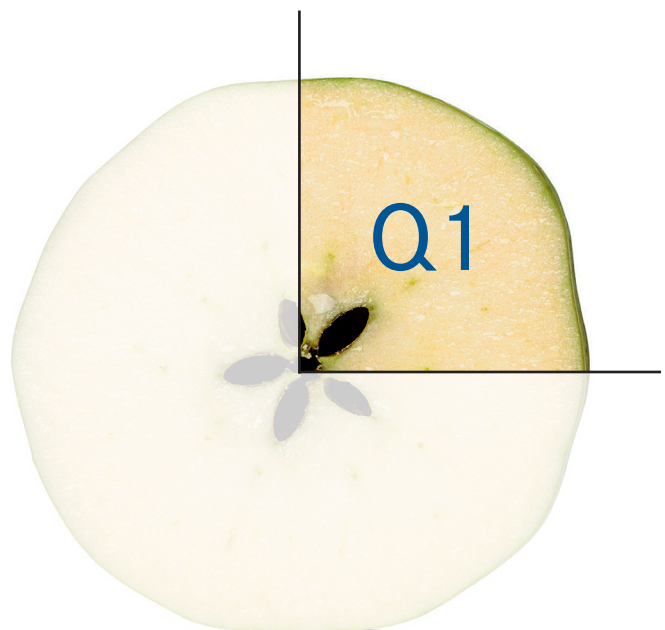


MANAGEMENT BOARD CONFIRMS
GUIDANCE FOR 2014

SUBDUED START TO THE 2014
FINANCIAL YEAR FOR LPKF IN TERMS
OF REVENUE AND EARNINGS

INCOMING ORDERS UP
51% YEAR-ON-YEAR



Quarterly financial report 1 January – 31 March 2014

Focus on core competence

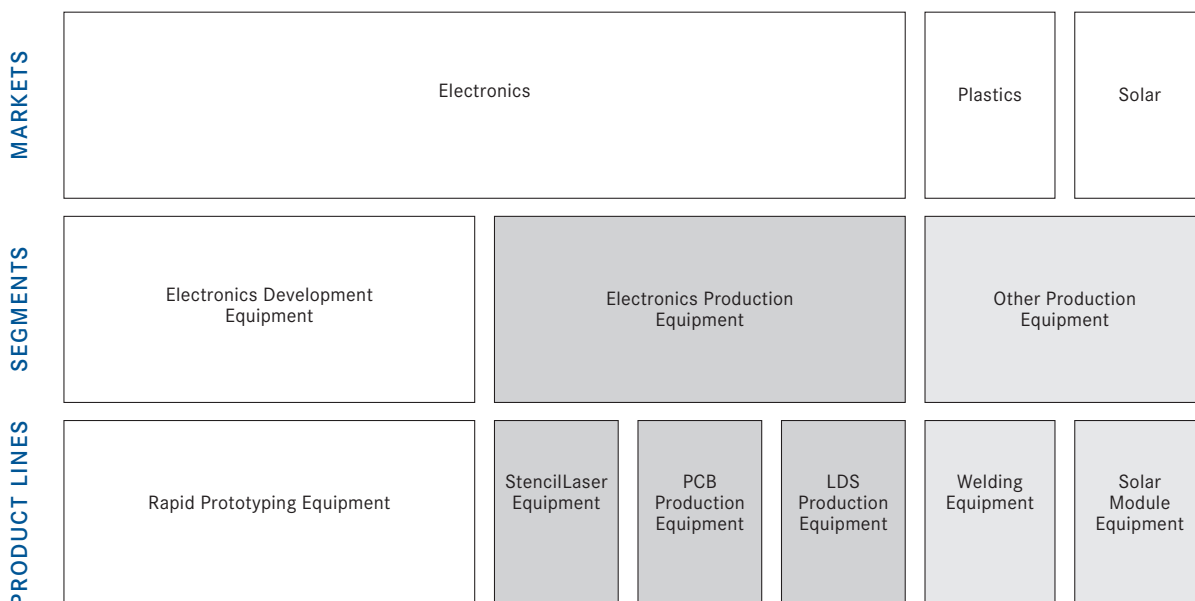
LPKF at a glance

Key Group figures

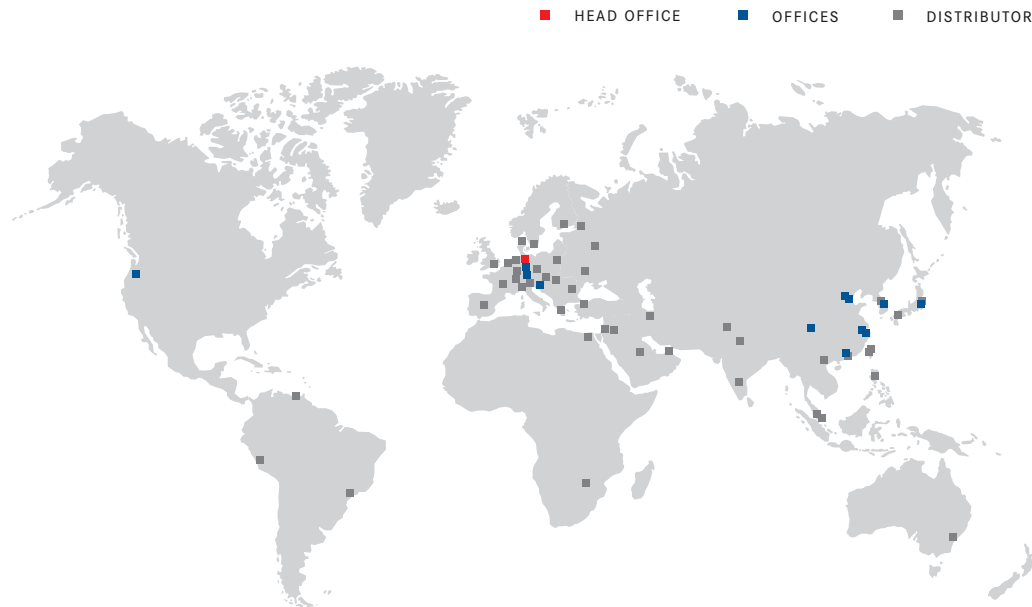
		3 months 2014	3 months 2013	Change %	Year 2013
Revenue	EUR million	21.6	33.0	-34.5	129.7
EBIT	EUR million	1.1	6.7	-83.9	23.2
EBIT margin	%	5.0	20.4		17.9
Free cash flow	EUR million	-8.0	6.6	-222.0	12.9
Net working capital	EUR million	40.0	42.5	-5.8	37.3
ROCE	%	1.2	8.2		26.4
EPS, diluted *	EUR	0.03	0.19	-84.2	0.68
Cash and cash equivalents	EUR million	6.4	11.0	-41.4	12.5
Equity ratio	%	57.3	57.7		56.6
