

LHS Aktiengesellschaft

Q1 2008 Conference Call

Wolfgang Kroh

Axel Barta

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Frankfurt am Main



LHS

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Today's speakers



Wolfgang Kroh, CEO



Axel Barta, CFO

Comments by the CEO

Wolfgang Kroh

Q1 2008 Strong and Sustainable Growth - Highlights

FINANCIALS Q1 2008

- Revenues are up 14 % to € 24,8 million.
- Adjusted EBITDA is € 4,1 million and slightly above last years Q1 adj. EBITDA.
- Net Income increased from € 1,2 million to € 3,2 million.
- EPS Basic are at € 0.22 compared to € 0,09 last year.

Q1 2008 Strong and Sustainable Growth - Highlights

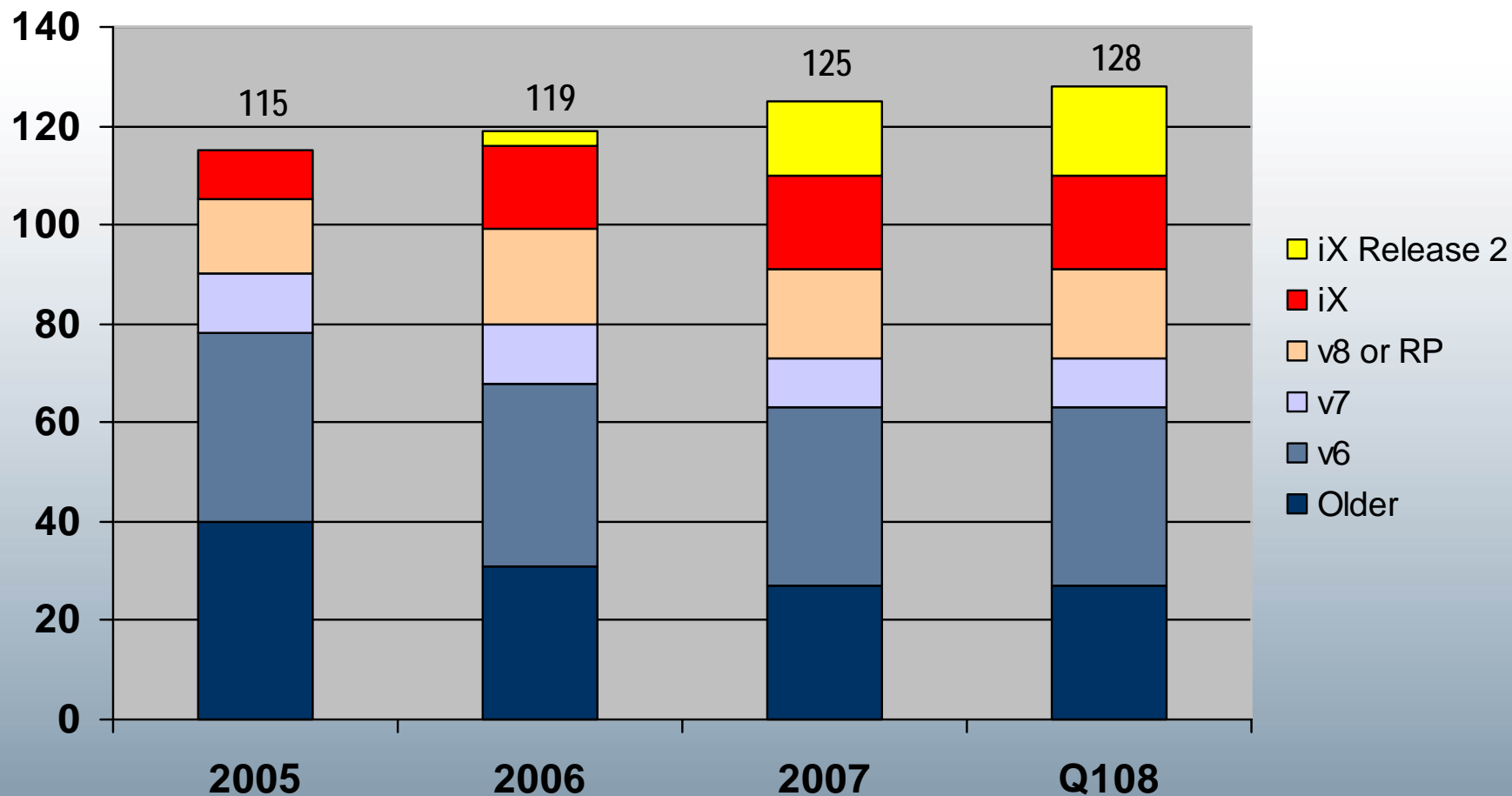
OPERATIONAL

- Continued strong growth in Americas, APAC and Europe.
- 4 new projects were signed, of which 3 are new customers for BSCS iX Release 2 which now totals 18.
- Wireless postpaid subscribers billed with BSCS increased to 98,5 million. LHS share in target market reached 21,5%.
- 703 employees as per 31 March 2008. LHS created 32 new jobs in Q1 2008, of which 13 are in Frankfurt, 9 in Sao Paolo, 8 in Kuala Lumpur, 1 in Istanbul and 1 in Athens.

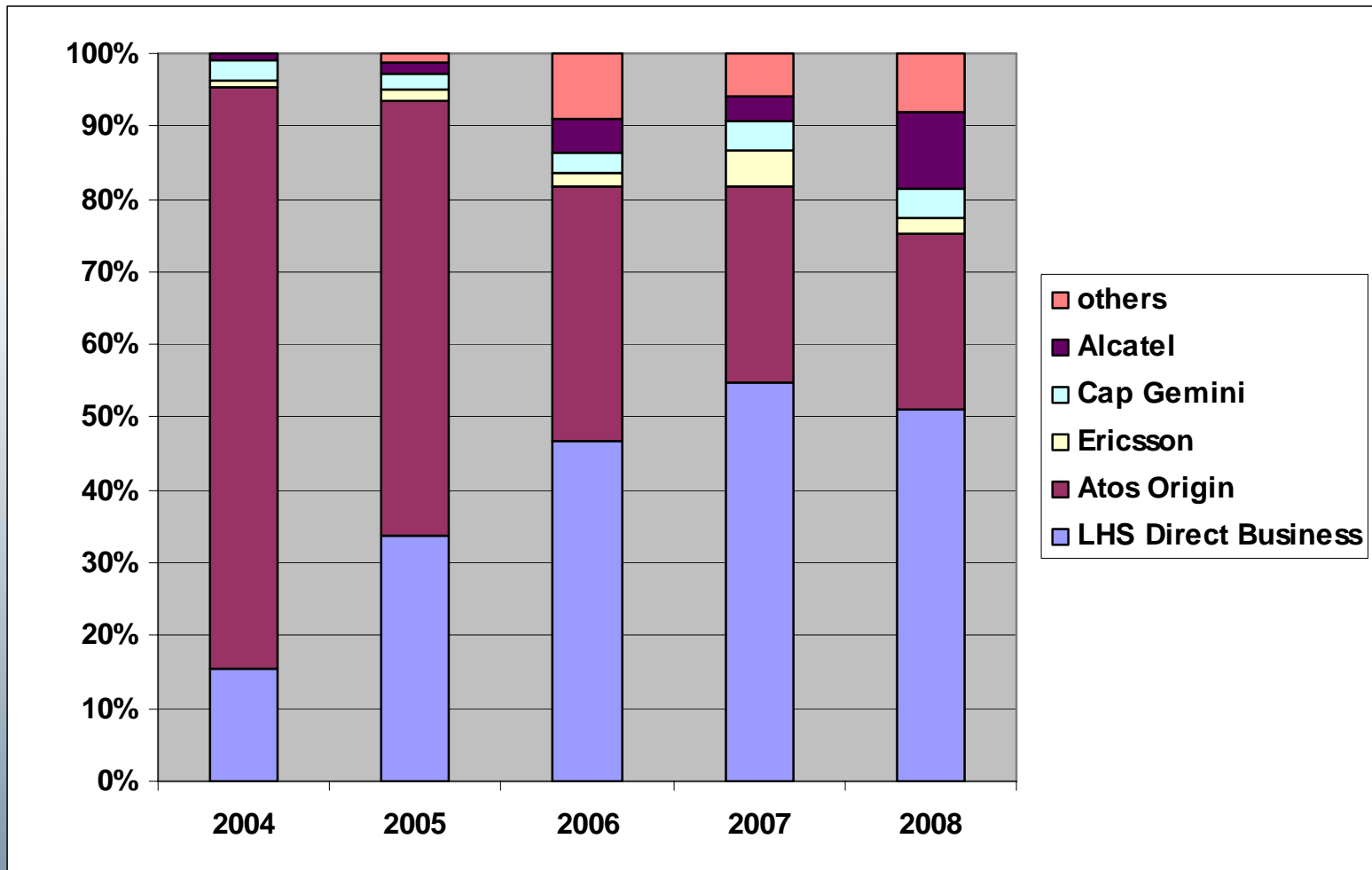
New migration projects and new customers in 2008

