

AD-HOC MESSAGE ACCORDING TO SECTION 15 WPHG

Quarterly report of LPKF Laser & Electronics AG

LPKF reports further increase in turnover and orders received and has new member of Board of Managing Directors

The Group generated the following results after nine months:

	2004 (9 mon.)	2003 (9 mon.)	Change
Turnover K€	17,179	16,200	+ 6.0%
EBIT K€	676	1,129	-40.1%
EBIT margin	3.9%	7.0%	
Result K€	132	730	-81.9%
EPS €	0.01	0.07	-85.7%
Cash and cash equivalents K€	6,124	5,627	+ 8.8%
Capital ratio	72.5%	72.2%	
Orders received by AG per 16. Nov. K€	18,501	14,810	+24.9%
Orders in hand at AG per 16. Nov. K€	3,886	3,431	+13.3%

Notes on the quarterly results:

LPKF's turnover has grown in the first nine months of the financial year despite the weak dollar. The growth in turnover is largely attributable to the Laser segment that grew by approx. 10%. The new and further developments in this segment, especially of the Laser Drilling and Cutting Systems, had a positive impact on sales. This year's figures should be seen in the light of the two major orders totalling €2.7 million closed in the third quarter last year which had a significant influence on the turnover and results in 2003. EBIT per 30.09.04 was depressed in particular by the higher marketing and distribution costs (€0.6 million), the generally high development costs for laser systems and ProtoMats (€2.3 million) not capitalisable according to the strict IFRS criteria, the weak dollar (€0.3 million), and the rise in the profit offsetting (€0.3 million) by subsidiaries.

Outlook:

The management is very confident that the positive development of orders received and the increased marketing and distribution activities for a product range customised to the needs of the market will accelerate LPKF's growth. The recently developed products for PCB production will be presented at major trade fairs around the world and will open up new markets. The main engine of growth is considered to be Asia where turnover rose around 55% in the first nine months of 2004.

Management is forecasting a rise in turnover of approx. 10% year-on-year for 2004. Based on the new product range the management aims at a turnover of €30 million in 2005 and a doubling of the 2004 turnover until 2007.

New member of Board of Managing Directors:

Bernd Lange, who has been Business Development Manager at LPKF for a long time now with responsibility for marketing, is appointed to the Board of Managing Directors with immediate effect. His main responsibilities will be for development and marketing.

LPKF Laser & Electronics AG Shares are quoted in the Prime Standard at the Frankfurt Stock Exchange (ISIN 0006450000, WKN 645000).

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