Orders on hand	EUR million	33.3	26.0	28.3	17.7
Incoming orders	EUR million	37.2	24.6	50.9	113.1
Employees	Number	778	706		752

* The previous year's figure was adjusted retrospectively due to the capital increase from Company funds.

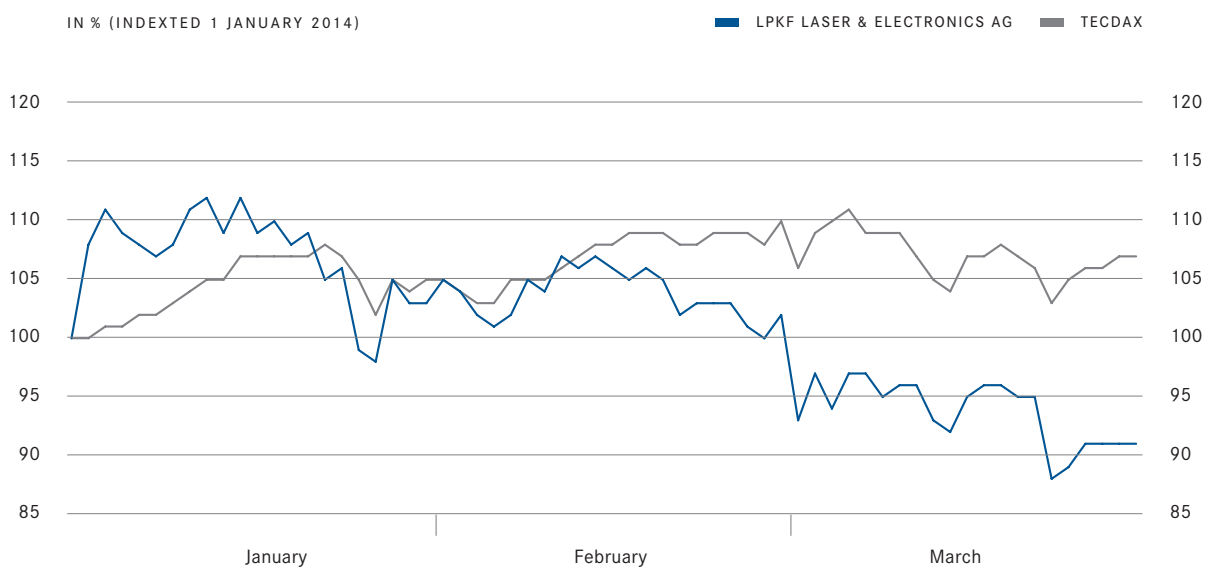
Segment structure



LPKF-sites worldwide



Performance of the LPKF share in the reporting period (1 January – 31 March 2014)



Short portrait

Precision with lasers

LPKF Laser & Electronics AG designs and engineers **machinery for micro material processing**. At the heart of such equipment lies **a tool, the laser beam**, which offers **high-precision** surface machining. The ongoing trend for miniaturization is paving the way for the use of laser technology in the industrial production of especially small or delicate parts.

