

AD-HOC MESSAGE

LPKF achieves improved Group results in 2003 and proposes payment of a dividend

The Group generated the following results in 2003:

	2003	2002	Change
Turnover K€	22,667	25,299	-10%
Profit K€	768	634	+21%
Net margin	3.4%	2.5%	+36%
EBIT K€	1,300	1,442	-10%
EBIT margin	5.7%	5.7%	
EPS €	0.07	0.06	+17%
Financial resources K€	5,999	5,365	+12%
Capital ratio	71%	68%	
Current orders in hand K€	2,118	4,631	-54%

The Board of Directors and the Supervisory Board propose the payment of a dividend of € 0.03 per share for the 2003 financial year.

Notes on the annual results:

Despite the weakness of the global economy and the associated reduced willingness of the electronics industry to invest, LPKF again successfully generated a profit in the 2003 financial year. Especially the Laser Cutting and Drilling segment experienced a reduced turnover compared to the previous year due to a continuous investment reduction within the PCB industry. However, the timely implementation of cost-cutting measures stabilised the EBIT margin and slightly improved the consolidated profit.

Outlook for 2004:

Against the background of a clear improvement throughout the world in the willingness to invest, together with increases in marketing expenditure and the feedback gained from trade fairs and customers, the Board of Directors forecasts that 2004 will enjoy a double figure percentage rise in turnover and an improved EBIT. Orders received and orders in hand will most probably push Q1 2004 turnover above last year's level. It is also essential for LPKF that the current negative exchange rate effects decrease in future with the US-Dollar gaining in strength.

The company expects that the Rapid PCB Prototyping and Laser Cutting and Drilling segments will increase their turnover and profits supported by the recovery of the electronics industry and the numerous technical innovations.

The new 3D-MID technology will most probably have a positive effect on LPKF's business in 2004 and the following years.

Thanks to the licence agreements closed last year with Degussa AG, Bayer AG and Ticona GmbH, as well as the cooperation agreement concluded with the Harting Technology Group, there are now numerous new applications close to being launched on the market. Additional licence and cooperation agreements with companies in the plastics and electronics industries are also currently being negotiated. The first end customers have been supplied successfully.

The segment MicroLine Laser including sensorics will presumably experience secondary orders in 2004 which will have a positive effect on the results of 2005.