

AD-HOC MESSAGE

LPKF as expected with weak start in 2003

The company reached the following result after 3 months:

	2003 (3 months)	2002 (3 months)	Change in %
Consolidated sales	T€ 4,563	T€ 6,850	-33.4%
Consolidated result	T€ -217	T€ 664	-132.7%
EBIT	T€ -299	T€ 1,229	-124.3%
EBIT margin	-6.6%	17.9%	
EPS (diluted)	€ -0.02	€ 0.06	-133.3%
Cash and cash equivalents	T€ 4,805	T€ 4,055	18.5%
Capital ratio	68%	67%	

The current orders in hand of LPKF Laser & Electronics AG is € 4.44 million (€ 3.48 million), up 27.7% year-on-year.

Notes on the 3 months result

The global negative economic state of the electronics industry had a considerable negative effect on the development of LPKF's turnover in the first quarter 2003.

The result is primarily attributable to the slump in turnover to T€ 2,045 (T€ 3,839) in the Laser Systems segment. The postponement of investment in Europe and in North America in particular due to the overall economic uncertainties is fully reflected in this segment. The Rapid PCB Prototyping segment continues to suffer from cutbacks in R&D budgets but still managed to generate a turnover of T€ 2,149 (T€ 2,448). The capital tied up in inventories was reduced to T€ 727 compared to the same period last year.

Outlook for 2003

It is still very difficult to make a forecast for the ongoing financial year because of the current situation. However, LPKF considers a turnover like in 2002 possible. Measures to reduce costs have been initiated throughout the group. The results of these measures are already being felt and will have a clear effect on performance in the second half.

The company continues to have a high and satisfactory presence at international trade fairs, and marketing is being pushed ahead rigorously by targeted marketing activities. All ongoing projects and client orders in the MicroLine Laser segment are on schedule. Of particular note here is the delivery in the third quarter of biosensorics equipment. This segment will also be further strengthened by targeted marketing activities.

General conditions for the use of MicroLine Lasers for HDI boards have been created. However, the successful market entry is still slowed down by the weak economic situation. Realistically seen these applications will not significantly contribute to turnover and income before 2004.

Events after 31 March 2003

LPKF has closed a licence agreement with Degussa. For the first time now there is a special thermoplastic material available worldwide for the electronics industry. This is the main condition for users to be able to order corresponding laser systems for the production of 3D-MIDs. Turnover from licence fees, laser system sales and services can start in the third quarter 2003.