



## LMA International NV

**FOR IMMEDIATE RELEASE**

### **LMA reports sales growth for third quarter and the first nine months of FY2007**

- Group net sales for Q3 FY2007 increased 3.5% over Q3 FY2006 and 11% in 9M FY2007 over 9M FY2006
- Net Income (before non-cash and non-recurring charges) decreased by 50% for Q3 FY2007 for reasons announced on 11th October

**Singapore, 1 November 2007** - Mainboard-listed LMA international N.V. ("LMA" or the "Group"), a global leader in the development and marketing of the LMA™ laryngeal mask airway range of supraglottic airway management devices, today announced that group net sales for Q3 FY2007 increased 3.5% to US\$22.9 million over the same period in FY2006, attributable to the consolidation of LMA PacMed Pty Ltd ("LMA PacMed") and sales of the LMA StoneBreaker™ device.

Group net sales for the nine months ending 30 September 2007 ("9M FY2007") rose 11.0%, following increased sales of single-use devices, the McGrath® Video Laryngoscope, the LMA StoneBreaker™ and the consolidation of LMA PacMed.

Net sales of Laryngeal Masks in the United States at US\$14.5 million for Q3 FY2007 increased by 3.0% over sales of US\$14.1 million for Q3 FY2006. Whilst the increase was largely driven by sales of McGrath® Video Laryngoscope, the growth rate would have been at least double had this device not suffered shipment delays caused by technical issues at the supplier's plant.

As advised in the announcement dated 11th October 2007, Q3 revenue was adversely affected by reduced sales to distributors in the International West Sales Division (comprising Europe, Middle East, Africa and Latin America) following steps taken by the Group to restore regular product pricing and distributor ordering patterns in this market.

Gross profit for Q3 FY 2007 at US\$15.5 was down 2% from the same period in FY 2006 due to lower sales and continued market trend towards single used devices which have lower margins.

Selling, general and administration expenses increased by 21.6% in Q3 2007 over Q3 2006 as a result of management restructuring costs, higher legal costs relating to patent protection in key markets, higher urology operating expenses and the consolidation of LMA PacMed, all of which were also included in the 11th October announcement.

As a result of the above factors, net income (before non-cash and non-recurring charges) for Q3 FY 2007 at US\$2.8 million decreased by 50% over Q3 FY 2006.

Mr John Lim, LMA's Deputy Executive Chairman said, "Although the Group's performance

has been affected by several developments over the last quarter, we remain confident about our business prospects going forward. Our sales teams in North America continue to regain lost customer accounts, and LMA PacMed has performed well.”

### **Other Key Developments in Q3 FY2007**

During the quarter, the Group continued to pursue its damages claim against Ambu A/S in Germany and filed a patent infringement complaint against Ambu A/S in the United States. This patent infringement litigation in the United States is expected to take approximately two years to reach a judgement.

Also during the quarter, LMA announced the acquisition of “PerfectTemp”, an innovative patient warming device to be used in operating rooms. The device represents a breakthrough in the ease and effectiveness in patient warming and is expected to dramatically reduce the risk of post-operative hypothermia in patients who undergo surgical procedures involving general anaesthesia. The device has already obtained FDA approval in the United States, and approval for CE marking will be sought in the first quarter of 2008.

Added Mr Lim, “The acquisition of “PerfectTemp”, the launch of LMA Supreme in USA, the availability of Size 5 LMA Supreme by year end to complement Sizes 3 and 4 already launched and the completion of our International West Sales Division Management restructuring and addition of key management personnel will contribute positively to our performance in FY 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.