



LMA INTERNATIONAL N.V.

Company Registration No. 80879

Financial Statements for the Fourth Quarter and Full Year ended December 31, 2006

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,	
	2006	2005	2006	2005
Net sales	\$23,674	\$23,273	\$90,589	\$86,314
Cost of sales	(7,630)	(6,860)	(26,348)	(22,292)
Gross profit	16,044	16,413	64,241	64,022
Operating expenses (Note (1))				
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)
	(10,619)	(9,277)	(40,291)	(35,836)
Total operating income	5,425	7,136	23,950	28,186
Interest income	248	34	710	308
Interest expense	(14)	(29)	(118)	(413)
Other, net (Note (2))	769	(172)	1,236	(787)
Other income / (expenses), net	1,003	(167)	1,828	(892)
Net income before income taxes, minority interests and share of net earnings of associate	6,428	6,969	25,778	27,294
Income tax expense	(668)	(545)	(2,608)	(2,499)
Minority interests (Note (6))	195	-	706	(25)
Share of net earnings of associate (Note (7))	(38)	(9)	178	(9)
Net income excluding non-recurring charges and stock compensation charge	\$5,917	\$6,415	\$24,054	\$24,761
<u>Non-recurring charges and non-cash stock compensation charge (Note (8)):</u>				
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	\$22,537	\$(2,538)

Notes:

(U.S. Dollars, in thousands)				
(1)	Included in operating expenses above are:			
	Depreciation and amortisation	754	689	2,319
	Allowance for doubtful debts	207	97	207
	Profit on sale of properties, plant and equipment	-	-	-
(2)	Included in other income above are foreign exchange gains / (losses)	553	(136)	1,184
(3)	Included in income tax expenses are adjustments for under or (over) provision of tax in respect of prior years	-	-	-
(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, 2006.			
(6)	Minority interests relates to our joint venture interest in LMA Urology.			
(7)	Share of net earnings of associate reflects our share of profits of LMA PacMed Pty Ltd. Under U.S. GAAP, we are required to make an adjustment to eliminate unrealised profit on our 30% share of our associate's inventory of laryngeal masks. This adjustment is netted off against share of net earnings of associate.			

- (8)(i) Under the Company's Executive Share Option Plan, we issued share options to certain of our directors and employees during 2005 and 2006. Under current U.S. GAAP, we are required to treat the fair value of these share awards as a compensation expense from 2006 onwards. The Company uses the Black-Scholes valuation model for calculating the fair value of these options and has adopted the modified prospective method, as permitted under U.S. GAAP. The accounting treatment for these options has no impact on our cash flow, net assets or distributable reserves.
- (ii) 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 caused us to record a net loss for the year ended December 31, 2005.
- (iii) 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)	December 31, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$28,153	\$25,693
Trade accounts receivable, less allowance for doubtful accounts	13,376	11,690
Amounts due from related parties	2,228	1,920
Inventories	11,428	8,980
Deferred tax assets	770	574
Prepaid expenses	1,043	586
Other current assets	3,120	2,696
Total current assets	60,118	52,139
Non-current assets:		
Deferred tax assets	167	89
Property, plant and equipment, net	6,918	5,552
Investments	5,327	5,065
Goodwill	5,915	5,824
Other intangible assets	6,848	1,312
Other long-term assets	31	21
Total assets	\$85,324	\$70,002
Liabilities and shareholders' equity		
Current liabilities:		
Short-term bank borrowings	\$-	\$2,000
Trade accounts payable	2,461	1,145
Amounts due to related parties	2,928	2,871
Other current liabilities	7,099	6,596
Total current liabilities	12,488	12,612
Non-current liabilities:		
Long-term bank borrowings	-	8,000
Other long-term liabilities	107	102
Total liabilities	12,595	20,714
Minority interests (6)	(706)	-
Commitments and contingencies	-	-
Shareholders' equity		
Common shares: Issued: 580,946,581	58	58
Additional paid-in capital	46,502	44,985
	46,560	45,043
Retained earnings	26,084	3,547
Accumulated other comprehensive income	791	698
Total shareholders' equity	73,435	49,288
Total liabilities, minority interests and shareholders' equity	\$85,324	\$70,002

