



LMA International NV

FOR IMMEDIATE RELEASE

LMA REPORTS SALES GROWTH IN Q2 AND 1H FY2008

- Increased contribution from International markets and new products

Singapore, 7 August 2008 – Singapore-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 reported an increase in net sales of 3% in both the first six months (“1H”) and second quarter (“Q2”) of the financial year ending 31 December 2008 (“2008”). The increase in top line performance was boosted by increased contribution from International markets with strong sales of the full range of LMA Supreme™ introduced at the end of last year as well as the Pain Care® range of ambulatory infusion pumps.

	Three months ended 30 Jun 08	Three months ended 30 Jun 07	Increase/ (Decrease)	Six months ended 30 Jun 08	Six months ended 30 Jun 07	Increase/ (Decrease)
	US'000	US'000	%	US'000	US'000	%
Group net sales	28,585	27,846	2.7%	53,054	51,416	3.2%
Gross profit	18,631	19,138	(2.6%)	34,430	34,761	(1.0%)
Total operating income	4,228	6,664	(36.6%)	6,222	10,783	(42.3%)
Net income	4,272	5,489	(22.2%)	6,826	8,978	(24.0%)

Q2 2008 vs. Q2 2007

In the United States, LMA continues to maintain its position as the dominant player, reporting sales of US\$15.3 million despite the strong competitive environment. In May 2008, LMA North America, Inc. extended its dual source agreement for LMA products with MedAssets Supply Chain Systems, one of the foremost group purchasing organisations, for another three years.

In the International markets, net sales of anaesthesia products improved by 2% over Q2 2007 to US\$11.9 million. Particularly encouraging is the continued improvement in sales performance of the International West division and the success of Australian subsidiary LMA Pacific Medical Pty Ltd.

Sales of LMA Supreme™ performed well in Q2 2008, accounting for over 8% of net sales. Sales of single-use devices grew by 12% in Q2 2008 over Q2 2007. Sales of the recently acquired Pain Care® range of ambulatory infusion pumps and LMA StoneBreaker™ contributed US\$1.4 million to net sales for the quarter.

Gross profit for Q2 2008 at US\$18.6 million was down slightly from Q2 2007, as a result of the ongoing shift in product mix towards lower margin and higher volume products, as well as the sale of more third-party distributor devices.

Due to ongoing legal costs associated with protecting LMA's intellectual property in the United States and Germany, a renewed focus on sales and marketing initiatives, and excluding expenses for the LMA Urology and Pain Care® businesses, selling, general and administrative costs ("SG&A") increased by 10% over Q2 2007. The increase in SG&A impacted operating income reported for Q2 2008 at US\$4.2 million, down 37% from Q2 2007.

Net income excluding non-cash stock compensation charge decreased by 22.5% to US\$4.6 million in Q2 2008 from US\$5.9 million in Q2 2007.

1H 2008 vs. 1H 2007

The increase in net sales in 1H 2008 was generated through improved sales in the International markets, up 5% over 1H 2007, and the contribution from sales of the Pain Care® business.

Gross margin for the half year dipped slightly to 65%, from 67% in the same period last year. This was primarily due to the ongoing product mix changes as customers switched from reusable products to single-use devices.

Excluding expenses arising from the LMA Urology and Pain Care® businesses, SG&A for the first six months of the year increased 13% over the same period last year to US\$24.6 million. The higher SG&A was a result of increased intellectual property protection costs and expenditure on sales and marketing, in particular to garner greater visibility and prominence at the World Congress of Anaesthesia in South Africa, a key industry event in Q1 2008.

Net income excluding LMA Urology and non-cash stock compensation charge was US\$8.2 million in 1H 2008.

Outlook

The outlook for the Group's performance remains positive despite the competitive environment. Recent developments such as the availability of a full range of adult sizes for the LMA Supreme™ and the acquisition of the Pain Care® business, as well as the launch of LMA PerfecTemp™ expected in Q3 2008, will contribute positively to the Group's sales growth for the rest of 2008.

Mr John Lim, Executive Deputy Chairman of LMA, said, "We believe that these recent developments, and the continued operational improvements implemented since the end of last year, will be positively reflected in our full year results for 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.