

Results

Q1 of 2012/13

1 April 2012 to 30 June 2012



Agenda

1. LEM at a Glance
2. Highlights and Business Review
3. Financial Review
4. Strategy and Outlook

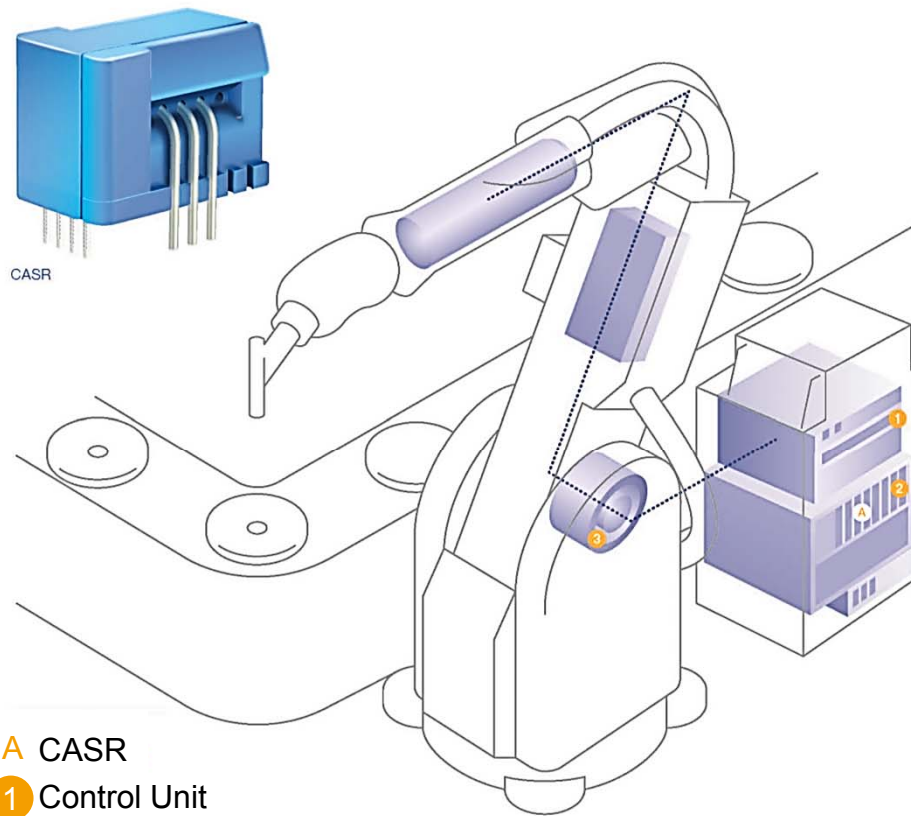


2

1. About LEM

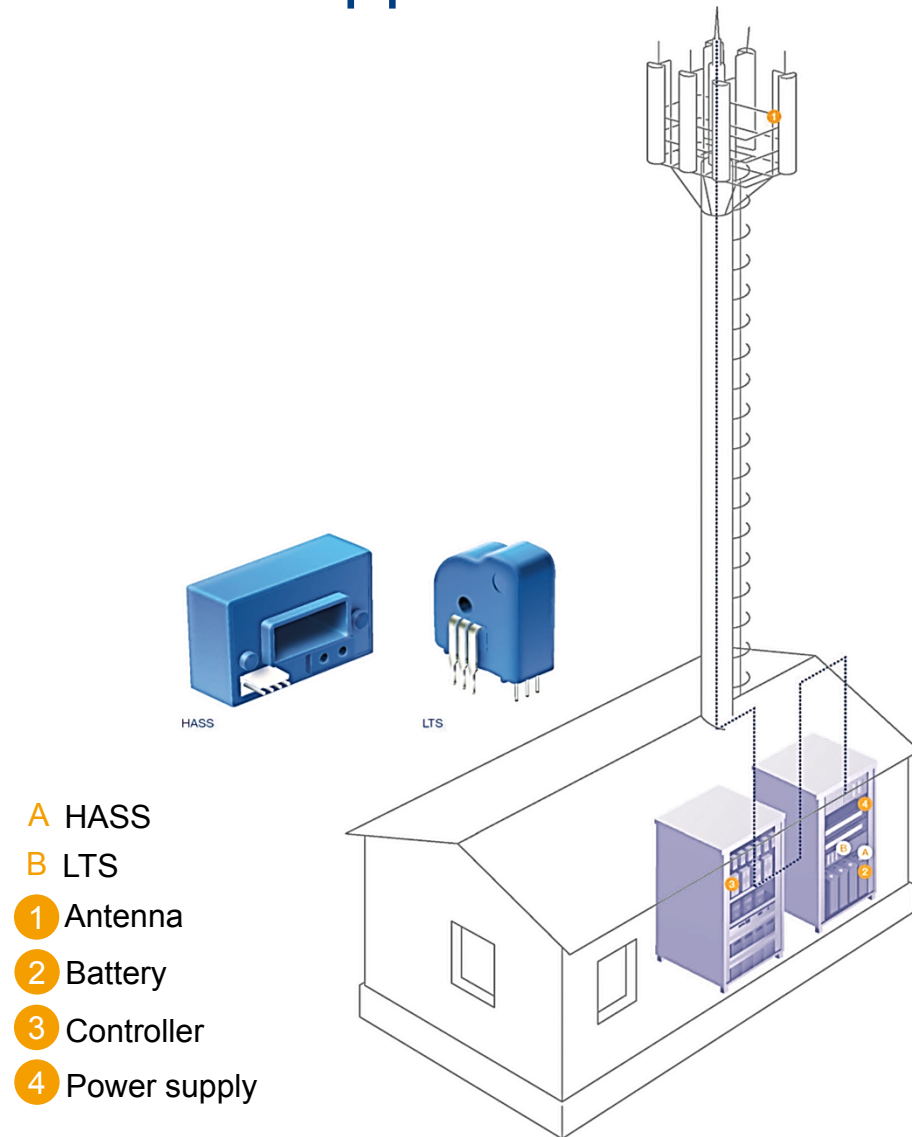
- LEM is the global market leader in providing innovative and high quality solutions for measuring electrical parameters.
- The current and voltage transducers are used in a broad range of industrial and automotive markets.
- LEM is a high growth global company with approximately 1'200 employees. Production plants are in Beijing (China), Geneva (Switzerland) and Machida (Japan). With regional sales offices close to the clients' locations, LEM provides a seamless service.
- LEM (SIX: LEHN) has been listed on the SIX Swiss Exchange since 1986 and has a market cap of CHF 549 million per 30.6.2012.

1. LEM Applications: Robot



- To control the arm, power inverters drive a motor from one position to the next and stop precisely in position
- Accurate measurement of the current with transducers needed to control the arm

