

AD-HOC-ANNOUNCEMENT UNDER § 15 WPHG

LPKF exceeds 2005 turnover and profit targets

The group generated the following results in the 2005 financial year:

	2005	2004	Change
Turnover TEUR	34,871	25,167	+38.6%
Profit TEUR	3,021	899	+236.0%
Net margin	8.7%	3.6%	
EBIT TEUR	5,980	1,697	+252.3 %
EBIT margin	17.2%	6.8%	
EPS EUR	0.28	0.08	
Cash and cash equivalents TEUR	8,564	7,125	+20.2%
Capital ratio	74%	76%	
Orders in hand AG 31.12. TEUR	5,422	2,368	+128.9%
Orders received AG 31.12. TEUR	29,780	20,939	+42.2%
Current orders in hand AG as at 21.3.	5,036	4,130	+21.9%

Notes on the 2005 results

With a turnover of € 34.9 million in the 2005 financial year, the LPKF Group generated the highest turnover in its history. The turnover target was raised in November 2005 to € 33 million and has now been exceeded by around 5.7%. The EBIT margin of 17.2% also exceeded the target figure of 14.0%. The consolidated profit of € 3.021 million was only just short of the previous record profit of € 3.183 million generated in the 2000 financial year.

The strong rise in turnover reflects the successful implementation of new and/or further developed products, and the continuation of strong demand in the Asian market. Overall, all of the segments posted extremely positive development in their business.

The Laser Systems segment was again primarily responsible for the boost in turnover. Laser Cutting Systems rose by 47.7%, 3D-MID grew by 56.1%, and Laser Plastic-Welding increased turnover by 90.5% and generated its first profit.

The turnover in Inspection Systems also grew strongly by 221.8% to € 4.441 million in total, and thus made a considerable contribution to the overall performance.

Turnover in the Rapid Prototyping segment only began to surge in the fourth quarter but was still able to reach its overall planning target.

The Asian market grew further in importance in the 2005 financial year to account for 47.8% of total turnover.

Outlook 2006

The expansion of the LPKF Group will continue with the aim of boosting turnover and profit further in 2006. Turnover in the ongoing financial year is forecast to reach € 41 million, and to rise further to € 50 million at the end of 2007.

The high level of current orders in hand indicates that the strong upswing in 2005 is continuing unabated. Innovations designed to give users the greatest possible economic benefits will form the basis of LPKF's growth strategy. The ongoing financial year will therefore also see new and improved products being launched on the market, particularly in the Laser Cutting Systems segment. The growth strategy also focuses on further penetration of the markets.

The management primarily forecasts growth in the Laser Cutting Systems segment. There is also further growth potential in the Rapid PCB Prototyping segment and the Inspection Systems segment.

The Board of Managing Directors and the Supervisory Board will propose the payment of a dividend of 10 cents per share to the annual general meeting on 8 June 2006 (previous year: 4 cents per share).

Klaus Sülter, Member of the Supervisory Board and one of the four founders of LPKF Laser & Electronics AG, will resign from the Supervisory Board at the annual general meeting. Mr Sülter communicated that he intends to reduce his shareholding in LPKF Laser & Electronics AG.

LPKF Laser & Electronics AG shares are quoted in the Prime Standard of the Frankfurt stock exchange (ISIN 0006450000).