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

(U.S. Dollars, in thousands)	At December 31, 2006		At December 31, 2005	
	Secured	Unsecured	Secured	Unsecured
Repayable within one year	\$-	\$-	\$-	\$2,000
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,	
	2006	2005	2006	2005
Cash flows from operating activities:				
Net income (loss)	\$5,474	\$6,415	\$22,537	\$(2,538)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortisation	794	617	2,313	2,047
Provision for doubtful accounts	207	247	207	247
Deferred taxes	(141)	154	(245)	138
Minority interest in net income of consolidated subsidiaries	(119)	-	(884)	25
Non-cash stock-based compensation	443	-	1,517	24,160
Changes in operating assets and liabilities:				
(Increase) / decrease in trade accounts receivables and amounts due from related parties	(2,333)	(3,475)	(1,958)	1,441
(Increase) in inventories	(1,193)	(436)	(2,181)	(2,308)
(Increase) in other assets	(138)	(30)	(862)	(1,580)
Increase / (decrease) in trade accounts payable and amounts due to related parties	387	644	727	(4,602)
Increase / (decrease) in other current liabilities	900	(417)	329	(61)
Net cash provided by operating activities	4,281	3,719	21,500	16,969
Cash flows from investing activities:				
Purchase of investment	(1,913)	(3,980)	(1,913)	(5,065)
Capital expenditures (Note (1))	4,795	(15)	(3,492)	(1,698)
Acquisitions of intangible assets	(3,795)	(147)	(3,795)	(465)
Net cash used in investing activities	(913)	(4,142)	(9,200)	(7,228)
Cash flows from financing activities:				
Net proceeds from issue of common shares	-	189	-	16,259
Proceeds from exercise of stock options	-	75	-	140
Dividends paid	-	-	-	(3,452)
Repayment of advances from related parties	-	-	-	(14,076)
Repayment of subordinated loan	-	-	-	(3,500)
Proceeds from bank borrowings	-	-	-	20,000
Repayment of bank borrowings	-	-	(10,000)	(10,000)
Net cash provided by (used in) financing activities	-	264	(10,000)	5,371
Effect of exchange rates changes on cash and cash equivalents	27	(41)	160	(163)
Net increase / (decrease) in cash and cash equivalents	3,395	(200)	2,460	14,949
Cash and cash equivalents at the beginning of the period	24,758	25,893	25,693	10,744
Cash and cash equivalents at the end of the period	\$28,153	\$25,693	\$28,153	\$25,693
Supplemental disclosure of cash flow information				
Cash paid during the period for:				
Interest	\$-	\$90	\$157	\$340
Income taxes	\$1,032	\$328	\$3,206	\$910

- (1) An amount of \$5,708, disclosed under this heading in the First, Second and Third Quarter's Financial Statement and Dividend Announcements for 2006, has been reclassified to the "Acquisitions of intangible assets" and "Purchase of Investment" headings for the year ended December 31, 2006.

- 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
At January 1, 2006	\$58	\$44,985	\$3,547	\$698	\$49,288
Net income	-	-	17,063	-	17,063
Foreign currency translation adjustment	-	-	-	28	28
Total comprehensive income					17,091
Stock-based compensation charge	-	1,074	-	-	1,074
At September 30, 2006	58	46,059	20,610	726	67,453
Net income	-	-	5,474	-	5,474
Foreign currency translation adjustment	-	-	-	65	65
Total comprehensive income					5,539
Stock-based compensation charge	-	443	-	-	443
At December 31, 2006	\$58	\$46,502	\$26,084	\$791	\$73,435

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

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

None.

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, 2006 have been extracted from the audited financial statements. The figures for the quarter ended December 31, 2006 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 Shareholders of LMA International N.V.