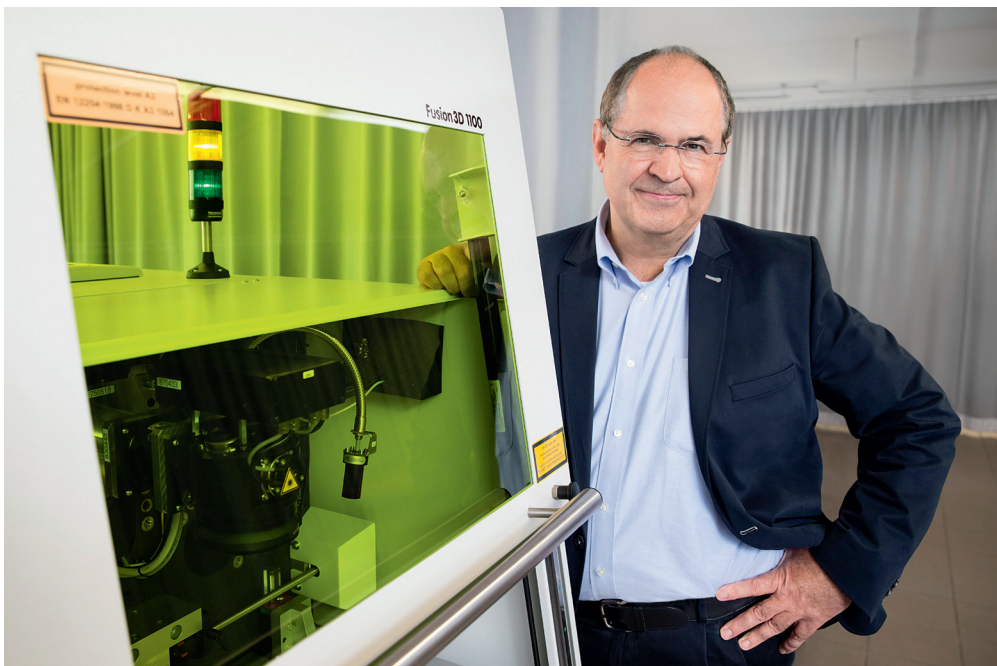
LPKF's laser systems are used **in various sectors**: in the **electronics and automotive industry**, in polymer technology applications, and for the **manufacture of solar panels**. Machines made by LPKF not only design, process and cut out **PCBs** but can even replace them entirely by **employing laser direct structuring (LDS)** techniques. In many areas, laser technology is replacing conventional methods of production.

The Group's success stems from its **expertise and experience** in the fields of laser technology and drive/control systems, supplemented by **in-house software development work**. A process of **continuous improvement** and the discovery of new application scenarios have made LPKF into what it is today: a highly **profitable mechanical engineering business** and a world-class **laser specialist**.

LPKF is **headquartered in Garbsen near Hanover, Germany**. The company maintains a broad-based **global presence**, with a **workforce of 778** based at sites in Europe, Asia and the US.

Preface

Chairman 's statement



DR. INGO BRETTHAUER
(CEO)

LADIES AND GENTLEMEN,

As was foreseeable at the end of 2013, the LPKF Group has made a subdued start to the 2014 financial year. First-quarter revenue was EUR 21.6 million, thus falling 35% short of revenue generated in the unusually strong first quarter of 2013. If we look at sales trends over a longer period, however, the first quarter of 2014 actually returned the second-highest first-quarter revenue in the Company's history. Earnings before interest and taxes (EBIT) are EUR 1.1 million (previous year: EUR 6.7 million), a weak performance that was expected given the low revenue volume.

In contrast, incoming orders totaled EUR 37.2 million – an outstanding result that was 51% higher than the figure for the prior-year period. In light of the strong performance shown by incoming orders, LPKF hereby confirms its guidance for 2014: We plan to achieve revenue of EUR 132-140 million and an EBIT margin of 15-17% – even if the weak first quarter means that achieving these targets is now a more ambitious proposition than before.

Particularly worthy of mention is the fact that the largest first-quarter order was actually placed within the solar energy market, which remains difficult. This once again shows that even difficult markets offer chances to companies who take a systematic approach to technological development. In light of the above, we are confident that we will be able to more than compensate for the Other Production Equipment segment's negative first-quarter result during the course of the year. This assumption is further strengthened by the many new projects in Welding Equipment.

The 2013 financial year was characterized above all by the excellent performance of business with Laser Direct Structuring (LDS) systems. Following significant expansion of LDS capacities by major clients – especially those based in South Korea – from late 2012 until well into 2013, a quietening of this segment was foreseeable for 2014. Figures for January and February confirmed this forecast, with demand for LDS systems only gathering pace again in March. Further development of demand in the Electronics Production Equipment segment will decisively influence overall financial performance for 2014.

In this context, the next steps in our ongoing negotiations of the LDS patent are sure to be of interest. In China, the Supreme People's Court (roughly equivalent to Germany's Federal Court of Justice) has now agreed to review the petition we submitted to reopen the patent proceedings. As many obstacles have to be overcome to achieve such a review, we are therefore very pleased that we can now continue to contest the retention of our LDS patents – also on our customers' behalf. A second piece of litigation involving a US cellphone maker, heard before the Mannheim Regional Court, has now concluded. The judge's decision is expected on 8 July.

Moving on from our solar business, we also have positive developments to report in our oldest segment, Electronics Development Equipment. In the first quarter, we were able to increase segment revenue by 29% to EUR 6.3 million. In addition, the EBIT margin also improved markedly to 21.8%. Order intake is also strong, suggesting performance will be similar in the coming months. Our strategy of expanding the laser systems offered by this segment's portfolio has thus proven its merits and will continue to be pursued.