	Added in Q1 2008	2008 projects
iX Release 2	+4	
Migrations	+1	T-Mobile Netherlands
New Customers	+3	Orange Cameroon, Globacom Benin, Sabafon Yemen

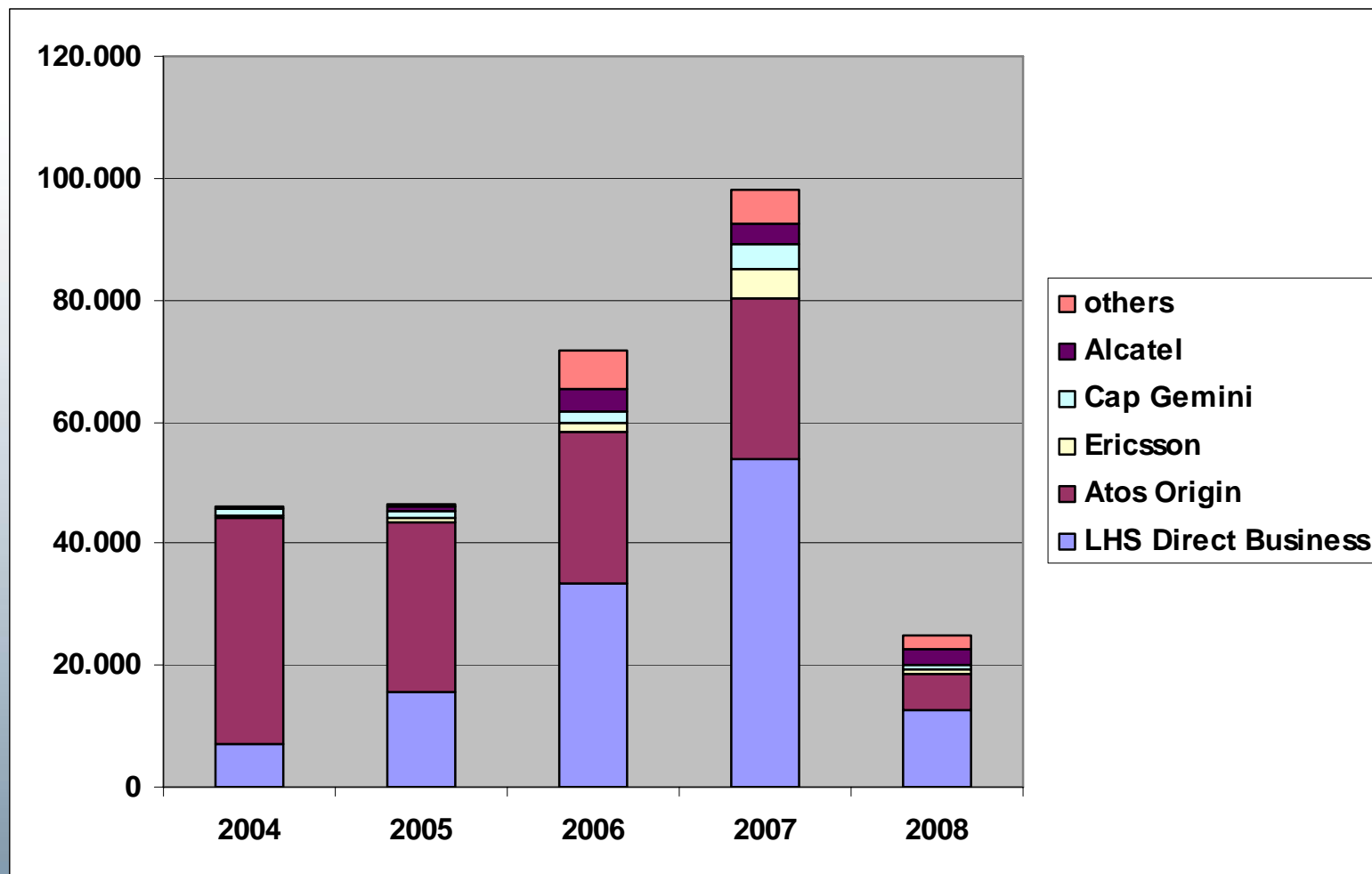
BSCS Version Distribution (Number of Installations)



