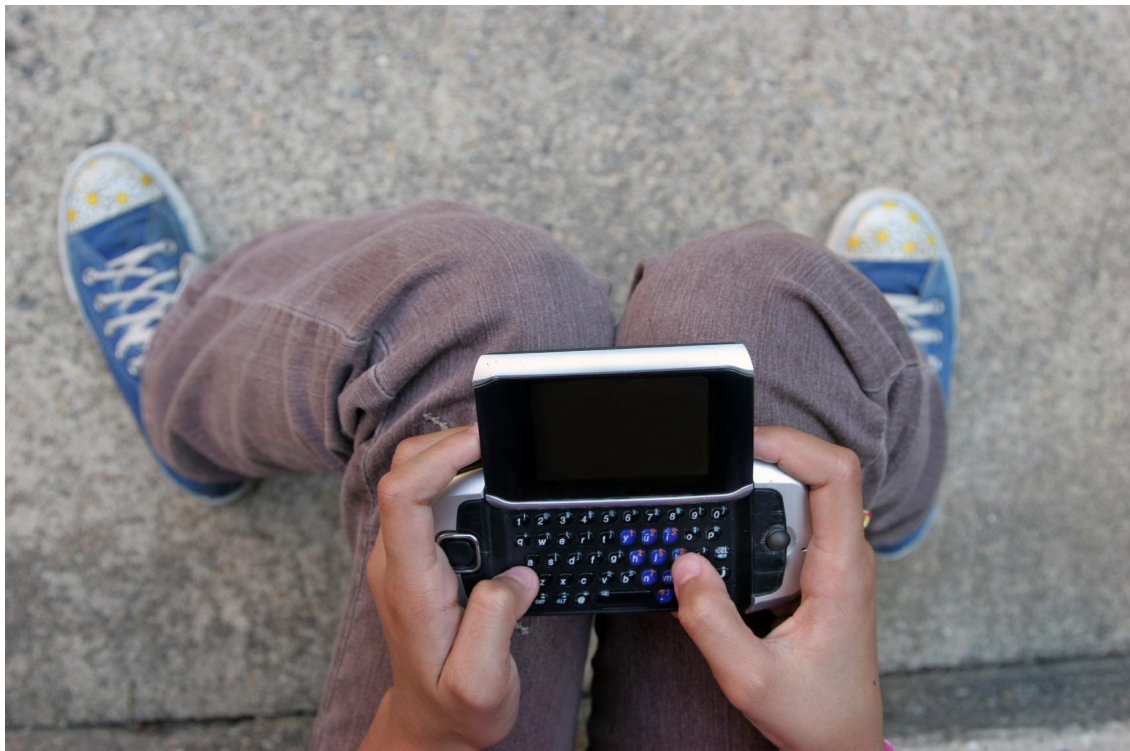


LPKF raises forecast for 2009

- Record levels of orders received and orders-in-hand in Q3 2009
- Turnover forecast for 2009 raised to at least €47 million



Laser technology for the future

Key Group figures

	9 months 2009	9 months 2008	Change (%)	Year 2008
Turnover (€ million)	34.7	31.6	+ 9.8	45.4
Net margin (%)	9.5	3.7		5.1
EBIT (€ million)	5.0	1.9	+ 161.5	3.1
EBIT margin (%)	14.3	6.0		6.8
Net income after minority interests (€ million)	3.2	0.9	+ 247.7	1.8
Working capital (€ million)	20.3	22.5	- 9.7	22.5
ROCE (%)	11.2	4.6		7.4
EPS (€)	0.29	0.08	+ 262.5	0.17
Cash and cash equivalents (€ million)	9.2	2.9	+ 218.1	6.0
Capital ratio (%)	68.6	68.7		68.1
Orders in hand (€ million)	19.8	8.0	+ 147.2	10.3
Orders received (€ million)	44.1	32.6	+ 35.5	48.1

Share price development in the first 9 months 2009



Source: www.ariva.de

Group Management Report

Sector-specific situation

Although the level of incoming orders reported by the mechanical engineering sector slumped dramatically by 43 % in August 2009, the German Mechanical and Plant Engineering Association (VDMA) thinks that the crisis has now bottomed out. The association is forecasting a decline in production of 20 % year-on-year for 2009. A slight growth in the production of machines is forecast for next year.

