

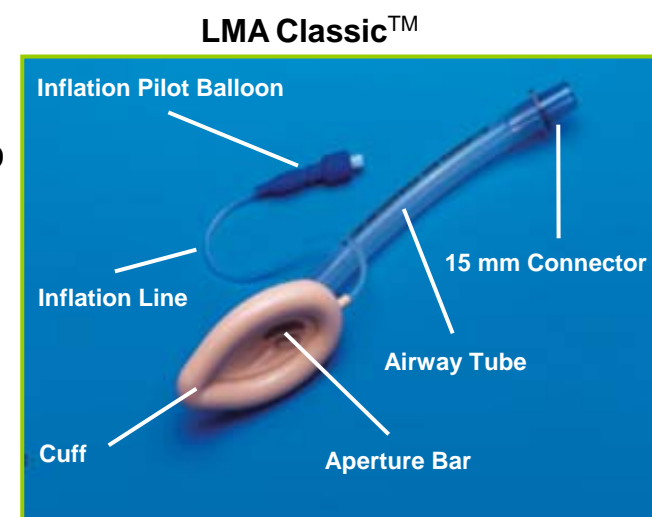
# **LMA International NV Presentation**

November 2006

## The Laryngeal Mask Airway – A Revolutionary Product

“The Laryngeal Mask Airway represents a revolution in airway management. In the majority of anaesthesia cases the LMA™ is the airway of choice.” (Dr. Chandy Verghese)

- First conceived and designed by anaesthesiologist Dr Archie Brain in 1981
- Used by physicians to allow respiration, provide ventilation to and support the airway of patients undergoing medical procedures under general anaesthetic
  - Traditional airway devices used by medical professional were face masks and endotracheal tubes
- Supraglottic airway devices have secured 38% market penetration in the general airway management market in the US and 20% in the developed world ex-US
  - Of this penetrated market, the LMA™ has secured a market share of 96% in the US and 85% in the rest of the world



## Comprehensive Product Range



**LMA's products cover the spectrum of airway needs with a full range of sizes from infants to large adults**

### **Reusable Products**

- LMA Classic™
- LMA Flexible™
- LMA ProSeal™
- LMA Fastrach™

### **Single-Use Products**

- LMA Unique™
- LMA Fastrach™
- LMA Flexible™

### **New Products**

- LMA CTrach™

**LMA™ is the gold standard with the broadest product range**

## Strong Brand Name

- Established brand name in US and rest of the world
- More than 15 years of commercial success
- Functional, intellectual and emotional associations
- Emotional attachment is a very significant competitive barrier
  - More than 200 million safe uses<sup>(1)</sup>
  - A real medical breakthrough
- LMA™ trademark protected worldwide



**The LMA™  
Airway System**

**150 MILLION AIRWAYS  
15 YEARS**  
LMA

**150 million uses, 15 years  
and counting...**

**The only complete  
line of laryngeal  
masks in the world**

(1) Based on 40 uses for each reusable product

## Extensive Medical and Scientific Validation

### Clinicians around the world have accumulated over 15 years of experience using the LMA™

- Medical market is conservative
- Proving clinical efficacy is expensive and time-consuming
- High medico-legal “standard of care”
- Given the critical nature of the LMA™, the cost of failure is very high
- The LMA™ brand is specifically recommended by leading US and European organisations
- Selected for inclusion on NASA’s space shuttle flights since October 2002

“The use of the LMA™ has an advantage over ETT placement in order to avoid postoperative laryngeal swelling.”

“...our results suggest the superiority of the use of the LMA™ in maintaining laryngeal airway patency.”

**Tanaka, Isono, Ishikawa, Sato, Nishino: Laryngeal Resistance before and after Minor Surgery: Endotracheal Tube versus Laryngeal Mask Airway™ (Anesthesiology 99; 99:252-8)**

“The findings of Tanaka et al. confirm our long-held belief that even routine tracheal intubation produces changes in the airway. These changes may vary from those that are very mild... to the very serious.”

**Maktabi, Smith, Todd: Is Routine Endotracheal Intubation as Safe as We Think or Wish? (Anesthesiology 99; 99:247-8)**

**The LMA™ brand is enhanced by more than 2,800 medical references**

## Worldwide Intellectual Property Protection

**LMA™ has an extensive patent portfolio relating to its products in all its major markets**

- LMA™ will continue protecting its highly valued IP
  - Multiple patents covering numerous features
  - Only company that can use the LMA™ trademark
  - Trade secrets
- Retain customer base despite expiry of initial patent
  - Original patent for LMA-Classic™ and LMA-Unique™ expired in December 2002
  - Engineering intricacies and manufacturing difficult to replicate
  - Brand retained
- Strong brand loyalty
- Successful legal actions against competitors in Germany and Netherlands