The following opinion has been extracted from the audited financial statements for the year ended December 31, 2006.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in shareholders' 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, 2006 and 2005, 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 audit. We conducted our audit 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 from 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 the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

LMA International N.V. has adopted SFAS 123(R) "Share-based Payment" as required on January 1, 2006 and consequently changed the basis in which it accounts for share-based compensation in the financial year ended December 31, 2006.

PricewaterhouseCoopers
Singapore

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 U.S. 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.

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.**

Under the Company's Executive Share Option Plan, we issued share options to certain of our directors and employees during 2005 and 2006. Under current U.S. GAAP, we are required to treat the fair value of these share awards as a compensation expense from 2006 onwards. The Company uses the Black-Scholes valuation model for calculating the fair value of these options and has adopted the modified prospective method, as permitted under U.S. GAAP. The accounting treatment for these options has no impact on our cash flow, net assets or distributable reserves.

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,	
	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 earnings per share before non recurring items (in U.S. cents)	1.019	1.104	4.140	4.262

Earnings per share for 2005 is calculated based upon the number of shares 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)	December 31, 2006	December 31, 2005
Net assets of the Group	\$73,435	\$49,288
Net assets per share (in U.S. cents)	12.641	8.484

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 N.V. Group designs, develops, markets and distributes medical equipment, principally the LMA™ laryngeal mask airway line of supraglottic airway device products. 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.

The following tables set forth, for the periods indicated, our sales of Laryngeal Masks 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,				Year ended December 31,			
	2006		2005		2006		2005	
	US\$'000		US\$'000		US\$'000		US\$'000	
United States	14,508	62%	15,063	64%	55,742	62%	54,136	63%
Rest of the World	8,740	38%	8,210	36%	34,355	38%	32,178	37%
Total net sales	23,248	100%	23,273	100%	90,097	100%	86,314	100%
Reusable devices	10,505	45%	11,381	49%	42,238	47%	46,350	54%
Single-use devices	11,110	48%	11,158	48%	42,993	48%	37,967	44%
Other	1,633	7%	734	3%	4,866	5%	1,997	2%
Total	23,248	100%	23,273	100%	90,097	100%	86,314	100%

	Three months ended December 31,		Year ended December 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

2006 compared to 2005

Group net sales for the year ended December 31, 2006 at US\$90.6 million, increased by US\$4.3 million or 5% over the year ended December 31, 2005. Sales of Laryngeal Masks amounted to US\$90.1 million, with the balance of US\$0.5 million being generated from the initial sales of the LMA StoneBreaker™ device. In line with our strategy for the Laryngeal Mask business, during the year ended December 31, 2006 unit sales of single-use devices increased to 4,780,467 or 30%, up on the previous year. This together with a US\$2.8 million increase in sales of the LMA CTrach™ (included in "Other" in the table above) were the main factors generating the overall sales increase.

Net sales in the United States at US\$55.7 million for the year ended December 31, 2006 increased by 3% over sales of US\$54.1 million for the year ended December 31, 2005. The increase was largely driven by sales of single-use devices, together with a positive contribution from the LMA CTrach™. Aggressive price-led competition continues to lead to more sales time spent on defending existing accounts which, together with a slowing of conversion of accounts from reusable to single-use devices, limited the sales growth in the year. Invariably price erosion has occurred during the year, but LMA still maintains a significant price premium above our main competitors and continues to hold strong positions with all the major GPO's.

Net sales for the Rest of the World (in future to be renamed "International") at US\$34.4 million for the year ended December 31, 2006, increased by 7% over sales of US\$32.2 million for the year ended December 31, 2005. The main contributory factors to sales growth was increased sales of single-use devices and sales of the LMA CTrach™. Aggressive price competition continues to impact on single-use selling prices and, although we continue to maintain a significant price premium to our competitors, this reduces the benefit

from increased unit sales. Sales in Germany for the year ended December 31, 2006 were 7% lower than the year ended December 31, 2005. Following a significant restructuring of this business the sales trend was positive with the fourth quarter of 2006 showing a growth of 21%. Elsewhere sales in other major markets were mixed with strong sales in some balanced by slower sales in others.

