



## IPG Photonics Expands Integrated Laser Systems Offerings with Acquisition of JPSA Laser

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*Acquisition Accelerates Penetration to Fine-Processing Markets*

OXFORD, Mass.--(BUSINESS WIRE)-- [IPG Photonics Corporation](#) (NASDAQ: IPGP) today announced the acquisition of privately held New Hampshire-based [J.P. Sercel Associates Inc.](#) (JPSA), a leading global supplier of UV excimer and diode pumped solid state (DPSS) industrial laser micromachining systems for precision processing in high-volume manufacturing. JPSA is anticipated to add approximately \$4 million to IPG's revenues for the remainder of 2012. At current revenue levels, the acquisition is expected to be dilutive by \$0.01 to \$0.02 per share in 2012, and is expected to be accretive in 2013. Financial terms were not disclosed. The acquired business will operate under the name IPG Microsystems LLC.

The acquisition enables IPG to expand its integrated laser systems product offerings for fine-processing, precision cutting, drilling and micromachining of non-metals, including glass, semiconductors and ceramics. JPSA's systems perform advanced laser micromachining, micro cutting, scribing and laser lift-off for semiconductors, microfluidics, LEDs, thin film solar panels, micro-electro-mechanical systems (MEMs), biomedical technology and industrial automation applications.

"This acquisition broadens our customized laser-based systems offerings and provides significant sales synergies," said Dr. Valentin Gapontsev, IPG Photonics Chief Executive Officer. "The combination of JPSA's specialized laser systems and the UV and short pulse fiber lasers that IPG is developing now should allow us to deepen our penetration of the \$800 million fine-processing market. At the same time, we plan to capitalize on opportunities to expand the global reach of JPSA's products through IPG's extensive sales and service network. In addition, we expect that the development expertise of the very experienced JPSA team would benefit our capabilities in other micromachining applications."

"Strong demand exists for better quality short-wavelength and short pulse width laser sources in applications addressed by JPSA's products," commented Jeff Sercel, CEO and Chief Technology Officer of JPSA. "While we will continue to sell our UV and excimer laser systems, as well as systems which use DPSS lasers, we strongly believe there are significant growth opportunities using advanced fiber lasers to displace traditional laser sources in high growth applications. Together, we will be able to sell into new applications, expand geographically and accelerate into markets where there are needs for advanced fiber laser technology. We look forward to being productive members of the IPG Photonics team."

#### **About JPSA Laser**

JPSA is a leading supplier of industrial grade UV excimer, DPSS, and Pico-second laser micromachining systems and materials processing services to customers worldwide. The Company's key applications include advanced automated systems for laser scribing and lift-off (LLO) of LEDs, thin film solar scribing, semiconductor, MEMs, research, biomedical, and industrial micromachining. JPSA's novel laser systems operate at wavelengths from 157nm to 1064nm, and are essential to a growing set of today's industrial micromachining applications. JPSA's experienced team of scientists and engineers work together in its applications lab to develop new techniques in laser-material interaction and high productivity laser systems and automation. JPSA is located in Manchester, New Hampshire. For more information, please visit [www.jpsalaser.com](http://www.jpsalaser.com).

#### **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](http://www.ipgphotonics.com).

#### **Safe Harbor Statements**

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, JPSA's anticipated revenues for the remainder of 2012, the dilutive effect of the acquisition, that the transaction is expected to be accretive in 2013, the acquisition enabling IPG to expand its integrated laser systems product offerings for fine-processing, precision cutting, drilling and micromachining, the acquisition broadening IPG's customized laser-based systems offerings and providing significant sales synergies, the combination of JPSA's specialized laser systems and the UV and short

pulse fiber lasers that IPG is developing allowing IPG to deepen its penetration of the fine processing market, capitalizing on opportunities to expand the global reach of JPSA's products, the development expertise of the JPSA team benefitting IPG's capabilities in other various micromachining applications, being able to sell into new applications, expand geographically and accelerate into markets where there are needs for advanced fiber laser technology. Factors that could cause actual results to differ materially include risks and uncertainties, including risks associated with business acquisitions and integration, 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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