**European Patent Office**



## Global Sales and Distribution Network

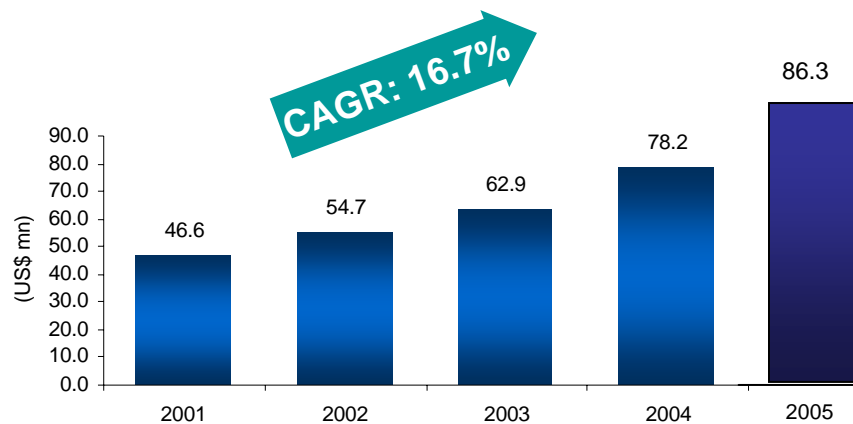
LMA's products are distributed to more than 100 countries via its own sales teams in the US, Germany and Singapore, and through more than 68 independent distributors

- Highly skilled and trained sales teams have long term relationships with customers
- Global network provides opportunities to add related products to distribution channel



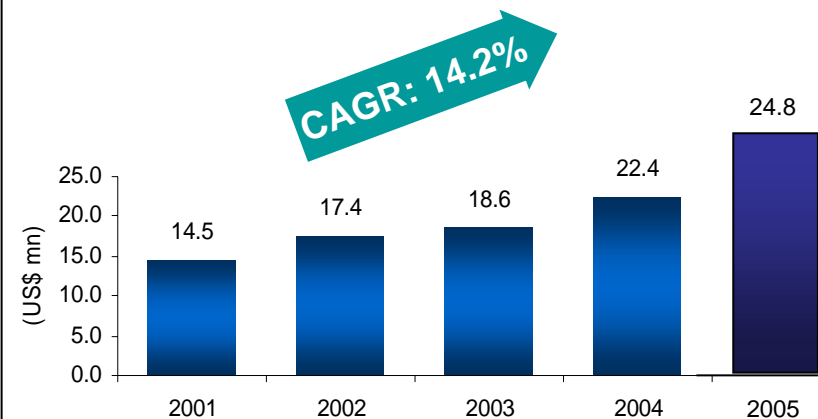
## Strong Financial Performance (FY2001 - FY2005)

