



## Press Release

### Corporate Results

#### **LHS reports double-digit growth turnover and earnings in fiscal 2008**

#### **Record turnover in the fourth quarter – Set goals achieved – Growth strategy continues uninterrupted**

Frankfurt/Main – February 4, 2009 – LHS, a leading provider of telecom billing and customer care systems across the wireless, wireline, and IP telecom markets worldwide, today announced the results for the fourth quarter and the fiscal year 2008 for the period ended December 31, 2008. The audited results were prepared in accordance with International Financial Reporting Standards (IFRS). They include the following key figures for fiscal 2008:

- In the fourth quarter 2008 the company was able to achieve a record turnover of EUR 32.3 million, which was for the first time in excess of EUR 30 million. This represents a growth of 19 percent compared to the same quarter of the previous year.
- LHS' turnover increased to EUR 111.8 million in fiscal 2008, which is 14 percent growth year-on-year. In the year 2007, the company achieved a turnover of EUR 98.2 million.

- The adjusted EBITDA increased in fiscal 2008 by approximately 20 percent from EUR 20.4 million to EUR 24.5 million.
- The adjusted earnings per share in the year under review were EUR 0.91 (undiluted) and EUR 0.91 (diluted).
- In the period under review, the cash flow of LHS reached EUR 9.7 million.

### **Continued increase in customer and employee numbers**

LHS was able to once again expand its revenue and market position. Overall, the company signed contracts with ten new customers. At the end of 2008, LHS had a total of 132 installations around the world, which served approximately 250 million mobile services customers. The results of fiscal 2008 are clear evidence that LHS followed the correct international strategy by focusing on the growth regions of Europe, Asia/Pacific, Middle East/Africa and Latin America. In these markets, especially in the so-called emerging markets, the company was able to once again substantially expand its sales potential. In addition, LHS created 98 new jobs in 2008, which is an increase of approximately 15 percent.

A key factor for this success was LHS' network of infrastructure providers, technology partners and system integrators. To further increase its customer services, LHS launched a new engagement model for the implementation of its solutions. In cooperation with four selected strategic system integration partners, LHS wants to offer its customers optimized project duration and costs

for the installation of increasingly complex billing and customer care systems. This aim is achieved with the help of four partners who themselves are very experienced in the telecommunications market and have proven their expertise in numerous BSCS billing projects – Alcatel-Lucent, Atos Origin, Capgemini and Ericsson.

"Corporate development in the year 2008 was fully in line with our expectations," said Wolfgang Kroh, CEO of LHS Aktiengesellschaft. "This is primarily due to the outstanding motivation of LHS staff across all departments, as well as the trust and support of our partners and customers. We will continue towards our goal of developing all markets that are relevant to our products and becoming the global market leader for convergent billing and customer care systems."

### **Objectives for 2009**

In the year 2009, LHS plans to further strengthen its technological position in the convergent solutions market through the continuous development of its BSCS iX product and via strategic partnerships with network providers. In the coming years, it will continue to focus on the constant expansion of the customer base and the continuous improvement of its earning power. In the future, the close partnership with Ericsson, its main share holder, gives LHS the chance to strengthen and further develop its market position as the leading provider of convergent customer care and billing systems in the long term. Despite the current turbulences in the financial markets, LHS' plans for fiscal 2009 include another increase in total turnover with stable or improved earnings.

## **Ericsson – a powerful partner**

At the reporting date of December 31, 2008, the majority share holder Ericsson owned approximately 87.5 percent of LHS shares. The very constructive cooperation with Ericsson strengthens the international sales activities of LHS – also and in particular in regions where LHS is not active yet. Furthermore, LHS customers can benefit from single-source complete convergence solutions.

## **Annual Report 2008**

The 2008 annual report will be available for download from the Internet as of early March.

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### **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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