LHS Aktiengesellschaft

Q4 and Year 2007 Conference Call

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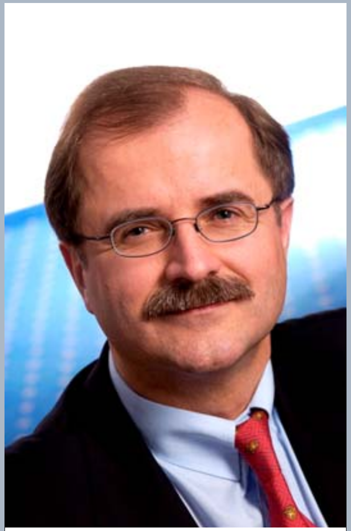
Today's speakers



Wolfgang Kroh, CEO

Axel Barta, CFO

Comments by the CEO

Wolfgang Kroh

2007 Strong and Sustainable Growth - Highlights

FINANCIALS 2007

- Revenues are up 37 % to € 98.2 million.
- Adjusted EBITDA increased to € 20.5 million, an increase of 69 % to 2006.
- Adjusted Net Income increased from € 7.8 million to € 13.1 million excluding ESOP costs.
- Adjusted EPS Basic at € 0.93 diluted EPS are € 0.90, excluding ESOP costs.
- FCF at € 15,0 million.