### Net Sales (US\$million)



Source: Company Financials

### Net Income (US\$million)



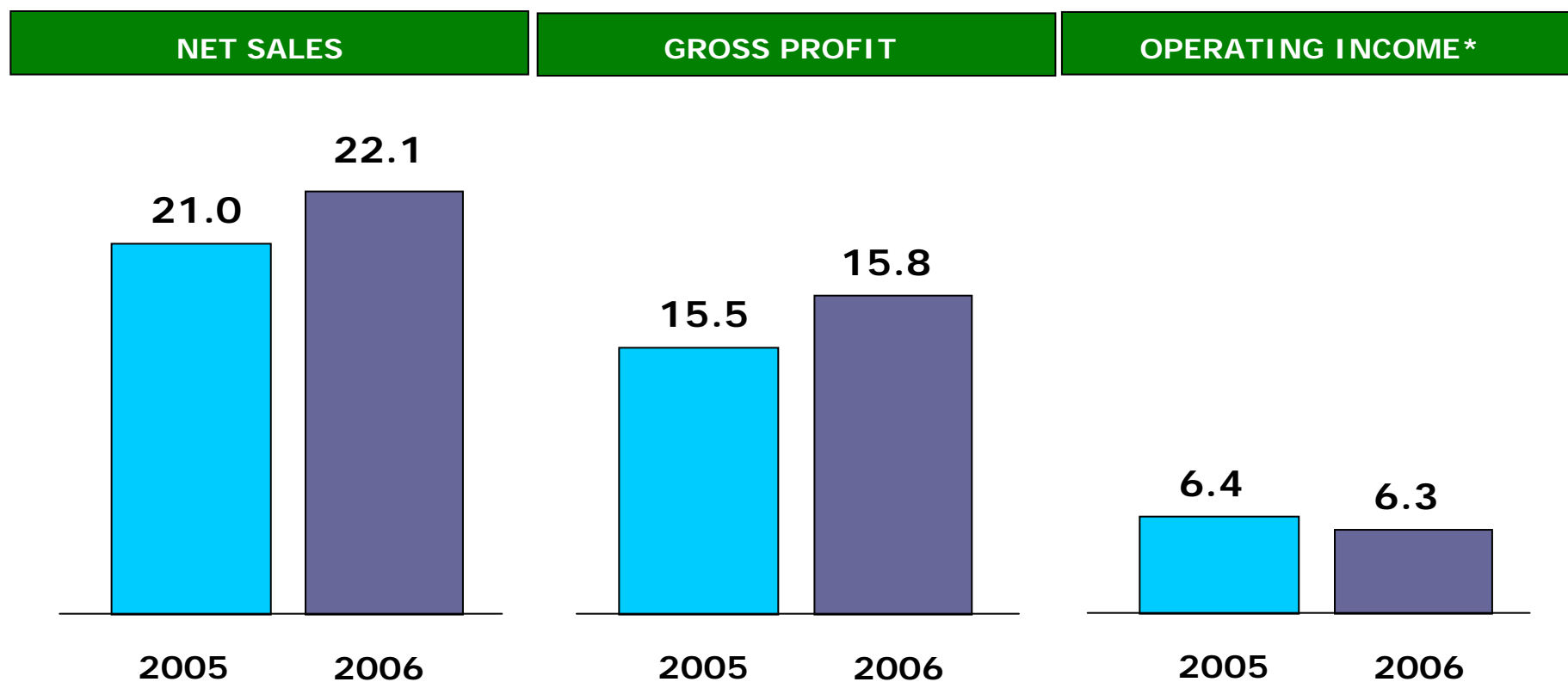
Source: Company Financials

Net income after income tax and minority interests (excluding non-recurring charges)

# Financial Review

For the third quarter and first nine months of  
the financial year ending 31 Dec 2006

## Third Quarter FY2006



Source: Company Financials (US\$million)

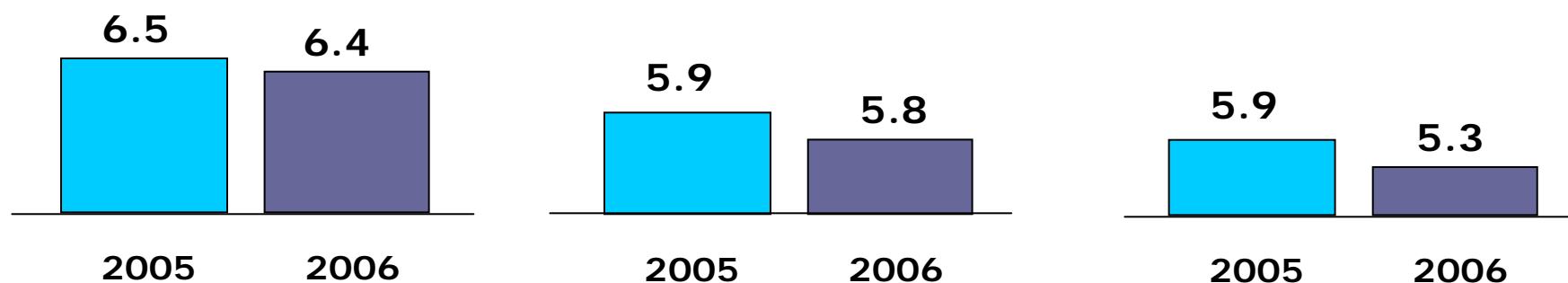
\* Excluding expenses incurred by LMA Urology of US\$0.5 million over the three month period ended 30 September 2006

