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IPG Photonics Corporation announced that it reported strong revenue and profit growth for the first half of 2005 resulting from increased sales in its industrial and telecom product lines. Sales increased by 58% and net income by over 200% from the comparable period in 2004. As a result of rising demand, IPG is adding over 100,000 sq. feet of capacity through a plant acquisition in Germany and new building projects in the US.

Tim Mammen, CFO of IPG, stated "we continue to see strong revenue and profitability gains driven primarily by accelerating demand for fiber lasers, especially higher power models. Backlog remains strong and the book to bill ratio was greater than one for the first half 2005." Mr. Mammen added "with growing sales levels and better manufacturing efficiencies, IPG experienced significant improvements in profitability levels over 2004 when IPG generated positive net income. In the second half of 2005, the Company expects continued strong financial performance with annual revenue over $90 million".

"We are pleased with the financial results, which reflect the growing demand and acceptance of fiber lasers in a growing number of industrial applications. The resurgent demand for IPG's fiber amplifiers in the US, Japan and Russia also positively impacted our results", commented Dr. Valentin Gapontsev, CEO of IPG. "More and more customers realize the many benefits of using our advanced products in their applications", he continued.

IPG revolutionized the solid-state laser market with the introduction of reliable and affordable diode-pumped fiber and diode lasers for industrial applications with CW output powers up to 50 kilowatts or more. Leading companies throughout the world, including Fortune 500TM companies, rely on IPG products to enable their successful applications.

About IPG Photonics

IPG Photonics has been a global leader and pioneer for over fourteen years in the design and manufacture of high performance fiber and diode lasers, fiber amplifiers, and Raman pump lasers for materials processing, aerospace, telecommunications, test and measurement, biomedical, and other commercial applications.

IPG's proprietary technology, materials science expertise, unique product reliability program, and fully vertically integrated, manufacturing operations enable IPG to produce the world's largest range of cost-effective, high and low power fiber lasers, diode laser systems, and amplifiers with superior efficiency, performance, reliability and quality.

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

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