The global economic crisis meant that the LPKF Group also experienced a drop in turnover in some segments. However, the strong growth in the Cutting and Structuring Lasers segment means that business development overall has been extremely positive.

Development in turnover

Group turnover rose 9.8 % to € 34.7 million in the first nine months of 2009. Turnover in the third quarter 2009 was € 12.2 million. This growth is all attributable to the Cutting and Structuring Lasers segment. All other segments reported stagnating or declining turnovers. However, there was an upturn in business activity in the Rapid Prototyping and Joining Technologies segments in particular.

External Sales (T€)	9 months 2009	9 months 2008
Cutting and Structuring Lasers	16,990	11,464
Rapid Prototyping	9,121	11,263
Joining Technologies	3,789	4,051
Thin-film Technologies	3,436	3,358
Other segments	1,368	1,481
	34,704	31,617

Development in earnings

At € 2.2 million and an EBIT margin of 17.8 %, the quarterly earnings before interest and tax (EBIT) exceeded expectations, just as in the previous two quarters. In the first nine months of 2009, the LPKF Group reported an EBIT of € 5.0 million and an EBIT margin of 14.3 %, compared to € 1.9 million and 6.0 % respectively the previous year. The improvement in earnings was largely due to the positive development in turnover, an improved product mix, and cost savings.

Other operating income rose mainly due to a rise in capital gains (plus € 0.1 million).

The recruitment of new staff in the first half of 2008, plus a large amount of overtime and the increase in profit-related remunerations, were responsible for a rise in personnel costs of € 0.7 million or 5.6 %. Depreciation rose by € 0.2 million mainly due to an increase in scheduled depreciation on capitalized development costs.

The other operating expenses have hardly changed on balance: whilst development costs rose by € 0.3 million, many of the other cost items reported under other operating expenses were lowered.

Segment report

EBIT is divided into the following segments:

EBIT (T€)	9 months 2009	9 months 2008
Cutting and Structuring Lasers	4,258	1,005
Rapid Prototyping	1,275	1,601
Joining Technologies	164	90
Thin-film Technologies	-145	68
Other segments	157	173
Total segments	5,709	2,937
Not distributed income and expenses		
- Administration costs	-377	-390
- Other	-381	-654
EBIT acc. P&L-Statement	4,951	1,893

The assets have changed as follows:

Total assets (T€)	30.09. 2009	31.12. 2008
Cutting and Structuring Lasers	19,058	18,062
Rapid Prototyping	14,003	15,217
Joining Technologies	3,558	2,884
Thin-film Technologies	6,927	6,857
Other segments	894	1,022
Total segments	44,440	44,042
Not distributed assets		
- Tax accrual	286	498
- Cash and cash equivalents	9,598	6,005
- Other	1,604	1,206
Total assets	55,928	51,751

Asset situation

The fixed assets have risen by around € 0.5 million as a result of additions to the capitalized development activities. This reflects the intense development work carried out by the Group, particularly on MID structuring lasers. Despite the very high level of orders in hand, inventories are only slightly higher than at the end of the previous year. Trade accounts receivables and other assets have been reduced by € 0.2 million. Short-term liabilities have risen by € 1.7 million mainly due to a rise in trade accounts payable and higher tax provisions associated with the earnings situation. Liquid assets rose by € 3.6 million to € 9.6 million.

Financial situation

Liabilities due to banks have been reduced by € 0.8 million since the beginning of the year against the background of higher tax provisions and trade accounts payable.

The capital ratio of 68.6 % remains higher than the sector average and highlights the robust financial structure of LPKF Laser & Electronics AG.

A cash inflow of € 7.5 million (previous year: € 2.0 million) was generated by ongoing operating activities. In addition to positive consolidated earnings, this also primarily reflects the rise in trade accounts payable. € 2.7 million (previous year: € 2.4 million) were expended on balance for investments. The main focus of investment was development activities. Against the background of a cash outflow from financial activities totalling € 1.4 million (previous year: inflow of € 0.2 million) the level of cash and cash equivalents rose during the course of the year by € 3.2 million.

Investments

Investments in product development were even higher in the first nine months of 2009 than in the previous year. Other investments were reduced to a lower level in the light of the difficult economic environment. The level of investment overall at € 2.9 million is similar to last year's level.