## Third Quarter FY2006

**NET INCOME \***

**NET INCOME \*\***

**NET INCOME \*\*\***



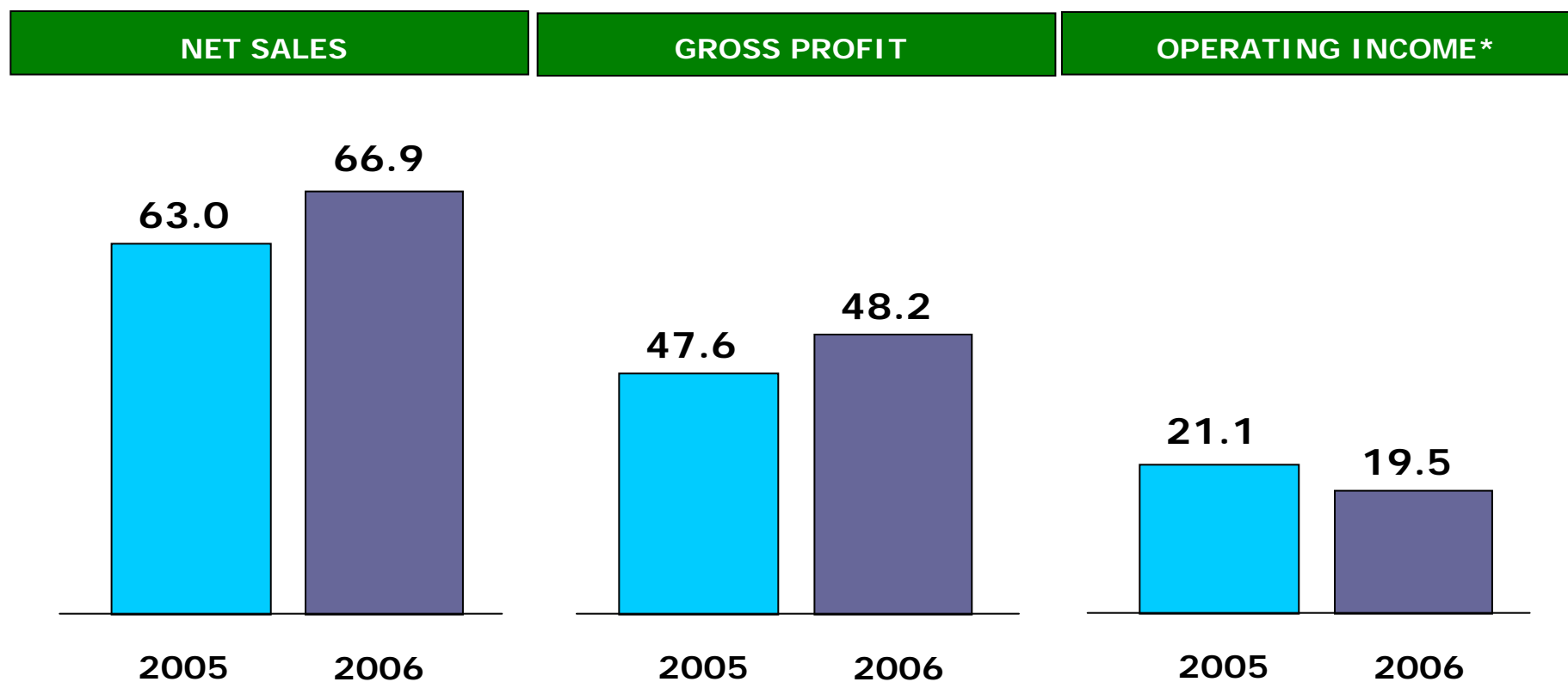
Source: Company Financials (US\$million)

\* Before income tax, minority interests and share of net earnings of associate, excluding expenses incurred by LMA Urology

\*\* Excluding non-recurring charges, stock compensation charge and expenses incurred by LMA Urology

\*\*\* After non-recurring charges, stock compensation charge and expenses incurred by LMA Urology

## Nine months of FY2006



Source: Company Financials (US\$million)

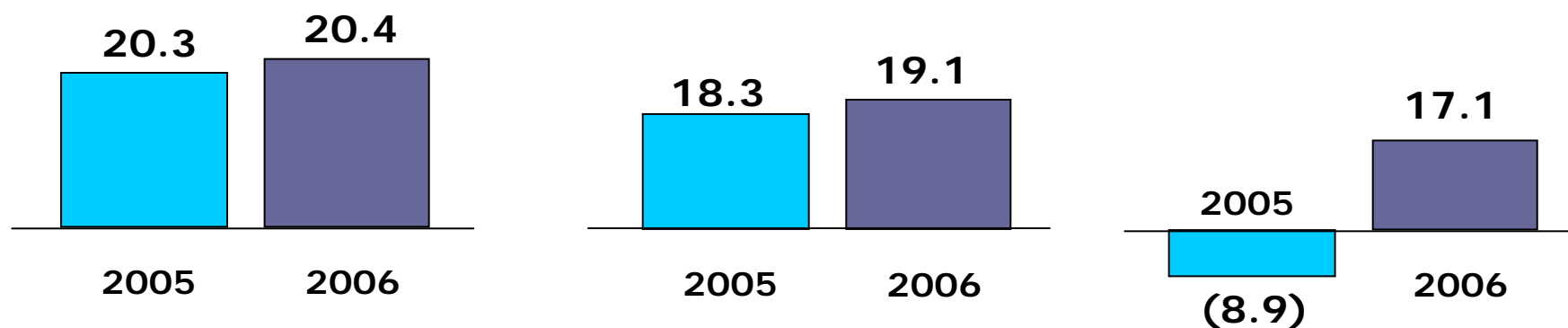
\* Excluding expenses incurred by LMA Urology of US\$1 million over the nine month period ended 30 September 2006

