

Media Highlights

LMA REPORTS US\$22.5 MILLION NET INCOME FOR FY2006

Summary of Financial Performance

Audited results for the financial year ended December 31, 2006 ("FY2006") and unaudited results for the fourth quarter ("Q4") FY2006.

(US\$'000)	Three months ended Dec 31,			Year ended Dec 31,		
	2006	2005	Change (%)	2006	2005	Change (%)
Net sales	23,674	23,273	1.7	90,589	86,314	5.0
Cost of sales	(7,630)	(6,860)		(26,348)	(22,292)	
Gross profit	16,044	16,413	(2.2)	64,241	64,022	0.3
Operating expenses:						
Selling, general and administrative	(10,169)	(8,796)		(38,607)	(34,278)	
Research and development	(315)	(444)		(1,512)	(1,509)	
Amortisation of intangible assets	(135)	(37)		(172)	(49)	
Total operating income	5,425	7,136	(24.0)	23,950	28,186	(15.0)
Net income before income tax, minority interests and share of net earnings of associate	6,428	6,969	(7.8)	25,778	27,294	(5.6)
Income tax expense	(668)	(545)		(2,608)	(2,499)	
Minority interests	195	-		706	(25)	
Share of net earnings of associate	(38)	(9)		178	(9)	
Net income excluding non-recurring charges and stock compensation charge	5,917	6,415	(7.8)	24,054	24,761	(2.9)
Non-recurring charges and non-cash stock compensation charge:						
Non-cash stock compensation charge	(443)	-		(1,517)	-	
Non-recurring stock compensation charge	-	-		-	(24,160)	
One-off loyalty bonus (net of tax credit)	-	-		-	(3,139)	
Net income/ (loss)	5,474	6,415	(14.7)	22,537	(2,538)	nm

Net Assets per Share

(US dollars, except per share amounts)	Dec 31, 2006	Dec 31, 2005
Net assets of the Group	\$73,435	\$49,288
Net assets per share (in U.S. cents)	12.641	8.484

Earnings per Share (EPS)

(US dollars, except share and per share amounts)	Three months ended Dec 31,		Year ended Dec 31,	
	2006	2005	2006	2005
Net Income attributable to shareholders excluding one-off charges and non-cash stock compensation charge	\$5,917	\$6,415	\$24,054	\$24,761
Number of shares	580,946,581	580,946,581	580,946,581	580,946,581
Basic and diluted EPS before non recurring items (in U.S. cents)	1.019	1.104	4.140	4.262

Segmental Review – Geographic and Product Sales of Laryngeal Masks

	Three months ended Dec 31,		Year ended Dec 31,	
	2006	2005	2006	2005
	US\$'000	US\$'000	US\$'000	US\$'000
United States	14,508	15,063	55,742	54,136
Rest of the World	8,740	8,210	34,355	32,178
Total net sales	23,248	23,273	90,097	86,314
	100%	100%	100%	100%
Reusable devices	10,505	11,381	42,238	46,350
Single-use devices	11,110	11,158	42,993	37,967
Other	1,633	734	4,866	1,997
Total	23,248	23,273	90,097	86,314
	100%	100%	100%	100%

Segmental Review – Product Sales (by number of units) and Unit Cost of Laryngeal Masks

	Three months ended Dec 31,		Year ended Dec 31,	
	2006	2005	2006	2005
Reusable units sold	63,542	71,634	247,202	269,706
Single-use units sold	1,262,150	1,119,534	4,780,467	3,667,002
Total units sold	1,325,692	1,191,168	5,027,669	3,936,708
Average revenue per unit of reusable units (US\$)	165.32	158.88	170.86	171.85
Average revenue per unit of single-use units (US\$)	8.80	9.97	8.99	10.35

Highlights

- Group net sales for FY2006 increased by 5% over FY2005. Growth in LMA CTrach™ sales accounted for two-thirds of this increase.
- Net sales in the United States and Rest of the World for FY2006 grew by 3% and 7% respectively.
- Germany made a strong recovery in second half FY2006 reflecting the benefits of management restructuring, although sales for the full year was still 7% down on FY2005 due to the prolonged medical workers strike in first half FY2006.

- Overall gross margin for laryngeal masks for FY2006 at 71.3% was down from 74.2% in FY2005 as a result of a continued shift towards single-use devices and the effect of aggressive price discounting by competitors.
- Selling, general and administrative expenses (“SG&A”) for FY2006 increased by 13% over FY2005 or US\$4.3 million to US\$38.6 million. This, however, included total expenses of US\$3.0 million related to the Group’s joint venture in LMA Urology, restructuring in early 2006 and increased legal costs for patent infringement action initiated.
- Net income for FY2006 excluding expenses incurred by LMA Urology and non-cash stock compensation charge at US\$24.8 million was in line with FY2005.
- Including expenses incurred by LMA Urology and stock compensation charge, net income for FY2006 was US\$22.5 million compared to a loss of US\$2.5 million in FY2005.
- LMA continued to generate strong cash from operating activities with US\$21.5 million in FY2006.
- During the year, LMA won a major patent infringement action against Ambu in Germany and has filed a claim of Euro 3.1 million for damages.

Developments in FY2007

- LMA remains very positive on future business growth.
- LMA Supreme™ is expected to be launched in late February and will significantly strengthen LMA’s competitive position.
- Sales of LMA Urology’s LMA StoneBreaker™ is expected to grow in line with distribution expansion and strong interest from urologists.
- Sales management in both United States and Rest of the World will be further strengthened and new sales channels developed.
- Increased focus will be directed to key emerging markets like China, India and Russia.
- LMA will seek strategic investments, acquisitions and product expansion.

John Lim, Group Deputy Chairman, said, “2006 has been a very challenging year for us. Despite aggressive price led competition, patent infringements and internal restructuring, we have maintained dominant global market leadership and achieved satisfactory operating results.”

Michael Ashton, LMA’s recently appointed CEO, added, “We are very positive about our future growth and have solid plans for 2007. Our latest generation single-use device LMA Supreme™ will be launched later this month. Our urology product LMA StoneBreaker™ continues to receive strong interest from urologists worldwide and distribution will be expanded in the coming months.

We will continue with the strengthening of our sales management globally and explore new distribution channels. There will be increased focused resources on key emerging markets and we will continue to explore strategic investment and acquisition opportunities.”

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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, Bonn, Germany and San Diego, California. Through its 50 percent joint venture in LMA Urology Limited, the Group has a subsidiary in 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.