Employees

The following table shows the change in the number of employees in the first nine months of 2009:

Department	30.09.2009	31.12.2008
Production	75	73
Sales	79	72
Development	80	85
Service	59	53
Administration	78	86
	371	369

Opportunities and risks

There has been no substantial change in the opportunities and risks affecting the LPKF Group in the reporting period compared to the end of 2008 – the statements made in the 2008 annual report are therefore still valid. The comments in the overall outlook chapter in the annual report are therefore also still applicable. However, the situation at the moment suggests a stabilization of the global economy. No risks which could jeopardize the future of the company existed on 30 September 2009.

Business development per segment

Rapid Prototyping

Although the Rapid Prototyping segment has been particularly badly hit by the global recession, it enjoyed a rise in incoming orders in the third quarter. A complete renewal of the product range was announced for early 2010.

Cutting and Structuring Lasers

The Cutting and Structuring Lasers segment covers laser systems for stencil production, printed circuit board processing, and the production of molded interconnect devices (MIDs) manufactured using the patented LPKF-LDS process.

Whilst turnover with StencilLasers continues to lag behind the forecasts, the business with printed circuit board processing systems developed satisfactorily in the first nine months and contributed to the Group's positive earnings situation.

The growth in turnover overall though is primarily attributable to the booming business with the patented LDS technology. LPKF reported a large order exceeding € 6 million in September for cellphone antennae production systems. This was followed by additional orders from other antennae manufacturers. Further growth potential is also seen in broadening the use of LDS technology in other sectors. The segment currently boasts an unusually high level of orders in hand.

Joining Technologies

Whilst the first six months in the plastic welding segment were marked by the crisis affecting the automotive industry, business enjoyed an upswing in the third quarter. This was primarily due to a revival in the activities of automotive subcontractors on the one hand, and new orders from other branches such as medical technology on the other hand. Despite the difficult economic environment, the Joining Technologies segment generated positive earnings after nine months. The Board of Managing Directors rates this segment as one of the Group's growth divisions when the global economy recovers further.

Thin-film Technologies

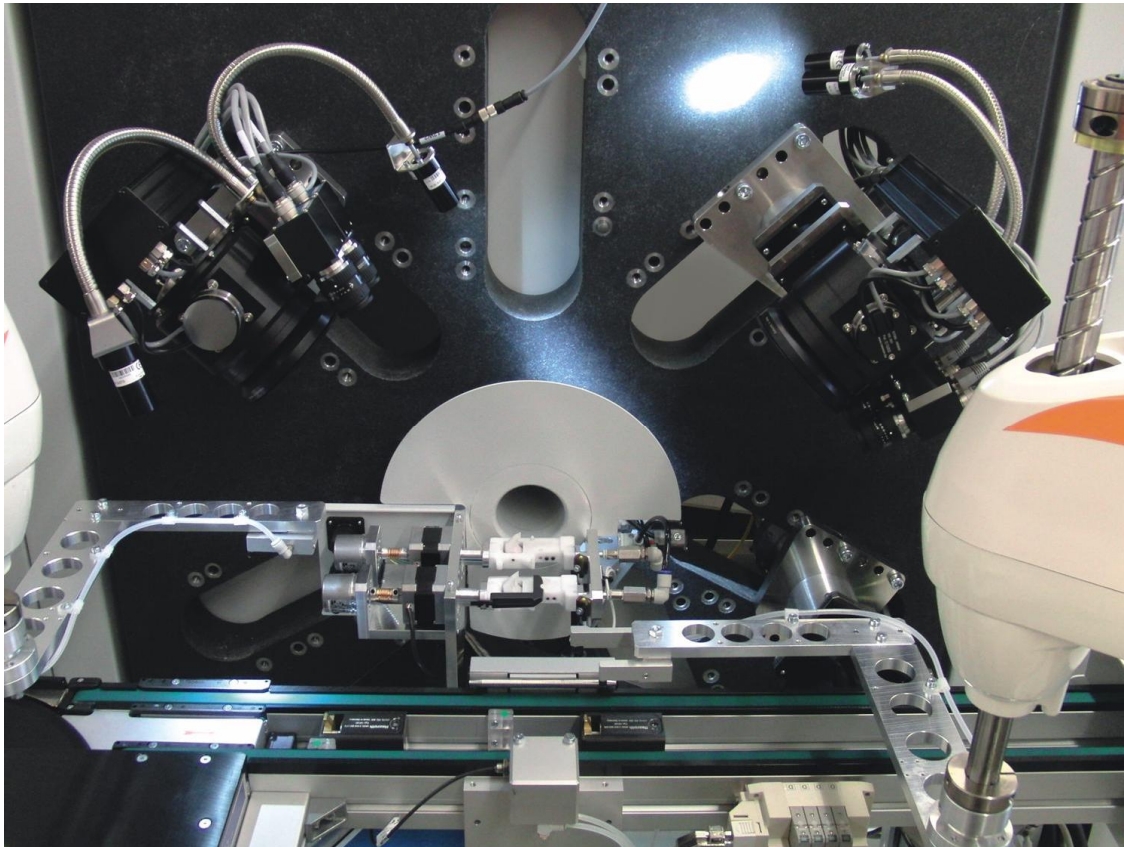
The business with laser structurers for thin-film solar panels is suffering from a decline in incoming orders as a result of the financial crisis. After dealing with the high level of orders in hand in the first six months, there has been a clear decline in turnover in the third quarter. The outlook is dependent on economic as well as politically-influenced factors, and is therefore difficult to estimate at the present time. A revival of activity is not expected until the first half of 2010 at the earliest. Nevertheless, the Board of Managing Directors still considers this segment to be one which will benefit from growth opportunities in the medium term when business activity in this sector recovers.

