Quarterly Financial Report

1 January - 31 March 2017

LPKF
Laser & Electronics

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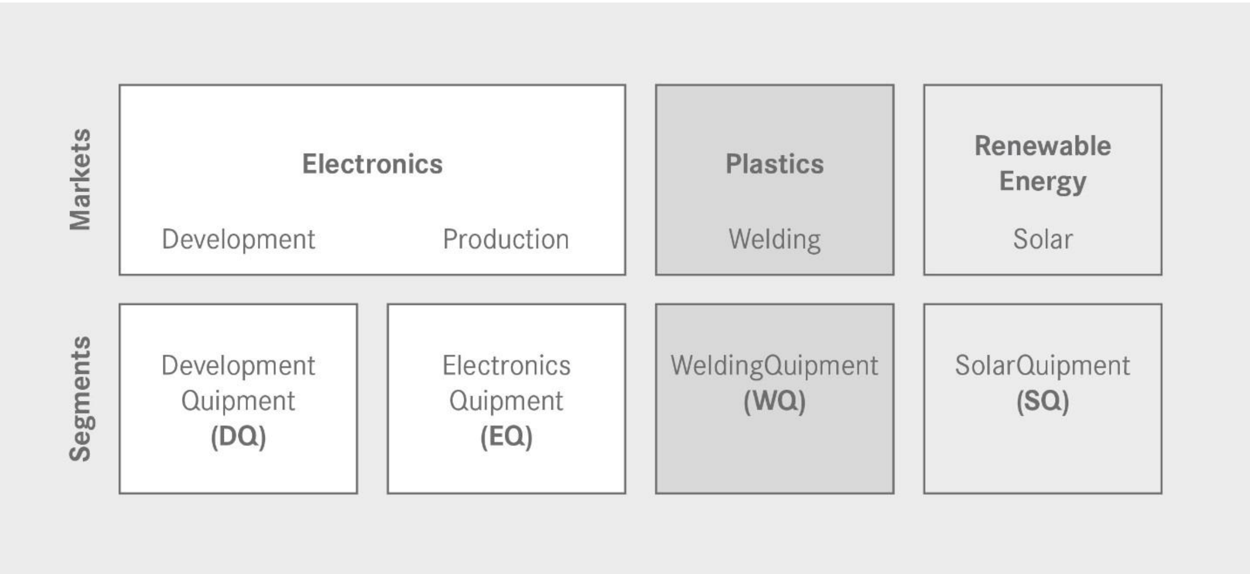
LPKF Laser & Electronics AG at a glance

Key Group figures after 3 months 2017

	3 months 2017	3 months 2016
Revenue (EUR million)	24.5	14.8
EBIT (EUR million)	0.1	-4.5
EBIT margin (%)	0.6	-30.1
EPS, diluted (EUR)	0.00	-0.15
Incoming orders (EUR million)	29.2	19.3

	As of 31 March 2017	As of 31 March 2016
Free cash flow (EUR million)	1.0	-6.5
Net working capital (EUR million)	35.4	39.4
ROCE (%)	0.1	-4.2
Cash and cash equivalents (EUR million)	-2.3	-4.3
Equity ratio (%)	45.6	47.8
Orders on hand (EUR million)	32.4	17.7
Employees	690	781



Chairman's statement

Ladies and Gentlemen,

We have enjoyed a good start to 2017. Thanks to a number of major orders, the LPKF Group generated revenue of EUR 24.5 million, up 65% on the first quarter of the previous year. It is particularly pleasing to note that this revenue growth was driven by all four segments and was considerably better than we had anticipated. The positive revenue performance was accompanied by good development in terms of earnings. EBIT was slightly positive, thereby also exceeding the prior-year figure and our quarterly forecast by some distance. The two key figures for our future, incoming orders and orders on hand, also improved considerably compared with the previous year. Incoming orders rose by 52% year-on-year, while orders on hand increased by as much as 83%.

The WeldingQuipment (WQ) and ElectronicsQuipment (EQ) segments enjoyed a particularly strong start to the new year. However, we also recorded substantial revenue growth in the SolarQuipment (SQ) and DevelopmentQuipment (DQ) segments. Accordingly, operating income (EBIT) improved in all four segments.