1. LEM Applications: Mobile Phone Base Station

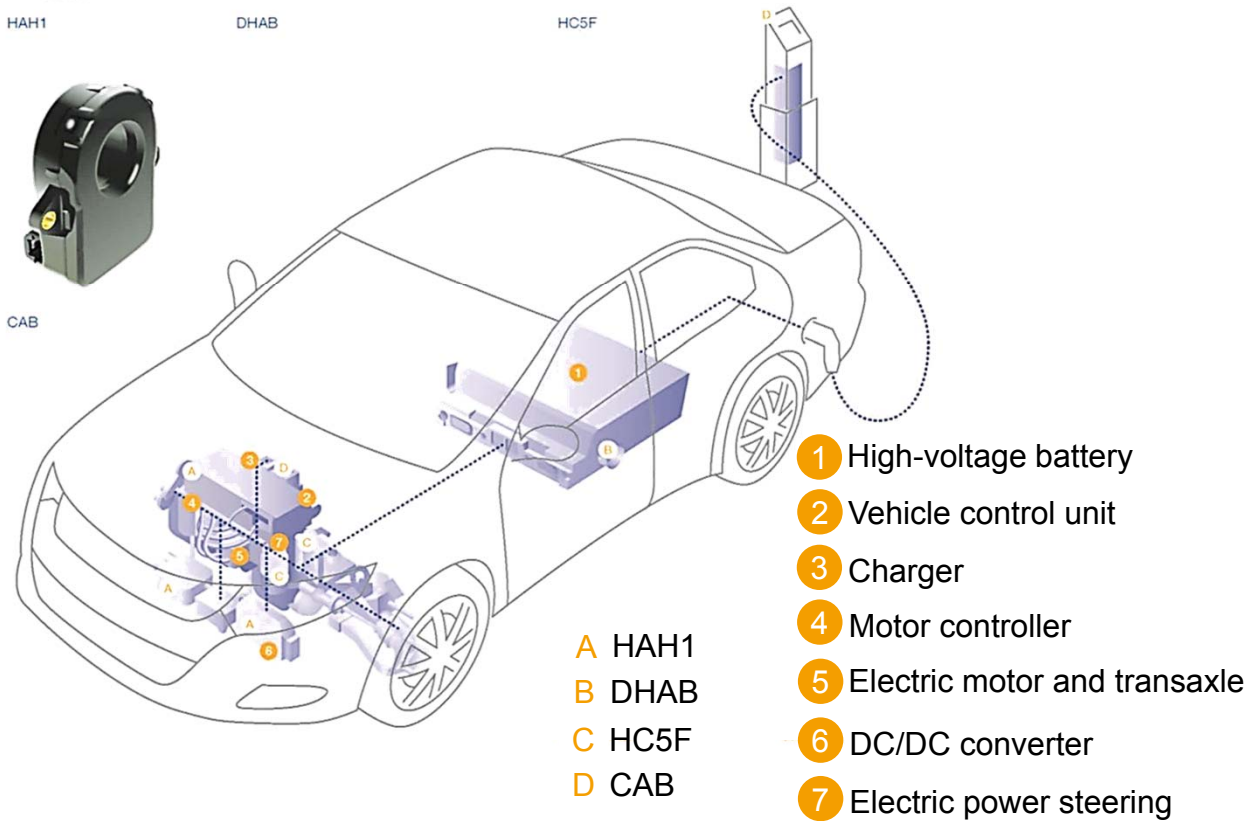


- Transducers ensure stable power supply and control in case of a failure
- Transducers used to control the charge and discharge of power batteries for backup

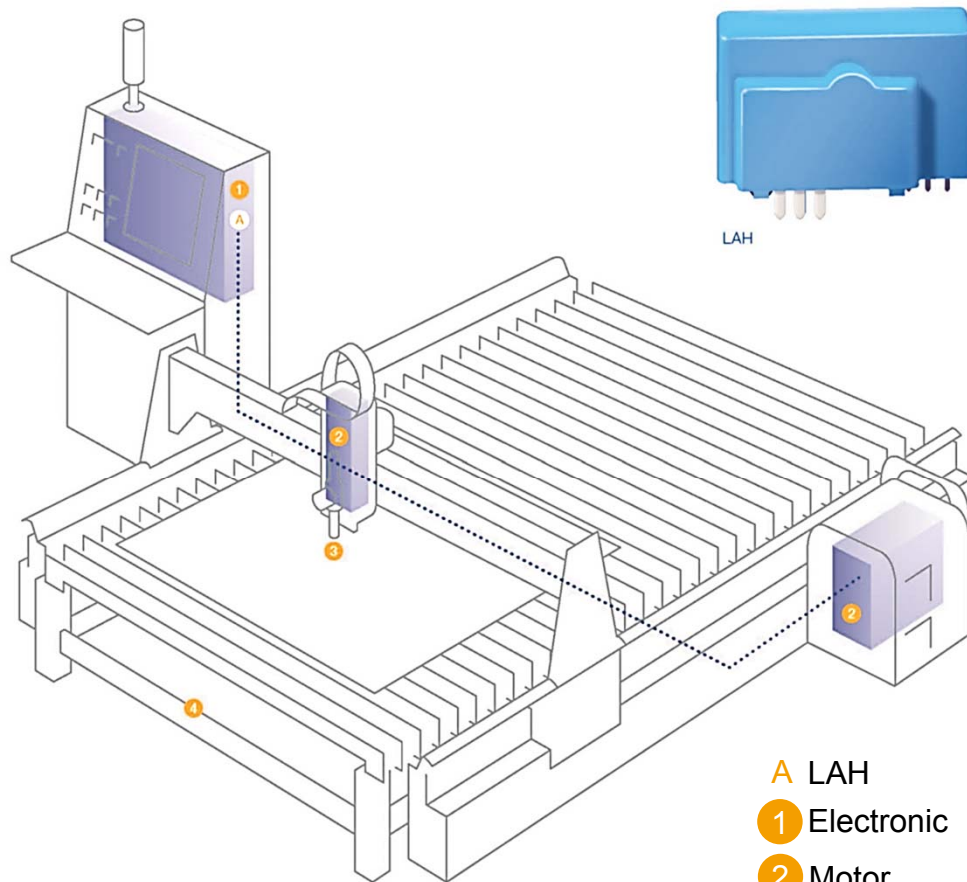
1. LEM Applications: Electric Plug-in Car



- Battery management
- Electric motor management
- Charger management



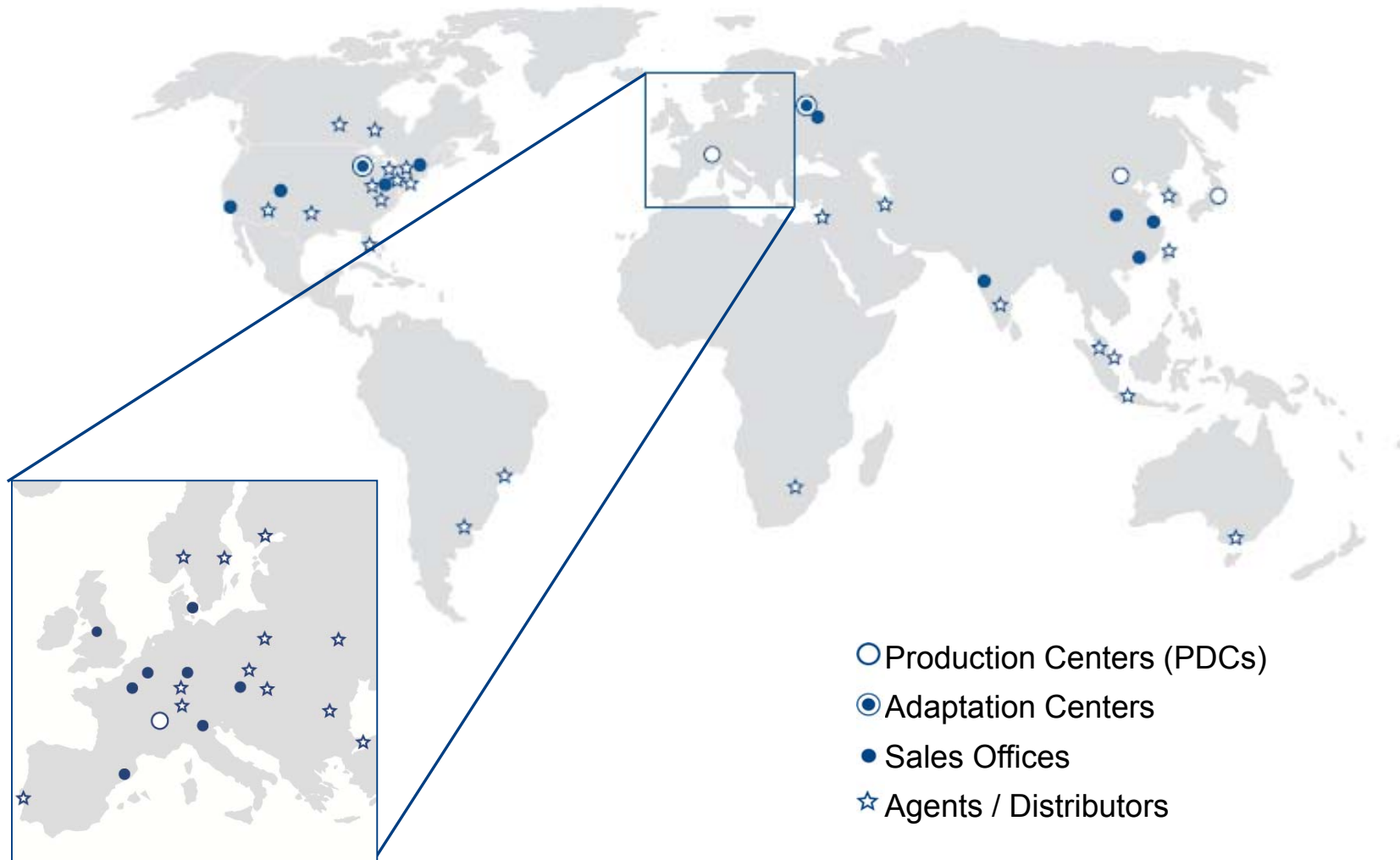
1. LEM Applications: Plasma Cutting



- To maintain the arc continuously, current transducer measures the current through the arc
- Accuracy of measurement is important to guarantee accuracy and shape of cut

