

AD HOC ANNOUNCEMENT PURSUANT TO SECTION 15 WPHG**LPKF boosts sales by 14%**

The Group generated the following performance in the 2006 financial year:

	2006	2005	Change
Turnover TEUR	39,780	34,871	+14.1%
Profit TEUR	3,973	3,021	+31.5%
Net margin	10.0%	8.7%	
EBIT TEUR	6,350	5,980	+6.2%
EBIT margin	16.0%	17.2%	
EPS EUR	0.37	0.28	+32.1%
Cash and cash equivalents TEUR	5,156	8,564	-39.8%
Capital ratio	71.8%	74.0%	
Orders in hand of group 31.12. TEUR	6,100	7,294	-16.4%
Orders received by group 31.12. TEUR	38,419	39,211	-2.0%

Notes on the 2006 performance:

In the 2006 financial year, the LPKF Group generated record sales of € 39.8 million, and the best profit figures in the company's 30-year history with nearly € 4.0 million. The company boosted its sales by 14.1% and drove up its net result by 31.5% year-on-year.

The growth in the 2006 financial year was again mainly driven by LaserSystems. Thanks to the dynamic development of the 3D-MID, PCB Processing and Laser Plastic-welding segments, LaserSystem sales rose by 29.9%. The Rapid PCB Prototyping segment boasted growth of 20.8%. The development in sales of Inspection Systems was weak by comparison, earnings fell from € 4.4 million to € 2.2 million.

The exceedingly strong fourth quarter in 2006 featured a rise in sales of 27.4 % year-on-year to € 12.4 million, with a rise in earnings from LaserSystem sales of 60.2% to € 7.1 million. The EBIT yield rose to 17.3% in the last quarter of 2006.

Outlook

The Board of Managing Directors and the Supervisory Board shall propose a resolution at the annual general meeting on 24 May to pay a dividend of 12 Cent per share (up from 10 Cent per share the previous year).

The LPKF Group forecasts another moderate rise in sales to € 45 million during the ongoing financial year. The additional earnings, particularly from the new Solar Technology segment will not have a major impact on sales until the 2008 financial year. The Board of Managing Directors sees good opportunities here for very positive business, and therefore intends to establish a new solar-laser company together with its partner LPKF Motion & Control, Thuringen/Germany. Significant investments will be made here in 2007 in development work and setting up extra production capacity. Production service centres are also to be set up in the USA and Asia to support distribution activities in 3D-MID and Laser Plastic-Welding. The aim is to open up more markets and to internationalise the new technologies.

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