribute the LMA StoneBreaker™.

DBS Bank and Credit Suisse were the Joint Global Coordinators and Joint Bookrunners for the Initial Public Offering of shares in LMA.