2007 Strong and Sustainable Growth - Highlights

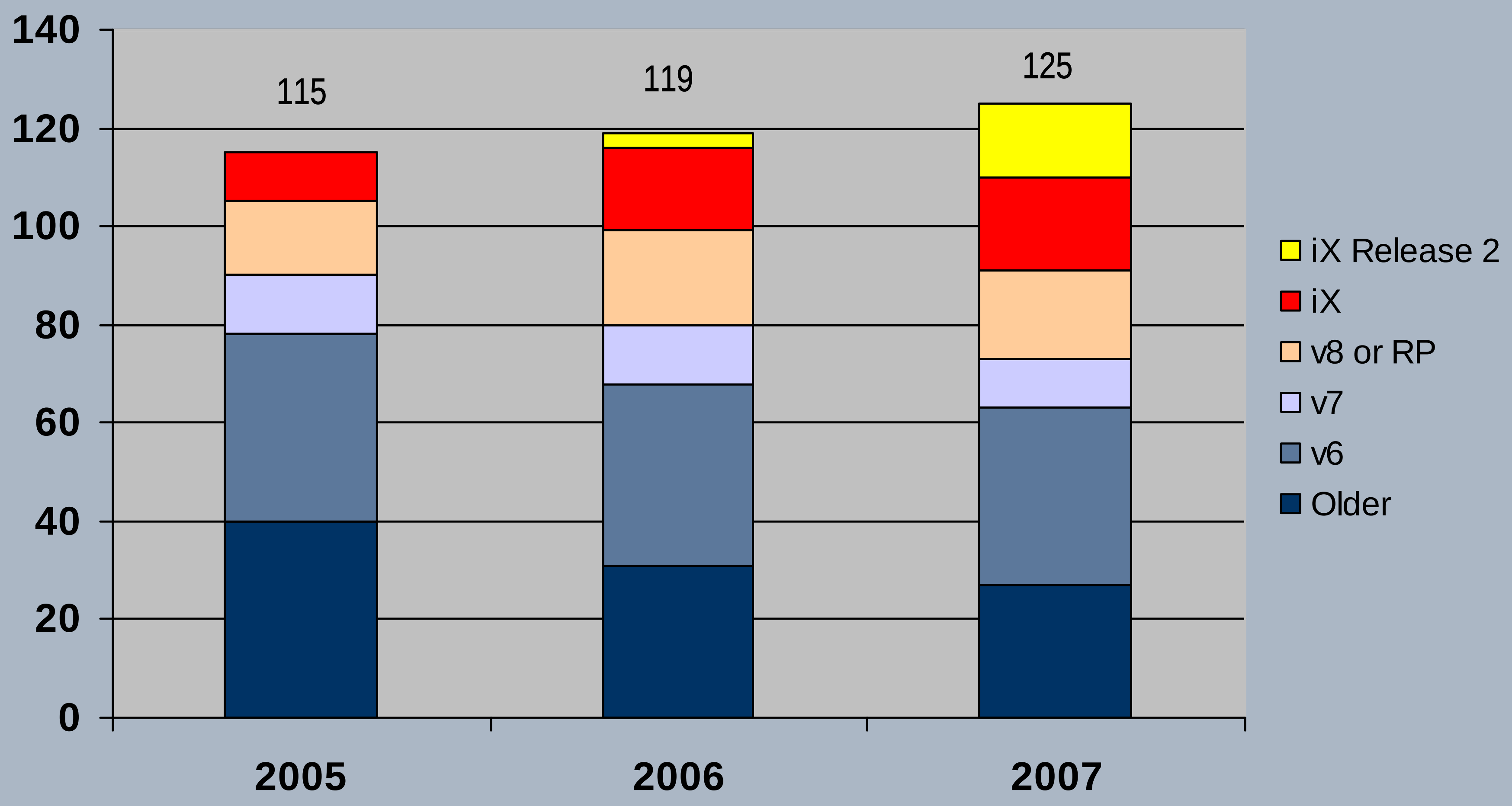
OPERATIONAL

- Significant growth in Europe and in Americas.
- 15 new projects were signed, of which 5 are new customers for BSCS iX Release 2 which now totals 16.
- Wireless postpaid subscribers billed with BSCS increases to 94,9 million. LHS target market share reaches 21,3%.
