



# LMA INTERNATIONAL N.V.

Company Registration No. 80879

## Financial Statements for the Fourth Quarter and Full Year ended December 31, 2005

### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND FULL YEAR RESULTS.

- 1 (a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Group Consolidated Statement of Operations:

(U.S. Dollars, in thousands)	Three months ended December 31,		Year ended December 31,	
	2005	2004	2005	2004
<b>Net sales</b>	<b>\$23,273</b>	<b>\$22,110</b>	<b>\$86,314</b>	<b>\$78,158</b>
Cost of sales	(6,860)	(5,416)	(22,292)	(18,409)
<b>Gross profit</b>	<b>16,413</b>	<b>16,694</b>	<b>64,022</b>	<b>59,749</b>
Operating expenses (Note (1))				
Selling, general and administrative	(8,796)	(10,236)	(34,278)	(34,965)
Research and development	(444)	(176)	(1,509)	(910)
Amortisation of intangible assets	(37)	25	(49)	(32)
	(9,277)	(10,387)	(35,836)	(35,907)
<b>Total operating income</b>	<b>7,136</b>	<b>6,307</b>	<b>28,186</b>	<b>23,842</b>
Interest income	34	30	308	58
Interest expense	(29)	(114)	(413)	(301)
Other, net (Note (2))	(172)	303	(787)	606
<b>Other (expenses) / income, net</b>	<b>(167)</b>	<b>219</b>	<b>(892)</b>	<b>363</b>
<b>Net income before income taxes and minority interests</b>	<b>6,969</b>	<b>6,526</b>	<b>27,294</b>	<b>24,205</b>
Income tax expense	(545)	(699)	(2,499)	(1,670)
Minority interests	-	62	(25)	(122)
Share of net earnings of associate	(9)	-	(9)	-
<b>Net income excluding non-recurring charges</b>	<b>\$6,415</b>	<b>\$5,889</b>	<b>\$24,761</b>	<b>\$22,413</b>
<u>Non-recurring charges (Note (6)):</u>				
Stock compensation charge	-	-	(24,160)	-
One-off loyalty bonus (net of tax credit)	-	-	(3,139)	-
<b>Net (loss) income</b>	<b>\$6,415</b>	<b>\$5,889</b>	<b>\$(2,538)</b>	<b>\$22,413</b>

#### Notes:

(U.S. Dollars, in thousands)

(1) Included in operating expenses above are:				
Depreciation and amortisation	689	376	2,038	1,298
Allowance for doubtful debts	97	239	254	239
Profit on sale of properties, plant and equipment	-	33	-	33
(2) Included in other income above are foreign exchange (losses) / gains	(136)	371	(1,014)	323
(3) Included in income tax expenses are adjustments for under or (over) provision of tax in respect of prior years	-	61	-	61

(4) No bad debts were written off, neither were there any write-offs for stock obsolescence.

(5) There was no impairment in value of investments during the three months and year ended December 31, 2005.

(6)(i) Prior to the commencement of our offering in March 2005, we issued shares to certain of our directors, employees and associates, as well as issued shares to option holders and stockholders of LMA North America Inc. (LMANA) in connection with the LMANA reorganisation. Under U.S. GAAP, we are required to treat the fair market value of these share awards, together with such excess of fair market value over the exercise prices payable under that plan,

as a compensation expense in the first quarter of the financial year ending December 31, 2005. This charge amounted to US\$24.2 million. Although this accounting treatment has no impact on our cash flow, net assets or distributable reserves, it has caused us to record a net loss for the year ended December 31, 2005.

(ii) A non-recurring loyalty bonus payable upon the Company's listing in the aggregate of US\$5.2 million (including employment taxes) was charged in the first quarter of 2005. This payment is deductible for tax purposes.