During the year the Company won a major patent infringement action against Ambu in Germany which the Company has enforced. Ambu are appealing the judgement, but until the appeal is heard the judgement remains in force and Ambu is prohibited from marketing, selling and using the infringing masks. As part of the judgement against them Ambu were held to be liable to the Company for all damages resulting from the patent infringement. The Company has submitted a claim in the sum of Euro 3.1 million plus costs. The claim is currently before the court. The Company has also initiated proceedings against Ambu for patent infringement in France and Holland.

Gross profit from Laryngeal Masks was flat at US\$63.8 million for the year ended December 31, 2006. This reflects a change in the market mix with the switch to single-use devices from reusable devices: gross margin at 71.3% for the year ended December 31, 2006 was down from 74.2% for the year ended December 31, 2005.

Selling, general and administrative expenses ("SG&A") increased by 13% to US\$38.6 million for the year ended December 31, 2006 from US\$34.3 million for the year ended December 31, 2005. This includes operating expenses incurred by our joint venture, LMA Urology, of US\$1.8 million. Excluding these expenses, SG&A increased by US\$2.5 million or 7%. For the year ended December 31, 2006, SG&A expenses (excluding LMA Urology) were 41% of net sales, in line with the year ended December 31, 2005. Included in SG&A is US\$0.9 million of expenses related to the patent infringement action for which we expect to recover a large proportion when the actions and claims have been determined.

Operating income (excluding LMA Urology operating losses) at US\$25.8 million for the year ended December 31, 2006 was 9% down on the year ended December 31, 2005, due to the factors set out above. However, interest income, other income and foreign exchange movements contributed favourably to Net Income for the year.

Income tax expense remained flat at US\$2.6 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005. Excluding Urology losses, the effective tax rate was 9.6% for the year ended December 31, 2006, compared to 9.3% for the year ended December 31, 2005.

Net income excluding the net effect of LMA Urology, non-recurring charges and non-cash stock compensation charge was in line with the prior year at US\$24.8 million for the year ended December 31, 2006. Net income margin was 25% for the year ended December 31, 2006. Net income after taking account of LMA Urology, non-recurring charges and non-cash stock compensation charge was US\$22.5 million compared to a net loss in 2005 of \$2.5 million.

Net assets* amounted to US\$73.4 million at December 31, 2006, some US\$24.1 million higher than December 31, 2005 due to continued strong cash generation.

Net cash provided by operating activities was US\$21.5 million for the year ended December 31, 2006. Net cash used in investing activities totalled US\$9.2 million for the same period, being primarily the purchase of the LMA Supreme™ from Venner Capital and the initial payment of US\$1.9 million for the 50% investment in LMA Urology.

Fourth quarter of 2006 (Q4 2006) compared to fourth quarter of 2005 (Q4 2005).

Group net sales for Q4 2006 were US\$23.7 million, up US\$0.4 million or 2% on Q4 2005 due mainly to increased sales of single-use devices, mainly converted from reusable unit sales and the LMA CTrach™ plus the first full quarter of sales of the LMA StoneBreaker™, partially offset by the impact of reducing single-use selling prices.

Selling, general and administrative expenses, excluding operating expenses of LMA Urology of US\$0.7 million, increased by US\$0.7 million or 7.5%. Of the increase, US\$0.3 million was due to increased patent litigation costs. **Other income** increased by US\$1.2 million due to foreign exchange gains and a reduction in interest payments due to the repayment of the bank loan in Q1 2006. **Net income** excluding the net effect of LMA Urology, non-recurring charges and stock compensation charge was US\$6.1 million for Q4 2006.

* 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.

No forecast was made for the quarter. Full year results were largely in line with forecast.

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.

