



LMA International NV

PRESS RELEASE

LMA ACQUIRES INNOVATIVE NEW TECHNOLOGY

- Acquires 50% stake in LMA Urology Limited for a consideration of US\$3.84 million
- Stonebreaker device will add new dimension to LMA's existing product range
- Innovative device is a faster and more effective way to treat kidney stones than existing methods

Singapore, 21 February 2006 – Singapore-listed LMA International N.V. (“LMA” or the “Group”), a global leader in the development and marketing of the LMA™ laryngeal mask airway range of supraglottic airway management devices, announced that it has acquired the intellectual property and distribution rights to an innovative lithotripsy device from a Swiss inventor and engineering team.

Via a sale and purchase agreement, LMA will purchase 50% of the equity of LMA Urology Limited (“LMA Urology”), a company incorporated in the Seychelles, for a total consideration of US\$3.84 million (Euro 3.2 million). Of this sum, half will be paid immediately and the remaining amount will be paid in two installments once certain revenue milestones are met over the next 18 months.

The vendor of the shares is Duliver International Limited, a company registered in the British Virgin Islands, which has also given LMA an option to purchase the balance of the shares in LMA Urology, exercisable in four equal tranches over the next four years. The consideration was arrived at on a willing buyer-willing seller basis and will be funded internally.

LMA Urology is the exclusive owner of the intellectual property rights to an innovative lithotripsy device known as “Stonebreaker”. The product is currently undergoing the approval process in Europe and is expected to receive the CE mark in the second quarter of 2006. Application for FDA approval for the US market is expected to commence in the second half of 2006.

The Stonebreaker device represents a breakthrough in size, power, portability and clinical effectiveness and is expected to be very attractive to existing interventional urologists worldwide. In clinical trials, the product has proven to have a rapid learning curve and deliver excellent clinical results in the hands of surgeons. The device is designed to provide a novel and more clinically effective way to treat stones in the entire urinary tract and will not require external electrical power or access to compressed air pipelines, two drawbacks of existing systems, besides cost.

Mr John Lim, LMA's Group President, said, “Stonebreaker, which will be manufactured in Switzerland, represents our first success in identifying and acquiring a new and

innovative medical device that will broaden our product and business base. We hope to be able to replicate the same level of success we have achieved with the LMA laryngeal mask while maintaining our dominant position in the supraglottic airway management device market.”

LMA will leverage on its expertise in managing a global distribution network and internal quality and regulatory control systems. Some of LMA’s existing distributors are already represented in the urology field and are expected to offer immediate market access for this device. LMA has identified a further 25 major market urology distributors with whom separate distribution arrangements will be negotiated. The sales and marketing of the new product will be managed independently of LMA’s core airway management business and a management team with the relevant expertise will be put in place to focus on developing this new business.

Mr Paul Molloy, LMA's Group Chief Operating Officer, added, "This is a significant investment opportunity for LMA which will allow us to leverage much of our existing medical device knowledge and skills. The high quality Swiss-made device is expected to offer both technical and clinical advantages compared to current treatment options and offers the potential to make the lithotripsy procedure more affordable and accessible to a wider number of physicians and their patients.”

Lithotripsy is a procedure to obliterate kidney stones in the bladder, ureter or kidney which affects more than 2 million people in the US and Europe every year. The market is currently dominated by Microvasive Urology, ACMI, Dornier MedTech, Karl Storz, Coloplast, Astra Tech, Bard Urological. The incidence of disease is increasing worldwide, including emerging markets such as China, India and South America, where access to adequate technology to treat the problem is limited. Current options are cumbersome and often expensive.

Added Mr Lim, “There are tremendous growth opportunities globally, and especially in India and China. Over the medium term, we expect to see solid returns on our investment.”

A 102-patient clinical study was completed in 2005 with a 100% success rate under the guidance of leading UK Consultant Urological Surgeon, Dr. Abhay Rane, MD, FRCS (Urol). Dr. Rane is quoted as saying 'The product performed very well with no evidence of tissue trauma or failure to achieve stone fragmentation in any patient, therefore there is a very high benefit to risk ratio. This device appears to be much more robust and effective than other currently available pneumatic intracorporeal lithotripsy devices since the number of shocks required to achieve good fragmentation are minimal.'

The first clinical papers of the study have already been accepted for publication and data will be presented at a number of leading congresses this year.

Assuming the transaction had been completed at the beginning of the financial year ended 31 December 2005, this acquisition would not have had any material impact on the Group’s earnings per share for that financial year. However, in view of the intangible nature of intellectual property rights, this acquisition would have diluted the Group’s net tangible assets per share as at 31 December 2005 by 9.1% had it been effected at the end of that financial year.

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About LMA

Incorporated in the Netherlands Antilles in 1998, LMA International N.V. was listed on the Singapore Stock 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 and San Diego, California. DBS Bank Limited and Credit Suisse, formerly Credit Suisse First Boston (Singapore) Limited, are the Joint Global Coordinators and Joint Bookrunners for the Initial Public Offering of shares in LMA.