- A LAH
- 1 Electronic
- 2 Motor
- 3 Torch
- 3 XY-table

1. LEM Production & Logistics World-Wide



1. LEM at a Glance - Businesses

Industry segment

Drives & welding

- Motor drives
- Welding
- Miscellaneous

Renewable energies & power supplies

- Solar
- Wind
- UPS
- Battery monitoring, process control, energy metering

Traction

- On-board applications
- Trackside
- Energy monitoring

High precision

- Medical scanner
- Test & measurement

Automotive segment

Conventional cars

- Lead battery management
- Start/stop application

Green cars (HEV, EV)

- Battery pack management
- Electric motor control



2. Highlights and Business Review



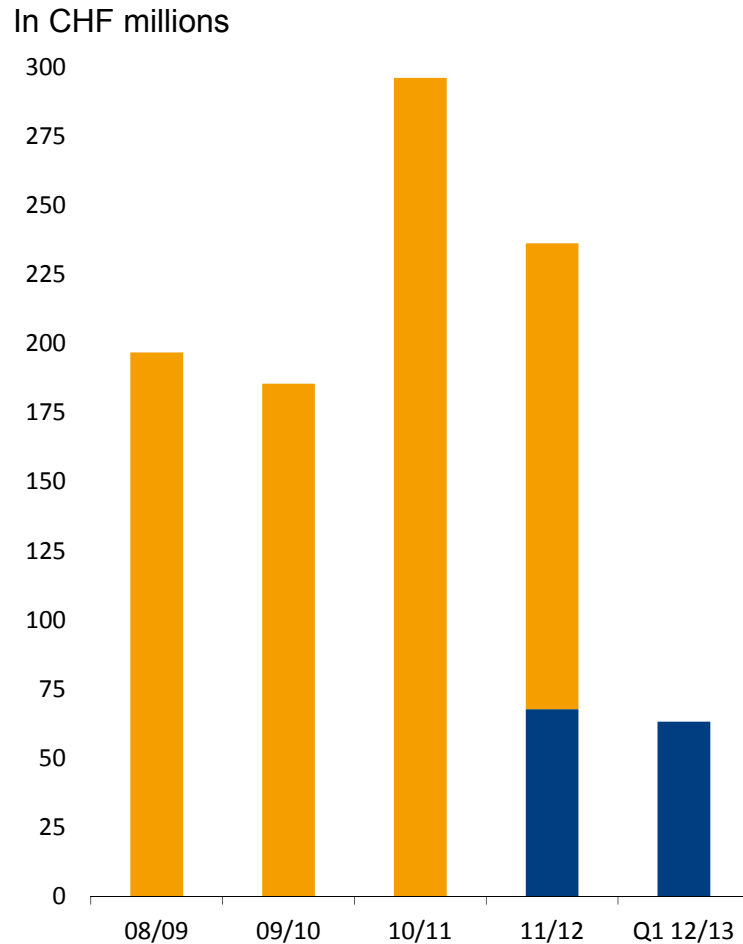
10

2. Highlights Q1 2012/13

In CHF millions, %	Q1 2012/13	Q1 vs. Q1 2011/12	Q1 vs. Q4 2011/12
Orders	60.7	22.5%	10.3%
Sales	63.1	-6.7%	13.0%
Operational EBIT	11.4	-2.1%	41.4%
Net earnings	10.7	48.6%	37.7%

- Global economic uncertainty affects business development
- High competitive pressures
- Continuing growth in Automotive businesses
- Positive effects due to re-stocking of customers in Industry businesses
- Strong improvements in sales and bookings
- Careful short term outlook

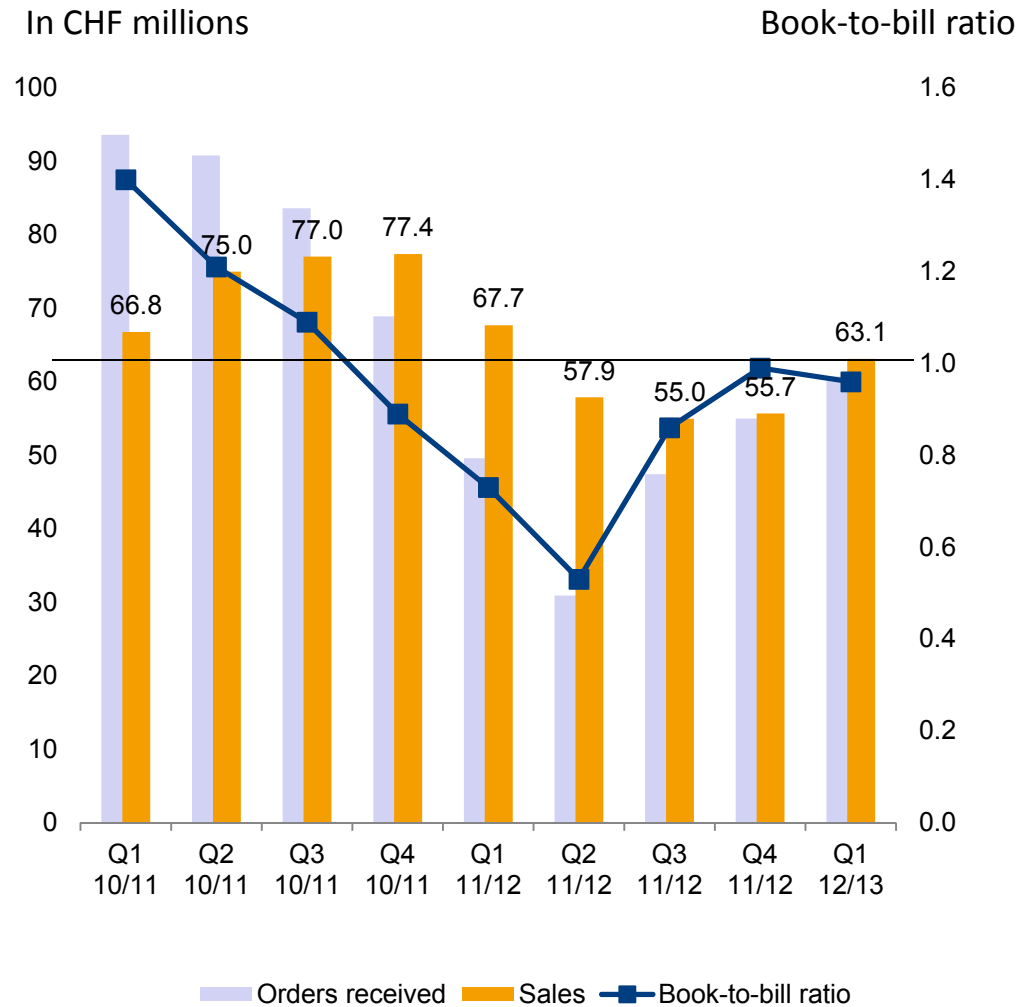
2. Net Sales



In CHF millions, %	Sales	Q1 vs. Q1	Q1 vs. Q4
Industry	53.5	-13.6%	13.1%
Automotive	9.6	67.6%	12.5%
Total sales	63.1	-6.7%	13.0%