On 1 April 2014, we opened the office of our newest subsidiary in South Korea. Directly following our inaugural festivities, we visited Seoul to exhibit for the first time with our own booth at SMT/PCB & Nepcon Korea, the most important electronics fair for our business. Feedback was excellent, from both prospective and existing customers. We believe South Korea still offers major potential for growth.

Yours sincerely,



Dr. Ingo Bretthauer
CEO

Interim management report as of 31 March 2014

I. Fundamental information about the group

1.1 GROUP STRUCTURE AND BUSINESS MODEL

The LPKF Group develops and produces material processing systems. The mechanical engineering company has become one of the world's leading laser technology providers on the strength of its technical leadership in a number of areas of laser micromaterials processing. The LPKF Group has specialist know-how in the fields of laser technology, optics, precision drive systems, control technology and software as well as materials engineering. LPKF's laser systems are used primarily in the electronics industry, in polymer technology applications and for the manufacture of solar panels. In many sectors, the innovative processes developed by LPKF replace established conventional techniques. The Group generates 87% of its revenue abroad. LPKF Laser & Electronics AG (LPKF AG) is listed in the TecDax segment of the German Stock Exchange. The Group had 778 employees worldwide on the reporting date.

In the reporting quarter, the Group's structure and business remained as described in the 2013 combined management report. The basis of consolidation is presented in the Notes to this interim report.

1.2 CORPORATE GOALS AND STRATEGY

The Group's fundamental, overarching corporate goal is to increase the value of the Company in the long term. The Group's technical edge must continually be sharpened to achieve this goal. Promoting and expanding LPKF's own research and development activities is therefore a top priority.

In the reporting period, corporate strategy and management remained as described in the 2013 combined management report.

1.3 RESEARCH AND DEVELOPMENT

Continuous investment in near-to-market developments are of crucial importance to a technology-oriented Group such as LPKF. The course pursued by R&D is described in the 2013 Annual Report; no changes were made to this course in the first three months of the current year. R&D expenses in the reporting period amounted to EUR 2.8 million (previous year: EUR 2.6 million).

II. Report on economic position

2.1 OVERVIEW OF THE COMPANY'S DEVELOPMENT

2.1.1 General economic environment

In its latest World Economic Outlook (WEO) report, the International Monetary Fund (IMF) predicted that global economic output would grow by 3.6% in 2014, rising to 3.9% in 2015. Last year, the figure for growth was a mere 3.0%. The IMF is particularly bullish in its forecasts of performance for most of the advanced economies. Solid growth is also expected in the emerging economies, and in China and India in particular. Global economic growth will continue to be driven by these emerging economies, aided to an extent by the developing economies, with China, India and the sub-Saharan countries leading the upswing. Within the advanced economies, the US will provide the bulk of economic momentum, with growth predicted to rise to 2.8% from the 1.9% posted last year.

Turning to the euro zone, a moderate growth in economic output is expected for this region this year and next year. According to figures from the Organization for Economic Co-Operation and Development (OECD), the currency union's GDP is set to grow by 1.0% in 2014, rising to 1.6% in 2015. Economic performance will be driven by investment, with companies now making replacement investments postponed during the crisis years.

Official government figures also predict a year of growth for Germany, where GDP is anticipated to increase by 1.8% in 2014 and 2.0% next year.

2.1.2 Sector-specific environment

Following last year's somewhat surprising slight downturn in the German mechanical engineering sector, which posted revenue totaling EUR 206 billion, the German Engineering Federation (VDMA) expects to see revenue rising by around 3% for the current year. VDMA figures show production rose by nearly 6% in January alone. Confirmation of an actual upturn is still outstanding, however, as incoming orders in January and February were only slightly above average, growing by 1%.

2.1.3 Effects on the LPKF Group

The situation in the economy as a whole and most of the industries relevant to LPKF improved marginally in the past 12 months and again saw moderate growth. LPKF's business is expected to share in the fruits of positive economic development. In contrast, business development was markedly subdued in some segments of the electronics industry.

The Group benefited from trends such as mobile communication with smartphones, the struggle toward optimal efficiency in solar cells – fueled by fiercer competition – and lightweight construction in the automotive industry. The persistence of such trends ensured a healthy order intake at the beginning of the second quarter of 2014 as well.

2.2 RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS OF THE GROUP

2.2.1 Results of operations

In general, order figures were highly positive for the first three months of the current year. The acquisition of a repeat order for solar scribes in the Other Production Equipment segment meant the Group was able to record incoming orders that exceeded the previous year's figure by 51%. In contrast, the Electronics Production Equipment had to accept a slight downturn in incoming orders. Overall, orders on hand increased by 28% to EUR 33.3 million.

Consolidated revenue was unable to match last year's figure (EUR 33.0 million), falling 35% to EUR 21.6 million. Although the high level of LDS system sales led to record-breaking revenue last year, this had no effect on the current quarter's figures, as

expected. The absence of first-quarter solar scribe shipments was also in line with expectations. Neither of these material factors could be compensated for by growth in the Electronics Development Equipment segment.

Weak sales performance generated an EBIT of EUR 1.1 million (previous year: EUR 6.7 million), with the EBIT margin shrinking to 5.0% (previous year: 20.4%).