In 2007, LMA will continue to pursue strategies for growth. Whilst we expect the market for Laryngeal Masks to continue to remain highly competitive with aggressive price led competitor activity, LMA remains positive. We expect the launch of the LMA Supreme™ to provide considerable competitive advantage as well as being a key factor in our aim of increasing penetration into the ET tube market. We will continue to add resources to strengthen our sales management in the U.S. and in the rest of the world and reinforce distribution channels in key markets, including increased focus on the growing emerging markets, India, China and Russia. We intend to maintain our market leadership position and we will continue to take action against competitors who infringe our patents and in 2007 we will vigorously pursue the legal actions that we commenced in 2006.

LMA Urology's StoneBreaker™ device continues to receive very high interest from Urologists. In 2007 we will add to our distribution network and sales resources to continue to roll out this exciting and unique device.

LMA seeks strategic investments. These will include new, innovative or revolutionary products either through acquiring the product rights or existing businesses exploiting such products. Where this is not possible or practical but the products represent good additions to our product range for distribution through our direct sales operations in United States, Germany and Singapore, we will also pursue these opportunities. Additionally we will look to invest in strong performing distributors.

After the close of the SGX market on February 7, 2007 the Company announced that it had agreed to acquire a further 50% of the equity of its Australian distributor, LMA PacMed Pty Limited, therefore increasing its investment from 30% to 80% for a consideration of US\$9.7 million. Based on the terms of the agreement 60% of this consideration will be in cash and 40% in new LMA shares to be issued at S\$0.88 per share. This transaction is expected to have a positive (but not material) impact on earnings per share and a negative impact on net asset value per share.

Taking account of these initiatives LMA remains very positive for the future growth of the business.

11. Dividends.

Not applicable.

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

No dividend is proposed for the financial year ended December 31, 2006.

13. Interested person transactions.

Details of interested party transactions for the year ended December 31, 2006 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the year ended December 31, 2006 (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	-	\$5,743,000
Venner Trading Singapore Limited	-	\$19,098,000
Venner Capital	\$275,000	\$4,751,000
Shearman and Sterling	-	\$152,000

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT.

14. **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>Airway Management</u>						<u>Urology</u>		<u>TOTAL</u>	
	<u>U.S.A.</u>		<u>Rest of World</u>		<u>Total</u>		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>				
External sales	\$55,742	\$54,136	\$34,355	\$32,178	\$90,097	\$86,314	\$492	\$-	\$90,589	\$86,314
Intersegment sales	-	-	28,589	31,337	28,589	31,337	159	-	28,748	31,337
Depreciation & amortisation	207	178	2,068	1,868	2,275	2,046	38	-	2,313	2,046
Interest income	7	7	666	253	673	260	-	-	673	260
Interest expense	99	153	17	-	116	153	-	-	116	153
Segment profit (loss)	5,586	(1,734)*	26,012	25,010	31,598	23,276	(1,411)	-	30,187	23,276
Income tax expense	2,270	65	252	317	2,522	382	-	-	2,522	382
Total assets	20,632	18,723	82,382	69,922	103,014	88,645	1,350	-	104,364	88,645
Goodwill	2,793	2,793	3,031	3,031	5,824	5,824	91	-	5,915	5,824
Capital expenditure	216	461	489	1,237	705	1,698	368	-	1,073	1,698
Acquisition of intangibles	-	-	3,795	465	3,795	465	-	-	3,795	465

* After deduction of expense set out in Note 1(a) 8(iii)

15. **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.

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

(U.S. Dollars, in thousands)	<u>2006</u>	<u>2005</u>	<u>Growth</u>
(a) Net sales reported for the first half year. (Unaudited)	\$44,819	\$42,078	6.5%
(b) Net income after tax before deducting minority interests and share of net earnings of associate for the first half year. (Unaudited and excluding non-recurring charges and stock compensation charge)	12,048	12,485	(3.5)%
(c) Net sales reported for second half year. (Unaudited)	45,770	44,236	3.5%
(d) Net income after tax before deducting minority interests and share of net earnings of associate for second half year. (Unaudited and excluding non-recurring charges and stock compensation charge)	11,122	12,310	(9.7)%

17. **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.