We achieved particularly notable performance in the SolarQuipment (SQ) segment in the first quarter. As well as recording substantial year-on-year revenue growth of 71%, incoming orders developed so strongly that orders on hand at the end of the first quarter were already in excess of the forecast revenue for 2017 as a whole. This development continued with the new major orders with a volume of around EUR 10 million that we received in April 2017. Our success this year will depend to a large extent on how successful we are in processing the major orders for laser systems for solar cell structuring in good time. In the first quarter, we therefore decided to invest in the infrastructure of the SQ segment in Suhl within manageable limits. This capital expenditure is necessary in order to allow us to construct the extremely large and heavy solar systems and to provide capacity for the brand new LPT systems that are also being manufactured at the Suhl location. LTP stands for laser transfer printing and is one of two new technologies that are currently being launched on the market.

The systematic implementation of our cost reduction measures in 2016 together with our revenue growth meant that, contrary to expectations, we closed the first quarter of 2017 with slightly positive operating income (EBIT). This is a clear sign that our measures have been a success. We will continue acting with pronounced cost awareness in 2017. As part of the internal "SPRINT" program, we have identified a number of measures that we are continuing to work on intensively in order to keep our costs low and further improve the efficiency of our organization.

The first quarter is traditionally the weakest of the year for LPKF. As such, our positive figures for Q1 2017 serve to confirm that we are well on the way to achieving our aim of further revenue growth and a return to profitability for the year as a whole. But a year is a long time and the past has shown us that a lot can happen within our industry – in both a negative and a positive sense.

We are therefore confirming our existing forecast for the 2017 financial year. If the global economy remains stable, the Management Board anticipates revenue of between EUR 92 million and EUR 100 million and an EBIT margin of between 1% and 5%.

We are aiming to continue increasing our revenue in the coming years. We intend to return to generating EBIT margins of at least 10% in the medium term.

Our overriding short-term objective is to return to profitability for 2017 as a whole. The first quarter shows that we have every opportunity to achieve this aim.

Yours sincerely,

Dr. Ingo Bretthauer

Interim Management Report as of 31 March 2017

1 Basic information on the Group

The basic information on the LPKF Group in the combined management report for 2016 continues to apply unchanged.

2 Report on economic position

2.1 Course of business

2.1.1 Sector-specific environment

The business development of the laser technology specialist LPKF AG is characterized by the overall economic situation, its high export share and other international factors, as well as the performance of various sectors. Key sectors such as the automotive, electronics – particularly consumer electronics – solar and plastics processing industries are of particular importance for the Group.

The following section discusses the performance of these sectors in the first quarter of 2017 and the changes compared with the forecast issued by LPKF AG in its 2016 annual report.

At the start of 2017, the German Engineering Federation (VDMA) reported high growth in incoming orders in January; however, this was followed by a return to zero growth in February like in the previous year. According to initial estimates by the VDMA, global revenue in the mechanical engineering sector declined slightly by 1% in 2016 due to exchange rate developments. Germany reinforced its position as the third-largest international machine manufacturer in the past year. As previously, the VDMA is forecasting a slight increase in revenue of 1% for Germany in 2017.

In the automotive industry, new car sales in Germany increased by 7% in the first quarter of 2017 according to figures published by the German Automotive Industry Association (VDA). For the year as a whole, the VDA is continuing to forecast global sales growth of 3% to 85 million new cars.

Following the strong growth in photovoltaic systems in the largest and most important market of China and the reduction in the local expansion target, the analysts from GTM Research initially anticipated a downturn in global demand in 2017. This forecast was recently revised to growth of more than 9%, and the market is expected to grow by more than 5% on average even after 2017. Alongside the widespread silicon modules, thin layer modules have established themselves on the market.

In the consumer electronics industry, Gartner analysts expect deliveries of smartphones to increase slightly to 1.893 billion units in 2017 (2016: 1.888 billion units). This market segment is expected to experience significant growth again from 2018 as consumers are required to replace older devices. After experiencing high levels of growth, the number of deliveries has recently been largely stable due to signs of saturation in important markets such as the USA, Europe, Japan and some Asian regions.

The German plastics and rubber machinery manufacturing industry recorded unexpectedly high growth of 4% in 2016 according to VDMA figures, and further growth of 2% in Germany and 3% globally is forecast for 2017.