First-quarter results of operations for the Group present a varied picture. While a reduction in items contingent on revenue pushed down key figures for costs of materials and other operating expenses, depreciation and amortization rose compared to the previous year. Staff costs remained more or less stable. The combined effect of these developments was a lower EBIT margin.

On the income side, positive trends were experienced by changes in inventories, own work capitalized and other operating income. Production costs for prototypes and application systems of EUR 0.1 million and capitalized development costs of EUR 1.1 million are shown in own work capitalized. Other operating income was up slightly from the previous year, due mainly to development grants.

The material cost ratio relative to revenue and changes in inventories remained stable compared to the figure for the full 2013 financial year (26.9% vs. 26.7%). The ratio for 2013 was impacted by impairment of inventories, however. Equally, the ratio for the current year has been depressed by an altered portfolio makeup resulting from fewer sales of LDS systems.

The number of persons employed rose in the first quarter by 26 to 778 on the reporting date; this was accompanied by a slight increase in staff costs. The lower volume of revenue resulted in the staff cost ratio rising year-on-year from 30.3% to 48.4%.

Due mainly to large investments in buildings and machinery as well as in software and development, depreciation and amortization rose from EUR 1.6 million the previous year to EUR 2.0 million this year.

Other operating costs fell by EUR 1.5 million to EUR 6.0 million year-on-year. The downturn in revenue caused advertising and sales expenditure to fall by a total of EUR 1.3 million as a result of lower license costs and sales commission. Equally, a smaller volume of third-party work was required for low-level production and development work, reducing expenditure here by a total of EUR 0.3 million.

2.2.2 Cash flows

The Group's cash and cash equivalents decreased in the first quarter from EUR 12.5 million to EUR 6.4 million. Low quarterly earnings, paired with an increase in inventories and a decrease in provisions were the key factors producing a cash outflow from operating activities in the amount of EUR 4.1 million. A cash outflow of EUR 3.9 million was also caused by investment activities. Taking into account a cash inflow of EUR 1.9 million from financing activities, this resulted in an overall cash outflow of EUR 6.1 million (previous year: cash inflow of EUR 8.5 million).

The Group's financial position remains stable. Alongside its own funds, extensive undrawn lines of credit are available for meeting funding requirements.

2.2.3 Financial position

Analysis of net assets and capital structure

A high equity ratio of 57.3% (previous year: 57.7%) continues to reflect the Company's very stable asset position.

The increase in non-current assets during the reporting year is primarily the result of investments made at the Company's Garbsen site and the capitalization of development costs.

Current assets increased due to the build-up of inventories in preparation for the manufacturing and delivery of systems in the following months. In contrast, cash and cash equivalents decreased by EUR 6.1 million in the first quarter.

An increase in net working capital to EUR 40.0 million on the reporting date was largely the result of the build-up in inventories. At 33.8%, the figure for net working capital ratio remained almost unchanged from the previous year (33.3%). This is due to the fact that the key figure is calculated using revenue for the 12 months before the reporting date in each case and that revenue in the financial year ended was higher than in the prior-year period.

Positive earnings produced an increase in equity. Liabilities to banks increased by EUR 2.0 million due to the utilization of short-term loans. The current provisions item reflects a reduction in the amount of EUR 2.5 million in current provisions for taxes and bonuses. With trade liabilities also declining, the figure for overall liabilities decreased slightly by EUR 1.2 million.

With these exceptions, there has been no substantial change in the balance sheet structure.

Capital expenditures

In the first quarter of 2014, capital expenditures for intangible assets and property, plant and equipment rose by EUR 1.0 million year-on-year to EUR 3.9 million. Intangible assets contain capitalized development costs in the amount of EUR 1.1 million. For property, plant and equipment, investment was split between the construction of the new office building in Garbsen (now almost complete) and extension work at our Fürth site. Both capital expenditure projects are intended to support further growth for the Group.

2.2.4 Segment performance

The following table provides an overview of the operating segments' performance:

EUR THSD.		Electronics	Electronics	Other	Other	Total
		Production	Development	Production		
		Equipment	Equipment	Equipment		
External revenue	3 months 2014	11,561	6,301	3,625	107	21,594
	3 months 2013	18,668	4,871	9,350	96	32,985
Operating profit	3 months 2014	2,267	1,376	-2,314	-245	1,084
(EBIT)	3 months 2013	5,225	652	1,270	-434	6,713

The production services, which previously were shown under the "Other" segment, have been allocated to the other operating segments. The previous year's figures were adjusted accordingly.

The decline in revenue for the Electronics Production Equipment segment resulted in a much lower figure for EBIT. Primarily due to modules being scheduled for delivery only in subsequent quarters, revenue in Other Production Equipment declined significantly to produce a negative EBIT.

Revenue and earnings performance was highly satisfactory for the Electronics Development Equipment segment, however, which achieved one of its highest quarterly sales figures ever and a significantly improved margin year-on-year.

2.3 EMPLOYEES

Motivated, highly-qualified staff that identifies with LPKF is the key to success – especially for a technology company like LPKF. Low levels of sick leave and employee turnover are important indicators of LPKF's success in achieving this goal. At 3.4%, the sick leave percentage in the LPKF Group in the first three months was below the average for the metal working and electronics industry (2012: 4.6%). The employee turnover rate in the Group was 1.3%.