- LHS wins Frost & Sullivan´s “2007 Stratecast Global Investment of R&D Resources to Address Core Billing Needs Award“.
- 671 employees as per 31 December. LHS created 168 new jobs in 2007, of which 59 are in Frankfurt, 47 in Sao Paolo, 50 in Kuala Lumpur and Dubai, and 12 in our further locations, respectively.

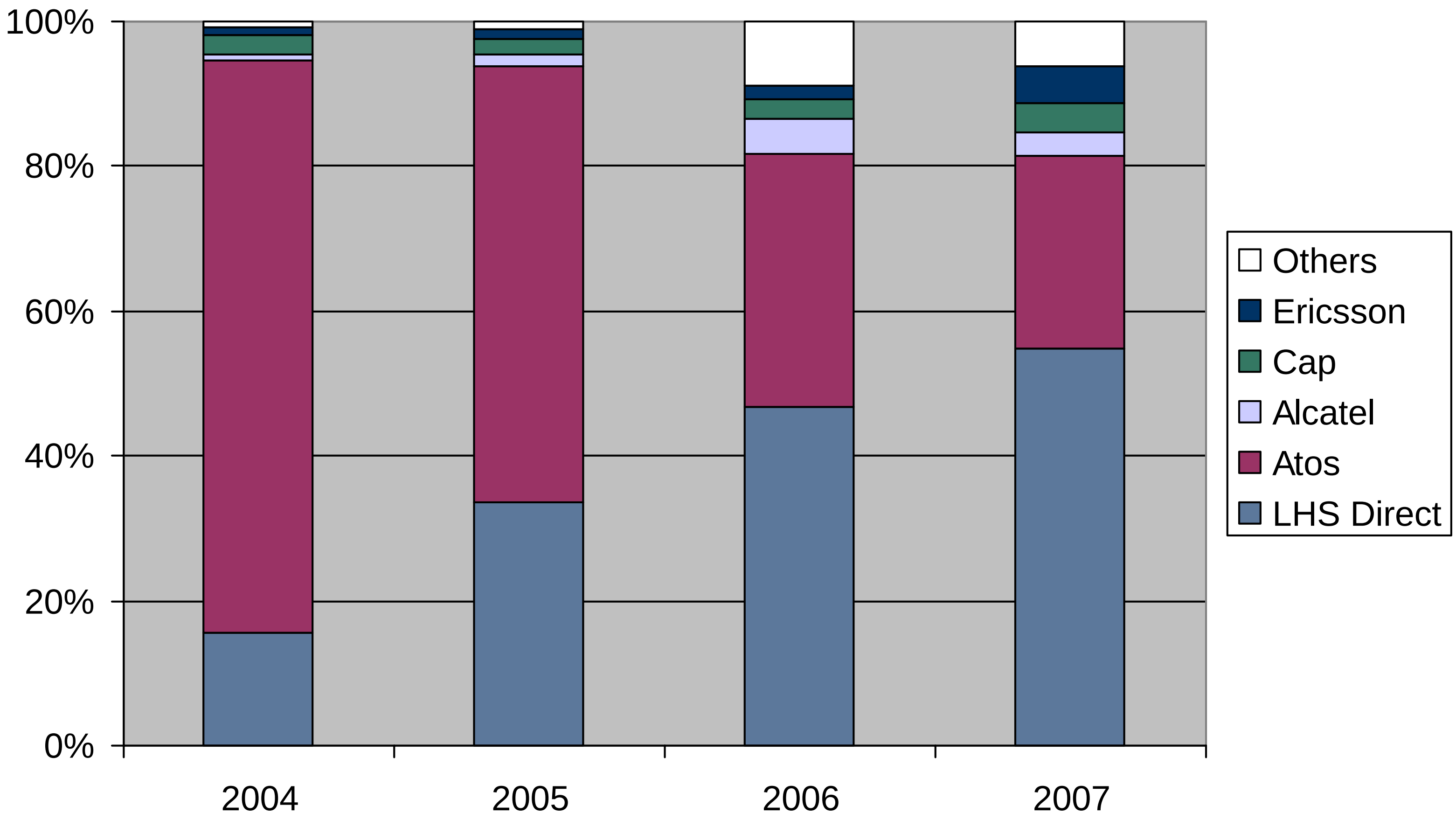
New migration projects and new customers in 2007