**1 (b)(i) A balance sheet for the group, together with a comparative statement as at the end of the immediately preceding financial year (under U.S. GAAP, the Company does not present a balance sheet).**

(U.S. Dollars, in thousands)	2005	2004
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$25,693	\$10,744
Trade accounts receivable, less allowance for doubtful accounts	11,690	11,575
Related party receivables	1,920	3,584
Advances to related parties	-	1,404
Inventories	8,980	6,980
Deferred income taxes	574	723
Prepaid expenses	586	621
Other current assets	2,696	1,182
<b>Total current assets</b>	<b>52,139</b>	<b>36,813</b>
Deferred tax assets	89	21
Property, plant and equipment, net	5,552	5,911
Patents and other intangible assets, net	1,312	897
Investments	5,065	-
Goodwill	5,824	3,031
Other long-term assets	21	4
<b>Total assets</b>	<b>\$70,002</b>	<b>\$46,677</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities:</b>		
Short-term bank borrowings	\$2,000	\$-
Trade accounts payable	1,145	977
Accounts payable to related parties	2,871	7,993
Subordinated note payable to Venner Capital SA	-	3,500
Advances from related parties	-	15,480
Dividends payable	-	3,452
Other current liabilities	6,596	6,694
<b>Total current liabilities</b>	<b>12,612</b>	<b>38,096</b>
Long-term bank borrowings	8,000	-
Deferred income taxes	-	34
Other long-term liabilities	102	4
<b>Total liabilities</b>	<b>20,714</b>	<b>38,134</b>
<b>Minority interests</b>	<b>-</b>	<b>337</b>
Commitments and contingencies	-	-
<b>Shareholders' equity</b>		
Common shares: 2005 – US\$0.0001 par value (2004 - US\$1.00)		
Issued: 2005 - 580,946,581 (2004 – 6,000)	58	6
Additional paid-in capital	44,985	1,340
	<b>45,043</b>	<b>1,346</b>
Retained earnings	3,547	6,085
Accumulated other comprehensive income	698	775
<b>Total shareholders' equity</b>	<b>49,288</b>	<b>8,206</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>\$70,002</b>	<b>\$46,677</b>

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

(U.S. Dollars, in thousands)	At December 31, 2005		At December 31, 2004	
	Secured	Unsecured	Secured	Unsecured
Repayable within one year	\$-	\$2,000	\$3,500	\$15,480
Repayable after one year	-	8,000	-	-

1 (c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(U.S. Dollars, in thousands)	Three months ended December 31,		Year ended December 31,	
	2005	2004	2005	2004
<b>Cash flows from operating activities:</b>				
<b>Net income (loss)</b>	\$6,415	\$5,889	\$(2,538)	\$22,413
<b>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</b>				
Depreciation and amortisation	617	357	2,047	1,270
Provision for doubtful accounts	247	187	247	164
Loss on sale of fixed assets	-	7	-	33
Deferred taxes	154	40	138	(65)
Minority interest in net income of consolidated subsidiaries	-	(62)	25	122
Carve-out expenses	-	(4)	-	102
Stock options issued	-	5	-	5
Non-cash U.S. GAAP stock compensation charge	-	-	24,160	-
<b>Changes in operating assets and liabilities:</b>				
(Increase) / decrease in trade accounts receivables and related party receivables	(3,475)	(2,982)	1,441	(4,365)
(Increase) in inventories	(436)	(1,543)	(2,308)	(2,657)
(Increase) / decrease in other assets	(30)	138	(1,580)	49
Increase / (decrease) in trade accounts payable and accounts payable to related parties	644	2,870	(4,602)	4,437
(Decrease) / increase in other current liabilities	(417)	357	(61)	597
<b>Net cash provided by operating activities</b>	<b>3,719</b>	<b>5,259</b>	<b>16,969</b>	<b>22,105</b>
<b>Cash flows from investing activities:</b>				
Purchase of investment	(3,980)	-	(5,065)	-
Capital expenditures	(15)	(2,388)	(1,698)	(4,704)
Proceeds from sale of equipment	-	(57)	-	328
Acquisition of intangible assets	(147)	(106)	(465)	(188)
<b>Net cash used in investing activities</b>	<b>(4,142)</b>	<b>(2,551)</b>	<b>(7,228)</b>	<b>(4,564)</b>
<b>Cash flows from financing activities:</b>				
Net proceeds from issue of common shares	189	-	16,259	-
Proceeds from exercise of stock options	75	55	140	239
Dividends paid	-	(3,758)	(3,452)	(18,888)
Repayment of advances from related parties	-	28	(14,076)	(222)
Repayment of subordinated loan	-	-	(3,500)	-
Proceeds from bank borrowings	-	-	20,000	-
Repayment of bank borrowings	-	-	(10,000)	-
<b>Net cash provided by (used in) financing activities</b>	<b>264</b>	<b>(3,675)</b>	<b>5,371</b>	<b>(18,871)</b>
Effect of exchange rates changes on cash	(41)	224	(163)	115
Net (decrease) / increase in cash and cash equivalents	(200)	(743)	14,949	(1,215)
Cash and cash equivalents at the beginning of the period	25,893	11,487	10,744	11,959
<b>Cash and cash equivalents at the end of the period</b>	<b>\$25,693</b>	<b>\$10,744</b>	<b>\$25,693</b>	<b>\$10,744</b>
<b>Supplemental disclosure of cash flow information</b>				
Cash paid during the period for:				
Interest	\$90	\$4	\$340	\$62
Income taxes	\$328	\$567	\$910	\$1,054