2.1.2 Effects on the LPKF Group

Following more muted global economic development in recent years, the macroeconomic situation saw a slight upturn in early 2017 that appears to be consolidating despite politically uncertain conditions. The key industries for LPKF also seem to be benefiting from this trend, meaning that the conditions for the Company improved slightly in the first quarter of 2017. LPKF AG will continue to monitor the development of exchange rates with regard to their influence on the Company's foreign business.

2.2 Net assets, financial position and results of operations of the Group

2.2.1 Results of operations

LPKF generated revenue of EUR 24.5 million in the first quarter, up 65% on the same period of the previous year. All the Company's segments recorded year-on-year revenue growth. The ElectronicsQuipment (EQ) segment increased its revenue by 77% on the back of growth in cutting systems for PCB manufacture in particular. A major order from the consumer electronics segment had a particularly positive impact. Revenue in the DevelopmentQuipment (DQ) segment increased by 24% year-on-year. Revenue in the WeldingQuipment (WQ) segment more than doubled as against the previous year due particularly to a project in the consumer electronics segment. The vast majority of the revenue recorded in the SolarQuipment (SQ) segment in the amount of EUR 3.3 million was attributable to the final receivable for a major order that was terminated ahead of schedule.

Incoming orders for the first quarter increased by 52% year-on-year to EUR 29 million thanks to individual high-volume orders in particular. In the SQ segment, orders totaling more than EUR 9 million were received in the context of a major project in the current quarter. Further orders are expected in the subsequent quarters. As of March 31, orders on hand were 83% higher than in the previous year. The current book-to-bill rate (incoming orders/revenue) is 1.2.

The positive revenue development meant that earnings were considerably higher than in the previous year. Following a loss before interest and taxes of EUR 4.5 million in the previous year, the Group broke even with EBIT of EUR 0.1 million in the first quarter. The EBIT margin amounted to 0.6% after -30.1% in the previous year. An analysis of the Group's earnings should take into account the fact that the revenue from the final receivable in the SQ segment involves only a low margin.

Own work capitalized in the reporting period includes development costs of EUR 0.9 million (previous year: EUR 1.7 million). Other operating income declined by EUR 0.2 million due in particular to the insurance payments of EUR 0.3 million in the previous year.

The material cost ratio was down slightly year-on-year at 34% (previous year: 35%). The current ratio does not reflect our expectation for the year as a whole. Mainly the aforementioned receivable in the SQ segment means that an above-average proportion of materials has been invoiced, which is distorting the ratio.

The Group's workforce decreased by 91 as against the previous year and now amounts to 690 employees. Staff costs declined by 8% year-on-year to EUR 10.5 million, largely as a result of this workforce reduction. Staff costs in the first quarter were generally also impacted by the recognition of provisions for vacation and overtime in the amount of EUR 1.2 million (previous year: EUR 0.6 million), which will be utilized over the course of the year.

Depreciation and amortization was EUR 0.1 million higher than in the first quarter of the previous year. This was largely due to the higher level of capitalized development costs in 2016, depreciation of which is taking effect in the current year.

Other operating expenses increased from EUR 5.5 million in the previous year to EUR 6.0 million. This was due to the higher level of sales commission in connection with the revenue development (EUR +0.5 million) and higher warranty provisions (EUR +0.2 million). Exchange rate losses (EUR +0.2 million) and legal and consulting expenses (EUR + 0.1 million) were also higher than in the previous year. By contrast, there was a downturn in repairs (EUR -0.2 million) and development costs (EUR -0.2 million) in particular.

The increase in net debt and higher interest rates meant that interest expenses were up on the previous year.

The moderate net loss was subject to slight tax relief. This meant that the Group broke even in terms of consolidated net profit after taxes, which was EUR 3.4 million higher than in the first quarter of 2016.

2.2.2 Financial position

The Group's cash and cash equivalents decreased in the reporting period from EUR 3.6 million to EUR -2.3 million. Despite the slight consolidated net loss, cash flow from operating activities amounted to EUR 2.3 million, while the low level of capital expenditure resulted in positive free cash flow. However, scheduled repayments and the redemption of short-term loans resulted in a negative cash flow from financing activities of EUR 6.9 million, which ultimately led to a total reduction in cash and cash equivalents of EUR 5.9 million.

