

AD HOC ANNOUNCEMENT AS PER SECTION 15 WPHG

LPKF closes 2008 with 8 % growth in turnover

Company performance

The LPKF Group boosted its turnover in the last financial year by 7.6 % to € 45.4 million. The EBIT margin of 6.8 % lay within the forecast range communicated in August 2008. Special items totalling € 0.6 million from the devaluation of inventories, mainly because of various product changes and the introduction of new products, and other special items totalling € 0.2 million have depressed earnings. Adjusted for these one-time expenses, the EBIT margin is 8.5 %.

With a turnover of € 13.8 million (previous year: € 14.5 million) and an EBIT adjusted for special items of € 1.8 million (previous year: € 2.1 million) the fourth quarter was the strongest quarter in the 2008 financial year.

The growth in turnover was generated by systems for plastic welding and for scribing solar panels. The Stencil, MID and PCB Processing segments failed to perform according to forecast for the 2008 financial year as a whole. However, the MID and PCB Processing divisions enjoyed a considerable increase in business in the fourth quarter.

As an export-oriented company, LPKF has been strongly hit by the current economic situation. The good order position overall at the end of the year indicates however that innovative technologies are in demand even in difficult economic phases.

Financial ratios at a glance for the 2008 financial year

	2008	2007	Change
<i>in million EUR</i>			
Turnover	45.4	42.2	+ 7.6 %
Net margin (%)	4.0	9.2	
EBIT	3.1	6.0	- 48.3 %
EBIT margin (%)	6.8	14.2	
Net income after minority interests	1.8	3.9	- 53.2 %
ROCE (%)	7.4	15.4	
EPS (EUR)	0.17	0.36	- 52.8 %
Cash and cash equivalents	6.0	3.0	+ 97.4 %
Capital ratio (%)	68.1	69.3	
Orders in hand of Group per 31.12.	10.3	7.6	+ 35.8 %
Orders received by Group per 31.12.	48.1	43.2	+ 11.6 %

Outlook 2009

It is currently extremely difficult to make reliable forecasts. The current target set by the management is for the Group to generate about the same turnover in 2009 as in the previous financial year. Earnings could improve mainly due to the absence of one-time expenses and cost savings. A range of negative scenarios have been calculated in the event that the economic crisis in 2009 has an even stronger effect on the markets relevant to LPKF. They indicate that even if turnover were to fall by as much as 25 %, the company could still generate a balanced result. The development of business in the first months though corresponds to that of the previous year.

Because of the decline in earnings and the uncertainties about the overall economic situation in future, the Board of Managing Directors and the Supervisory Board will make a proposal at the annual general meeting on 4 June 2009 not to pay a dividend, and to carry forward the net income of LPKF Laser & Electronics AG for the 2008 financial year.

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