

PRESS RELEASE

LPKF expects turnover in 2003 like the previous year Licence agreement with Degussa opens up new opportunities

Garbsen/Hanover, 28 May 2003 – The continuing weakness in the global electronics industry has also affected LPKF Laser & Electronics AG, Garbsen/Hanover in the first quarter 2003. The postponement of investments and cut-backs in R&D budgets amongst key accounts has led to a reduction in results, as already announced at the annual press conference and in the recently published ad-hoc announcement. The current delays in buying laser systems in particular has had a negative effect on results. However, the orders in hand at Euro 4.44 million are 27.7 per cent up on 2002.

Although the course of business so far in the 2003 financial year is not very satisfactory and it is still very difficult to make any forecast for the whole of the year, the LPKF Board of Directors considers a turnover like in 2002 possible. A cost-cutting programme has been implemented, whose main effects will be seen in the second half of 2003. In addition, LPKF's attendance at international trade fairs continues to arouse a great deal of interest. The company expects business to revive further on the back of more intense marketing activities. This is also based on other aspects including innovative product further developments in Cutting and Drilling Laser Systems and Rapid PCB Prototyping, as well as the new Laser Application Service Center. Biosensorics equipment will be delivered in the third quarter 2003.

According to the LPKF Board of Directors, the know-how and licence agreement closed with Degussa AG in April will give the company an important boost. The agreement makes a laser-activatable plastic available to the electronics industry for the first time worldwide. This innovative technology enables circuits to be transferred directly to the interior of electronic housings – such as mobile phones. This has significant process and cost advantages for the production of three-dimensional mechatronic and micro-electronic components.

The LPKF Laser & Electronics AG annual general meeting takes place in Hanover on 5 June where a proposal will be made to carry forward the profit from 2002.

Contact:

LPKF Laser & Electronics AG
Mrs. Ulrike Thoms-von Meding
Osteriede 7, D-30827 Garbsen

Tel.: +49-5131-7095-382
Email: u.thomsvonmeding@lpkf.de