Distribution per sales channel (in %)



Distribution per sales channel (in tsd. €)



Market Share Wireless

98.5 million

Wireless postpaid
subscribers
billed with BSCS

- Total Market:
 - 1.06bn postpaid – 2.3bn prepaid
- Target Market:
 - 457.7m postpaid - 1.68bn prepaid
- LHS Customers:
 - 98.5m postpaid – 394m prepaid

9.28%

of worldwide wireless postpaid
subscribers are billed with BSCS

21.51%

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

(Source: EMC Database – Informa March 2008)

Number of subscribers & Market Share

Wireless POSTPAID

98.5 million

Postpaid Market Share

WW	Target Areas
9.28%	21.51%

"Wireline" POSTPAID
from 10 installations

~6 million

PREPAID potential
from LHS' customers

394 million

(Source: EMC Database – Informa March 2008)

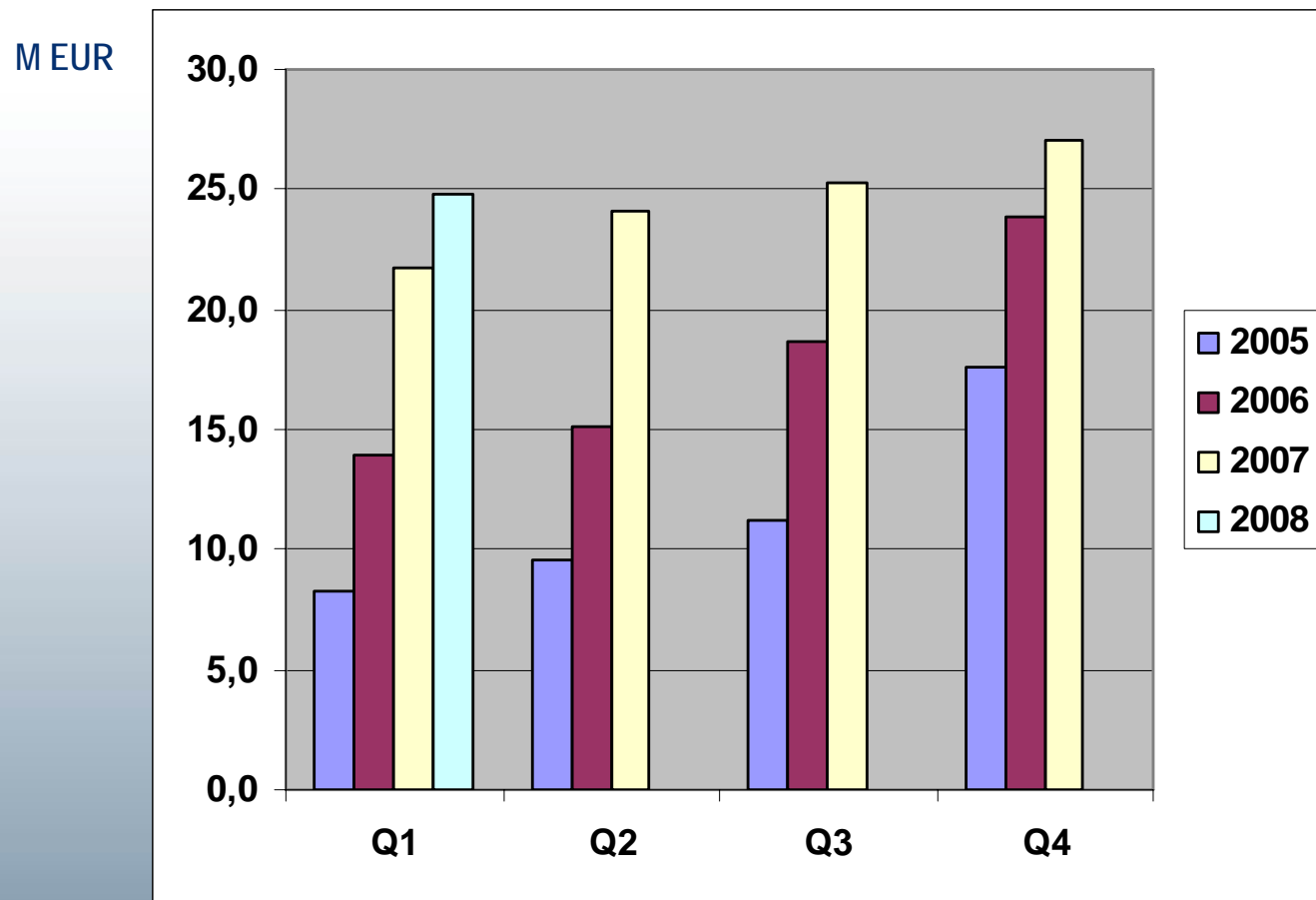
Comments by the CFO

Axel Barta

Q1 2008 Results at a glance

EUR '000	Q1 2008		Q1 2007		Change
Total Revenues	24,8	100 %	21,7	100 %	+ 14 %
Adjusted EBITDA	4,1	17%	4,1	19%	+1%
Net Profit	3,2	13%	1,2	6%	+166%
Net Profit adjusted by ESOP costs	3,2	13%	3,7	17%	-13%
Adjusted EPS	€ 0,22		€ 0,26		
EPS	€ 0.22		€ 0.09		
EPS, diluted	€ 0.22		€ 0.08		

Revenue Development by Quarter



Revenue Mix in Q1 2008

EUR '000	Q1 2008			Q1 2007		
	Revenues	Split	Var. to 2007	Revenues	Split	
License	7,251	29%	+17%	6,206	29%	
Maintenance	8,674	35%	+15%	7,542	35%	
Service	8,175	33%	+14%	7,205	33%	
Others	704	3%	-10%	778	3%	