Non cash transaction:  
Settlement of related party payable with transfer of  
leasehold property

\$-            \$-            \$-            \$1,301

**1 (d)(i) A statement for the group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (under U.S. GAAP, the Company does not present a statement of changes in equity).**

(U.S. Dollars, in thousands)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Total Shareholders' equity
<b>At January 1, 2004</b>	<b>\$6</b>	<b>\$1,138</b>	<b>\$1,291</b>	<b>\$690</b>	<b>\$3,125</b>
Net income for the period	-	-	16,524	-	16,524
Foreign currency translation adjustment	-	-	-	(78)	(78)
Total comprehensive income					<u>16,446</u>
Stock options exercised	-	184	-	-	184
Dividends	-	-	(12,640)	-	(12,640)
Carve-out expenses	-	106	-	-	106
<b>At September 30, 2004</b>	<b>6</b>	<b>1,428</b>	<b>5,175</b>	<b>612</b>	<b>7,221</b>
Net income for the period	-	-	5,889	-	5,889
Foreign currency translation adjustment	-	-	-	163	163
Total comprehensive income					<u>6,052</u>
Stock options issued to employees	-	5	-	-	5
Stock options exercised	-	(184)	-	-	(184)
Gain on sale of stock in subsidiary	-	95	-	-	95
Dividends	-	-	(4,979)	-	(4,979)
Carve-out expenses	-	(4)	-	-	(4)
<b>At December 31, 2004</b>	<b>\$6</b>	<b>\$1,340</b>	<b>\$6,085</b>	<b>\$775</b>	<b>\$8,206</b>

(U.S. Dollars, in thousands)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Total Shareholders' equity
<b>At January 1, 2005</b>	<b>\$6</b>	<b>\$1,340</b>	<b>\$6,085</b>	<b>\$775</b>	<b>\$8,206</b>
Net loss for the period	-	-	(8,953)	-	(8,953)
Foreign currency translation adjustment	-	-	-	(106)	(106)
Total comprehensive income (loss)					<u>(9,059)</u>
Stock options exercised	-	65	-	-	65
Acquisition of minority interest	-	3,138	-	-	3,138
Stock issued on public offering	52	16,018	-	-	16,070
Stock compensation charge	-	24,160	-	-	24,160
<b>At September 30, 2005</b>	<b>58</b>	<b>44,721</b>	<b>(2,868)</b>	<b>669</b>	<b>42,580</b>
Net income for the period	-	-	6,415	-	6,415
Foreign currency translation adjustment	-	-	-	29	29
Total comprehensive income					<u>6,444</u>
Stock options exercised	-	75	-	-	75
Stock issued on public offering	-	189	-	-	189
<b>At December 31, 2005</b>	<b>\$58</b>	<b>\$44,985</b>	<b>\$3,547</b>	<b>\$698</b>	<b>\$49,288</b>

**1 (d)(ii) Details of any changes in the company's share capital.**

On March 18, 2005, the Company successfully listed on the Singapore Stock Exchange. As part of the listing, the Company's issued shares were increased from 6,000 shares at US\$1.00 each to 580,946,581 shares at US\$0.0001 each, as a result of a share split and a new issue of 31,000,485 shares.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures for the year ended December 31, 2005 have been extracted from the audited financial statements. The figures for the quarter ended December 31, 2005 have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

**To the Board of Directors and Shareholders of LMA International N.V.**

The following opinion has been extracted from the audited financial statements for the year ended December 31, 2005.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in shareholder's equity and comprehensive income, and of cash flows present fairly, in all material respects, the financial position of LMA International N.V. and its subsidiaries at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the two years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

**PricewaterhouseCoopers CI LLP**

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group files annual financial statements prepared in accordance with US GAAP. The quarterly financial information is prepared using the same accounting policies as those used in the previous year's annual financial statements and any changes to standards applicable to the current year's annual financial statements.