	Added in 2006	Added in 2007	Operators among 2007 projects
iX Release 2	**+3**	**+14**	
Migrations	+3	+9	Avea, Cosmofon, Era PTC, Grameenphone, Iusacell,, MTN Syria, Telenor Serbia, UMC, Vipnet
New Customers	-	+5	Bakcell, MiTV, Paltel, SFR MVNO2, SFR MVNO3
iX	**+9**		
Migrations	+2		Mcel, Vodafone Egypt
New Customers	+7		Afghan Wireless, Best, EITC, Etisalat Egypt, ITPC, SFR (Mobisud), O2 Ireland (Tesco)
Older Version (new customer)		**+1**	One new circle in India

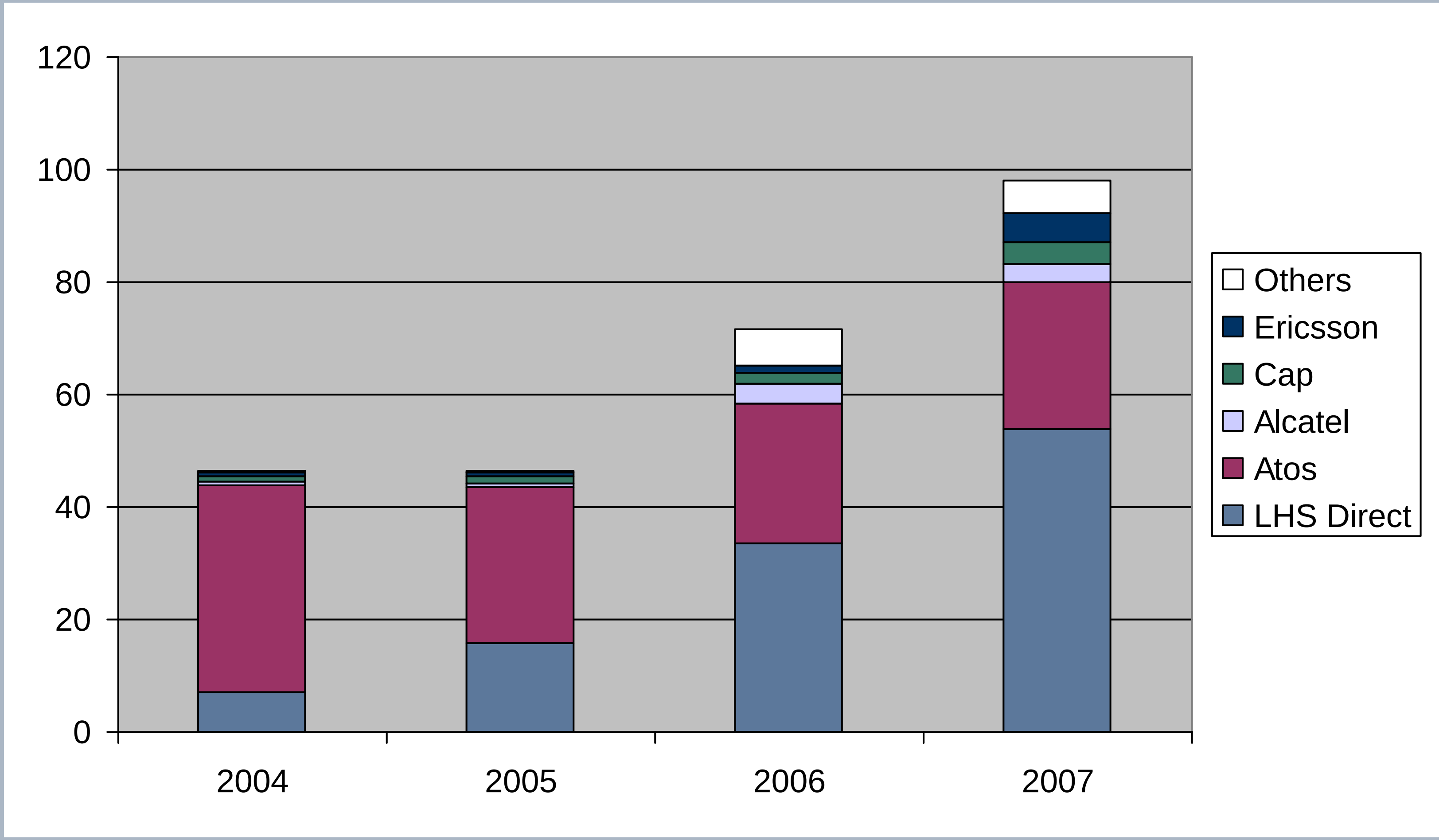
BSCS Version Distribution (Number of Installations)



Distribution per sales channel



Distribution per sales channel



Market Share Wireless

94.9 million

Wireless postpaid subscribers billed with BSCS

- Total Market:
  - 1bn postpaid - 2bn prepaid
- Target Market:
  - 445.6m postpaid - 1.56bn prepaid
- LHS Customers:
  - 94.9m postpaid – 368.4m prepaid

9.20%

of worldwide wireless postpaid subscribers are billed with BSCS

21.32%

If we exclude China, NA, Russia, Pacific, Japan, Korea

(Source: EMC Database – Informa November 2007)

Number of subscribers & Market Share

Wireless POSTPAID

94.9 million

Postpaid Market Share

WW	Target Areas
9.2%	21.32%

"Wireline" POSTPAID
from 10 installations

~6 million

PREPAID potential
from LHS' customers

368 million

(Source: EMC Database – Informa November 2007)