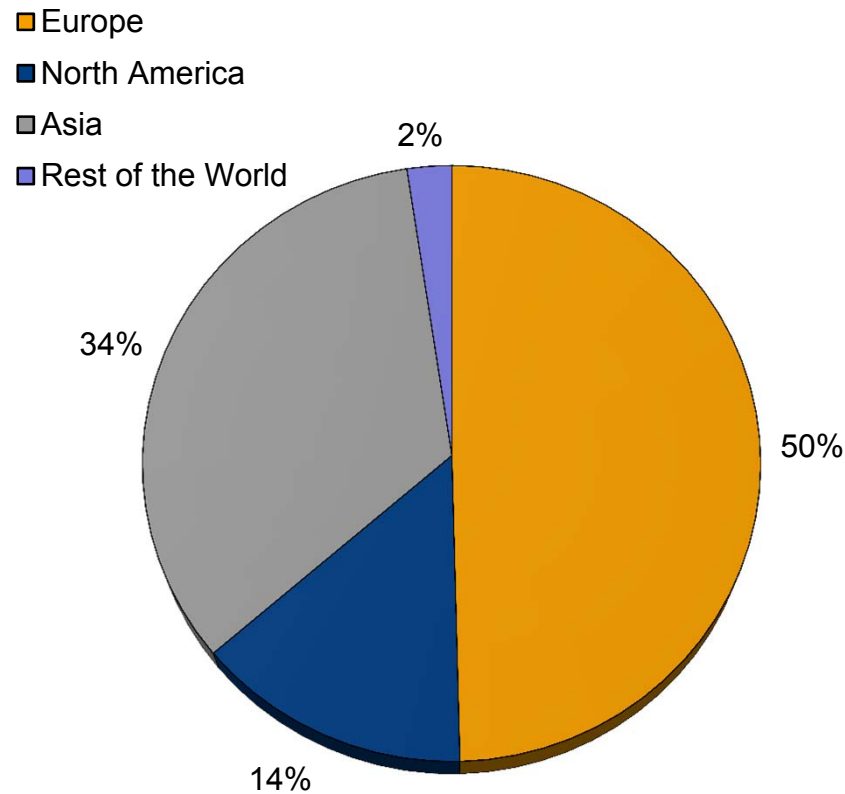
- Slow restart in Q1 of 2012/13
- Growth mainly in Asia (including China) and North America

2. Quarterly View



- Customers' inventory corrections ended in Q4 of 2011/12
- Slow recovery of sales
- 3rd quarter in a row with growing orders
- Book-to-bill ratio close to 1 for the second quarter

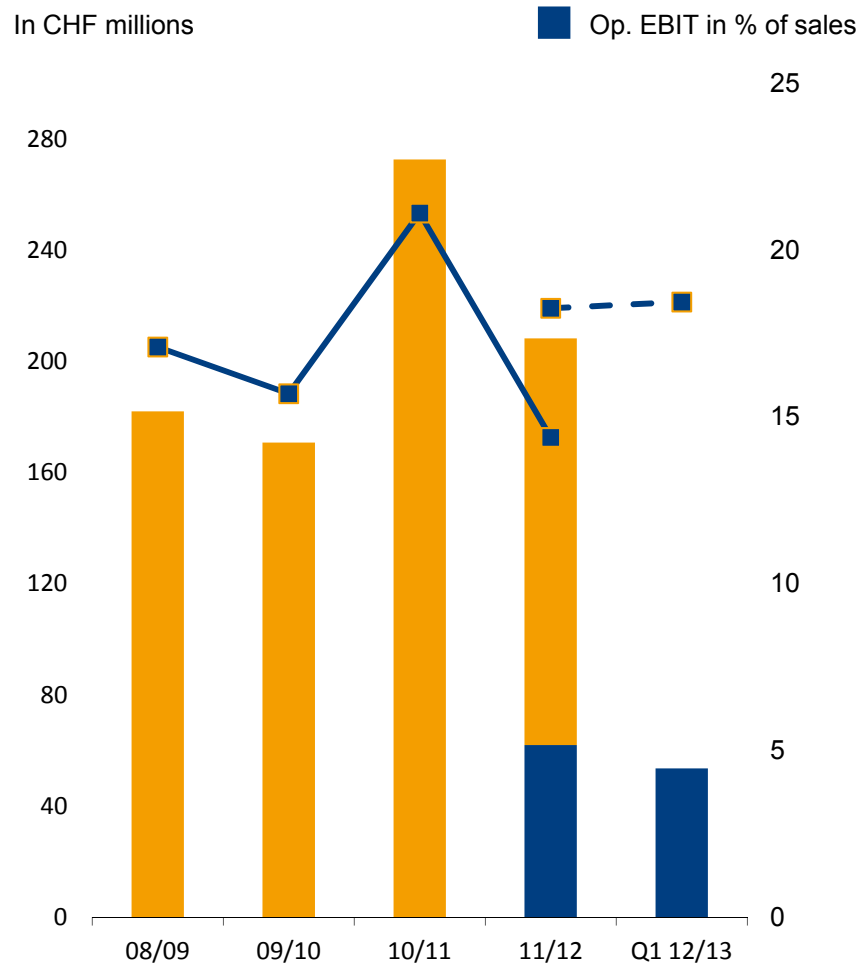
2. Industry Segment: Regional Markets



In CHF millions, %	Sales	Q1 vs. Q1	Q1 vs. Q4
Europe	26.5	-16.8%	0.0%
N. America	7.5	3.4%	6.9%
Asia	18.2	-14.2%	40.5%
ROW	1.3	-16.9%	62.3%
Total	53.5	-13.6%	13.1%

- Positive effect from recovery in solar markets
- Strong growth in Asia, particularly in China

2. Industry Segment: Business Development



Businesses and Applications

Drives & welding

- Strong growth in Asia, particularly China
- New projects in the robot and elevator markets

Renewable energies & power supplies

- Proved again its volatile nature – sales grew by 32.8%
- Solar market shifts from Europe to China and USA

Traction

- Additional trackside projects in UK
- China remains weak

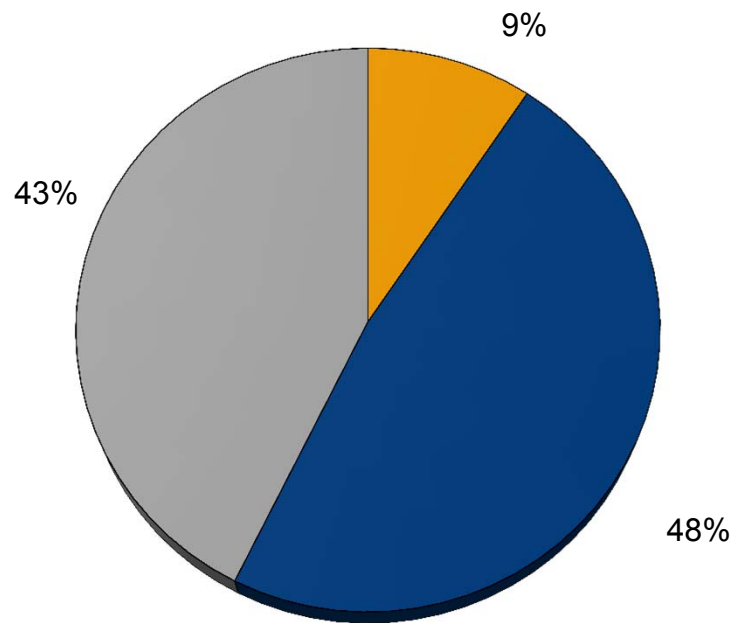
High precision

- Decrease of sales due to delays in test and measurement markets and relocation of LEM's high precision production from Denmark to Switzerland