The following table shows the development in employee numbers in the first three months of 2014:

Area	31 March 2014	31 Dec. 2013
Production	187	186
Development	171	165
Administration	167	157
Sales	140	138
Services	113	106
	778	752

2.4 OVERALL APPRAISAL OF THE GROUP'S ECONOMIC SITUATION

Despite a relatively quiet start to the current financial year, the Group's economic situation in the first quarter can once again be considered extremely robust. Building on that, LPKF will continue to post excellent earnings and achieve a high return on the capital employed.

III. Opportunities and risks

3.1 REPORT ON OPPORTUNITIES AND RISKS

In the combined management report for 2013, the opportunities and risks of the LPKF Group are presented and explained in detail in separate reports.

3.2 ASSESSMENT BY THE MANAGEMENT BOARD OF THE RISK SITUATION AFFECTING THE GROUP

Both the risks for the global economy and the risks from the sovereign debt crisis have decreased somewhat compared to the previous year. Many analysts expect the global economy to recover slightly in 2014.

The solar industry orders received in the reporting period, with a total volume of over EUR 15 million, have led to a significant improvement of the Solar Module Equipment product group's situation for the current financial year. Yet the situation in the solar energy market remains uncertain. Despite several positive signals, the solar sector as a whole is still a market in crisis.

In China, LPKF has petitioned to reopen patent proceedings. The Supreme People's Court accepted this petition for review during the reporting period. This means that the struggle to defend the LDS patent in China continues. The duration and outcome of this dispute cannot be predicted at this time. A second piece of litigation involving a US cellphone maker, heard before the Mannheim Regional Court, has now concluded. The judge's decision is expected on 8 July.

There is also currently no foreseeable development which could significantly and sustainably harm the profit or loss, cash flows and financial position of the LPKF Group in the future. There is, however, a continued possibility that the effects of a flare-up of the sovereign debt crisis on the economy could negatively impact the further development of the Group.

In all other respects, however, there were no fundamental changes in the risks and opportunities of the LPKF Group in the reporting period compared to 2013 such that the disclosures in the 2013 annual report still apply. There were no going-concern risks as of 31 March 2014.

IV. Anticipated developments

4.1 OVERALL APPRAISAL OF THE GROUP'S PROBABLE PERFORMANCE

4.1.1 Economic environment

Despite broad-based recovery, the IMF continues to warn of risks affecting a global economic up-swing. Negative factors include weak domestic demand experienced by European countries still in crisis, a risk of deflation within the euro zone, possible capital flight from the emerging economies and new geopolitical risks (Ukraine). Despite the above, the underlying mood seems generally positive. In April, the Ifo business climate index rose once again, and the outlook for the next six months brightened significantly.

4.1.2 Group performance

Forecasts by economic research institutes have improved not only for the global economy, but also in particular for LPKF's target sales markets. The risks of a negative impact on business by economic weakness in end markets are reduced accordingly. The beginning of the current financial year was rather muted for LPKF.

In 2014, LPKF will make technologies already introduced, such as the LDS process and laser depaneling, even more attractive and make a significant contribution to improving the efficiency of thin-film solar panels. New products will help expand the areas of application for LDS and the prototyping of MIDs. In addition, current development results will lead to completely new applications for laser technology, which in turn will further broaden the foundation for business in future years.

4.1.3 Significant indicators

At EUR 37.2 million, LPKF's volume of incoming orders in the first quarters rose by 51% year-on-year. Even if reaching the targets for the year has become a more challenging proposition due to the weak first quarter, the Management Board confirms its guidance for the full year and expects the LPKF Group to generate revenue of EUR 132 million to EUR 140 million for 2014, assuming stable performance by the global economy. The EBIT margin is expected to be between 15% and 17% in 2014.

The net working capital ratio is expected to fall below 35%, which corresponds to net working capital of less than EUR 50 million for the forecast period. This would represent a moderate year-on-year increase.

Given a stable economic environment in both 2015 and 2016, the Management Board continues to expect revenue to grow by an average of approximately 10% per year and the EBIT margin to come in between 15% and 17%.

Consolidated financial statements

Consolidated statement of financial position

Assets

EUR THSD. _____ 31 March 2014 _____ 31 Dec. 2013

Non-current assets

Intangible assets _____		
Software _____	2,693	3,084
Goodwill _____	74	74
Development costs _____	4,921	4,435
	7,688	7,593

Property, plant, and equipment _____		
Land, similar rights and buildings _____	32,182	32,428
Plant and machinery _____	3,028	3,138
Other equipment, operating and office equipment _____	4,945	4,822
Advances paid and construction in progress _____	4,362	2,379
	44,517	42,767

Restricted securities _____	275	269
-----------------------------	-----	-----

Receivables and other assets _____		
Trade receivables _____	38	95
Income tax receivables _____	143	134
Other assets _____	214	162
	395	391

Deferred taxes _____	2,285	2,148
	55,160	53,168

Current assets

Inventories _____		
(System) parts _____	17,849	17,527
Work in progress _____	4,060	3,604
Finished products and goods _____	11,922	9,881
Advances paid _____	294	196
	34,125	31,208

