

AD-HOC ANNOUNCEMENT UNDER ARTICLE 15 WPHG

LPKF boosts turnover, stronger growth in profit

The Group generated the following results in 2004:

	2004	2003	Change
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Turnover TEUR	25,167	22,667	+11%
Profit TEUR	930	768	+21%
Net margin	3.7%	3.4%	
EBIT TEUR	1,728	1,294	+34%
EBIT margin	6.9%	5.7%	
EPS EUR	0.09	0.07	+29%
Financial			
Resources TEUR	7,125	5,999	+19%
Capital ratio	70%	71%	
Orders in hand as at 31.12. TEUR	2,368	1,859	+27%
Current orders in hand TEUR	4,130	2,118	+95%

Notes on the annual results:

Thanks in particular to the successful sales of cutting and drilling lasers in Asia, LPKF succeeded in considerably boosting its turnover and generating an over-proportional improvement in profit. Numerous new and further developed products gained good acceptance amongst the customers and underpinned the very satisfactory development in business, particularly in the 4th quarter. Additional positive effects were associated with the overall economic upswing. LPKF Laser & Electronics AG's high level of current orders in hand compared to the previous year is an indicator of the continuing positive trend. The Board of Managing Directors and the Supervisory Board will propose the payment of a dividend of 4 Cent per share to the annual general meeting.

Outlook for 2005:

This dynamic growth is to be continued in the ongoing financial year by committed implementation of the company's marketing strategy. A variety of new and improved products have been launched on the market in recent months. The objective is now to realise this potential and reflect it in rising turnover and profit figures by further strengthening the marketing and service structures.

Management is relying here in particular on positive impulses from the PCB Production Systems and Rapid PCB Prototyping segments. In addition to increasing turnover to Euro 30 million, the objective is to considerably improve the earnings situation. Achieving this involves generating growth in turnover with a minor rise in costs.

Asia continues to be the regional focus of LPKF's growth strategy. The intention here is to reach customers seeking to acquire larger numbers of machines, especially in product segments with a high growth potential, such as PCB Production.

The new measuring method for the packaging of chips developed by LPKF Motion & Control GmbH promises further momentum.

The first signs of progress in the marketing effort for the 3D-MID segment have now been confirmed with the series production of MIDs for the medical sector – however, more effort is required before this segment is successfully established in the market.

The laser plastic-welding method has now achieved a considerable degree of market acceptance and has led to the first follow-up orders by existing customers for equipment and service. This process is thus establishing itself in a market which develops independently of the cyclic electronics industry.

The LPKF Group considers the figures for the 2004 financial year to confirm that it is charting a course for solid growth and is in an excellent position to grow more strongly with optimism and commitment in 2005.

LPKF Laser & Electronics AG shares are listed in the Prime Standard of the Frankfurt Stock Exchange (ISIN 000645000).

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