IPG Photonics Obtains New 15 Million Euro Credit Facility

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OXFORD, Mass., Oct 15, 2007 (BUSINESS WIRE) -- IPG Photonics Corporation (Nasdaq: IPGP), the global leader in high-performance fiber lasers and amplifiers for diverse applications in numerous markets, today announced that it has entered into a new 15 million EURO ($21 million) unsecured revolving credit facility with Deutsche Bank AG. The credit facility bears interest at various rates based upon the type of loan, and matures in June 2010. The new credit line replaces several secured overdraft facilities totaling 5.6 million EURO, which expire between September 2007 to June 2010 and bearing interest from 4.2% to 9.0%.

"We are pleased to have secured this new credit facility because it offers us better terms, a longer-term committed line and additional liquidity," said IPG Photonics Chief Financial Officer Tim Mammen. "The new credit facility gives us additional financial flexibility as we capitalize on the growing demand for our fiber lasers."

Funds from this new line of credit will be used to support IPG Photonics' global operations, to pay down existing bank debt and for general corporate purposes. The new credit facility supplements another $20 million unsecured revolving credit facility from Bank of America N.A. that was signed in July 2007.

About IPG Photonics Corporation

IPG Photonics is a leading global manufacturer of high-performance fiber lasers and amplifiers for diverse applications in numerous markets, such as materials processing, communications, medical, and scientific and research. Founded in 1990, IPG Photonics pioneered the development and commercialization of optical fiber-based lasers, a new generation of lasers that combine the advantages of semiconductor diodes with the high amplification and precise beam qualities of specialty optical fibers. Fiber lasers deliver superior performance, reliability and usability at a lower total cost of ownership compared with conventional lasers, allowing end-users to increase productivity and lower operating costs. Headquartered in Oxford, Massachusetts, IPG has additional plants in Germany, Russia and Italy, and regional sales offices in Michigan, Japan, China, South Korea, India and the United Kingdom. For more information on IPG Photonics, please visit www.ipgphotonics.com.

Safe Harbor Statement

Information and statements provided by the Company and its employees, including statements in this press release, that relate to future plans, events or performance are forward-looking statements. These statements involve risks and uncertainties. Any statements in this press release that are not statements of historical fact are forward-looking statements, including, but not limited to, the Company's new unsecured line of credit and its ability to capitalize on demand in a variety of industries throughout the world. Factors that could cause actual results to differ materially include risks and uncertainties, including risks associated with the Company's ability to penetrate new applications for fiber lasers and increase market share, the rate of acceptance and penetration of IPG's products, effective management of growth, level of fixed costs from its vertical integration, intellectual property infringement claims and litigation, interruption in supply of key components, contract cancellations, manufacturing risks, competitive factors including declining average selling prices, building and expanding field service and support operations, uncertainties pertaining to customer orders, demand for products and services, development of markets for the Company's products and services and other risks identified in the Company's SEC filings. Readers are encouraged to refer to the risk factors described in the Company's Annual Report on Form 10-K (filed with the SEC on March 27, 2007) and its periodic reports filed with the SEC, as applicable. Actual results, events and performance may differ materially. Readers are cautioned not to rely on the forward-looking statements, which speak only as of the date hereof.

The Company undertakes no obligation to update the forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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SOURCE: IPG Photonics Corporation


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