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IPG Photonics Retakes Full Ownership of NTO IRE-Polus

OXFORD, Mass.--(BUSINESS WIRE)-- [IPG Photonics Corporation](#) (NASDAQ: IPGP) today announced that it purchased the outstanding 22.5% minority interest in its Russia-based subsidiary, NTO IRE-Polus (NTO), that it previously sold to Open Joint Stock Company "Rusnano." IPG regained complete control of NTO for \$55.4 million in cash. The Company expects the transaction to be accretive starting in the third quarter of 2012. The net income attributed to Rusnano's non-controlling interest in NTO had resulted in a reduction to IPG Photonics' earnings of \$0.07 per diluted share in 2011 and \$0.01 per diluted share in the first quarter of 2012.

"The proceeds from the original investment in NTO by Rusnano allowed IPG to accelerate its investment in R&D, further develop our sales and manufacturing infrastructure in Russia, and enhance our presence in that region by leveraging Rusnano's brand and network," said Dr. Valentin Gapontsev, IPG's Chief Executive Officer. "Given the financial flexibility provided by the recent secondary offering, it is now an ideal time to regain complete ownership of our Russian subsidiary and fully benefit from the opportunities there."

In December 2010, IPG sold a 12.5% minority ownership stake in NTO to Rusnano, which later purchased an additional 10% in June 2011, as permitted under the original agreement. In addition, IPG had a call option commencing in December 2013 to buy back the minority stake at a predetermined value and Rusnano had a put option commencing in December 2015 to sell its minority stake to IPG at a predetermined value. Under the terms of the agreement announced today the put and call options terminated.

About IPG Photonics Corporation

[IPG Photonics Corporation](#) 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 diverse applications, primarily [materials processing](#). 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. Factors that could cause actual results to differ materially include risks and uncertainties, including risks associated with the strength or weakness of the business conditions in industries and geographic markets that the Company serves, particularly the effect of economic downturns; reduction in customer capital expenditures; potential order cancellations and push-outs and financial and credit market issues; 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, including from transportation disruptions from natural and man-made events; manufacturing risks; inventory write-downs; foreign currency fluctuations; 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 February 27, 2012) 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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