General outlook

The development of the LPKF Group's business activities in the first nine months was significantly influenced by the clear growth in turnover in the Cutting and Structuring Lasers segment. Because the business with systems for the production of MIDs exceeded expectations, as well as the strong level of incoming orders, the Board of Managing Directors has raised its target for the end of the year: the Board of Managing Directors is now expecting annual turnover to be at least € 47 million, combined with an EBIT margin in double figures.

For the year 2010 the Board of Managing Directors expects turnover to grow by a double figure percentage, and again expects to generate a double-figure EBIT margin. However, forecasting the development in 2010 is subject to the further development of the economy.

Interior of a growth driver: LPKF Fusion



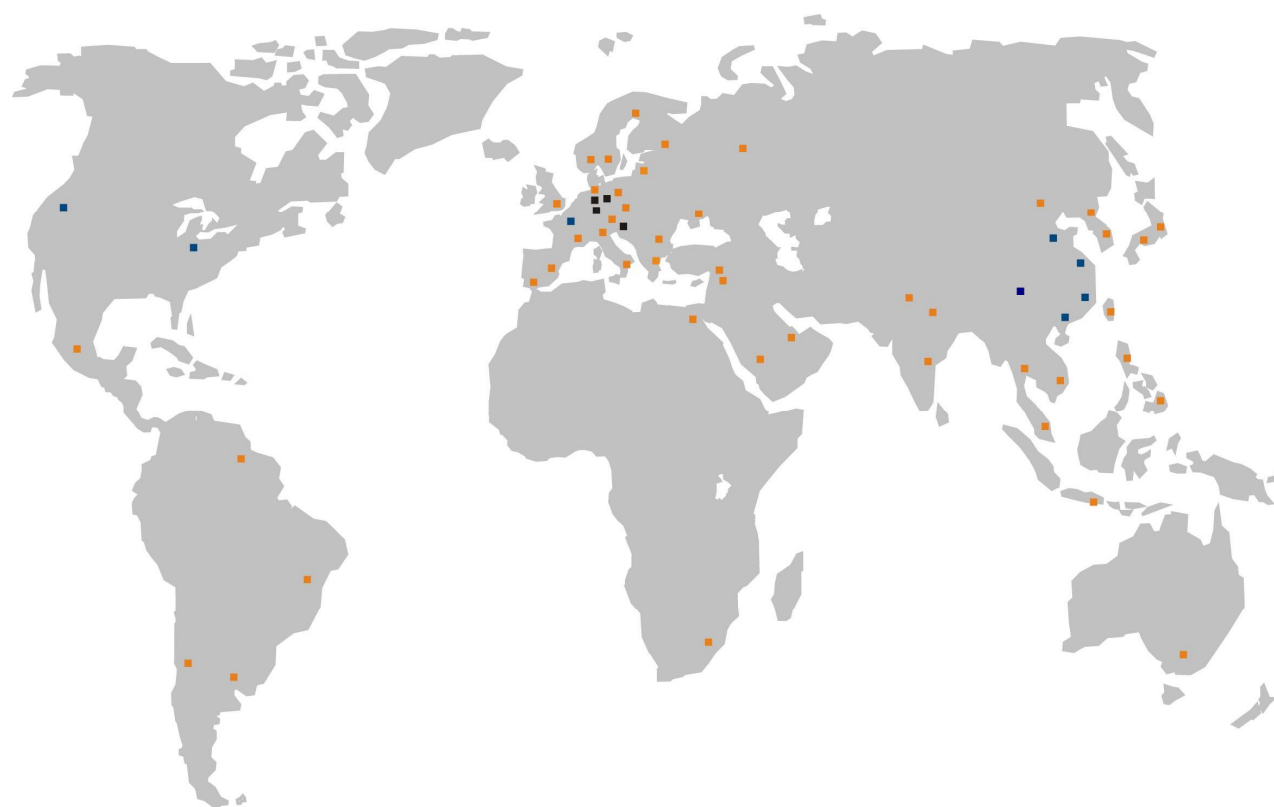
Four laser heads, seven positions – the innovative LPKF Fusion 3D reduces the production cycle for the structuring of 3D circuit carriers to a third.

