



## LMA International NV

*For Immediate Release*

### LMA RECORDS FIRST QUARTER PROFIT OF US\$4.3 MILLION

*Singapore, 4 May 2006* – 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, has announced its unaudited results for the first quarter (“Q1”) of the financial year ending December 31, 2006 (“FY2006”).

#### Summary of LMA’s Financial Performance

(U.S. Dollars, in thousands)	Three months ended March 31,		
	2006	2005	% change
<b>Net sales</b>	<b>\$20,451</b>	<b>\$20,577</b>	<b>(0.6)</b>
<b>Gross profit</b>	<b>14,778</b>	<b>15,834</b>	<b>(6.7)</b>
<b>Total operating income</b>	<b>5,124</b>	<b>7,118</b>	<b>(28.0)</b>
<b>Net income before income taxes, minority interests and share of net earnings of associate</b>	<b>5,182</b>	<b>6,860</b>	<b>(24.5)</b>
Income tax expense	(597)	(672)	
Minority interests	92	(25)	
Share of net earnings of associate	(27)	-	
<b>Net income excluding non-recurring charges and stock compensation charge</b>	<b>\$4,650</b>	<b>\$6,163</b>	<b>(24.5)</b>
Stock compensation charge	(314)	-	
Non-recurring stock compensation charge	-	(24,160)	
One-off loyalty bonus (net of tax credit)	-	(3,139)	
<b>Net income (loss)</b>	<b>\$4,336</b>	<b>\$(21,136)</b>	<b>nm</b>

(U.S. Dollars, in thousands, except share and per share amounts)	Three months ended March 31,	
	2006	2005 (restated)
Net Income attributable to shareholders excluding one-off charges and stock compensation charge	\$4,650	\$6,163
Number of shares	580,946,581	580,946,581
<b>Earnings per share before non recurring items</b> (in U.S. cents)	<b>0.800</b>	<b>1.061</b>

(U.S. Dollars, in thousands, except per share amounts)	March 31, 2006	December 31, 2005
Net assets of the Group	\$53,931	\$49,288
<b>Net assets per share</b> (in U.S. cents)	<b>9.283</b>	<b>8.484</b>

## Segmental Review

	Three months ended March 31,			
	2006		2005	
	US\$'000		US\$'000	
United States	12,784	63%	12,755	62%
Rest of the World ("ROW")	<u>7,667</u>	37%	<u>7,822</u>	38%
<b>Total net sales</b>	<b><u>20,451</u></b>	<b>100%</b>	<b><u>20,577</u></b>	<b>100%</b>
Reusable devices	10,113	49%	11,929	58%
Single-use devices	9,511	47%	8,256	40%
Other	<u>827</u>	4%	<u>392</u>	2%
<b>Total</b>	<b><u>20,451</u></b>	<b>100%</b>	<b><u>20,577</u></b>	<b>100%</b>

	Three months ended March 31,	
	2006	2005
Reusable units sold	56,045	66,249
Single-use units sold	<u>991,004</u>	<u>778,162</u>
<b>Total units sold</b>	<b><u>1,047,049</u></b>	<b><u>844,411</u></b>
Average revenue per unit of reusable units (US\$)	<b>180.44</b>	<b>180.05</b>
Average revenue per unit of single-use units (US\$)	<b>9.60</b>	<b>10.61</b>

## Highlights

The Group implemented several operational initiatives to further strengthen its sales management and distribution capability in key markets in ROW. These resulted in some short term sales disruptions in the markets affected and in some one time dislocation costs. These initiatives included a change in the distributor arrangements in Japan for single-use products, the appointment of a new Head of Sales in Germany, and the replacement of several poor performing distributors in South America and two senior managers.

As a consequence, Group net sales for ROW at US\$7.7 million was marginally down on Q1 FY2005. However, it is expected that the initiatives taken will begin to show positive results in the second half of FY2006. Although sales in Germany for Q1 2006 were down on Q1 2005, sales performance had improved on both Q3 and in Q4 FY2005 which bodes well for its full year performance.

In the United States, some selling time on existing products was diverted to the launch of the new CTrach™ device which was well received. As a result of this temporary diversion and an exceptionally strong growth of 24% in Q4 FY2005, sales in Q1 FY2006 at US\$12.8 million were flat compared to Q1 FY2005.

LMA Group President, Mr John Lim, said, "The weaker group performance this quarter is very much the results of the initiatives we took to strengthen our sales management and distribution infrastructure in some of our key international markets, in line with our strategy to continually upgrade our operational capability. These initiatives resulted in some one-off costs and temporary disruption in sales."

Added Mr Lim, "We are confident these initiatives will further strengthen our competitive capability and, together with the successful launch of our CTrach™ device and planned programmes in key emerging markets, should generate stronger sales for the rest of FY2006."

Developments relating to Stonebreaker™ are on track and approvals for the CE Mark are expected in the second quarter of FY2006. The device will be launched commercially in the second half of this financial year.

Barring unforeseen circumstances, the Group expects sales and profits in FY2006 to exceed those for FY2005.

- Ends -

#### **About LMA**

Incorporated in the Netherlands Antilles in 1998, LMA was listed on 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, Germany and San Diego, California. DBS Bank Limited and Credit Suisse were the Joint Global Coordinators and Joint Bookrunners for the Initial Public Offering of shares in LMA.

#### **For media queries, please contact:**

Sharon Seetho, Gavin Anderson & Company Singapore, Tel: +65 6339 9110