15

2. Automotive Segment: Regional Markets

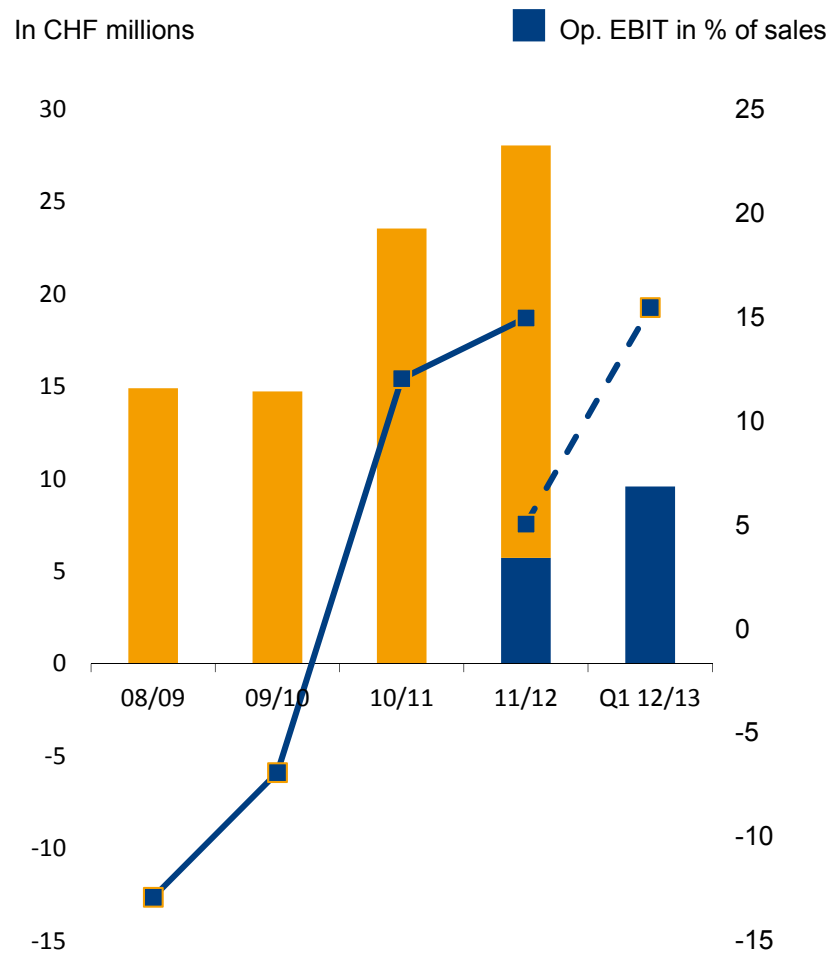
- Europe
- North America
- Asia and Rest of World



In CHF millions, %	Sales	Q1 vs. Q1	Q1 vs. Q4
Europe	0.9	60.3%	0.9%
N. America	4.6	47.6%	9.3%
Asia and ROW	4.1	100.0%	19.3%
Total	9.6	67.6%	12.5%

- Sales growth despite weak global car industry in Q1 of 2012/13
- Success due to strategic focus on Asian and US car manufacturers
- Continued investment in R&D

2. Automotive Segment: Business Development



Businesses and Applications

Conventional cars

- Continued on positive sales trend

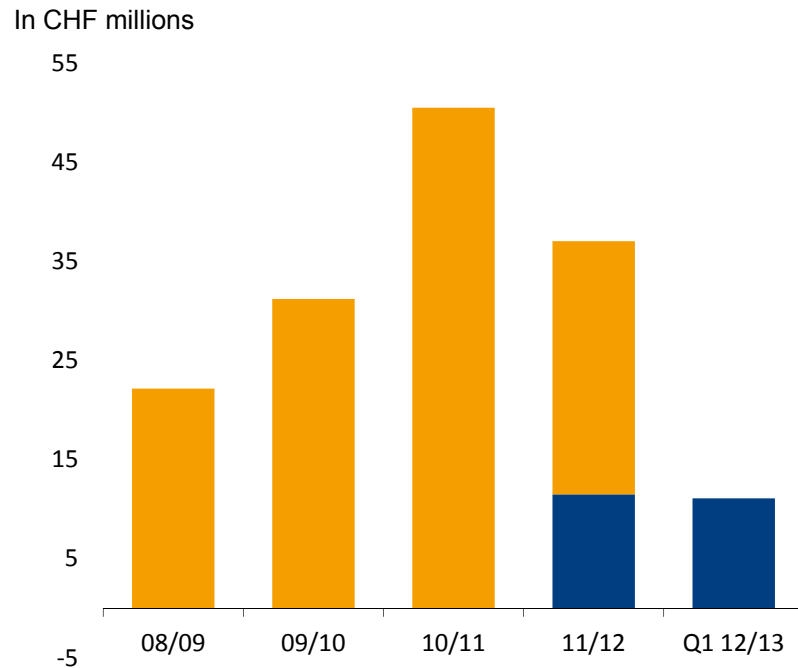
Green cars (HEV, EV)

- High level of activity
- Sustainable growth in LEM's key regions

2. Business Development China

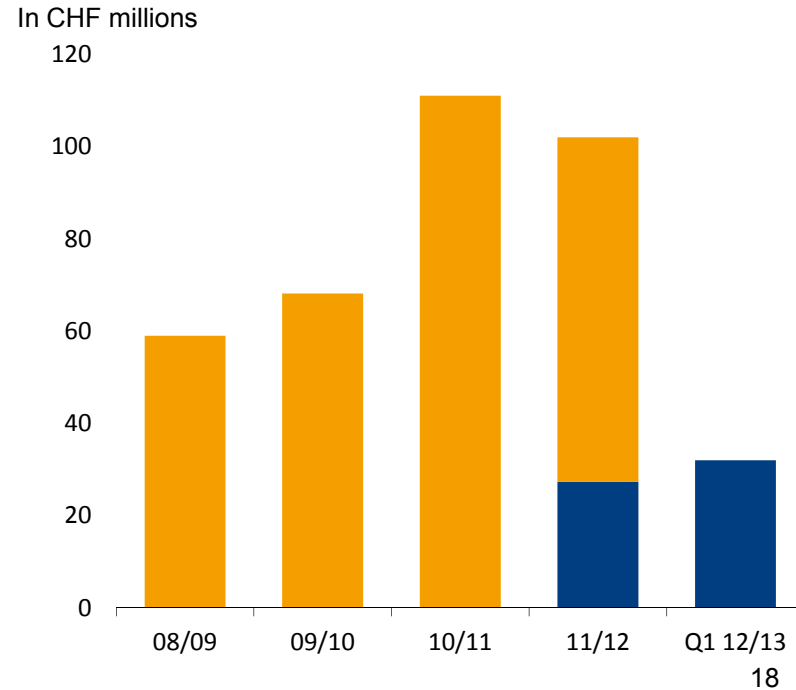
Sales

- Market share of over 50%
- Sales impacted by slowing activity especially in solar, wind and traction



Production

- LEM China expands its #1 position as largest manufacturing site of the Group (first time ever over 50% of total production)
- “Made by LEM” quality



