

PRESS RELEASE

LPKF back on course for growth

First signs of upturn in the electronics industry in first quarter 2004

Garbsen/Hanover, 19 May 2004 – the Q1 2004 report just published by LPKF Laser & Electronics AG, Garbsen/Hanover, reveals a clear improvement in the company's economic situation: whilst turnover has risen by around 11.4 per cent year-on-year to 5.09 million (4.56), earnings have increased by 61 per cent, and earnings before interest and tax (EBIT) has even grown by 72 per cent. However, one-off human resource costs and the weakness of the dollar mean that the company has posted a slight loss of K€ -84 (-217). "Nevertheless," says Chairman of the Board of Managing Directors Bernd Hackmann, "restoring dividend payments for 2003 is fully justified. Orders received in recent weeks from Asia in particular make us optimistic for the whole of 2004! The first quarter is usually the weakest in the year at LPKF."

The company attributes the improvement to new developments in the laser technology sector and the upturn in the electronics industry around the world. LPKF's turnover in the Laser Systems segment in particular has developed very positively and is currently one third up year-on-year. The earnings of K€ 82 generated by this segment are currently unsatisfactory because of investments in the laser plastic-welding technology. However, the development of this product line is completely on schedule and will generate much better results in future.

The interest shown by its customers and the level of orders received this year, underpin the growth strategy pursued by LPKF. The company has registered an improvement in the investment climate amongst its customers. Demand is mainly focussed on the new laser technologies MicroLine Drill and MicroLine Cut. However, there is also a growing demand for high-end systems in the Rapid PCB Prototyping segment.

In addition, LPKF has great faith in the potential of its 3D-MID technology where promising licence and cooperation agreements have been closed with major partners such as Bayer, Degussa and Ticon. Thanks to its developments in the 3D-MID technology field, LPKF has opened the door to a new dimension: this LPKF method enables ultra-fine lines and spaces to be created directly on three-dimensional plastic components.

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