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**LPKF: Weak LDS business puts strain on performance in first half-year**

- Taken together, all other product groups are developing in line with expectations
- Development of new technologies is being pursued with great intensity

Tualatin, Ore. August 2015 – Garbsen-based laser specialist LPKF today announced that the persistent weakness of its LDS business put a strain on its performance in the first half of the year. At EUR 42.4 million, consolidated revenue for the first six months was down 7% from the previous year's level. Due to lower revenue figures, a shift in the product mix and a slight rise in costs, EBIT was negative in the first half-year, amounting to EUR -3.2 million. Incoming orders were down significantly from the prior-year period due mainly to weak order intake in the LDS business and a major solar contract posted in the previous year.

Revenue in the Electronics Development Equipment and Other Production Equipment segments developed favorably. Recording revenue growth of 5.1%, the business with rapid prototyping systems continued its positive trend of previous years. Together, the Solar and Welding Equipment product groups were able to boost revenue in the Other Production Equipment segment by 25%.

LPKF is working flat out on developing completely new technologies and expects these products to start contributing to revenue from 2016. Demand for LDS systems is also expected to pick up again in the medium term. LPKF believes that a key factor in this context will be entirely new antenna technologies such as MIMO (Multiple Input Multiple Output), which comprises multiple very fine antenna structures capable of transmitting greater amounts of data at considerably faster rates.

The Company's CEO, Dr. Ingo Bretthauer, therefore sees good reason to be optimistic about the future: "Our markets and our business model are intact. Our main growth driver, the miniaturization of electronic components, is in full swing and requires lasers with greater precision than ever before." Maintaining profitability and returning to our growth path are now the Management Board's most important objectives. Therefore, internally all signs are currently pointing towards saving, streamlining and focusing on core activities. Numerous initiatives are already underway that will lower costs in 2015 and reduce the break-even point to below EUR 100 million in revenue. According to the new guidance published in early July, LPKF aims to generate revenue of EUR 90 to 110 million in 2015.

Despite the current weakness of the LDS business, the Management Board anticipates profitable growth again in the coming years. The forecast for 2016 and subsequent years is being reviewed at present and will be published on November 11 together with the quarterly financial report. The full half yearly report is available in

German at [www.lpkf.de/investorrelations/news-publikationen/finanzberichte/index.htm](http://www.lpkf.de/investorrelations/news-publikationen/finanzberichte/index.htm)  
and in English at [www.lpkf.com/investor-relations/financial-reports/index.htm](http://www.lpkf.com/investor-relations/financial-reports/index.htm).

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### **About LPKF**

Established in 1976, LPKF Laser & Electronics manufactures milling machines and laser systems used in circuit board and microelectronics fabrication, medical technology, the automotive sector, and the production of solar cells. LPKF's worldwide headquarters is located in Hannover, Germany and its North American headquarters resides near Portland, Ore.