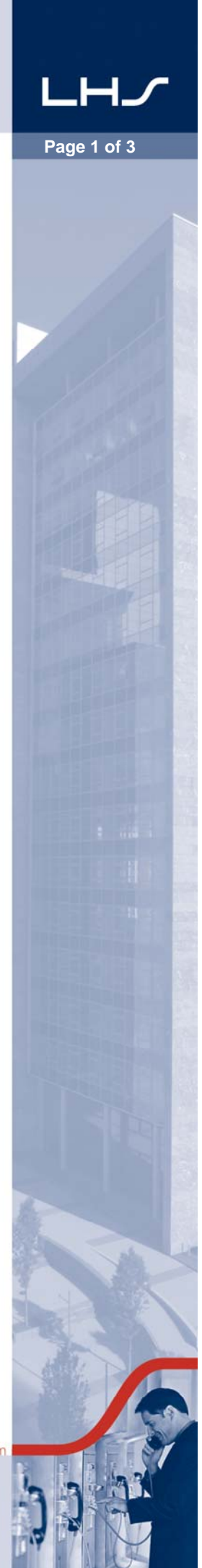


## **LHS Aktiengesellschaft – Continued Growth in Q3 2008** *Adjusted EBITDA increases by 23 percent in third quarter – revenue grows by 8 percent*

Frankfurt/Main, October 23, 2008 — LHS, one of the leading providers of telecom billing and customer care systems across the wireless, wireline, and IP telecom markets worldwide, today announced its results for the third quarter of fiscal year 2008 (period ended September 30, 2008).

The results were prepared in accordance with International Financial Reporting Standards (IFRS), which are binding for all capital market companies. They include the following key figures for the previous business quarter:

- LHS increased its revenue in the third quarter of 2008 to EUR 27.4 million. This is a growth of 8 percent compared to the same quarter of the previous year. The cumulated revenue for the first nine months of 2008 was EUR 79.4 million, compared to EUR 71.1 within the first nine months of 2007, constituting an increase of 12 percent.
- In the quarter under review, the adjusted EBITDA was EUR 7.0 million, which is an increase of 23 percent over the same period of the previous year. During the first
- nine-month period of 2008, LHS achieved an adjusted EBITDA of EUR 17.1 million, which is an increase of 17 percent over the same period 2007.
- The earnings per share (undiluted and diluted) were EUR 0.32 for Q3 2008. In the same period of the previous year, the earnings per share were EUR -0.33 undiluted and -0.31 diluted.
- The earnings per share for the first nine months of 2008 (undiluted and diluted) were EUR 0.76, compared to EUR -0.27 undiluted and EUR -0.26 diluted within the same period of the previous year.
- LHS Aktiengesellschaft was able to significantly increase its profit in the period under review to EUR 11.1 million.
- For the entire fiscal year 2008 the company expects a year-on-year increase in revenue in line with the development so far. This is based on the unchanged to slightly improved profitability in relation to the adjusted EBITDA.



## **Middle East and Africa drive growth**

In Q3 2008, LHS generated total revenues of EUR 8.3 million in the Middle East and Africa (MEA) economic region, which is an increase of approximately 60 percent compared to the same period of the previous year. Thus, this LHS division contributed roughly one-third of the company's total revenue in the period under review. In the Asian-Pacific (APAC) economic region, LHS was able to increase its revenue in Q3 2008 by 43 percent from EUR 1.6 million to EUR 2.3 million. In the quarter under review, Europe again held the top position among all LHS divisions with EUR 9.1 million in revenue, constituting 33 percent of total revenue.

## **Highlights of the third quarter**

- In the third quarter of 2008 a total of five new projects were signed. Three of these were new customers from Latin America and two were customers from the MEA economic region. The number of installations with BSCS iX Release 2 has now reached 21.
- In Q3 2008, approximately 105 million postpaid mobile communications customers were billed with BSCS solutions. This is equivalent to approximately 21.4 percent of postpaid mobile communications customers in the LHS target markets, and around 10 percent around the world.

- On the reporting date of September 30, 2008 LHS was operating 130 BSCS installations around the world. At the end of 2007, this number was 125.
- In the period under review, the company created 13 new jobs. Thus, at the end of the third quarter, LHS had a total of 740 employees around the world.

Wolfgang Kroh, Chief Executive Officer of LHS Aktiengesellschaft, commented on the quarterly results by saying, "The once again increased revenue figures and EBITDA in the third quarter of 2008 clearly indicate that we are consistently pursuing our goals through our strategy of continued growth. In cooperation with Ericsson we will continue along our path towards becoming the globally leading provider of convergent customer care and billing systems. I would like to extend my special thanks to the employees in the various divisions of LHS, whose dedication substantially contributed to the excellent quarterly figures. Together with our partners we will continue to actively pursue our goals."

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



## About LHS

LHS is a leading independent software vendor (ISV) of billing and customer care systems in the telecom industry. The company's award-winning solutions are used by the world's leading network and virtual operators, to generate and manage consistent revenue streams. 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' headquarters are located in Frankfurt, Germany, with main offices in Brazil, France, Malaysia, and the UAE. 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](http://www.lhsgroup.com)

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