Total	24,804	100%	+14%	21,731	100%	

Regional Breakdown in Q1 2008

EUR '000	Q1 2008			Q1 2007		
	Revenues	Split	Var. to 2007	Revenues	Split	
Europe	11,174	45%	+57%	7,134	33%	
MEA	5,629	23%	-38%	9,008	42%	
APAC	1,752	7%	+138%	736	3%	
Americas	6,249	25%	+29%	4,852	22%	
Total	24,804	100%	+14%	21,731	100%	

Major Cost Lines in Q1 2008

EUR '000	Q1 2008			Q1 2007		
	Amount	% of Revenue	Var. to 2007	Amount	% of Revenue	
COS	11,237	45%	+18%	9,519	44%	
R & D	4,597	19%	+18%	3,898	18%	
M & S	3,623	15%	+29%	2,809	13%	
G & A	1,795	7%	+7%	1,678	8%	
ESOP	0	0%	-100%	2,492	12%	

Margins

% of Revenues	Q1 2008		Q1 2007	
Gross Margin	55 %		56%	
Adjusted EBITDA	17%		19%	
Net Profit	13%		6%	
Adjusted Net Income	13%		17%	

Cash Flows

EUR '000	Q1 2008		Q1 2007	
Cash Flow	- 3,292		4,988	
Thereof from:				
Operating Activities	- 1,458		5,215	
Investing Activities	- 257		-227	
Financing Activities	- 1,577		0	

Balance Sheet – Assets

EUR '000	@ 31st March 2008	@ 31st December 2007
Cash	24,058	27,109
Accounts Receivable	35,072	34,684
Other Current Assets	4,680	2,979
Goodwill	0	0
Deferred Tax Asset	29,327	28,825
Other Non-Current Assets	7,153	7,530
TOTAL	100,290	101,127

Balance Sheet – Liabilities and Equity

EUR '000	@ 31st March 2008	@ 31st December 2007
Trade payables & other provisions	8,202	8,523
Shareholder Loans	0	0
Other current liabilities	10,632	14,307
Non-current liabilities	4,398	4,655
Equity	77,058	73,642
Equity Quota	77%	73%
TOTAL	100,290	101,127

