



LMA International NV

FOR IMMEDIATE RELEASE

LMA INCREASES INVESTMENT IN R&D AND NEW MANUFACTURING OPERATIONS

- **Increased focus on R&D and new factory expected to favourably impact future performance**

Singapore, 5 November 2009 – Mainboard-listed LMA International NV (“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 results for third quarter (“Q3”) and first nine months of the financial year ending December 31, 2009 (“FY2009”).

Group sales for the quarter at US\$25.7 million were down 8% compared with Q3 FY2008. However, when measured at 2008 exchange rates and discounting a large tender order for Iraq in Q3 FY2008 the decline was reduced to 2%.

Sales of capital goods like the McGrath® laryngoscope in the United States were particularly affected by the weak financial and economic environment, which has continued to severely limit the capital budget of most hospitals. In the International market, sales in Australia and New Zealand continued to perform well. Although overall sales were down, sales of LMA’s single-use devices, notably the LMA Supreme™, continued to grow. For Q3 FY2009 and for the first nine months of FY2009, sales revenue and unit sales in both periods grew by 11% and 13% respectively.

As part of the Group’s new strategy to increase its focus on research and development, expenditure in this area for Q3 FY2009 tripled when compared to the amount incurred in Q3 FY2008. The increase in R&D expenses were directed mainly at design and manufacturing improvements for the LMA PerfecTemp™ device and development of new products.

Selling, general and administrative expenses for Q3 FY2009 at US\$12.3 million were US\$1.2 million lower than for Q3 FY2008 despite an increase in intellectual property litigation expenses of US\$0.8 million during this period. Although agreement had been reached to cap the fees of the Group's lead legal counsel, significant deposition and expert witness fees were incurred in this quarter. Expenditure going forward is expected to be considerably lower than recent run-rates.

Operating income at US\$2.6 million for Q3 FY2009 was 34% lower than for Q3 FY2008 due mainly to lower sales and margins and increased R&D and intellectual property litigation expenses, as well as the impact of foreign exchange rate differences.

During Q3 FY2009, the Group made good progress on its plans for the new Malaysian manufacturing project. The factory remains on track to commence production in early 2011.

The Group continues to have a strong balance sheet with cash balances of US\$42.5 million and no debt as at 30 September 2009.

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For media queries, please contact:

Kreab Gavin Anderson, Tel: +65 6339 9110
Sharon Seetho, Email: sseetho@kreabgavinanderson.com

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. DBS Bank and Credit Suisse were the Joint Global Coordinators and Joint Bookrunners for the Initial Public Offering of shares in LMA. For more information, visit www.lmanv.com.