## Nine months of FY2006

NET INCOME \*

NET INCOME \*\*

NET INCOME \*\*\*



Source: Company Financials (US\$million)

\* Before income tax, minority interests and share of net earnings of associate, excluding expenses incurred by LMA Urology

\*\* Excluding non-recurring charges, stock compensation charge and expenses incurred by LMA Urology

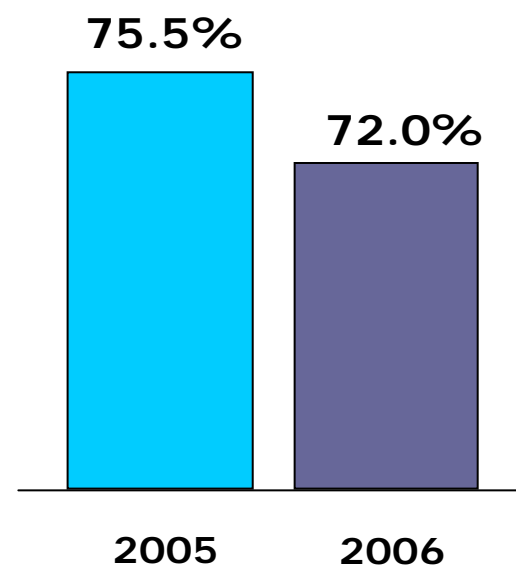
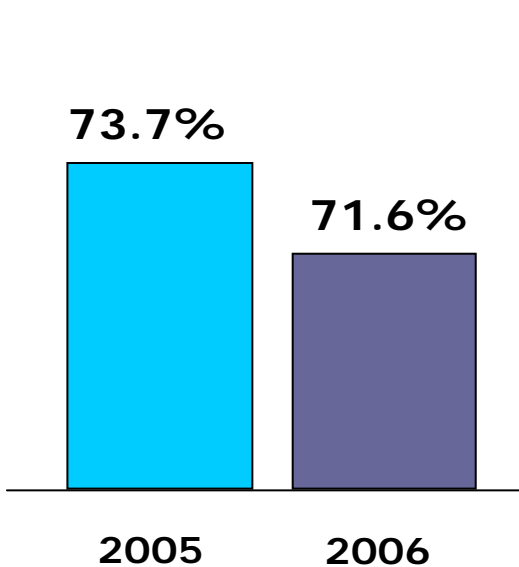
\*\*\* After non-recurring charges, stock compensation charge and expenses incurred by LMA Urology

## Gross Margins

Three months ended Sept 30

Nine months ended Sept 30

Lower margins due to changes in sales product mix from reusable to single-use devices



## Selling, General & Administrative Expenses

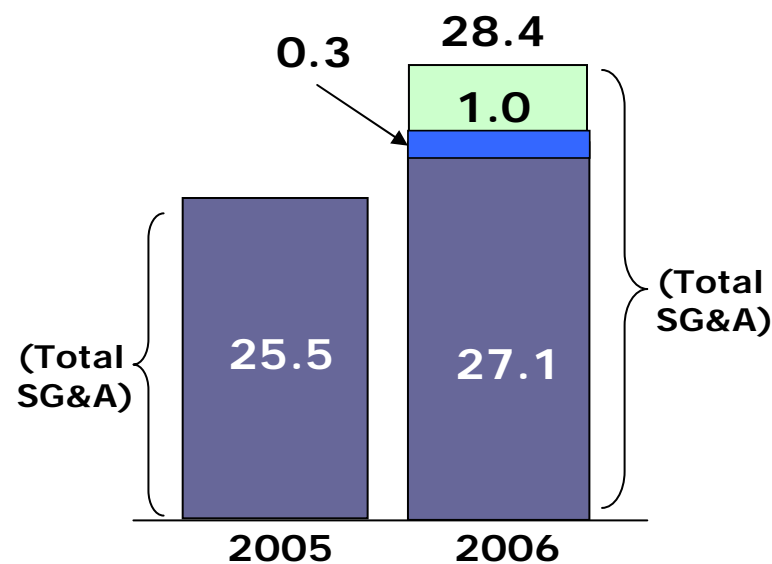
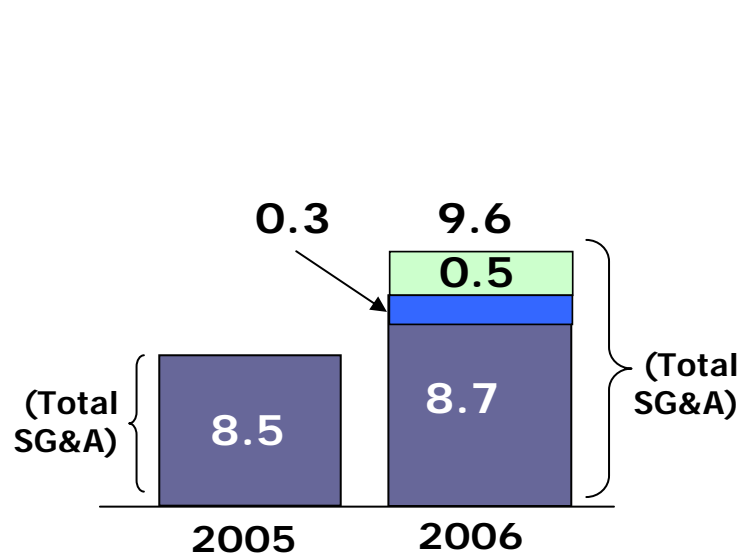
Three months ended Sept 30

