

AD HOC ANNOUNCEMENT PURSUANT TO SECTION 15 WPHG**LPKF: Further increase in consolidated turnover and profit**

The Group generated the following performance in the first six months:

	2006 (6 months)	2005 (6 months)	Change
Turnover TEUR	18,279	15,787	+15.8%
Profit TEUR	1,554	1,435	+8.3%
Net margin	8.5%	9.1%	
EBIT TEUR	3,112	2,762	+12.7%
EBIT margin	17.0%	17.5%	
EPS EUR	0.14	0.13	+7.7%
Cash and cash equivalents bestand TEUR	4,791	6,987	-31.4%
Capital ratio	67.0%	69.4%	
Orders in hand of group 30.6. TEUR	6,325	5,630	+12.3%
Orders received by group 30.6. TEUR	17,271	17,018	+1.5%

Notes on the quarterly results:

In the first six months of the 2006 financial year, LPKF Laser & Electronics AG boosted turnover by 15.8% to € 18.3 million. The operative profit grew by 12.7% to € 3.1 million.

The Laser Systems segment reported a rise in turnover of 29.7% to € 11.2 million. Significant growth was posted by the Laser Plastic-Welding segment and the 3D MID segment. Laser Plastic-Welding broke into the international market and pushed turnover up 90% to € 1.7 million. A significant step forward has been made with systems for the production of 3D electronic carriers. The systems are now being used by clients for the mass production of mobile phone antennae. Turnover rose to € 1.8 million.

The slight decline in turnover in the StencilLaser segment is attributed by the Group to the preannounced change in models scheduled for this autumn.

Turnover dropped in the Inspection Systems segment. Bad debt allowances totalling T€ 121 were reported in the accounts.

The turnover in PCB Processing Systems was boosted by 41%. Rapid PCB Prototyping also reported good business with a rise in turnover of 11.6%.

Outlook 2006

The level of orders received is slightly up year-on-year. The decline in the StencilLasers segment and Inspection Systems is compensated by the strong demand for Laser Plastic-Welding systems and 3D MID systems. The Group expects the growth of the StencilLaser segment to be boosted by the launch of a new system generation in the ongoing quarter for which numerous orders have already been received.

The management expects to achieve its overall annual target, and sticks to its published medium term forecasts for turnover. Turnover in the ongoing financial year is forecast to reach € 41 million, and grow 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).