

AD HOC ANNOUNCEMENT AS PER SECTION 15 WPHG

LPKF grows slower than expected

Financial ratio summary dated 30 June 2008:

	2008 (6 months)	2007 (6 months)	Change
Turnover TEUR	19,615	18,128	+ 8.2 %
Profit TEUR	-8	1,793	- %
Net margin	0.0 %	9.9 %	
EBIT TEUR	472	2,807	- 83.2 %
EBIT margin	2.4 %	15.5 %	
EPS EUR	0.00	0.17	
Cash and cash equivalents TEUR	2,948	2,674	+10.2 %
Capital ratio	64.8 %	72.0 %	
Orders in hand of Group 30.06. TEUR	11,678	8,523	+37.0 %
Orders received by Group 30.06. TEUR	24,090	21,668	+11.2 %

Company performance

The turnover of the LPKF Group rose by EUR 1.0 million or 10 % in the second quarter 2008, to EUR 11.2 million. The weak US Dollar depressed consolidated turnover in the first half by around EUR 0.4 million. The operating earnings (EBIT) and the consolidated net income were again positive over this period at EUR 0.8 million and EUR 0.4 million respectively, but well down year-on-year. Income was depressed by high sales and marketing costs, and a rise in expenses associated with the latest expansion in capacity. Orders in hand rose strongly by 37 % to EUR 11.7 million.

Turnover and income performance in the first half suffered from slow business in the MID and PCB Processing segments. StencilLaser turnover is also still less than expected. However, a high level of orders received (+ 31 %) point to an upswing in the second half which can bring turnover into line with the budget. As expected, turnover in the Rapid Prototyping segment (+ 22 %), Plastic Welding segment (+ 56 %) and the Solar segment rose strongly.

Outlook

The downturn in the economy, and the increasing hurdles on importing machines to China, will also affect the LPKF Group's performance in the second half. The Board of Managing Directors revised its turnover and earnings forecasts for the whole of the 2008 financial year and now forecast a consolidated turnover of EUR 43 – 45 million, and an EBIT margin in the upper single figure range. The previous forecasts for the 2008 financial year were for a turnover of EUR 50 million and an EBIT margin of 13 to 16 %.

LPKF Laser & Electronics AG shares are quoted on the Prime Standard of the Frankfurt Stock Exchange (ISIN 0006450000).