Receivables and other assets _____		
Trade receivables _____	12,828	12,884
Income tax receivables _____	1,124	937
Other assets _____	2,657	2,425
	16,609	16,246

Cash and cash equivalents _____	6,479	12,569
	57,213	60,023
	112,373	113,191

Consolidated statement of financial position

Equity and liabilities

EUR THSD. _____ **31 March 2014** _____ **31 Dec. 2013**

Equity

Subscribed capital _____	22,270	22,270
Capital reserves _____	1,489	1,489
Other retained earnings _____	11,115	11,115
Reserve for cash flow hedges _____	-43	-55
Revaluation surplus _____	8	4
Share-based payment reserve _____	490	490
Currency translation reserve _____	-1,133	-826
Net retained profits _____	30,243	29,579
	64,439	64,066

Non-current liabilities

Provisions for pensions and similar obligations _____	176	176
Other provisions _____	54	40
Non-current liabilities to banks _____	16,947	17,882
Deferred income from grants _____	704	716
Deferred taxes _____	1,648	1,342
	19,529	20,156

Current liabilities

Tax provisions _____	1,927	2,809
Other provisions _____	4,272	5,934
Current liabilities to banks _____	8,893	5,934
Trade payables _____	3,523	4,357
Other liabilities _____	9,790	9,935
	28,405	28,969
	112,373	113,191

Consolidated income statement

EUR THSD.	01-03/2014	01-03/2013
Revenue	21,594	32,985
Changes in inventories of finished goods and work in progress	2,526	2,495
Other own work capitalized	1,179	848
Other operating income	702	624
Cost of materials	6,487	11,114
Staff costs	10,445	9,991
Depreciation and amortization	2,006	1,629
Other operating expenses	5,979	7,505
Operating result	1,084	6,713
Finance income	7	10
Finance costs	153	179
Earnings before tax	938	6,544
Income taxes	274	2,196
Consolidated net profit	664	4,348
Of which attributable to		
Shareholders of the parent company	664	4,168
Non-controlling interests	0	180
Earnings per share*		
Earnings per share (basic) (EUR)	0.03	0.19
Earnings per share (diluted) (EUR)	0.03	0.19
Weighted average number of shares outstanding (basic)	22,269,588	22,269,588
Weighted average number of shares outstanding (diluted)	22,269,588	22,269,588

* The previous year's figure (2012) was adjusted.

Consolidated statement of comprehensive income

EUR THSD. _____ 01-03/2014 _____ 01-03/2013

Consolidated net profit	664	4,348
Revaluations (mainly actuarial gains and losses)	0	0
Deferred taxes	0	0
Sum total of changes which will not be reclassified to the income statement in the future	0	0
Gains and losses on remeasuring available-for-sale financial assets	6	-3
Fair value changes from cash flow hedges	17	31
Currency translation differences	-307	337
Deferred taxes	-7	-8
Sum total of changes which will be reclassified to the income statement in the future if certain conditions are met	-291	357
Other comprehensive income after taxes	-291	357
Total comprehensive income	373	4,705
Of which attributable to		
Shareholders of the parent company	373	4,525
Non-controlling interests	0	180

Consolidated statement of changes in equity

EUR THSD.	Subscribed capital	Capital reserves	Other retained earnings	Reserve for cash flow hedges	Revaluation surplus
Balance on 01 Jan. 2014	22,270	1,489	11,115	-55	4
Consolidated total comprehensive income					
Consolidated net profit	0	0	0	0	0
Change from measurement of cash flow hedge	0	0	0	17	0
Change from market valuation of securities	0	0	0	0	6
Deferred taxes on changes recognized directly in equity	0	0	0	-5	-2
Currency translation differences	0	0	0	0	0
Consolidated total comprehensive income	0	0	0	12	4
Balance on 31 March 2014	22,270	1,489	11,115	-43	8

EUR THSD.	Subscribed capital	Capital reserves	Other retained earnings	Reserve for cash flow hedges	Revaluation surplus
Balance on 01 Jan. 2013	11,135	5,599	6,823	-123	5
Consolidated total comprehensive income					
Consolidated net profit	0	0	0	0	0
Change from measurement of cash flow hedge	0	0	0	31	0
Change from market valuation of securities	0	0	0	0	-3
Deferred taxes on changes recognized directly in equity	0	0	0	-9	1
Currency translation differences	0	0	0	0	0
Consolidated total comprehensive income	0	0	0	22	-2
Balance on 31 March 2013	11,135	5,599	6,823	-101	3

Share-based payment reserve	Currency translation reserve	Net retained profits	Equity before non-controlling interests	Non-controlling interests	Total
490	-826	29,579	64,066	0	64,066
0	0	664	664	0	664
0	0	0	17	0	17
0	0	0	6	0	6
0	0	0	-7	0	-7
0	-307	0	-307	0	-307
0	-307	664	373	0	373
490	-1,133	30,243	64,439	0	64,439

Share-based payment reserve	Currency translation reserve	Net retained profits	Equity before non-controlling interests	Non-controlling interests	Total
490	-556	33,423	56,796	2,036	58,832
0	0	4,168	4,168	180	4,348
0	0	0	31	0	31
0	0	0	-3	0	-3
0	0	0	-8	0	-8
0	337	0	337	0	337
0	337	4,168	4,525	180	4,705
490	-219	37,591	61,321	2,216	63,537