The Group's financial position remains stable. Future financial requirements can be covered by sufficient available credit facilities and liquidity at subsidiaries.

2.2.3 Net assets

Analysis of net assets and capital structure

The results in the period under review and the increase in short-term cash funds are serving to change the ratio of debt to equity. Equity is outweighed by debt finance, with the equity ratio declining slightly from 47% in 2016 to 46%.

Non-current assets decreased by a total of EUR 0.2 million in the first three months. Deferred tax assets and intangible assets increased by a total of EUR 0.8 million. Property, plant and equipment and non-current assets decreased by EUR 1.0 million.

Current assets rose by a total of EUR 2.9 million compared with the end of the previous year, largely as a result of the increase in receivables. Strong revenue in March meant that the level of receivables was still high at the reporting date. Excise duty receivables and prepaid expenses also increased, meaning that other assets rose by a total of EUR 1.1 million. Cash and cash equivalents increased by EUR 0.7 million.

Net working capital remained almost unchanged at EUR 35.4 million compared with EUR 35.2 million at the end of the previous year. The increase in receivables and current assets was offset by the simultaneous increase in trade payables and payments received on account of orders, as well as the slight reduction in inventories. At 35.1%, the net working capital ratio is now close to the target level of below 35%, thanks in part to the Group's revenue development.

Equity saw a moderate increase due to currency-related consolidation effects. Within non-current liabilities, long-term loans decreased slightly as a result of scheduled repayments but deferred tax liabilities increased by the same amount, meaning that the item was unchanged compared with the end of the previous year. By contrast, current liabilities rose by EUR 2.7 million, primarily as a result of the increase in payments received on account of orders and current provisions within other liabilities as well as the slight increase in trade payables.

With these exceptions, there has been no substantial change in the structure of the statement of financial position.

Capital expenditures

The Group made only limited capital expenditures in the first three months. Other than additions to capitalized development costs in the amount of EUR 0.9 million, the only additions related to EUR 0.6 million in property, plant and equipment and EUR 0.1 million in other intangible assets.

2.2.4 Segment performance

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

	External revenue		Operating result (EBIT)	
EUR thsd.	**3 months 2017**	**3 months 2016**	**3 months 2017**	**3 months 2016**
EQ	9,127	5,159	-18	-1,433
DQ	5,716	4,596	939	-30
WQ	5,828	2,824	245	-1,952
SQ	3,869	2,259	86	-391
Other	0	0	-1,108	-665
Total	24,540	14,838	144	-4,471

The operating income (EBIT) of the segments contains the operating activities of the business units and the attributable intragroup allocations. EBIT in the Other segment contains non-operating components, in particular Group management functions and exchange rate changes.

Employees

The following table shows the development in employee numbers in the first three months of 2017:

Area	**As of 31 March 2017**	**As of 31 Dec. 2016**
Production	163	164
Development	159	159
Administration	144	153
Sales	131	136
Service	93	88
Total	690	700

The total number of employees as of March 31, 2017 was 672.3 full-time equivalents (FTEs). The figures at the reporting date include 3.0 FTEs with whom severance agreements coming into force after the reporting date had been agreed as of March 31, 2017.

In addition, there were eight workers in minor employment, 32 trainees, and three students and interns as of March 31, 2017.

2.3 Overall assessment of the Group's economic situation

Following a year of restructuring in 2016, LPKF enjoyed a significantly better start to 2017. Incoming orders and orders on hand in 2017 are substantially higher than at the start of 2016. Revenue has also improved, exceeding expectations for the first quarter. However, the earnings situation remains unsatisfactory, largely due to the composition of revenue.

With a positive free cash flow, the Group's cash position is slightly better than forecast. Based on current business development, the first half of the year is expected to see significantly improved operating revenue and earnings compared with the previous year.

The measures initiated to increase earnings, cut costs and optimize working capital are expected to continue having an impact in 2017, resulting in a net profit and a positive free cash flow.

3 Report on post-balance sheet date events

In an ad hoc disclosure published on April 27, 2017, LPKF reported that it had received additional major orders from the solar industry with a total volume of around EUR 10 million in the SolarQuipment segment. The revenue from these orders will mainly be recognized in 2018.