Comments by the CFO

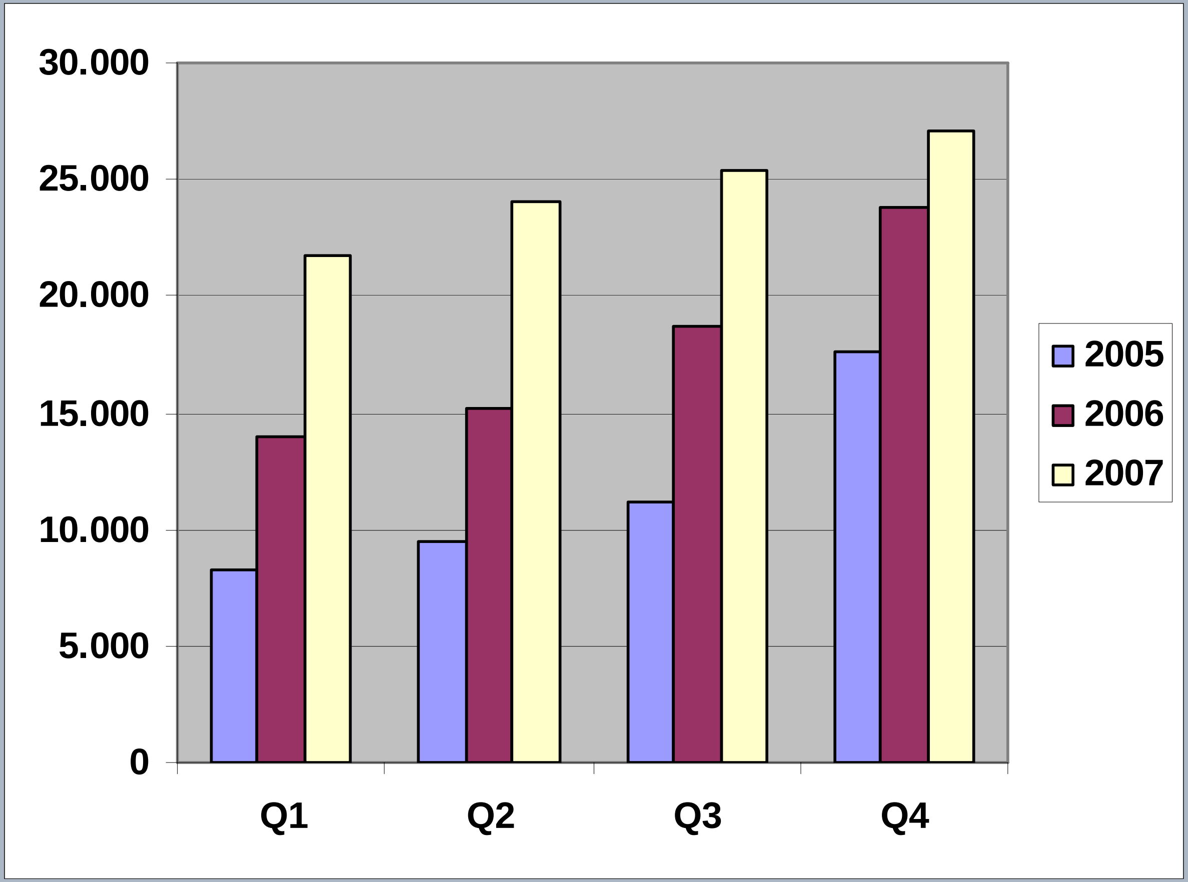
Axel Barta

Q4 2007 Results at a glance

EUR '000	Q4 2007		Q4 2006		Change
Total Revenues	27.1	100 %	23.8	100 %	+ 14 %
Adjusted EBITDA	5.8	21 %	5.4	23 %	+ 7 %
Net Profit	2.2	8 %	3.7	16 %	- 42 %
Net Profit adjusted by ESOP costs	2.3	8 %	3.8	16 %	- 41 %
Adjusted EPS	€ 0.16		€ 0.30		
EPS	€ 0.15		€ 0.29		
EPS, diluted	€ 0.15		€ 0.29		

Revenue Development by Quarter

EUR



Revenue Mix in Q4 2007

EUR '000	Q4 2007			Q4 2006		
	Revenues	Split	Var. to 2006	Revenues	Split	
License	8,564	32%	+20%	7,147	30%	
Maintenance	8,091	30%	+13%	7,169	30%	
Service	9,193	34%	+14%	8,078	34%	
Others	1,257	4%	-11%	1,406	6%	
Total	27,106	100%	+14%	23,800	100%	

Regional Breakdown in Q4 2007

EUR '000	Q4 2007			Q4 2006		
	Revenues	Split	Var. to 2006	Revenues	Split	
Europe	12,093	45%	+36%	8,889	37%	
MEA	6,357	23%	- 29%	8,926	38%	
APAC	1,049	4%	+9%	962	4%	
Americas	7,607	28%	+51%	5,023	21%	
Total	27,106	100%	+14%	23,800	100%	

Major Cost Lines in Q4 2007

EUR '000	Q4 2007			Q4 2006		
	Amount	% of Revenue	Var. to 2006	Amount	% of Revenue	
COS	12,028	44%	+16%	10,378	44%	
R & D	3,729	14%	+14%	3,276	14%	
M & S	3,644	13%	+16%	3,154	13%	
G & A	2,393	9%	+27%	1,888	8%	
ESOP	86	0.4%	-14%	100	0.4%	

