

AD-HOC MESSAGE

LPKF: Profit in second quarter leads to almost balanced first half results

The company reports the following first half results:

	2003 (6 months)	2002 (6 months)	change in %
Consolidated sales	K€ 9,538	K€ 12,870	-25.9%
Consolidated result	K€ -99	K€ 1,053	-109.4%
EBIT	K€ -292	K€ 1,684	-117.3%
EBIT margin	-3.1%	13.1%	
EPS (diluted)	€ -0.01	€ 0.10	-110.0%
Cash and cash equivalents	K€ 5,264	K€ 4,386	20.0%
Capital ratio	70%	69%	

The current orders in hand at LPKF are € 3.25 million (€ 3.41 million), down 4% on the previous year.

Notes on the quarterly results

The weakness in the global electronics market also cast a shadow on the development in turnover in the first half 2003. Nevertheless, the second quarter was better than the first and the company succeeded in producing a positive quarterly result of K€ 118. An even higher profit is forecast for the third quarter. The quarterly result was largely achieved on the strength of successful cost-cutting measures – despite the negative impact of redundancy payments in the second quarter. In addition, the Laser Systems segment was able to increase its turnover from K€ 2,045 in the first quarter to K€ 2,690 in the second quarter. The Rapid PCB Prototyping segment achieved a turnover of K€ 3,986 in the first half (previous year: K€ 4,687). However, the growth potential in the first half in China was negatively effected by the SARS epidemic. The weakness of the dollar also had a negative impact.

Outlook for 2003

It continues to be very difficult to make a reliable prognosis for the 2003 financial year because of the current situation. However, LPKF still considers that it will be possible to achieve a similar turnover as the previous year. The impact of cost-cutting measures implemented throughout the Group will also have a major impact in the second half. And the Marketing department in particular is pushing ahead with promotions aimed at boosting global sales.

All important new products and further developments launched on the market in the first half have been rewarded with sales in the Rapid PCB Prototyping and Cutting Laser segments. More positive effects are expected in the second half.

Results after 30 June 2003

After closing an agreement with Degussa AG, LPKF has now also signed a licence agreement with Bayer AG. This increases the global availability of more thermoplastics relevant to the electronics industry, which improves the marketing opportunities for special laser systems for the production of 3D circuits.