

AD-HOC MESSAGE

LPKF generates a clear profit in the first nine months Cost-cutting measures having their full effect

The company generated the following result in the first 9 months:

	2003 (9 months)	2002 (9 months)	Change
Consolidated turnover	K€ 16,200	K€ 18,266	-11.3%
Consolidated result	K€ 730	K€ 822	-11.2%
EBIT	K€ 1,132	K€ 1,623	-30.3%
EBIT margin	7.0%	8.9%	
EPS (diluted)	€ 0.07	€ 0.08	
Cash and cash equivalents	K€ 5,627	K€ 4,768	+18.0%
Capital ratio	72%	68%	

LPKF's current orders in hand total € 3.16 million (€ 5.48 million).

Notes on the quarterly results

The positive 9-month performance is also attributable to the sale of MicroLine Lasers in North America and Germany. In addition, the cost-cutting measures launched at the beginning of the financial year made a contribution to the very satisfactory results in the third quarter. The Q3 result of K€ 829 (K€ -231) highlights LPKF's potential for producing excellent returns on sales against the background of increasing turnover and stable fixed costs.

However, the 11.3% decline in turnover to K€ 16,200 (K€ 18,266) compared to the same period last year indicates that investment in the global electronics market is still depressed. The Laser Systems segment is the most strongly affected by this trend although it still managed to generate a turnover of K€ 9,068 (K€ 9,986). Despite a slight improvement in business, the Rapid PCB Prototyping segment was still not able to match last year's figures and generated a turnover of K€ 6,047 (K€ 6,638).

The sale of the stencils production in Germany resulted in a turnover of K€ 804 (K€ 1,388) in the Services segment.

A general upswing in orders received and the number of product inquiries was first clearly felt at the end of the third quarter. However, it is still too early to tell if this represents a fundamental new trend.

LPKF's figures were also depressed in the third quarter by the weakness of the dollar.

Outlook for 2003

The last months of each year always had a fundamental influence on the year's result. Therefore LPKF is not predicting a major reduction in turnover compared to the previous year's level. Measures have been introduced throughout the Group to reduce fixed costs. These have already taken hold and will continue to show considerable effect during the further course of the second half.

A highlight for LPKF was the Productronica, one of the most important international electronics fairs in Munich. A good follow-up business with positive effects on the 2004 sales figures is expected.

Events after 30 September 2003

Following the licence agreements with Degussa AG, Bayer AG and Ticona GmbH, LPKF has now signed a cooperation agreement with the Harting Technology Group during the Productronica which will be followed by the installation of a 3D-MID laser system. LPKF's strategy behind this agreement is to qualify the LPKF-LDS process especially for micro-packaging and to consequently continue the 3D-MID marketing strategy.