Interim Group financial statements

Consolidated Group

In addition to the parent company LPKF Laser & Electronics AG, Garbsen, the following subsidiaries are also included in the consolidated financial statements:

Company Name	Domicile	Country	Holding	Acquired
LaserMicronics GmbH	Garbsen	Germany	100.0 %	1989
LPKF Laser & Elektronika d.o.o.	Naklo	Slovenia	75.0 %	1995
LPKF Distribution, Inc.	Tualatin	USA	85.0 %	1994/1999/2005
LPKF Motion & Control GmbH	Suhl	Germany	50.9 %	1991/1999
LPKF France S.A.R.L.	Créteil	France	100.0 %	1999/2007
LPKF (Tianjin) Co. Ltd.	Tianjin	PR China	86.0 %	2000
LPKF Laser & Electronics (ASIA) Ltd.	Hong Kong	PR China	100.0 %	2005
LPKF SolarQuipment GmbH	Suhl	Germany	83.7 %	2007



■ Production site

■ Branch

■ Representation

Consolidated balance sheet

Assets		
	30.09.2009 (T€)	31.12.2008 (T€)
NON-CURRENT ASSETS		
Intangible assets		
Software	643	606
Goodwill	74	74
Development costs	4,117	3,393
	4,834	4,073
Tangible assets		
Land and building	10,458	10,866
Technical equipment and machinery	1,481	1,451
Other equipment, factory and office equipment	1,042	1,145
Construction in process	373	220
	13,354	13,682
Financial assets		
Securities of the fixed assets	210	147
Other loans	22	0
	232	147
Assets subject to disposal restrictions	233	214
Accounts receivable and other assets		
Trade accounts receivable	0	35
Tax refund claims	329	329
Other assets	129	114
	458	478
Deferred taxes	418	498
	19,529	19,092
CURRENT ASSETS		
Inventories		
(System) components	8,033	7,474
Work-in-process	1,731	1,565
Finished goods and merchandise	5,433	5,859
Prepayments	207	137
	15,404	15,035
Accounts receivable and other assets		
Trade accounts receivable	9,901	10,129
Tax refund claims	277	946
Other assets	1,219	544
	11,397	11,619
Cash on hand, bank balances	9,598	6,005
	36,399	32,659
	55,928	51,751

Liabilities and shareholders' equity		
	30.09.2009 (T€)	31.12.2008 (T€)
SHAREHOLDERS' EQUITY		
Share capital	10,858	10,858
Additional paid-in capital	3,953	3,953
Other earnings reserves	7,000	7,000
Market value of securities	-40	-42
Reserves for share-based payments	444	394
Net income for the year	14,288	11,107
Foreign currency translation adjustments	-1,597	-1,344
Minority interests	3,434	3,322
	38,340	35,248
NON-CURRENT LIABILITIES		
Provisions for pensions	376	358
Medium and long-term liabilities due to banks	2,603	3,549
Deferred grants	362	341
Other medium and long-term liabilities	129	145
Deferred taxes	1,440	1,170
	4,910	5,563
CURRENT LIABILITIES		
Tax provisions	810	186
Other provisions	1,424	1,267
Short-term liabilities due to banks	3,260	3,093
Trade accounts payable	2,418	1,640
Other liabilities	4,766	4,754
	12,678	10,940
	55,928	51,751