SG&A excl LMA Urology and  
Sales Conference expenses 2.4% ▲

Nine months ended Sept 30

SG&A excl LMA Urology and  
Sales Conference expenses 6.3% ▲

Impacted by one-off expenses relating  
to sales management and distributor  
changes in ROW in Q1 FY2006



Source: Company Financials (US\$million)

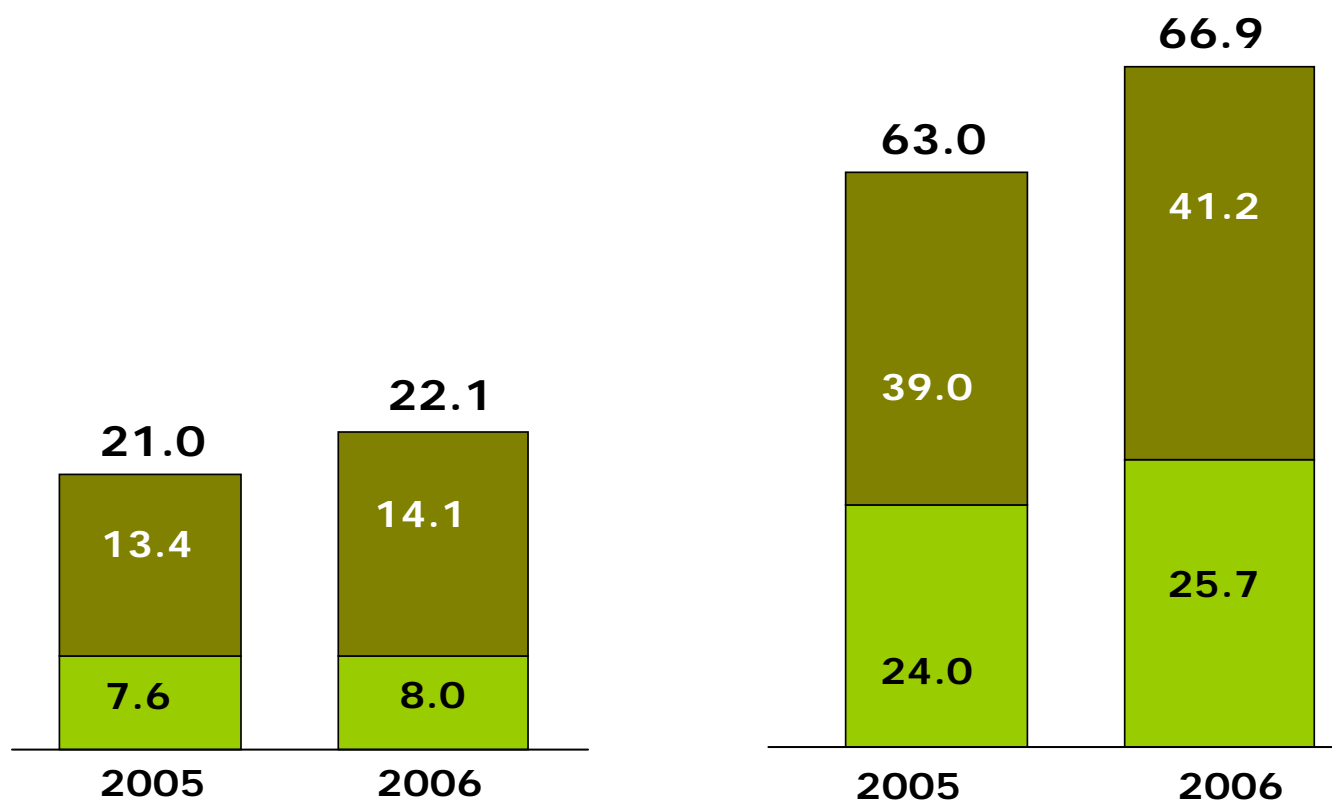
■ LMA Urology

■ Sales and Marketing Conference

## Net Sales Growth by Geography

Three months ended Sept 30

Nine months ended Sept 30



Source: Company Financials (US\$million)

