

AD-HOC-ANNOUNCEMENT PURSUANT TO SECTION 15 WPHG

**LPKF Laser & Electronics AG:  
Strong profitable growth anticipated for 2008 to 2010**

The Group generated the following performance in the first nine months of the 2007 financial year:

	2007 (9 months)	2006 (9 months)	Change
<i>in million EUR</i>			
<b>Turnover</b>	27.7	27.4	+1.1%
<b>Profit</b>	2.7	2.2	+20.2%
<b>Net margin (%)</b>	9.7	8.2	
<b>EBIT</b>	3.9	4.2	-7.4%
<b>EBIT margin (%)</b>	14.0	15.4	
<b>EPS (EUR)</b>	0.25	0.21	+19.0%
<b>Cash &amp; cash equivalents</b>	3.4	4.5	-24.4%
<b>Capital ratio (%)</b>	70.5	67.0	
<b>Orders in hand of Group at 30.9.</b>	9.9	7.6	+30.5%
<b>Orders received by Group at 30.9.</b>	31.7	27.5	+15.1%

**Garbsen/Germany, 19. November 2007.** The cumulative sales for the Group in the first three quarters 2007 are slightly up at 27.7 million EUR. In Q3 the growth rate was 5%. The especially dynamic development in the three growth segments of Solar, MID and Plastic Welding is reflected in a 15% improvement to orders received. Within the LPKF Group, orders received and orders in hand continue at record levels.

Nonetheless, the development of sales is below the management's expectations after the first nine months. Since the start of the year a number of influences, including the restrictive import policy of the Chinese government, has resulted in a substantial lengthening of the gap between receipt of order and delivery. In addition, shifts in sales have taken place due to delayed delivery call-offs by customers hoping for a more favourable Euro exchange rate. The good order situation, with orders in hand up by 31% at 9.9 million EUR, is the basis for a strong fourth quarter 2007. Therefore, the Board of Managing Directors expects an overall turnover of 42 million EUR for the ongoing financial year.

The shifts in turnover are also apparent when comparing results, since the majority of performance has been rendered and a substantial volume of costs incurred without corresponding sales. As a consequence, operating profit is down slightly year-on-year at 3.9 million EUR. Thanks to a substantially reduced tax load ratio and reduced minority shareholdings, profits after tax rose by 20% to 2.7 million EUR. Profits per share rose correspondingly from 0.21 EUR to 0.25 EUR.

In the Rapid Prototyping segment, business developed very satisfactorily with a growth of 25%. In contrast, the segments of PCB Processing and Stencil underwent weak sales development. In StencilLasers the Group is looking forward to new impetus following the introduction in early November of a new high performance model. A number of orders for the new high-end StencilLaser are already in hand.

LPKF SolarQuipment GmbH reports the conclusion of a contract for laser equipment for structuring thin layer solar cells with a new customer. The order volume is of approx. 2 million EUR. The equipment is to be delivered during 2008. During financial year 2007 sales in this segment will account for approx. 2 million EUR.

## **Outlook**

The strong growth in the segments MID, Plastic Welding and Solar in conjunction with continued internationalisation means the LPKF Group is looking forward to excellent development opportunities. Together with stable developments in the established segments of Rapid Prototyping, Stencil and PCB Processing, the Board wants to achieve overall sales of 50 million EUR in 2008. LPKF Laser & Electronics AG intends to raise sales to 68 million EUR by 2010 with an EBIT margin of 13 – 16%. The share of growth segments is to account for 50 %.

LPKF Laser & Electronics AG shares are quoted in the Prime Standard of the Frankfurt stock exchange (ISIN DE0006450000).