Under the Group's Executive Share Option Plan, we issued share options to certain of our directors and other executives during the year. The Group has not adopted in our quarterly or annual reporting for 2005 the provisions of SFAS 123(R) "Share-Based Payment", which is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. The Group intends on adopting the provisions of SFAS 123(R) in our annual financial statements for the year ended December 31, 2006. SFAS 123(R) requires a compensation expense to be reflected as a charge to the Statement of Operations for the fair market value of options granted to employees, spread over the vesting period of the options. This timetable for adoption is consistent with the application by U.S. listed companies of SFAS 123(R) in accordance with the U.S. Securities and Exchange Commission pronouncements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

(U.S. Dollars, in thousands, except share and per share amounts)	Three months ended December 31,		Year ended December 31,	
	2005	2004 (restated)	2005	2004 (restated)
Net income attributable to shareholders excluding one-off charges	\$6,415	\$5,889	\$24,761	\$22,413
Number of shares	580,946,581	580,946,581	580,946,581	580,946,581
<b>Earnings per share before non recurring items</b> (in U.S. cents)	<b>1.104</b>	<b>1.014</b>	<b>4.262</b>	<b>3.858</b>

Earnings per share for the three months and year ended December 31, 2004 have been restated to reflect the number of issued shares (580,946,581) after the company's listing in March 2005.

7. **Net asset value for the group per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

(U.S. Dollars, in thousands, except per share amounts)	2005	2004 (restated)
Net assets of the Group	\$49,288	\$8,206
<b>Net assets per share</b> (in U.S. cents)	<b>8.484</b>	<b>1.410</b>

Net assets per share for December 31, 2004 has been restated to reflect the number of issued shares (580,946,581) after the company's listing in March 2005.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The LMA International NV Group designs, develops, markets and distributes medical equipment, principally the LMA™ laryngeal mask airway line of supraglottic airway device products. These are airway management devices used by physicians to allow respiration, provide ventilation to and support the airway of patients undergoing surgical procedures and life-saving interventions. We market and distribute our products in over 100 countries through a combination of our direct sales force in the United States, Germany and Singapore and a network of 68 independent distributors. Our U.S. and other direct sales reflect higher net prices, as they are direct to end-users, than through our distributors.

The following tables set forth, for the periods indicated, our sales for each of our two geographic markets, expressed in U.S. dollars and as a percentage of total net sales, as well as total sales by units, of reusable and of single-use products, together with global average revenue per unit for such devices:

	Three months ended December 31, 2005		2004		Year ended December 31, 2005		2004	
	US\$		US\$		US\$		US\$	
United States	15,063	64%	12,122	54%	54,136	63%	46,810	60%
Rest of the World	8,210	36%	9,988	46%	32,178	37%	31,348	40%
<b>Total net sales</b>	<b>23,273</b>	<b>100%</b>	<b>22,110</b>	<b>100%</b>	<b>86,314</b>	<b>100%</b>	<b>78,158</b>	<b>100%</b>
Reusable devices	11,381	49%	13,169	60%	46,350	54%	49,242	63%
Single-use devices	11,158	48%	8,031	36%	37,967	44%	27,257	35%
Other	734	3%	910	4%	1,997	2%	1,659	2%
<b>Total</b>	<b>23,273</b>	<b>100%</b>	<b>22,110</b>	<b>100%</b>	<b>86,314</b>	<b>100%</b>	<b>78,158</b>	<b>100%</b>

	Three months ended December 31, 2005		2004		Year ended December 31, 2005		2004	
	Reusable units sold		71,634		81,545		269,706	
Single-use units sold		1,119,534		749,654		3,667,002		2,355,764
<b>Total units sold</b>		<b>1,191,168</b>		<b>831,199</b>		<b>3,936,708</b>		<b>2,644,659</b>
Average revenue per unit of reusable units (US\$)		<b>158.88</b>		<b>161.48</b>		<b>171.85</b>		<b>170.45</b>
Average revenue per unit of single-use units (US\$)		<b>9.97</b>		<b>10.71</b>		<b>10.35</b>		<b>11.57</b>

#### 2005 compared to 2004

**Group net sales** for the year ended December 31, 2005 at US\$86.3 million, increased by US\$8.2 million or 10% over the year ended December 31, 2004. This increase was achieved despite continued intense competition in all major markets.