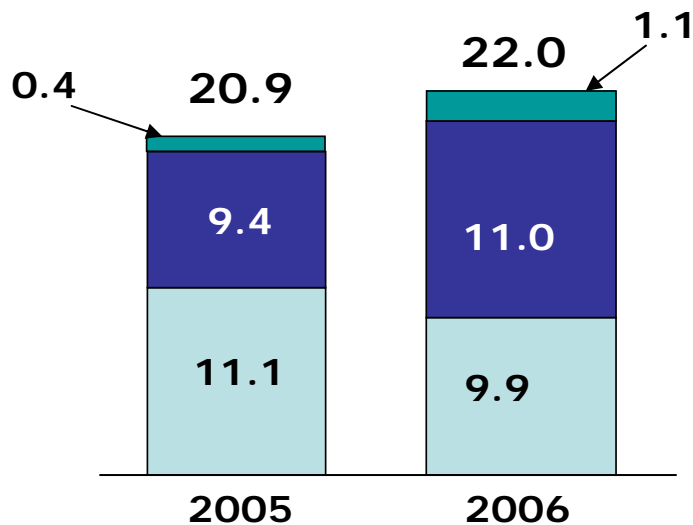
■ United States

■ Rest of World

## Net Sales Growth by Product

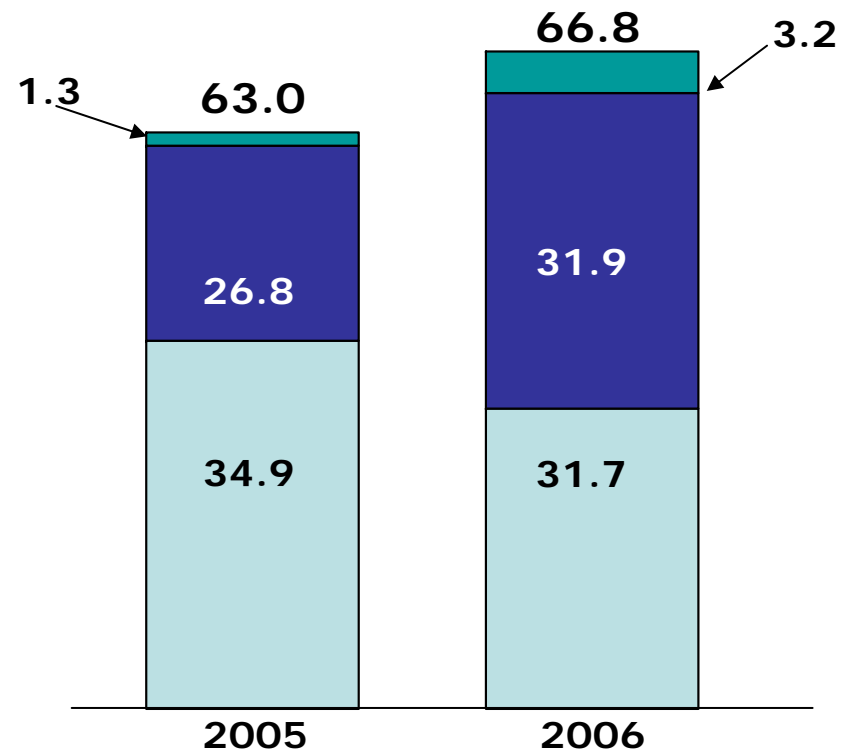
Three months ended Sept 30

Single-use sales 17.0% ▲



Nine months ended Sept 30

Single-use sales 19.0% ▲



Source: Company Financials (US\$million)