Consolidated statement of income

	07-09/2009 (T€)	07-09/2008 (T€)	01-09/2009 (T€)	01-09/2008 (T€)
Sales	12,230	12,002	34,704	31,617
Changes in inventories of finished goods and work-in-process	468	136	-138	1,111
Other work capitalized	682	348	1,959	1,178
Other operating income	294	259	834	579
Costs of materials	3,981	3,818	9,795	10,982
Personnel expenses	4,113	4,216	12,799	12,115
Depreciation and amortization	717	658	2,068	1,835
Other operating expenses	2,680	2,632	7,746	7,660
Results from ordinary activities	2,183	1,421	4,951	1,893
Financial income	25	23	92	79
Financial expenditure	61	126	228	255
Result before income taxes	2,147	1,318	4,815	1,717
Income tax	700	399	1,527	534
Net income	1,447	919	3,288	1,183
Net income thereof				
Shareholders of parent company	1,547	923	3,181	915
Minority interests	-100	-4	107	268
Earnings per share				
Earnings per share - basic (in €)	0.14 €	0.08 €	0.29 €	0.08 €
Earnings per share - diluted (in €)	0.14 €	0.08 €	0.29 €	0.08 €
Weighted average shares outstanding (basic)	10,858,052	10,858,052	10,858,052	10,858,052
Weighted average shares outstanding (diluted)	10,858,052	10,858,052	10,858,052	10,858,052
Consolidated statement of comprehensive income	(T€)	(T€)	(T€)	(T€)
Profit after tax	1,447	919	3,288	1,183
Available-for-sale financial assets	3	-16	3	-28
Expenditure for granted option rights	17	30	50	90
Exchange differences	-169	533	-248	367
Total comprehensive income	1,298	1,466	3,093	1,612
Net income thereof				
Shareholders of parent company	1,418	1,292	2,981	1,135
Minority interests	-120	174	112	477

Statement of the changes in shareholders' equity

	Share capital (T€)	Additional paid-in- capital (T€)	Other earnings reserves (T€)	Market value of securities (T€)	Reserves for share- based payments (T€)	Net income for the year (T€)	Foreign currency translation (T€)	Minority interests (T€)	Total (T€)
Per 01.01.2009	10,858	3,953	7,000	-42	394	11,107	-1,344	3,322	35,248
Reductions from measurement of cash flow hedge									
Additions from measurement of cash flow hedge				2					2
Allocation to reserves									
Dividend payment to shareholders									
Net result						3,181		107	3,288
Expenditure for granted option rights					50				50
Settlement of difference from acquisition of minority shares									
Foreign currency translation adjustments							-253	5	-248
Per 30.09.2009	10,858	3,953	7,000	-40	444	14,288	-1,597	3,434	38,340
Per 01.01.2008	10,858	3,953	7,000	-7	274	10,599	-1,289	2,552	33,940
Reductions from measurement of cash flow hedge									
Additions from measurement of cash flow hedge				-28					-28
Allocation to reserves									
Dividend payment to shareholders						-1,303			-1,303
Net result						915		268	1,183
Expenditure for granted option rights					90				90
Settlement of difference from acquisition of minority shares									
Foreign currency translation adjustments							158	209	367
Per 30.09.2008	10,858	3,953	7,000	-35	364	10,211	-1,131	3,029	34,249

Consolidated cash flow statement according to IAS 7

	9 months 2009 (T€)	9 months 2008 (T€)
OPERATING ACTIVITIES		
Net income for the year	3,288	1,183
Income tax	1,527	534
Interest charges	228	255
Interest income	-92	-79
Depreciation and amortization of fixed assets	2,068	1,835
Changes in provisions and accrued liabilities	-613	-584
Profit/loss from sale of assets, including reclassification into current assets	-21	217
Cashless currency differences in fixed assets	112	-130
Changes in inventories, accounts receivable and other assets	-349	2
Changes in liabilities and deferred income	816	205
Other non-payment income/expenses	511	-37
Payments from interest	92	78
Paid income tax	-115	-1,527
Net cash flow from operating income	7,452	1,952
INVESTING ACTIVITIES		
Fixed assets investments intangible assets	-1,720	-1,230
Fixed assets investments tangible assets	-1,059	-1,229
Fixed assets investments financial assets	-82	0
Payment from sale of financial assets	0	17
Receipts on sale of equipment	188	1
Cash flow from investing activities	-2,673	-2,441
FINANCING ACTIVITIES		
Dividends paid	0	-1,303
Dividends paid to minority shareholders	0	0
Interest paid	-228	-255
Repayments convertible bonds	0	-15
Change in long-term bank loans	500	2,924
Repayments long-term bank loans	-1,673	-1,180
Cash flow from financing activities	-1,401	171
CHANGES IN CASH AND CASH EQUIVALENTS		
Changes in cash and cash equivalents due to exchange rates	-179	98
Changes in cash and cash equivalents	3,378	-318
Cash and cash equivalents per 01.01.	5,989	3,108
Cash and cash equivalents per 30.09.	9,188	2,888
COMPOSITION CASH AND CASH EQUIVALENTS		
Cash	9,598	3,124
Short-term investments	0	344
Bank overdraft	-410	-580
Cash and cash equivalents per 30.09.	9,188	2,888

