



IPG Announces Improved 2005 Results

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Named Among Fastest-Growing Private Companies by Boston Business Journal

Oxford, Massachusetts, USA (March 24, 2006): IPG Photonics Corporation announced 2005 sales of \$96.5 million, a 59% increase from 2004, as well as a 300% increase in operating income. The growth came from all end-markets, including materials processing, telecom, and others, and builds upon the 80% sales jump and improvement in profitability IPG saw in 2004. As a result of its high three year growth rate, Boston Business Journal recently ranked IPG in the top 20 of the area's fastest-growing private companies.

"In 2005, IPG grew the number of OEM customers in low power fiber lasers, substantially increased sales of our unique kilowatt scale fiber lasers and, as well, saw rapid growth for our telecom high power fiber amplifier subsystems used in fiber to the premises applications: top line growth was driven by significant increases in sales in each of our product lines" said Tim Mammen, Chief Financial Officer of IPG. "With the growing scale of our business, IPG was better able to leverage manufacturing and operating efficiencies and drive significant improvements in profitability from 2004."

"As more customers learn about the benefits of our revolutionary fiber laser technology platform, IPG is expanding the uses and end-markets for our products" stated Dr. Valentin Gapontsev, IPG's CEO and founder. "In 2005, IPG saw fiber lasers winning in head to head competition against legacy YAG and CO2 lasers. As a result, demand for our multi-kilowatt and hundred-watt lasers started to accelerate powerfully."

"Last year we built over 60,000 sq. ft. of electronics-grade production facilities in Massachusetts and Germany, and this year we plan to add even more, including a state-of-the-art applications and test center opening next month in Germany" added IPG's founder. In 2005, IPG opened service centers in Korea and India and is planning additional centers locations throughout the world.

About IPG Photonics

IPG Photonics is the number one designer, manufacturer and seller of unique fiber lasers and amplifiers and diode lasers that enable a growing number of applications in the materials processing, telecom, medical, aerospace, government and scientific markets. Founded in 1991, IPG has been a pioneer in cladding-pumped optical fiber devices, a revolutionary technology that provides superior performance, reliability and ease-of-use over legacy lasers and mechanical production methods, allowing end-users to increase productivity, lower operating costs and accomplish more. Headquartered in Oxford, Massachusetts, IPG has plants in Germany, Russia and Italy, and regional offices in Japan, Korea, India, China and Britain. www.ipgphotonics.com.

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