

AD HOC ANNOUNCEMENT PURSUANT TO SECTION 15 WPHG

LPKF: Record first quarter turnover

The Group generated the following results in the first three months of the financial year:

	2006 (3 months)	2005 (3 months)	Change
Turnover TEUR	8,141	6,958	+17.0%
Profit TEUR	700	940	-25.5% *
Net margin	8.6%	13.5%	
EBIT TEUR	1,507	1,633	-7.7% *
EBIT margin	18.5%	23.5%	
EPS EUR	0.06	0.09	-33.3% *
Cash and cash equivalents TEUR	7,019	6,522	+7.6%
Capital ratio	67.2%	69.7%	
Orders in hand of group 31.3 TEUR	8,374	4,658	+79.8%
Orders received by group 31.3 TER	8,719	7,504	+16.2%

Notes on the quarterly results:

The LPKF Group boosted turnover in the first three months by 17% to 8.141 million € to post the best first quarter turnover ever in the company's 30-year history.

The growth is primarily attributable to a strong increase in the laser segment which rose by 41.1%. In particular, business with 3D-MID laser systems was very satisfactory and generated a real contribution to earnings for the first time of 1,205 T€.

The successful trend in the Laser Plastic-Welding segment the previous year has continued, putting it ahead of target with a turnover of 842 T€. This division is also showing a clear move away from production services to the sale of systems.

While turnover in the Inspection/Special Systems segment was down year-on-year in the first three months, there was a clear increase in sales in the Rapid PCB Prototyping segment. Turnover here grew by 11% to 2,621 T€.

* Profits at 700 T€ are down by around 240 T€ on the same period the previous year. However, direct comparison between the first quarters in 2006 and 2005 are limited by two factors: the profit in Q1 2005 was raised by extraordinary income from the sale of stencil laser production in North America; and provisions for bonuses were set aside in the first quarter 2006. Adjusted for these special effects, profit in Q1 2006 actually rose by 166 T€.

Outlook 2006

Orders in hand and the current level of orders received indicate that the company will continue to develop positively in the ongoing financial year, and will benefit from the trends in the global electronics market towards miniaturisation, shorter product cycles and higher productivity.

The positive development in the Laser Plastic-Welding and 3D-MID segments is particularly satisfactory because the high level of investment in these segments in the past is now generating the expected rewards.

The management expects additional positive impulses to come during the course of the financial year from the market launch of new and higher quality products in coming months. The turnover target in the ongoing financial year is € 41 million, to rise to € 50 million by the end of 2007.

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