



LMA International NV

For Immediate Release

LMA CONTINUES TO REPORT STRONG SALES AND PROFIT GROWTH IN THIRD QUARTER

Singapore, 7 November 2005 – 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 third quarter (“3Q”) and the first nine months (“9M”) of the financial year ending December 31, 2005 (“FY2005”).

Summary of LMA’s Financial Performance

(US\$'000)	Three months ended September 30,			Nine months ended September 30,		
	2005	2004	Change (%)	2005	2004	Change (%)
Net sales	20,963	19,029	10.2	63,041	56,048	12.5
Gross profit	15,450	14,171	9.0	47,609	43,055	10.6
Total operating income	6,429	5,556	15.7	21,050	17,535	20.0
Net income before income tax and minority interests	6,457	5,583	15.7	20,325	17,679	15.0
Income tax expense	(571)	(410)		(1,954)	(971)	
Minority interests	-	(47)		(25)	(184)	
Net income after income tax and minority interests excluding non-recurring charges	5,886	5,126	14.8	18,346	16,524	11.0
Non-recurring charges:						
Stock compensation charge	-	-		(24,160)	-	
Loyalty cash bonus	-	-		(3,139)	-	
Net income	5,886	5,126	14.8	(8,953)	16,524	n/m

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Earnings per share before non-recurring items (US cents)	1.013	0.882	3.158	2.844

	September 30, 2005	December 31, 2004
Net assets per share (US cents)	7.329	1.413

Segmental Review

(US\$'000)	Three months ended September 30,				Nine months ended September 30,			
	2005		2004		2005		2004	
United States	13,349	64%	12,090	63%	39,074	62%	34,688	62%
Rest of the World	7,614	36%	6,939	37%	23,967	38%	21,360	38%
Total net sales	20,963	100%	19,029	100%	63,041	100%	56,048	100%

(US\$'000)	Three months ended September 30,				Nine months ended September 30,			
	2005		2004		2005		2004	
Reusable devices	11,127	53%	11,411	60%	34,969	55%	36,195	64%
Single-use devices	9,434	45%	7,404	39%	26,809	43%	19,383	35%
Other	402	2%	214	1%	1,263	2%	470	1%
Total	20,963	100%	19,029	100%	63,041	100%	56,048	100%

Number of units sold	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Reusable	65,175	63,723	198,072	207,350
Single-use	896,790	636,105	2,547,468	1,606,110
Total	961,965	699,828	2,745,540	1,813,460
Average revenue per unit of reusable units (US\$)	170.72	179.07	176.55	174.56
Average revenue per unit of single-use units (US\$)	10.52	11.64	10.52	12.07

Highlights

The Group's net sales for 3Q FY2005 increased by US\$1.9 million, rising 10.2% on 3Q FY2004. This double-digit growth was achieved despite continued intense competition in several markets, which has been characterised by heavy price discounting and free samples offered to hospitals.

In the last quarter, the Group commenced additional legal proceedings against patent infringement in Germany by another competitor. Two lawsuits are currently pending the decision by the German patent courts. During the quarter the company won an injunction in The Netherlands against Tyco Healthcare Nederland BV forbidding them from directly or indirectly infringing its patent. The Group also continued several marketing campaigns and sales programmes which have helped regained customers and market share.

Sales in both the United States and rest of the world ("ROW") grew 10% in 3Q FY2005 over 3Q FY2004. In 9M FY2005, sales in the United States and ROW rose 12.6% and 12.2% respectively over the same period last year.

The strong growth was due to increased sales of single-use products, which now account for 45% of total net sales in 3Q FY2005 compared with 39% in 3Q FY2004.

Total number of single-use units sold increased by 260,685 units or 41% in 3Q FY2005 over 3Q FY2004. In 9M FY2005, the number of single-use units sold increased by 941,358 units or 59% over 9M FY2004.

Gross profit increased by 9%, to US\$15.5 million for 3Q FY2005 from US\$14.2 million for 3Q FY2004. For 9M FY2005, gross profit increased by 11%, to US\$47.6 million from US\$43.1 million last year.

Gross margin declined slightly to 73.7% for 3Q FY2005 from 74.5% for 3Q FY2004 and to 75.5% in 9M FY2005 from 76.8% in 9M FY2004. This was due primarily to a change in the mix of product sales, resulting in a higher proportion of net sales being derived from the sale of single-use products which carry lower profit margins compared to reusable products.

Net income before tax and minority interests increased by 16% and 15% in 3Q FY2005 and 9M FY2005 respectively over their corresponding period in 2004. Net income excluding non-recurring charges increased by 15% and 11% respectively over the same periods.

Commenting on the Group's financial performance in the first nine months of FY2005, LMA Group President John Lim, said, "This period has witnessed increased evidence of infringement of our patents by competitors, against which we have taken appropriate action. Despite an increasingly competitive environment, LMA has continued to register strong growth both in net sales and net income in the nine months to date. This is a solid testimony to the strength of the LMA brand and the superior performance of our products. Over the last nine months we have seen significant increases in sales of our single-use devices across all our markets."

He added, "We have several new products in the pipeline for launch in 2006 which will enable the Group to maintain its dominant global market position. At the same time, we will continue to pursue opportunities for acquisition, both of new products and ownership of direct sales operations and we intend to invest our free cash for this purpose and consequently LMA does not intend to declare dividends in the foreseeable future. Our management team remains committed to building this global business and delivering healthy returns to our shareholders through our long term growth strategy."

Barring any unforeseen circumstances, the Group expects improved profitability (excluding the non-recurring non-cash stock compensation expense) in FY2005 over FY2004.

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About LMA

Incorporated in the Netherlands Antilles in 1998, LMA International N.V. was listed on the Singapore Stock 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's global operating headquarters are based in Jersey, Channel Islands, and its global R&D and QA functions in Singapore. Its US operations are headquartered in San Diego, CA.

DBS Bank Limited and Credit Suisse First Boston (Singapore) Limited are the Joint Global Coordinators and Joint Bookrunners for the Initial Public Offering of shares in LMA.

For media queries, please contact:

Gavin Anderson & Company
Tel: +65 6339 9110, Fax: +65 6339 9578

Sharon Seetho
Mobile: +65 9682 8662
Email: sseetho@gavinanderson.com.sg