



Press Release

LHS Revenue Growth Continues

14 percent revenue increase in first quarter 2008

Frankfurt/Main – April 25, 2008 – LHS, a leading provider of telecom billing and customer care systems across the wireless, wireline, and IP telecom markets worldwide, today announces its results for the first quarter 2008 (for the period ended March 31, 2008).

Prepared in accordance with International Financial Reporting Standards (IFRS), the audited results included the following key figures for the first quarter 2008:

- Revenue increased from € 21.7 million in Q1, 2007 to € 24.8 million in Q1, 2008. This is a 14 percent increase year-on-year.
- At € 4.1 million, the adjusted EBITDA is slightly above that of Q1, 2007.
- The net profit for the period under review was € 3.2 million compared to € 3.7 million in Q1, 2007.
- The basic earnings per share (undiluted and diluted) were € 0.22 Euro for the first quarter 2008 compared to € 0.26 Euro in Q1, 2007.

Continued growth in Europe, America and the Asian-Pacific region

In Europe, LHS achieved total revenue of € 11.2 million in the first quarter of 2008. This is an increase of 57 percent year-on-year. Thus, 45 percent of the total revenue was achieved on the European market. In Latin America the company achieved a growth rate of 29 percent. With a total revenue of € 6.2 million, Latin America generated 25 percent of total LHS revenues.

In the Asia-Pacific region (APAC), LHS increased its revenue by 138 % from € 0.7 million to € 1.8 million, while revenue in the Middle East and Africa (MEA) dropped from € 9.0 million to € 5.6 million, since the figures for the same quarter of the previous year included an over proportionally high licensing share stemming from a new project. In the first quarter 2008, 30 percent of corporate revenues were generated in the MEA/APAC region.

Operational highlights

Overall, the first quarter of 2008 was successful for LHS. The key operational highlights include:

- a total of four new projects were signed. Three of these were new customers for the BSCS iX Release 2 solution from the Middle East and Africa region (MEA). One European customer upgraded to BSCS iX. The total number of BSCS iX installations is now 37.

- a total of 98.5 million postpaid wireless customers were billed with a BSCS solution. LHS thus holds a share of 21.5 percent in its target market.
- The company has created 32 new jobs during the first quarter of 2008, including 13 in Frankfurt/Main (Germany), 9 in Sao Paolo (Brazil), 8 in Kuala Lumpur (Malaysia), 1 in Istanbul (Turkey) and 1 in Athens (Greece). As of March 31, 2008 the total number of LHS employees was 703.

Wolfgang Kroh, Chief Executive Officer at LHS commented on the quarterly results by saying: "We continue to see a commitment in the market to migrate older systems to the latest BSCS iX version. This is the result of our long-standing partnerships with our customers. The BSCS iX versions help them to launch content offerings while managing multiple-play and pre-postpaid convergence. Now almost one-third of customers use an iX version."

Positive Outlook

LHS expects continued positive developments in 2008. "We are confident that we will achieve overall revenue growth of approximately 15 percent in fiscal 2008 and to further increase our profitability compared to 2007," added Wolfgang Kroh. For the second quarter of 2008, the company is targeting revenues of around €27 million.

The entire quarterly report is available as of today on our website: <http://www.lhsgroup.com/ir-en>

About LHS

LHS is a leading provider of telecom billing and customer care systems across the wireless, wireline, and IP telecom markets worldwide.

LHS Business Support Systems offer full convergence on various levels, supporting the complete range of business models both across the mix of fixed and mobile services, as well as prepaid and postpaid services.

LHS builds innovative systems that enable our customers to introduce new services fast, helping drive revenues up, while keeping operational costs to a minimum. LHS was awarded "Best Billing or Customer Care Solution" by the GSM Association in Cannes in 2005, won the IIR World Billing Awards for its "Overall Best Contribution to Billing" in London in 2005 and 2006 as well as the "Stratecast Global Investment of R&D Resources to Address Core Billing Needs Award" by Frost & Sullivan in 2007.

LHS is an independent software vendor (ISV) with headquarters in Germany, and offices in Brazil, Czech Republic, France, Malaysia, Turkey, and United Arab Emirates. LHS is part of the LHS Group, and LHS Aktiengesellschaft as the Group's Holding company is a public company listed on the Frankfurter Stock Exchange (LHS400).

For more information, please visit www.lhsgroup.com

Press contact:

LHS

Arnaud Lassalle

Vice President Marketing & Communications

Herriotstrasse 1

60528 Frankfurt am Main

Phone: +49 (0)69-2383 3000

Fax: +49 (0)69-2383 5710

E-Mail: enquiries@lhsgroup.com

Commercial Register: Amtsgericht Frankfurt/Main - Registration Number HRA 42727

Personally Liable Partner: LHS Management GmbH - Registration Number HRB 77913

Amtsgericht Frankfurt/Main

Management Board: Wolfgang Kroh, Axel Barta, Dr. Jens Troetscher

Fink & Fuchs Public Relations AG

Stefanie Wegner

Senior Consultant

Berliner Strasse 164

65205 Wiesbaden

Telephone: +49 (0)611-74 131-66

Fax: +49 (0)611-74 131-22

E-Mail: stefanie.wegner@ffpr.de

www.ffpress.net