3. Financial Review



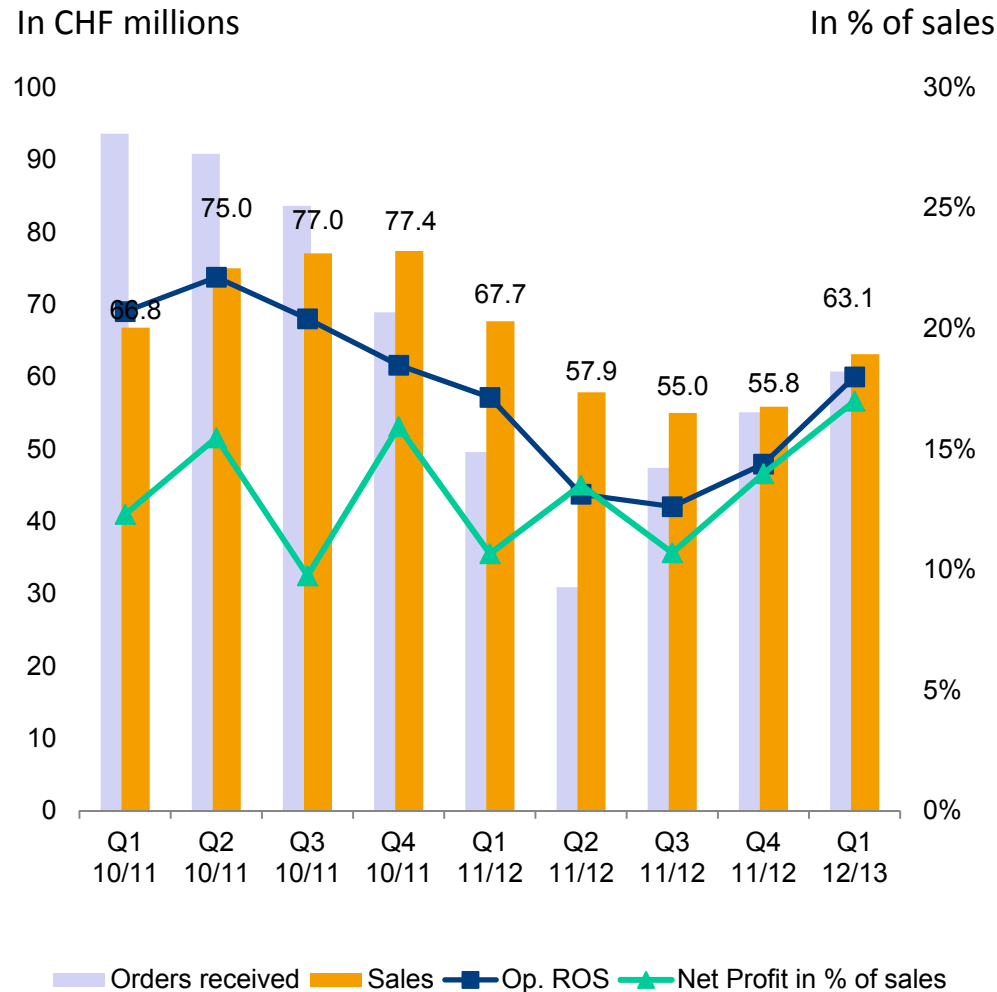
19

3. Income Statement

In CHF thousands, %	Q1 2011/12	Change vs. Q1 2013	Q4 2011/12	Change vs. Q1 2013	Q1 2012/13
Sales	67'659	-6.7%	55'844	13.0%	63'118
Gross margin	42.4%	-0.3%pt	37.0%	5.1%pt	42.1%
Operating expenses	-17'101	-11.0%	-12'617	20.7%	-15'224
Operational EBIT	11'600	-2.1%	8'030	41.4%	11'359
Additional SOP income / costs	-121	N/A	-322	N/A	0
EBIT	11'479	-1.0%	7'709	47.4%	11'359
Financial expense (net)	-2'339	N/A	-1'090	N/A	1'501
Income tax	-1'928	11.0%	1'189	N/A	-2'140
Net profit	7'212	48.6%	7'808	37.3%	10'720

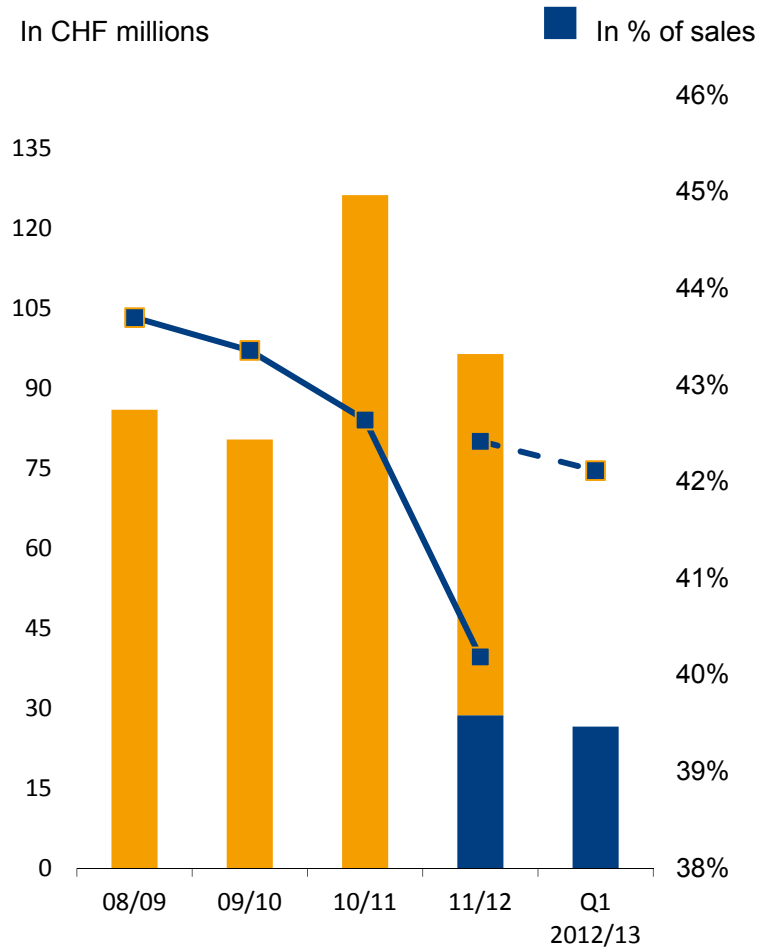
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3. Results by Quarter



- Improved operating EBIT margin; within target range
- High net profit in % of sales, resulting from decreased tax charge and positive foreign exchange effects

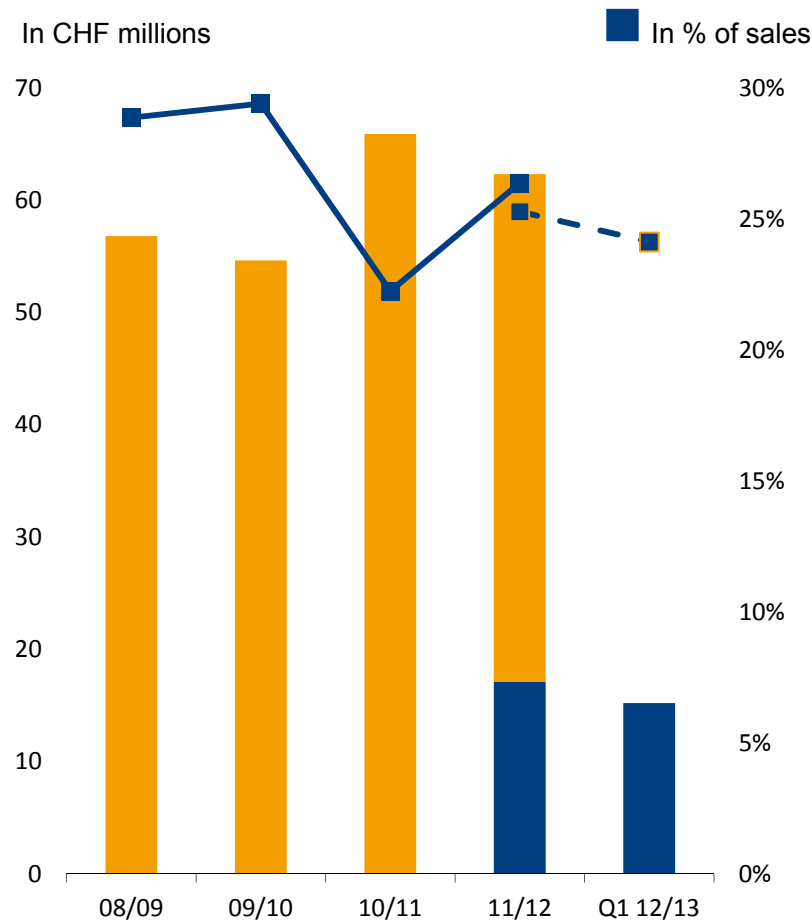
3. Gross Margin



	Q1 2011/12	Q4 2011/12	Q1 2012/13
Gross margin in CHF millions	28.7	20.6	26.6
Gross margin in % of sales	42.4%	37.0%	42.1%

