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October 7, 2004, Burbach Germany:

IPG Laser GmbH, the world's leading designer and manufacturer of advanced and high power fiber lasers, announced today that it appointed HM Laser as a new distributor in China. HM Laser, an experienced distributor and integrator of materials processing lasers and systems in China, will provide training, support and service to Chinese OEMs and systems manufacturers for IPG's industrial fiber lasers.

IPG Laser, GmbH, a subsidiary of Oxford, Massachusetts-based IPG Photonics Corporation, chose HM Laser because of its lengthy experience and strong reputation in bringing laser solutions to manufacturers and others in China. HM Laser will offer professional training and service to small system integrators, set-up a research and development center in Beijing for fiber laser application development and offer materials processing testing and professional support to all system integrators. HM operates out of a 10,000 sq. foot facility in the Beijing Development Area where it has a testing, manufacturing and service center.

"We are glad to have a professional distributor in China that will directly support our fiber laser customers there" stated Dr. Valentin P. Gapontsev, Chief Executive Officer of IPG. "Customers will now have an experienced resource operating in China for integrating and supporting IPG's advanced fiber lasers. China is a very important growth market for IPG and IPG has ambitious plans to increase our presence and market share there with the help of HM Laser."

Jun Shao, President of HM Laser, added "IPG's fiber lasers are ideal for many materials processing applications that are experiencing rapid growth in China, including marking, welding, cutting and silicon scribing." He added, "HM Laser together with IPG's reliable fiber lasers can offer a complete solution to customers in China, from software, optical components, mechanical design, to control systems and lasers."

According to Industrial Laser Solutions, there are over 40 manufacturers of lasers systems in China, and the demand for industrial laser is rapidly expanding. The growth is driven by China's domestic demand and increasingly export demand in automotive (welding, cutting and marking), consumer goods, semiconductor (drilling, trimming and marking), medical devices (marking and welding) and fabricated metal parts (cutting).

IPG also announced today that it has terminated its distribution agreement and distribution relationship in China and Hong Kong with Advanced Fiber Resources Holdings (AFR). AFR is no longer authorized to distribute or represent IPG's products.

About IPG Laser GmbH

IPG Laser GmbH is a subsidiary of IPG Photonics Corporation, MA, a global leader for over 13 years in the design and manufacturing of high performance fiber lasers and fiber amplifiers for materials processing, telecommunications, test and measurement, and other commercial applications. Its proprietary technology, materials science expertise and vertically integrated manufacturing operations enable IPG to produce the world's largest variety of cost-effective, high and low power fiber lasers and amplifiers with superior power efficiency and improved noise performance, reliability, and quality.

The company has its world headquarters in Oxford, Massachusetts and manufacturing facilities and sales operations in Massachusetts, Germany, Russia, Italy, Japan, India and the United Kingdom. For more information and specifications, visit http://www.ipgphotonics.com/.

About HM Laser

HM Laser is a leading integrator of laser systems in China. Formed over 10 years ago, HM offers customers years of valuable knowledge on material processing using a variety of lasers and laser systems, including marking, engraving and plotter systems. With numerous distributors around China, and a test, manufacturing and service center in Beijing, China, HM is able to provide unique solutions for many different materials processing applications. For more information, visit http://www.hmlaser.com.

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