There have been no other significant events with a material effect on the net assets, financial position and results of operations of LPKF since the reporting date of 31 March 2017.

4 Opportunities and risks

In the combined management report and Group management report for 2016, the opportunities and risks of the LPKF Group are presented and explained in detail in separate reports. These explanations continue to apply unchanged. We are maintaining our focus on Group financing in particular.

5 Report on expected developments

5.1 Management's assessment of the Group's expected development

5.1.1 Economic environment

Following consolidation in the global economy in 2016 and a further acceleration at the start of the year 2017, the Kiel Institute for the World Economy (IfW) is forecasting global economic growth of 3.5% this year and 3.6% in 2018. The International Monetary Fund (IMF) recently raised its forecast to the same level.

Economic experts believe that the upturn in the developed economies will continue. According to the IfW, the economic output of developed economies is expected to increase by around 2.1% this year and next. After just 1.6%, the USA is expected to see growth of 2.5% this year and 2.7% next year on the back of private consumption and investment. The forecasts for the euro zone are the same as in the previous years at 1.8% for 2017 and 1.7% for 2018. The IfW has slightly raised its forecast for Germany for the current year from 1.7% to 2.0%. Economic output is expected to increase by the same amount in 2018.

The experts are anticipating an economic upturn in the emerging markets. China will make a particularly strong contribution with growth at the same level as in the previous year. The IfW is continuing to forecast growth of 6.4% this year and 5.9% in 2018 for China. Chinese GDP increased by 6.9% in the first quarter of 2017, thereby outperforming expectations. This serves to reinforce the positive forecasts.

Current economic forecasts expressly refer to the increase in global economic policy risks and geopolitical risks. These include the change in US President, the United Kingdom’s withdrawal from the EU, the development of the oil price, divergent key interest rate trends in the USA and Europe and, in particular, the protectionist tendencies that are threatening free world trade. However, the quantification of these developments does not currently appear to be possible. As a result, the forecasts such as those issued by the IMF necessarily contain a degree of uncertainty.

5.1.2 Group performance

The economic research institutes are forecasting an increasingly stable upward trend in the world economy in 2017 and the following years, albeit characterized by economic policy uncertainties. As a result, the economic conditions for the future business performance of the international LPKF Group appear to be continuing to improve. However, there is a risk of export restrictions due to protectionist tendencies.

With its eight existing product lines, LPKF AG has a high degree of diversification that limits its dependence on individual market segments.

The Group is anticipating above-average growth in the WQ segment in the medium term. The cutting systems and PCB drilling business is also expected to continue to grow. Development in the solar segment will be positive in 2017, but the strong reliance on individual projects in this area means it is difficult to make forecasts for the period after 2018 in particular.

LPKF does not expect the DQ segment to grow in the current financial year. Similarly, no growth is forecast in the StencilLaser business (EQ segment). Revenue from LDS business is likely to remain at the weak level recorded in the previous year.

LPKF expects the new technologies of laser induced deep etching (LIDE) and laser transfer printing (LTP) to provide stimulus for growth over the coming years. LIDE is particularly suitable for precision drilling in extremely thin glass (Through Glass Vias/TGV). LTP offers a new alternative to widespread screen printing and will be used for the digital printing of pastes. LPKF has received an initial order in each of these areas.

5.1.3 Key financial indicators

Revenue for the first three months of the current financial year amounted to EUR 24.5 million, a significant increase on the prior-year level of EUR 14.8 million. Operating income before interest and taxes also improved substantially to EUR 0.1 million after a loss in the previous year.

If the global economy remains stable, the Management Board is continuing to forecast revenue of between EUR 92 million and EUR 100 million and an EBIT margin of between 1% and 5% for the 2017 financial year. The Group will focus on providing a foundation for positive business performance in the area of R&D, while efficiency improvements and cost control will continue to play a key role across the entire Group.

The Company is aiming to continue increasing its revenue in the coming years. The Management Board intends to return to generating EBIT margins of at least 10% in the medium term.

Based on the original target, the net working capital ratio is expected to fall to below 35%, which corresponds to net working capital of less than EUR 35 million for the forecast period. LPKF expects the error rate to improve slightly.