- Negative impacts on gross margin in Q4 2011/12 (foreign exchange effects, increased price pressure, lower absorption of fixed cost, impairment of CHF 2.1 million in renewables energies production)
- Stabilization of gross margin in Q1 2012/13

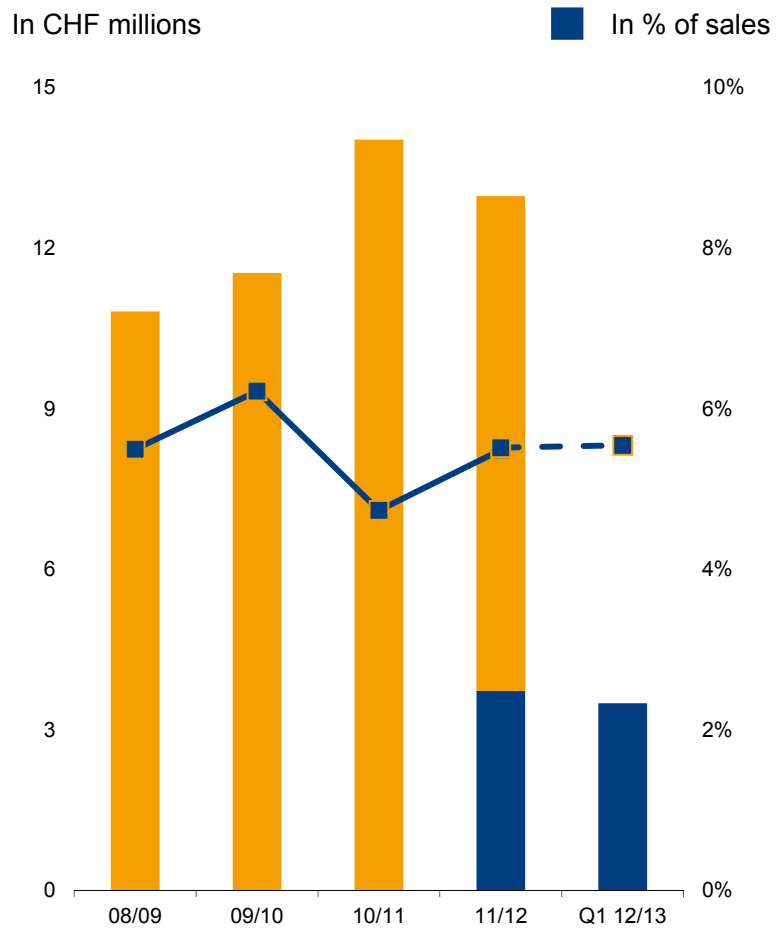
3. Operating Expenses



	Q1 2011/12	Q4 2011/12	Q1 2012/13
Operating expenses in CHF millions	17.1	12.6	15.2
Operating expenses in % of sales	25.3%	22.6%	24.1%

- Ongoing strict cost control measures
- Operating expenses as a percentage of sales remain on low levels compared to historical average

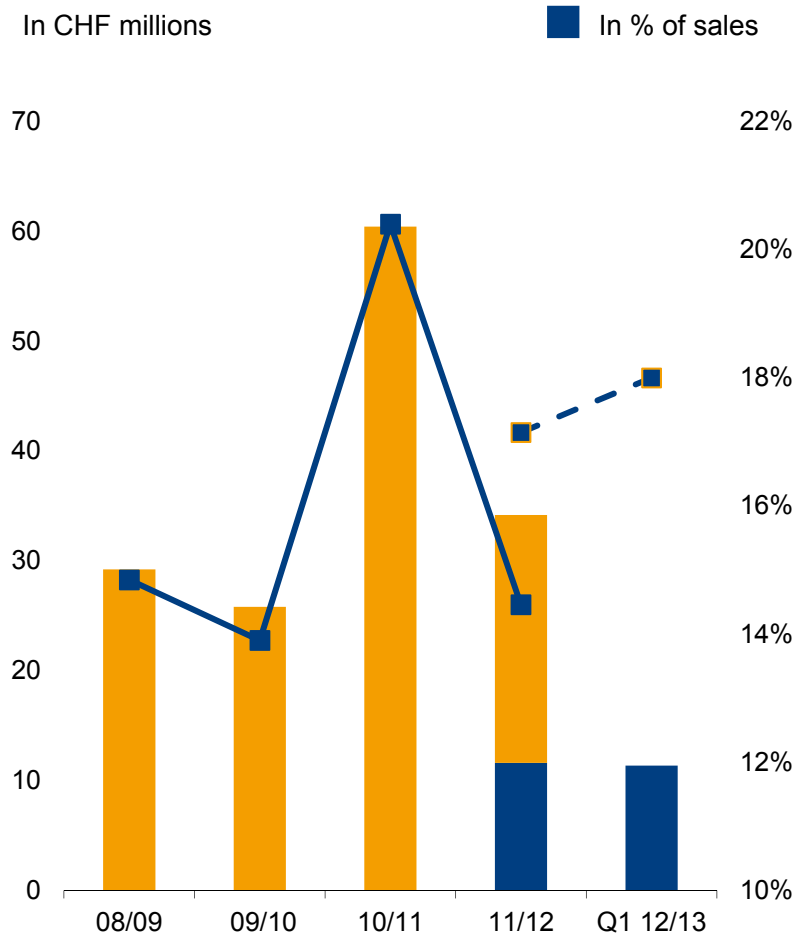
3. R&D Expenses



	Q1 2011/12	Q4 2011/12	Q1 2012/13
R&D expenses in CHF millions	3.7	2.6	3.5
R&D expenses in % of sales	5.5%	4.7%	5.5%

- Continued investment in R&D for both segments
- R&D expense at long-term average of 5.5%

3. Operational EBIT



	Q1 2011/12	Q4 2011/12	Q1 2012/13
Operational EBIT in CHF millions	11.6	8.1	11.4
Operational EBIT in % of sales	17.1%	14.4%	18.0%

- Returned to operational EBIT-margin within target range
- Excluding additional SOP cost/income in 2011/12
- All legacy stock option plans ended as per 31 March 2012, LEM does not record any additional stock option plans cost/income as from 2012/13

3. Legacy SOP Programs Expired per 31.03.2012

- With the closing of fiscal year 2011/12, all legacy stock option plans are closed
- LEM will not record any additional stock option plan cost/income going forward
- LEM has no further option based compensation programs

	31.3.2008	31.3.2009	31.3.2010	31.3.2011	31.3.2012
# outstanding options	70'457	66'207	40'794	4'952	0
			Closure of	SOP 5	SOP 6

3. Financial Expense

In CHF thousands

	Q1 2011/12	Q4 2011/12	Q1 2012/13
Exchange effect*	-2'309	-1'028	1'522
Other financial expense & income	-30	-62	-21
Total	-2'339	-1'090	1'501