2007 Results at a glance

EUR '000	2007		2006		Change
Total Revenues	98.2	100 %	71.6	100 %	+37%
Adjusted EBITDA	20.5	21 %	12.1	17 %	+69%
Net Profit	- 1.6	- 2 %	7.6	11 %	-121%
Net Profit adjusted by ESOP costs	13.1	13 %	7.8	11 %	+69%
Adjusted EPS	€ 0.93		€ 0.75		
EPS	- € 0.12		€ 0.74		
EPS, diluted	- € 0.11		€ 0.72		

Revenue Mix 2007

EUR '000	2007			2006		
	Revenues	Split	Var. to 2006	Revenues	Split	
License	28,044	29%	+52%	18,501	26%	
Maintenance	31,234	32%	+22%	25,579	36%	
Service	35,149	36%	+45%	24,304	34%	
Others	3,775	3%	+18%	3,211	4%	
Total	98,202	100%	+37%	71,595	100%	

Regional Breakdown YTD

EUR '000	YTD 2007			YTD 2006		
	Revenues	Split	Var. to 2006	Revenues	Split	
Europe	38,199	39%	+41%	27,154	38%	
MEA	25,621	26%	+3%	24,866	35%	
APAC	5,711	6%	+7%	5,322	7%	
Americas	28,670	29%	+101%	14,253	20%	
Total	98,202	100%	+37%	71,595	100%	

Major Cost Lines 2007

EUR '000	2007			2006		
	Amount	% of Revenue	Var. to 2006	Amount	% of Revenue	
COS	43,331	44%	+40%	30,927	43%	
R & D	14,928	15%	+13%	13,243	19%	
M & S	12,664	13%	+34%	9,435	13%	
G & A	8,082	8%	+15%	7,003	10%	
ESOP	14,772	15%	n/a	133	0.2%	

Margins

% of Revenues	Q4 2007	Q4 2006	2007	2006
Gross Margin	56 %	56 %	56 %	57 %
Adjusted EBITDA	21 %	23 %	21 %	17 %
Net Income	8 %	16 %	- 2 %	11 %
Adjusted Net Income	8 %	16 %	13 %	11 %

Cash Flows

EUR '000	Q4 2007	Q4 2006	2007	2006
Cash Flow	- 4,233	4,657	9,915	10,552
Thereof from:				
Operating Activities	1,151	674	16,610	4,464
Investing Activities	-310	- 1,348	- 1,621	- 886
Financing Activities	- 5.074	5.331	-5.074	6.974