Consolidated financial statements

Consolidated statement of financial position as of 31 March 2017

Assets EUR thsd.	31 March 2017	31 Dec. 2016
Non-current assets		
Intangible assets		
Goodwill	74	74
Development costs	13,528	13,266
Other intangible assets	1,825	1,928
	15,427	**15,268**
Property, plant and equipment		
Land, similar rights and buildings	38,302	38,611
Plant and machinery	4,421	4,801
Other equipment, operating and office equipment	4,710	4,929
Advances paid and construction in progress	67	0
	47,500	**48,341**
Receivables and other assets		
Trade receivables	0	214
Other assets	92	69
	92	**283**
Deferred taxes	**3,139**	**2,514**
	66,158	**66,406**
Current assets		
Inventories		
(System) parts	10,571	12,512
Work in progress	5,176	3,179
Finished products and goods	8,561	9,162
Advances paid	215	108
	24,523	**24,961**
Receivables and other assets		
Trade receivables	21,391	19,781
Income tax receivables	585	434
Other assets	2,875	1,770
	24,851	**21,985**
Cash and cash equivalents	**4,301**	**3,584**
	53,675	**50,530**
	119,833	**116,936**

Consolidated statement of financial position as of 31 March 2017

EUR thsd.	31 March 2017	31 Dec. 2016
Equity		
Subscribed capital	22,270	22,270
Capital reserves	1,489	1,489
Other retained earnings	10,933	10,933
Share-based payment reserve	490	490
Currency translation reserve	1,882	1,595
Net retained profits	17,521	17,553
	54,585	**54,330**
Non-current liabilities		
Provisions for pensions and similar obligations	281	290
Other provisions	24	24
Non-current liabilities to banks	21,948	22,630
Deferred income from grants	665	679
Deferred taxes	1,204	512
	24,122	**24,135**
Current liabilities		
Tax provisions	120	178
Other provisions	3,516	3,164
Current liabilities to banks	21,441	20,852
Trade payables	3,444	3,071
Other liabilities	12,605	11,206
	41,126	**38,471**
	119,833	**116,936**

Consolidated income statement from 1 January to 31 March 2017

EUR thsd.	01-03 / 2017	01-03 / 2016
Revenue	24,540	14,838
Changes in inventories of finished goods and work in progress	1,354	3,124
Other own work capitalized	932	1,663
Other operating income	639	866
Cost of materials	8,911	6,264
Staff costs	10,547	11,458
Depreciation and amortization	1,861	1,751
Other operating expenses	6,002	5,489
Operating result	**144**	**-4,471**
Finance income	1	1
Finance costs	187	142
Earnings before tax	**-42**	**-4,612**
Income taxes	-10	-1,249
Consolidated net profit/loss	**-32**	**-3,363**
Earnings per share (basic, EUR)	0.00	-0.15
Earnings per share (diluted, EUR)	0.00	-0.15
Weighted average number of shares outstanding (basic, EUR)	22,269,588	22,269,588
Weighted average number of shares outstanding (diluted, EUR)	22,269,588	22,269,588

Consolidated statement of comprehensive income from 1 January to 31 March 2017

	01-03 / 2017	01-03 / 2016
Consolidated net profit/loss	**-32**	**-3,363**
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**
Fair value changes from cash flow hedges	0	0
Currency translation differences	287	-941
Deferred taxes	0	0
Sum total of changes which will be reclassified to the income statement in the future if certain conditions are met	**287**	**-941**
Other comprehensive income after taxes	**287**	**-941**
Total comprehensive income	**255**	**-4,304**

