



For Immediate Release

LMA REPORTS 15% INCREASE IN NET SALES FOR Q1 FY2007

Unaudited results for the first quarter ("Q1") of the financial year ending December 31, 2007 ("FY2007").

Summary of Financial Performance

(U.S. Dollars, in thousands)	Three months ended March 31,		Change (%)
	2007	2006	
Net sales	\$23,570	\$20,451	15.3
Cost of sales	(7,947)	(5,673)	
Gross profit	15,623	14,778	5.7
Operating expenses			
Selling, general and administrative	(11,230)	(9,225)	
Research and development	(215)	(415)	
Amortisation of intangible assets	(59)	(14)	
	(11,504)	(9,654)	
Total operating income	4,119	5,124	(19.6)
Interest income	252	179	
Interest expense	(15)	(102)	
Other, net	44	(19)	
Other income / (expenses), net	281	58	
Net income before income taxes, minority interests and share of net earnings of associate	4,400	5,182	(15.1)
Income tax expense	(567)	(597)	
Minority interests	91	92	
Share of net earnings of associate	-	(27)	
Net income excluding non-cash stock compensation charge	\$3,924	\$4,650	(15.6)
Non-cash stock compensation charge	(435)	(314)	
Net income	\$3,489	\$4,336	(19.5)

Earnings per Share (EPS)

(U.S. Dollars, in thousands, except share and per share amounts)	Three months ended March 31,	
	2007	2006
Net income attributable to shareholders excluding non-cash stock compensation charge	\$3,924	\$4,650
Number of shares	580,946,581	580,946,581
Earnings per share before non-cash stock compensation charge (in U.S. cents)	0.675	0.800

Net Assets per Share

(U.S. Dollars, in thousands, except per share amounts)	March 31, 2007	December 31, 2006
Net assets of the Group	\$77,389	\$73,435
Net assets per share (in U.S. cents)	13.321	12.641

Segmental Review (of LMA laryngeal masks)

	Three months ended March 31,			
	2007		2006	
	US\$'000		US\$'000	
United States	14,008	60%	12,784	63%
International	9,213	40%	7,667	37%
Total net sales	23,221	100%	20,451	100%
Reusable devices	10,146	44%	10,113	49%
Single-use devices	11,040	47%	9,511	47%
Other	2,035	9%	827	4%
Total	23,221	100%	20,451	100%

	Three months ended March 31,	
	2007	2006
Reusable units sold	50,654	56,045
Single-use units sold	1,187,979	991,004
Total units sold	1,238,633	1,047,049
Average revenue per unit of reusable units (US\$)	200.30	180.44
Average revenue per unit of single-use units (US\$)	9.29	9.60

Financial Highlights

- Group net sales increased by 15% to US\$23.6 million in Q1 FY2007, boosted partly by the consolidation of 80% owned subsidiary LMA PacMed Pty Ltd (“LMA PacMed”).
- Q1 FY2007 unit sales of single-use devices increased to 1,187,979, a 20% rise over the previous year.
- Sales of laryngeal masks in the United States increased by 10% to US\$14.0 million in Q1 FY2007 over sales of US\$12.8 million in Q1 FY2006. In the International markets, sales of laryngeal masks increased by 20% to US\$9.2 million in Q1 FY2007 over sales of US\$7.7 million in Q1 FY2006.
- Demand for the LMA CTrachTM and the McGrath® Video Laryngoscope generated sales of US\$0.8 million and US\$0.4 million respectively.
- Gross profit from laryngeal masks increased to US\$15.4 million in Q1 FY2007 over Q1 FY2006.
- Gross margin at 66% for Q1 FY2007 declined from 72% in Q1 FY2006, reflecting the ongoing shift in product mix from reusable to single-use devices and the treatment under conventional international accounting principles of inventories held by LMA PacMed at the time of acquisition which has the effect of reducing consolidated gross margin at LMA level (for the first two quarters of FY2007).
- Selling, general and administrative expenses increased by 22% to US\$11.2 million in Q1 FY2007 including operating expenses incurred by LMA Urology and LMA PacMed of US\$0.6 million each.
- Operating income (excluding LMA Urology losses of US\$0.3 million) at US\$4.4 million in Q1 FY2007 was 16% down on Q1 FY2006, caused primarily by the non-cash accounting adjustment required for LMA PacMed’s inventory as indicated above, and increases in selling, general and administrative expenses.
- Net income excluding LMA Urology, non-recurring charges and non-cash stock compensation charge declined by 10.5% to US\$4.2 million in Q1 FY2007 from US\$4.7 million in Q1 FY2006.
- Net income including LMA Urology, non-recurring charges and non-cash stock compensation charge was US\$3.5 million in Q1 FY2007 compared to US\$4.3 million in Q1 FY2006.
- Net cash provided by operating activities was US\$3.2 million in Q1 FY2007. Net cash used in investing activities totalled US\$5.6 million in the same period.

Key Developments in Q1

- In February, the Group acquired a further 50% in LMA PacMed for US\$9.7 million, increasing its share in the Company to 80%.
- The LMA SupremeTM was launched in selected international markets in late February and has been very well received by the medical community.

Looking Ahead

- The full benefit of LMA PacMed's contribution to the Group's financial performance will be reflected from the end of the second quarter FY2007.
- The newly launched LMA Supreme™ is expected to provide strong competitive advantage and be a key tool for increasing penetration into the endotracheal tube market.
- LMA Urology's StoneBreaker™ device is expected to expand distribution and increase sales for the rest of FY2007.

"LMA will continue to pursue strategies for growth. We expect to achieve positive full year sales and profit growth for FY2007," said Michael Ashton, LMA's Group President and Chief Executive Officer.

- Ends -

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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, San Diego, California and Melbourne, Australia. 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.