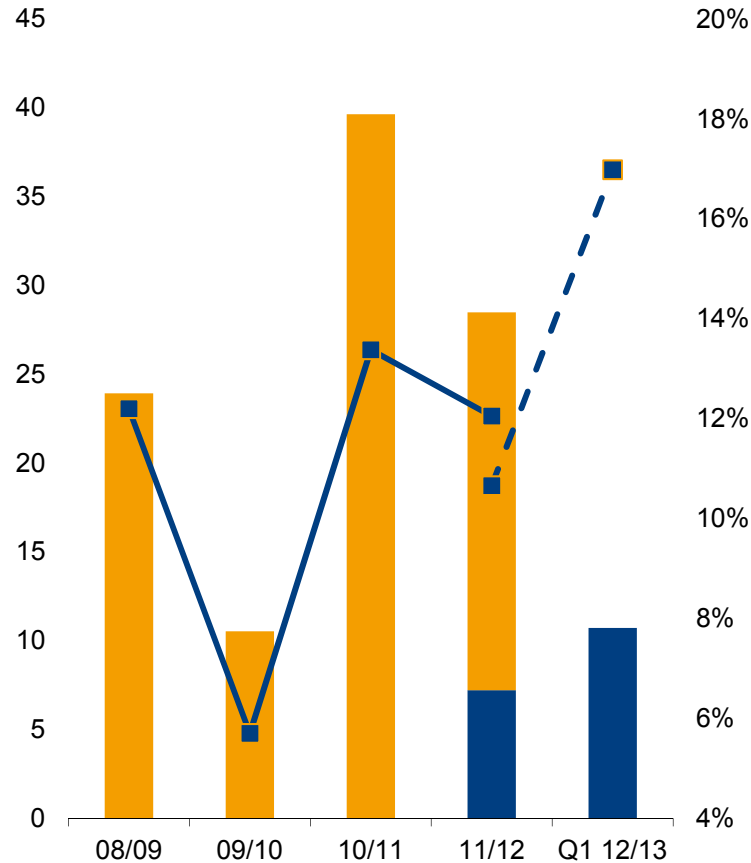
- Q1 of 2012/13 exchange effect mainly driven by USD & CNY appreciation vs. EUR & CHF
- Foreign exchange hedging policy
 - In general: 50% of net exposure on a rolling 3-9 month basis
 - Euro: 100% of net exposure 12 months forward

* The line "exchange effect" in the financial result is mainly due to currency volatility during the time between booking and settling a receivable/payable. Over and above this line, foreign exchange rates impact every P&L line through the rate at which each transaction is booked and at which it is consolidated into CHF.

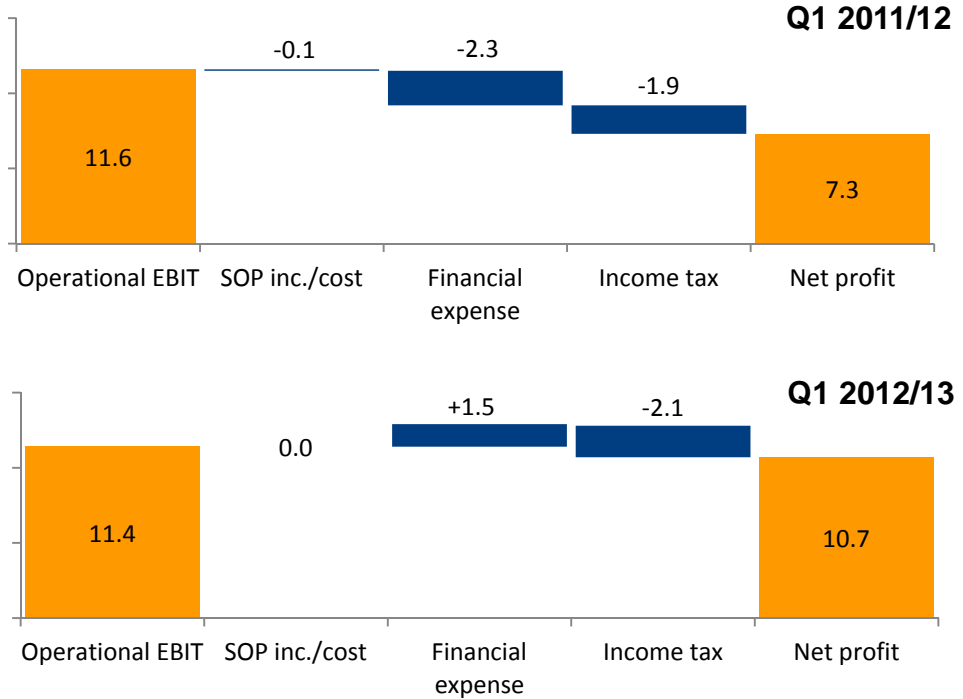
3. Net Profit

CHF millions

■ % of sales



	Q1 2011/12	Q4 2011/12	Q1 2012/13
Net profit in CHF millions	7.2	7.8	10.7
Net profit in % of sales	10.7%	14.0%	17.0%

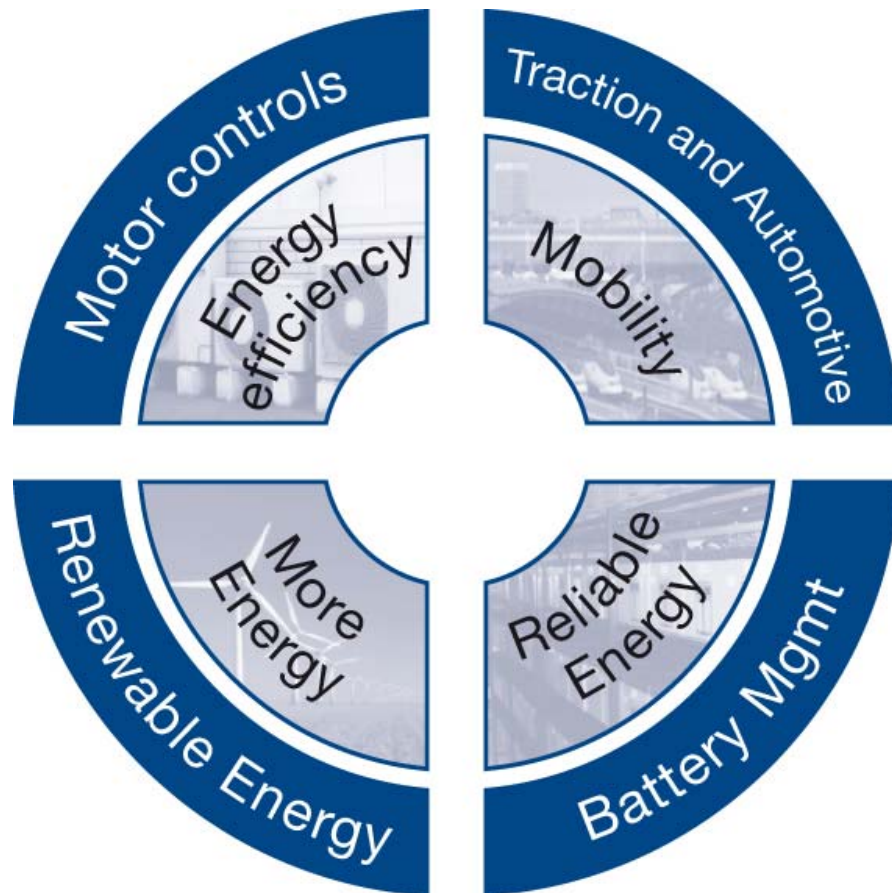


4. Strategy and Outlook



29

4. Market Factors and Strategy



- We firmly believe in our strategic direction and the 4 drivers for our business remain unchanged
- We will continue to capitalize on the drivers of LEM's markets through
 - pure play components company
 - diversification across geographies and markets

30

4. Strategic Priorities to Extend Leadership Position

Increase technology leadership

- Established multidisciplinary innovation team
- R&D roadmap foresees increased number of product launches
- Improve performance of products in terms of precision and functionalities
- Dedicated team of experts to manage LEM's IP

Increase efficiency

- Improve product cost through low cost sourcing and manufacturing
- Reduce complexity of organization

Increase production flexibility

- Improve supply chain management
- Develop systems to better forecast demand fluctuations

4. Outlook

- We expect the economic climate to remain challenging and uncertainty to persist in LEM's markets
- In the next quarters we expect lower positive impacts from restocking and higher negative impacts from competitive pressure
- For 2012/13 we expect:
 - progressive restart in the Industry segment
 - growth in the Automotive segment
 - increasing competitive pressure
- Our ambition is to deliver a result within the operational EBIT margin target range of 15 to 20%

Financial Calendar and Contact Details

Financial calendar

13 November 2012	Half-year results of 2012/13
14 February 2013	Third quarter results of 2012/13
5 June 2013	Year-end results and media and analyst conference
27 June 2013	Ordinary shareholders' meeting for the year 2012/13
2 July 2013	Dividend ex-date
5 July 2013	Dividend payment date

For further information

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