Geographically, the United States recorded a significant growth of 16% in 2005 over 2004, aided by an impressive increase of 24% in the fourth quarter of 2005 over the corresponding period in 2004. The strong growth in the U.S. market reflects the effectiveness of LMA's North American direct sales organisation, the strength of relationships with leading Group Purchasing Organisations, the continued superior performance of the Group's full range of products and the success of some focused marketing programmes. Rest of the World ("ROW"), however, achieved a slower growth of only 3% for the year ended December 31, 2005 over the same period in 2004, due mainly to weak performance in Germany, where management issues and a highly competitive market environment resulted in a sales decline in 2005 over 2004. The Group has taken steps to re-organise management in this market and an experienced senior medical device executive has been appointed as country head on February 1, 2006. In both the United States and ROW, growth was largely driven by increases in sales of single-use products which globally grew 39% in revenue terms and 56% in units.

As announced in the third quarter of 2005, the Group won an injunction in the Netherlands against Tyco Healthcare Nederland BV, forbidding them from directly or indirectly infringing LMA's patent in the Netherlands and five other countries in Europe. During the year, the Group also lodged intellectual property infringement proceedings against both Tyco and Ambu in Germany. These two cases are expected to be heard by the courts in first quarter and third quarter 2006, respectively.

**Gross profit** increased by US\$4.3 million, or 7%, to US\$64.0 million for the year ended December 31, 2005 from US\$59.7 million for the year ended December 31, 2004. The increase was due primarily to increased single-use unit sales in both the United States and in the Rest of the World. Gross margin at 74.2% for the

year ended December 31, 2005 was slightly down from 76.4% for the year ended December 31, 2004, due primarily to a change in the mix of product sales.

**Selling, general and administrative expenses** decreased by 2% to US\$34.3 million for the year ended December 31, 2005 from US\$35.0 million for the year ended December 31, 2004, despite incurring \$0.7 million of patent litigation expenses in 2005, reflecting continued tight control of expenses. Selling, general and administrative expenses as a percentage of net sales decreased to 40% for the year ended December 31, 2005 from 45% for the prior year.

**Operating income** increased by 18% to \$28.2 million for the year ended December 31, 2005 from \$23.8 million for the year ended December 31, 2004 due to the factors set out above.

**Other expense / income** amounted to a net expense of \$0.9 million for the year ended December 31, 2005 compared to net income of \$0.4 million for the year ended December 31, 2004, due to foreign exchange losses arising from the weakening of the Euro and Pound Sterling against the U.S. Dollar.

**Net income before income taxes and minority interests** and excluding the non-recurring charges increased by 13% to US\$27.3 million.

**Income tax expense** was US\$2.5 million for the year ended December 31, 2005 as compared to US\$1.7 million for the year ended December 31, 2004. The increase resulted primarily from a higher proportion of profits in the United States compared to the prior year, partially offset by the benefit of re-negotiating our Jersey tax rate. The effective tax rate was 9% for the year ended December 31, 2005, compared to 7% for the year ended December 31, 2004.

**Net income** excluding non-recurring charges increased by 10.5% to US\$24.8 million for the year ended December 31, 2005 from US\$22.4 million for the year ended December 31, 2004. Net income margin, excluding one-off charges, was 29% for the year ended December 31, 2005 in line with the year ended December 31, 2004.

**Net assets\*** amounted to US\$49.3 million at December 31, 2005, some US\$41.1 million higher than December 31, 2004. This was due to cash generated from operations in 2005, from the receipt of funds of \$15.3 million upon listing offset by settlement of loans from our former holding company, and an increase in intangible assets of \$2.8 million due to goodwill booked on the purchase of the minority interest in LMA North America Inc.