Consolidated statement of cash flows

EUR THSD.	3 months 2014	3 months 2013
Operating activities		
Consolidated net profit	664	4,348
Income taxes	274	2,196
Interest expense	153	179
Interest income	-7	-10
Depreciation and amortization	2,006	1,629
Gains/losses from the disposal of non-current assets including reclassification to current assets	16	7
Changes in inventories, receivables and other assets	-3,382	-516
Changes in provisions	-1,620	2,081
Changes in liabilities and other equity and liabilities	-975	1,589
Other non-cash expenses and income	-101	-237
Interest received	7	10
Income taxes paid	-1,184	-1,803
Cash flows from operating activities	-4,149	9,473
Investing activities		
Investments in intangible assets	-1,237	-880
Investments in property, plant and equipment	-2,652	-2,003
Proceeds from disposal of financial assets	0	1
Proceeds from disposal of non-current assets	0	0
Cash flows from investing activities	-3,889	-2,882
Cash flows from financing activities		
Interest paid	-153	-179
Proceeds from borrowings	3,000	2,409
Cash repayments of borrowings	-990	-535
Cash flows from financing activities	1,857	1,695
Change in cash and cash equivalents		
Change in cash and cash equivalents due to changes in foreign exchange rates	76	172
Change in cash and cash equivalents	-6,181	8,286
Cash and cash equivalents on 01 January	12,520	2,494
Cash and cash equivalents on 31 March	6,415	10,952
Composition of cash and cash equivalents		
Cash and cash equivalents	6,479	11,870
Overdrafts	-64	-918
Cash and cash equivalents on 31 March	6,415	10,952

NOTES ON THE PREPARATION OF THE QUARTERLY FINANCIAL REPORT

This quarterly financial report for the period ended 31 March 2014 is in full compliance with the provisions of IAS 34. Due consideration is given to the interpretations of the International Financial Interpretations Committee (IFRIC). All prior-period figures were determined according to the same principles. In these interim financial statements, the same accounting policies and calculation methods were used as in the most recent annual financial statements.

Estimates of amounts presented in earlier interim reporting periods of the current financial year, the most recent annual financial statements or previous financial years have not been changed in this financial report.

Since the most recent reporting date, no changes have occurred with regard to contingent liabilities and receivables.

No significant events having a material effect on the financial position, cash flows and profit or loss of LPKF have taken place since the 31 March 2014 reporting date.

This quarterly financial report has neither been audited nor reviewed.

BASIS OF CONSOLIDATION

In addition to the Group's parent company, LPKF Laser & Electronics AG, Garbsen, the following subsidiaries have also been included in the consolidated statements:

Company	Registered seat	Country	Equity interest
LaserMicronics GmbH	Garbsen	Germany	100.0%
LPKF SolarQuipment GmbH	Suhl	Germany	100.0%
LPKF Grundstücksverwaltungs GmbH	Fürth	Germany	100.0%
LPKF Laser & Electronics d.o.o.	Naklo	Slovenia	100.0%
LPKF Distribution Inc.	Tualatin (Portland)	USA	100.0%
LPKF (Tianjin) Co. Ltd.	Tianjin	China	100.0%
LPKF Laser & Electronics Trading (Shanghai) Co. Ltd.	Shanghai	China	100.0%
LPKF Laser & Electronics (Hong Kong) Ltd.	Hong Kong	China	100.0%
LPKF Laser & Electronics K. K.	Yokohama	Japan	100.0%
LPKF Laser & Electronics Korea Ltd.	Seoul	Korea	100.0%

TRANSACTIONS WITH RELATED PARTIES

There are no reportable business relationships with parties related to the LPKF Group.

SHARES HELD BY MEMBERS OF THE COMPANY'S CORPORATE BODIES

Management Board	31 March 2014	31 Dec. 2013
Dr. Ingo Bretthauer	52,000	52,000
Bernd Lange	75,000	75,000
Kai Bentz	14,600	14,600
Dr.-Ing. Christian Bieniek	0	0

Supervisory Board	31 March 2014	31 Dec. 2013
Dr. Heino Büsching	10,000	10,000
Bernd Hackmann	125,600	125,600
Prof. Dr.-Ing. Erich Barke	2,000	2,000

RESPONSIBILITY STATEMENT

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, financial position and profit or loss of the group in accordance with German accepted accounting principles, 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 material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Garbsen, 13 May 2014

LPKF Laser & Electronics AG

The Management Board



Dr. Ingo Bretthauer



Bernd Lange



Kai Bentz



Dr.-Ing. Christian Bieniek

Financial calendar

13 May 2014	Publication of the three-month report
05 June 2014	Annual General Meeting
13 August 2014	Publication of the six-month report
13 November 2014	Publication of the nine-month report

Publishing Information

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For more information on LPKF Laser & Electronics AG and the addresses of our subsidiaries, please go to www.lpkf.de.

This financial report can also be downloaded from our website.

CONCEPT AND DESIGN

CAT Consultants, Hamburg, www.cat-consultants.de



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