Single-use devices
  Reusable devices
  Other

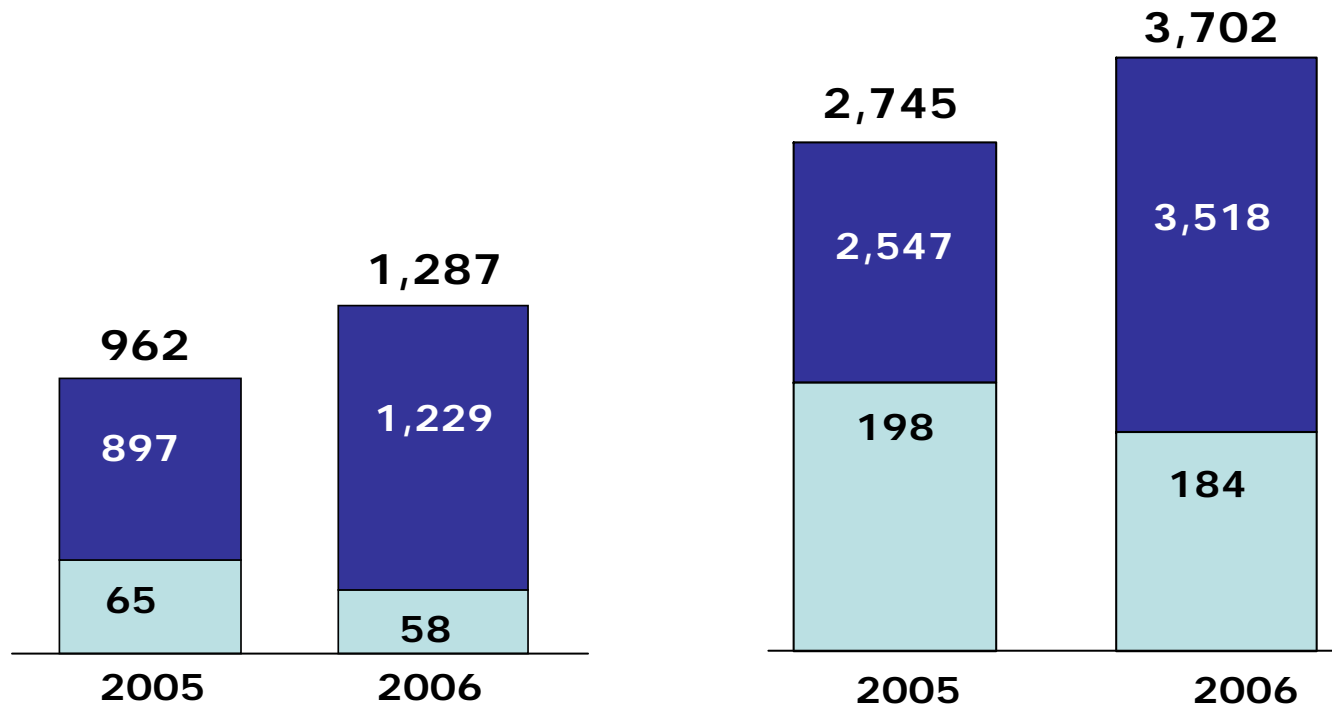
## Net Sales Growth by Unit

Three months ended Sept 30

Single-use sales 37.0% ▲

Nine months ended Sept 30

Single-use sales 38.1% ▲



Source: Company Financials ('000)

■ Single-use devices    ■ Reusable devices

# Developments year to date

## Introduction of New Products

### **LMA CTrach™**

- Commencement of sales in Q1
- Generated net sales of US\$1 million in Q3 and US\$1.5 million in the first six months of FY2006
- Growing demand from customers



### **LMA StoneBreaker™**

- First 10 units were shipped at the end of Q3
- Strong response from clinicians



### **LMA Supreme™**

- Scheduled to commence manufacturing by end of Q4
- Expected to strengthen LMA's position in single-use products



## Market Overview

### United States

- Continuing aggressive price discounting in a competitive environment
- Sales of LMA CTrach™ and single-use devices expected to continue to increase
- Overall, US sales grew 5.3% over the first nine months of FY2006
- New distributorship agreement with Aircraft Medical appoints LMA North America as exclusive distributor of the McGrath® Series 5 Video Laryngoscope in the US

### ROW

- Sales in Germany were 19% higher than Q3 FY2005, a marked improvement over Q2
- Sales in other major markets were mixed, with strong sales in some balancing weaker sales in others
- Overall, ROW sales grew 7% over the first nine months of FY2006

## Enforcing IP rights in key markets

### Germany

- September 2005: LMA files lawsuit against Ambu Deutschland for infringement of two patents
- August 2006: Regional Court of Dusseldorf rules in favour of LMA Deutschland, issues written judgment against sales of Ambu device in Germany
- September 2006: LMA enforces written judgment; Ambu files appeal; appeal is pending

### The Netherlands

- November 2006: LMA files lawsuit against Ambu BV for patent infringement

## Conclusion

- Despite the continued competitive operating environment, LMA has successfully maintained its market leadership
- Product sales have continued to grow year on year, while operating costs have remained stable
- LMA will seek to expand its markets, introduce new products and defend its intellectual property rights
- LMA is committed to building sustainable shareholder value through organic growth and acquisitions

## Strategies for Growth

### ***Maintain market leadership***

- Raise product standards
- Introduce new innovative products
- Reinforce distribution channels in key ROW markets

### ***Build market share***

- Continued penetration of ET tube market
- Expand to new markets (China, India, South America)
- Drive increased sales of single-use devices in ROW

### ***Seek strategic investments***

- Seek new, innovative and revolutionary products
- Invest in strong performing distributors

**Thank You**