

## AD-HOC MESSAGE

### **LPKF expects market to remain difficult in 2003**

The LPKF group again generated a profit in the 2002 financial year despite the poor global economic environment. The forecast recovery in the second half of 2002 failed to appear. On the contrary, the PCB market worldwide was affected by a major slump.

Nevertheless, the group was able to increase its turnover by 9.8%. This growth is attributable to successful sales in the Laser Systems segment. On the other hand, the Rapid PCB Prototyping segment suffered from the global R&D budget cuts and the weak North American market.

A personnel cost share of 40%, compared to the turnover, reduced the EBIT margin. LPKF therefore decided to make significant adjustments to its personnel and other costs.

The annual financial statements of the AG and the group were approved at the last Supervisory Board meeting.

Group result:

	Turnover	EBIT	EBIT margin	Net income	Net margin
	T€	T€	%	T€	%
2002	25,299	1,442	5.7	634	2.5
2001*	23,034	1,627	7.1	812	3.5

\* Adjustment reflecting consolidation of Laserquipment AG

The diluted profit per share is € 0.06 (€ 0.08).

Cash and cash equivalents rose very positively by 300% to T€ 5,365 (T€ 1,342). The capital ratio remained steady at around 68%.

The Board of Directors and the Supervisory Board decided to carry the profit forward, keep liquidity within the company and make no dividend payment with the aim of strengthening LPKF's position in an uncertain global electronics market.

#### **Outlook:**

The global uncertainty caused many companies to postpone investments at the beginning of the year. The current level of orders on hand is € 4,631 million, down approx. 11% year-on-year. A loss is expected in the first quarter 2003 because of the sales situation and the imminent restructuring measures. LPKF has always been affected by seasonal fluctuations and the associated market differences in orders received in each quarter. Despite the weak market, the Slovenian subsidiary LPKF d.o.o. won an order of T€ 638 for PCB printing machines.

Given the ongoing sales negotiations and the planned measures, the Board of Directors is again expecting the company to make a profit for the whole of the 2003 financial year. This is based on the good outlook for the MicroLine Laser in the sensorics sector, the new Service Center for laser applications, new products in the Cutting and Drilling Laser Systems segment, and the breakthrough in the second half for the series production of 3D-MID products.