Balance Sheet – Assets

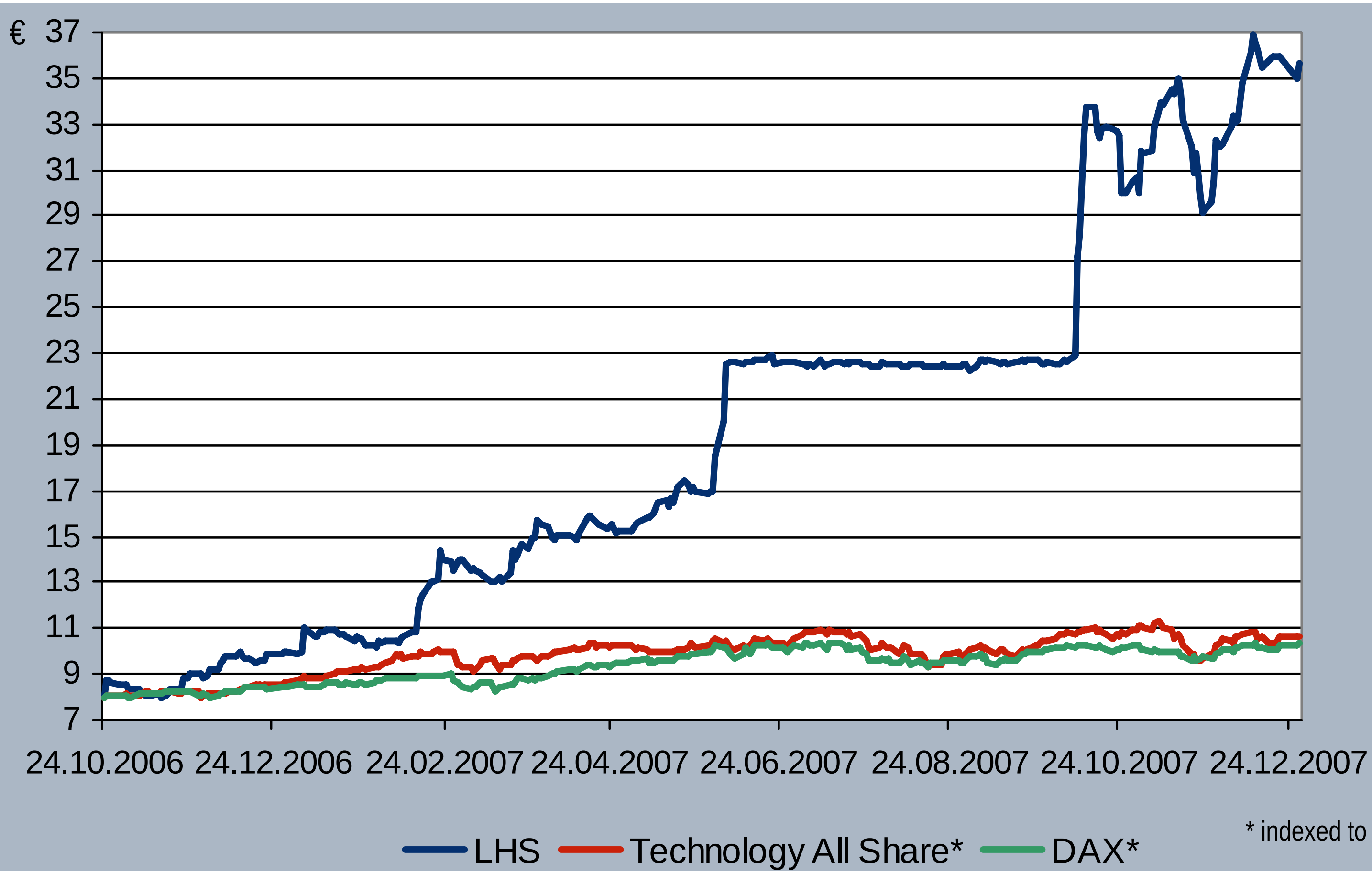
EUR '000	@ 31st December 2007	@ 31st December 2006
Cash	27,109	17,262
Accounts Receivable	34,684	32,472
Other Current Assets	2,979	2,871
Goodwill	0	0
Deferred Tax Asset	28,825	29,206
Other Non-Current Assets	7,530	3,270
TOTAL	101,127	85,081

Balance Sheet – Liabilities and Equity

EUR '000	@ 31st December 2007	@ 31st December 2006
Trade payables & other provisions	8,523	9,276
Shareholder Loans	0	0
Other current liabilities	14,307	7,759
Non-current liabilities	4,655	2,555
Equity	73,642	65,491
Equity Quota	73%	77%
TOTAL	101,127	85,081

LHS Share Price Performance since IPO

As of December 28, 2007



LHS since IPO:
+346,0 %

Relative to Tech All:
+291,6 %-P.

Relative to DAX
+293,5 %-P.

LHS 2007:
+256,8 %

Relative to Tech All:
+233,3 %-P.

Relative to DAX
+234,5 %-P.

* indexed to LHS Issue Price = € 8.00

Guidance on 2008

	Q1	FY 2008
Revenues	~ € 24 m	~ € 115 m
Adjusted EBITDA	~ 15 %	~ 21 - 22 %
Revenue Growth	~ 10 %	~ 15 %

Events scheduled for 2008

7 February 2008	Q4 and 2007 results, Analyst Conference Call
5 March 2008	Annual Report 2007 and Press Conference
25 April 2008	Q1 Earnings Release
29 April 2008	Annual Shareholder Meeting
End of July 2008	Conference call Q2 and YTD 2008 results
End of October 2008	Conference call Q3 and YTD 2008 results

Questions & Answers

Thank you for your attention !

We stay in contact

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