



LMA International NV

For Immediate Release

LMA REPORTS DOUBLE DIGIT SALES GROWTH FOR FIRST SIX MONTHS

Summary of Financial Performance

(US\$'000)	Three months ended June 30,			Six months ended June 30,		
	2007	2006	Change (%)	2007	2006	Change (%)
Net sales	27,846	24,368	14.3	51,416	44,819	14.7
Gross profit	19,138	17,589	8.8	34,761	32,367	7.4
Operating expenses:						
Selling, general and administrative	(11,925)	(9,643)		(23,155)	(18,868)	
Research and development	(388)	(379)		(603)	(794)	
Amortisation of intangible assets	(161)	(14)		(220)	(28)	
Total operating income	6,664	7,553	(11.8)	10,783	12,677	(14.9)
Net income before income taxes, minority interests and share of net earnings of associate	6,934	8,204	(15.5)	11,334	13,386	(15.3)
Income tax expense	(770)	(741)		(1,337)	(1,338)	
Minority interests	(231)	218		(140)	310	
Share of net earnings of associate	-	195		-	168	
Net income excluding non-cash stock compensation charge	5,933	7,876	(24.7)	9,857	12,526	(21.3)
Non-cash stock compensation charge	(444)	(404)		(879)	(718)	
Net income	5,489	7,472	(26.5)	8,978	11,808	(24.0)

Earnings per Share (EPS)

(U.S. cents)	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Before non-cash stock compensation charge⁽¹⁾	1.021	1.356	1.697	2.156
Diluted EPS, including shares to be issued for LMA PacMed⁽²⁾	1.009	1.340	1.677	2.131

Notes:

(1) Before non-cash stock compensation charge and based on number of shares in issue of 580,946,581.

(2) Before non-cash stock compensation charge and based on number of shares in issue of 587,774,941.

Net Assets per Share

(U.S. cents)	June 30, 2007	December 31, 2006
Net assets per share ⁽³⁾	14.378	12.641
Net assets per share, including shares to be issued to LMA PacMed ⁽⁴⁾	14.211	12.494

Notes:

(3) Based on the number of shares in issue of 580,946,581.

(4) Based on the number of shares in issue of 587,774,941.

Segmental Review (For airway management devices only)

	Three months ended June 30,				Six months ended June 30,			
	2007		2006		2007		2006	
	US\$'000		US\$'000		US\$'000		US\$'000	
United States	15,211	57%	14,373	59%	29,219	58%	27,157	61%
International	11,593	43%	9,995	41%	20,806	42%	17,662	39%
Total net sales	26,804	100%	24,368	100%	50,025	100%	44,819	100%
Reusable devices	11,202	42%	11,627	48%	21,348	42%	21,740	49%
Single-use devices	12,605	47%	11,416	47%	23,645	47%	20,927	47%
Other	2,997	11%	1,325	5%	5,032	11%	2,152	4%
Total	26,804	100%	24,368	100%	50,025	100%	44,819	100%

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Reusable units sold	60,005	68,639	110,659	124,684
Single-use units sold	1,387,892	1,293,787	2,575,871	2,284,791
Total units sold	1,447,897	1,362,426	2,686,530	2,409,475
Average revenue per unit of Reusable units (US\$)	186.67	169.39	192.91	174.36
Average revenue per unit of single-use units (US\$)	9.08	8.82	9.18	9.16

Q2 Highlights

- Group Net Sales increased by US\$3.5 million to US\$27.8 million or 14% over Q2 FY2006, partly boosted by the consolidation of LMA PacMed Pty Ltd ("LMA PacMed"), acquired in February this year. Sales in Q2 FY2007 were also US\$4.3 million or 18% higher than Q1 FY2007.
- Sales of Laryngeal Masks amounted to US\$26.8 million, with sales of single-use devices increasing by 10% over Q2 FY2006.
- Net Sales of Laryngeal Masks in the United States grew 6% to US\$15.2 million over Q2 FY2006, driven by sales of single-use devices as well as sales of the McGrath® Video Laryngoscope. Despite ongoing aggressive competition, LMA continued to regain lost accounts from competitors.
- International Net Sales of Laryngeal Masks were up by 16% to US\$11.6 million over Q2 FY2006 partly boosted by the consolidation of LMA PacMed. Sales in Germany in Q2 FY2007 were up 11% on the same period last year.
- Sales of LMA StoneBreaker™ at US\$1.0 million were more than double sales in Q1 FY2007, reflecting distribution expansion.

- Gross profit for the Group at US\$19.1 million increased by 9% over Q2 FY2006.
- Gross margin at 68% was down from 72% for Q2 FY2006, reflecting a change in the market mix from reusable to single-use devices and the impact of not being able to recognise full gross margin from sales by LMA PacMed from their existing inventory which had been sold to LMA PacMed in 2006 when it was an associated company.
- Selling, general and administrative expenses (“SG&A”) amounted to US\$11.9 million. Excluding expenses for LMA Urology and LMA PacMed, SG&A increased by US\$1.1 million or 12% over Q2 FY2006. This increase was due to costs of additional manpower (primarily in sales) and higher legal expenses relating to Intellectual Property protection. Excluding LMA Urology, SG&A comprised 42% of net sales.
- Operating income at US\$6.7 million was 12% down on Q2 FY2006.
- Net income excluding non-cash stock compensation charge decreased by 25%. Net income including non-cash stock compensation charge was US\$5.5 million.

1H Highlights

- Group Net Sales were up 15% over 1H FY2006 due mainly to increased sales of single-use devices, McGrath® Video Laryngoscope and LMA StoneBreaker™, and to the consolidation of LMA PacMed.
- SG&A, excluding operating expenses of LMA Urology and LMA PacMed, increased by US\$2.0 million.
- Net income excluding non-cash stock compensation charge was US\$9.9 million.

Important Notice: The above information is derived from the full announcement made to the Singapore Exchange on 7 August 2007 and available on its website. DBS Bank and Credit Suisse were the Joint Global Coordinators and Joint Bookrunners for the Initial Public Offering of shares in LMA.