Details on the compilation of the quarterly financial report

The interim financial report per 30 September 2009 has been prepared in accordance with IFRS. It reflects the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). All past figures have been determined using the same principles.

The same accounting methods and evaluation methods were used in the interim accounts as in the last annual financial statements.

Estimates of amounts reported in earlier interim reporting periods of the current financial year, the last annual financial statements, and in previous financial years remain unchanged in this interim report.

During the reporting period, the expenditure for R&D was € 4.1 million (previous year € 3.8 million).

Since the last balance sheet date, there have been no changes to contingent liabilities and receivables.

No events of significance with substantial impacts on the asset, financial and earnings situation have taken place since the reporting date 30 September 2009.

This quarterly financial report has not been audited and has not been subject to an examining review.

Related parties transactions

A shareholder of the subsidiary LPKF Laser & Elektronika d.o.o. holds 100 % of the shares in Zeltra Naklo d.o.o.. Materials and equipment, merchandise and services totaling T€ 5 were purchased from this related company in the first 9 months of 2009.

50 % of the shares in PMV d.o.o. are held by a shareholder of the subsidiary LPKF Laser & Elektronika d.o.o., and 50 % by other related parties. In the first nine months of 2009, business relations with this company covered development and production services and license agreements totaling T€ 109 and services totaling T€ 16 were provided. The business relation has been terminated. For remaining receivables of T€ 22 a long term payment target with usual interest rates has been granted. No additional services were carried out by Group companies.

The managing director of LPKF Distribution, Inc. granted the company a long-term loan totaling TUS\$ 350 in the 2007 financial year to finance construction measures. The interest rates and the provision of security are at prevailing market rates.

On the reporting date, LPKF Laser & Electronics AG had liabilities due to members of the Supervisory Board totaling T€ 101.

With the exception of the aforementioned, there are no other significant claims or liabilities against LPKF Group companies with respect to paid remunerations or benefits granted to related parties.

Number of shares held by Board members

Managing Directors	30.09. 2009	31.12. 2008
Dr. Ingo Bretthauer	25,000	n.a.
Bernd Hackmann	n.a.	222,800
Bernd Lange	21,010	21,010
Kai Bentz	3,000	1,725
Supervisory Board		
Bernd Hildebrandt	871,746	871,746
Prof. Dr. Ing. Erich Barke	1,000	1,000

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Garbsen, November 10, 2009

LPKF Laser & Electronics AG

The Board of Managing Directors

Dr. Ingo Bretthauer

Bernd Lange

Kai Bentz

Calendar

11 November 2009

Internet Chat at 18:00 hrs on
www.lpkf.com/investor-relations

30 March 2010

Publication of Annual Report 2009
Balance sheet press conference
Internet Chat at 18:00 hrs on
www.lpkf.com/investor-relations

31 March 2010

Analysts meeting

12 May 2010

Publication of Q1 interim financial report
Internet Chat at 18:00 hrs on
www.lpkf.com/investor-relations

10 June 2010

Annual General Meeting
Hannover Congress Centrum

13 August 2010

Publication of Q2 interim financial report
Internet Chat at 18:00 hrs on
www.lpkf.com/investor-relations

09 November 2010

Publication of Q3 interim financial report
Internet Chat at 18:00 hrs on
www.lpkf.com/investor-relations

Imprint

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For further information on LPKF Laser & Electronics AG please visit our website at www.lpkf.com.

You can download this interim report and other financial information from our website under Investor Relations.

Languages

This interim report is also available in German.