Consolidated statement of changes in equity as of 31 March 2017

EUR thsd.	Subscribed capital	Capital reserve	Other retained earnings	Share-based payment reserve	Currency translation reserve	Net retained profits	Total Equity
Balance on 01 Jan. 2017	**22,270**	**1,489**	**10,933**	**490**	**1,595**	**17,553**	**54,330**
Consolidated total comprehensive income							
Consolidated net profit/loss	0	0	0	0	0	-32	-32
Currency translation differences	0	0	0	0	287	0	287
Consolidated total comprehensive income	**0**	**0**	**0**	**0**	**287**	**-32**	**255**
Balance on 31 March 2017	**22,270**	**1,489**	**10,933**	**490**	**1,882**	**17,521**	**54,585**
Balance on 01 Jan. 2016	**22,270**	**1,489**	**10,933**	**490**	**1,945**	**26,375**	**63,502**
Consolidated total comprehensive income							
Consolidated net profit/loss	0	0	0	0	0	-3,363	-3,363
Currency translation differences	0	0	0	0	-941	0	-941
Consolidated total comprehensive income	0	0	0	0	-941	-3,363	-4,304
Balance on 31 March 2016	**22,270**	**1,489**	**10,933**	**490**	**1,004**	**23,012**	**59,198**

Consolidated statement of cash flows as of 1 January to 31 March 2017

EUR thsd.	01-03 / 2017	01-03 / 2016
Operating activities		
Consolidated net profit/loss	-32	-3,363
Income taxes	-10	-1,249
Interest expense	187	142
Interest income	-1	-1
Depreciation and amortization	1,861	1,751
Gains/losses from the disposal of non-current assets including reclassification to current assets	66	4
Changes in inventories, receivables and other assets	-3,097	-3,140
Changes in provisions	343	-140
Changes in liabilities and other equity and liabilities	2,737	2,014
Other non-cash expenses and income	13	353
Interest received	1	1
Income taxes paid	241	-532
Cash flows from operating activities	**2,309**	**-4,160**
Investing activities		
Investments in intangible assets	-991	-1,985
Investments in property, plant and equipment	-556	-351
Proceeds from disposal of non-current assets	271	1
Cash flows from investing activities	**-1,276**	**-2,335**
Cash flows from financing activities		
Interest paid	-187	-142
Proceeds from borrowings	0	4,000
Cash repayments of borrowings	-6,701	-696
Cash flows from financing activities	**-6,888**	**3,162**
Change in cash and cash equivalents		
Change in cash and cash equivalents due to changes in foreign exchange rates	-35	-68
Change in cash and cash equivalents	-5,855	-3,333
Cash and cash equivalents on 01 Jan.	3,581	-917
Cash and cash equivalents on 31 March	**-2,309**	**-4,318**
Composition of cash and cash equivalents		
Cash and cash equivalents	4,301	3,888
Overdrafts	-6,610	-8,206
Cash and cash equivalents on 31 March	**-2,309**	**-4,318**

Notes on the preparation of the quarterly financial report

This financial report as of 31 March 2017, complies in full with the rules set out in IAS 34. The interpretations of the International Financial Interpretations Committee (IFRIC) are observed. From the first quarter of 2016, the business areas of Welding and Solar, which had previously been included together in the segment Other Production Equipment, were reported separately. All figures from the previous periods were calculated in accordance with the same principles. The same accounting and valuation methods, and calculation methods, have been used in the interim financial statements as in the last annual financial statements. Estimates of amounts reported in prior interim periods of the current financial year, the last annual financial statements or in previous financial years have not been changed in this financial report. There have been no changes to the contingent liabilities and contingent assets since the last balance sheet date. This financial report has not been audited. Likewise, it has not been subject to a review. Information relating to events of particular importance after the balance sheet date are included in the supplementary report of the interim management report.

Basis of consolidation

The scope of consolidation shown on page 96 of the Annual Report for 2016 remains unchanged.

Transactions with related parties

There are no reportable business relations with persons affiliated to the LPKF Group.

Shares held by members of the Company's corporate bodies

Management	**31 March 2017**	**31 Dec 2016**
Dr. Ingo Bretthauer	60,000	60,000
Bernd Lange	35,000	35,000
Kai Bentz	17,600	17,600
Dr.-Ing. Christian Bieniek	1,500	1,500
Supervisory Board		
Dr. Heino Büsching	10,000	10,000
Bernd Hackmann	125,600	125,600
Prof. Dr.-Ing. Erich Barke	2,000	2,000

Garbsen, 10 May 2017

LPKF Laser & Electronics Aktiengesellschaft

The Management Board

Bretthauer Lange Bentz Bieniek

Financial calendar

11 May 2017	Publication of the three-month report
1 June 2017	Annual General Meeting
15 August 2017	Publication of the six-month report
14 November 2017	Publication of the nine-month report

Publishing information

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