IPG Expands Product Line with Novel Patented CO2 Gas Laser

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New Highly Efficient and Compact Gas Laser Line Allows IPG to Enter Additional Markets and Applications

NOVI, Mich., May 15, 2008 (BUSINESS WIRE) -- IPG Photonics (NASDAQ: IPGP), the world leader in high-power fiber lasers and amplifiers, announced today that it has developed an advanced new family of CO2 gas lasers that will allow the Company to enter new markets and applications. The first generation of IPG's CO2 gas lasers, with output powers from 1 to 3 kW and operating in the 10.6 micron spectral range, are more efficient and compact than conventional CO2 lasers now on the market, and are ideal for processing nonmetal materials.

The new gas laser family extends the tradition of innovations for which IPG's fiber lasers are well known: namely high electrical efficiency, excellent beam quality, low maintenance, ruggedness, compactness and low weight. With record overall wall plug efficiency of 12 to 15% at all power levels and low gas consumption, the multi-kilowatt gas laser is the size of a suitcase and is lightweight (approximately 120 lbs).

"Fiber lasers remain the best choice for a large variety of applications," said Dr. Valentin Gapontsev, IPG's Chief Executive Officer. "In fact, fiber lasers are replacing conventional lasers, including CO2 lasers, in many applications such as metal welding, cladding, sintering and brazing. However, some nonmetal materials like polymers and organic materials could be processed better by the 10 micron spectral range of CO2 gas lasers."

The new line of lasers feature a novel patented laser generator that allows the output power to increase without affecting the high optical quality of the beam. IPG's gas lasers are able to produce modes from TEM00 to TEM01 as well as "D" modes making then well suited for high quality and precision cutting.

"The CO2 sealed market, growing at a rate of 6%, is estimated at more than $1 billion with 5,800 units projected worldwide in 2008. There are more than 33,000 high power CO2 lasers in use today," commented Gapontsev. "Although fiber lasers have started to replace CO2 lasers in metal cutting, there is room in this large market segment for the coexistence of two complementary technologies. We believe that the tandem of our innovative fiber lasers and gas lasers can accelerate IPG's penetration in cutting applications. Numerous customers expressed interest in replacing their conventional CO2 lasers with more modern products. With the improvements in CO2 lasers that IPG is introducing today, we hope to meet such customer needs."

"Our new CO2 laser should open up new applications for gas lasers because it can withstand accelerations of up to 1G, and it is lightweight and compact," stated Bill Shiner, IPG's Vice President of Industrial Markets. "For example, with the IPG gas laser's compact size, users can now put the resonator on an overhead gantry rather than use complex free space optics to deliver the laser's power to the workspace."

Customer tests of the new CO2 laser are already lined up. IPG expects to market the new laser starting in the first quarter of 2009. The lasers will be unveiled at a special open house at 5:30-9:00 PM, May 15, 2008, at the Inn at St. John's in Plymouth, MI, during the Automotive Laser Automation Workshop (ALAW).

About IPG Photonics Corporation

IPG Photonics is the world leader in high-power fiber lasers and amplifiers. Founded in 1990, IPG pioneered the development and commercialization of optical fiber-based lasers for use in a wide range of applications such as materials processing, advanced applications, telecommunications and medical applications. Fiber lasers have revolutionized the industry by delivering superior performance, reliability and usability at a lower total cost of ownership compared with conventional lasers, allowing end users to increase productivity and decrease operating costs. IPG has its headquarters in Oxford, Massachusetts, and has additional plants and offices throughout the world. For more information, 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, those relating to the potential market acceptance of the Company's new CO2 lasers, the growth rate of the CO2 laser market, penetration in cutting applications, the expected start of marketing for the new CO2 laser, meeting customer needs, and opening new applications for IPG and for CO2 lasers. 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 13, 2008) 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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IPG Photonics Corporation
Chief Financial Officer
Tim Mammen, (508) 373-1100
or
Sharon Merrill Associates, Inc.
Executive Vice President
David Calusdian, (617) 542-5300
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