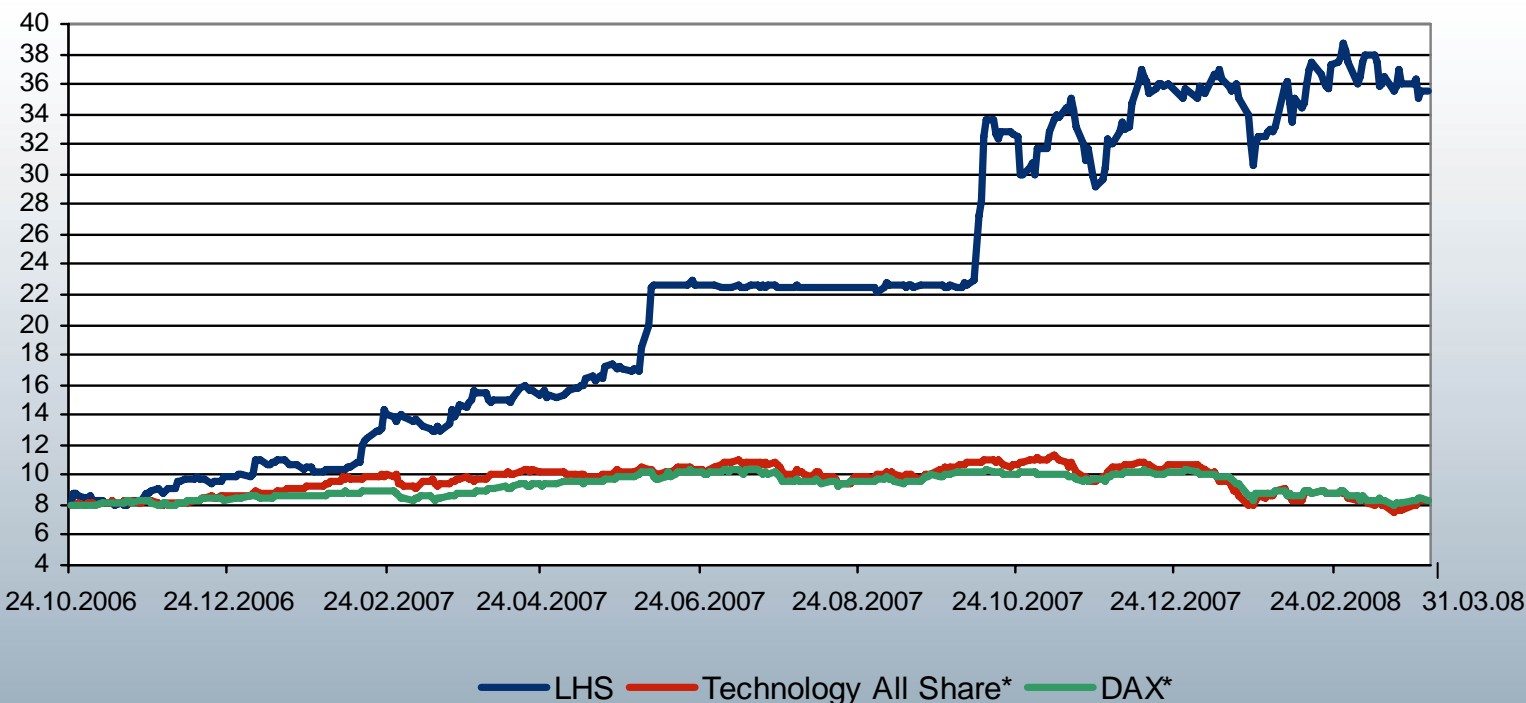
Guidance on 2008

	Q2	FY 2008
Revenues	~ € 27 m	~ € 112,5 m
Adjusted EBITDA	~ 19 %	~ 21 - 22 %
Revenue Growth	~ 13 %	~ 15 %

LHS Share Price Performance since IPO

As of March 31, 2007

€



LHS since IPO:

+344 %

Relative to Tech All:

+340%

Relative to DAX

+332%

LHS 2008:

-0.5 %

Relative to Tech All:

+21,6%-P.

Relative to DAX

+18,5 %-P.

* indexed to LHS Issue Price = € 8.00

Events scheduled for 2008

29 April 2008

- Annual Shareholder Meeting

21 July 2008

- Conference call Q2 and YTD 2008 results

23 October 2008

- Conference call Q3 and YTD 2008 results

Questions & Answers

Thank you for your attention !

We stay in contact



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