**Net cash provided by operating activities** was US\$17.0 million for the year ended December 31, 2005. Excluding the non-recurring loyalty bonus for LMA North America Inc. employees which arose on IPO and was announced in Q1 2005, cash provided by operating activities amounted to US\$21.9 million. Net cash used in investing activities totalled \$7.2 million, comprising of \$5.1 million investment for a 30% stake in LMA PacMed Pty, our Australian distributor, and \$2.1 million of capital expenditure.

#### **Fourth quarter of 2005 (Q4 2005) compared to fourth quarter of 2004 (Q4 2004)**

**Group net sales** for Q4 2005 were US\$23.3 million, up US\$1.2 million or 5% on Q4 2004, due to the reasons indicated above. Geographically, the United States achieved an increase in Net Sales of 24% in Q4 2005 as compared to Q4 2004. The Rest of the World had a decrease in Net Sales of 18% in Q4 2005 as compared to Q4 2004. As stated above, this was due to the exceptionally strong fourth quarter in 2004 and a decline in Net Sales in Germany. As previously stated, any sales increases were largely due to increases in sales of single-use products. **Gross profit** decreased by US\$0.3 million due to the decrease in Net Sales for the Rest of the World.

**Selling, general and administrative expenses** decreased by 14% to US\$8.8 million for Q4 2005 from US\$10.2 million in Q4 2004 reflecting continued tight control of expenses. **Operating income** increased by 13% for Q4 2005 from Q4 2004. **Net income before income taxes and minority interests** increased by 7%. After income taxes and minority interests, excluding non-recurring charges, **net income** increased by 9% to US\$6.4 million for Q4 2005 from US\$5.9 million for Q4 2004.

\* Net Assets are measured as Total Assets less Total Liabilities less minority interest.

#### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As indicated in section 8, the Group experienced continued aggressive competitor activities during 2005, including heavy price discounting, infringement of patent protection and the emergence of Mallinckrodt, a division of Tyco, as a direct competitor. It is anticipated that these competitor activities will continue in 2006. However, the Group expects to commercially launch at least one new innovative product this year. Together with its revolutionary C-Trach device, the strength of the LMA brand franchise and new distribution opportunities, LMA is expected to maintain its dominant market position and continue on its path of positive sales growth.

11. **Dividends.**

Not applicable.

12. **If no dividend has been declared (recommended), a statement to that effect.**

The Company did not declare any dividends in either year in this statement and does not intend to declare dividends in the foreseeable future.

## PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT.

13. **Segmented revenue and results for business or geographical segments of the group in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	U.S.A.		Rest of World		Total	
	2005	2004	2005	2004	2005	2004
External sales	54,136	46,810	32,178	31,348	86,314	78,158
Intersegment sales	-	-	31,337	29,385	31,337	29,385
Depreciation & amortisation	178	171	1,868	938	2,046	1,109
Interest revenue	7	7	253	51	260	58
Interest expense	153	70	-	94	153	164
Segment profit (loss)	(1,734)	2,954	25,010	25,318	23,276	28,272
Income tax expense	65	1,223	317	365	382	1,588
Total assets	18,723	17,359	69,922	49,024	88,645	66,383
Goodwill	2,793	-	3,031	3,031	5,824	3,031
Capital expenditure	461	35	1,237	4,330	1,698	4,365
Acquisition of intangibles	-	-	465	188	465	188

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to note 8.

15. **A breakdown of sales and net income as follows:**

(U.S. Dollars, in thousands)	2005	2004	Growth
(a) Net sales reported for the first half year. (Unaudited)	\$42,078	\$37,019	13.7%
(b) Net income after tax before deducting minority interests for the first half year. (Unaudited and excluding non-recurring charges)	12,485	11,535	8.2%
(c) Net sales reported for second half year. (Unaudited)	44,236	41,139	7.5%
(d) Net income after tax before deducting minority interests for second half year. (Unaudited)	12,310	11,000	11.9%

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Please refer to note 11 above.

**17. Interested person transactions.**

Details of interested party transactions for the year ended December 31, 2005 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Venner Trading Limited	-	\$9,068,000
Venner Trading Singapore Limited	-	\$12,584,000
Shearman & Sterling	-	\$200,400
Venner Capital	-	\$160,000
Intavent Limited	\$200,000	-