

LINOS: Qioptiq Group makes offer for LINOS AG

Shareholders to receive EUR 16 per share. Main shareholder agrees to sale of his shares.

Göttingen, July 14, 2006. Optco Akquisitions GmbH announced today that it is planning to take over LINOS AG. It will be making the shareholders an offer to buy their bearer, no par value shares in LINOS AG (ISIN DE0005256507) via a voluntary takeover bid. The consideration for this is to be a cash payment of EUR 16 per share. This represents a premium of approximately 44 per cent on the 3-month weighted average of EUR 11.10.

Optco Akquisitions GmbH is an investment company of the Qioptiq Group, specifically provided for this acquisition. The Qioptiq Group is a worldwide leader in the design and manufacture of high-precision optical components and modules for military and commercial applications. The Qioptiq Group is an investee company of funds managed by Candover*, one of the leading private equity companies in Europe.

Following approval of the bid documents by the German financial services supervisory authorities, the takeover bid is to be submitted on the conditions and terms specified in the bid documents. The takeover bid is in particular to be subject to the suspensory condition that shareholders who together hold at least 75 per cent of the LINOS shares have accepted the bid by the end of the acceptance period. Professor Dr Gerd Litfin, Chief Executive Officer of LINOS AG, and his family, who together hold 40.8 per cent of LINOS AG, have informed LINOS AG that they have already reached agreement with Optco Akquisitions GmbH about the sale of the LINOS shares they own for a price of EUR 16.00 per share. The takeover bid is also to be subject to the suspensory condition that approval is issued by the cartel authorities responsible.

In due course, the Executive Board and Supervisory Board of LINOS AG will be issuing a reasoned statement about the bid in accordance with § 27 of the German Security Acquisition and Takeover Act (WpÜG).

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The Executive Board of LINOS AG is basically positive about the anticipated takeover bid.

Prof. Dr. Gerd Litfin said: "Our objective is to expand internationally and thereby broaden our position as one of the world's leading manufacturers of sophisticated optical systems. The Qioptiq Group has a profound understanding of our business sector and we have come to know them as professional and highly motivating partners. We therefore welcome their intention to take over LINOS."

Benoit Bazire, Qioptiq's CEO commented: "In LINOS we have found a highly complementary business operating in adjacent market segments. The combination of the two businesses would give us a strong platform in our customer markets."

Further information is available from www.linos.de. The Executive Board is available for interviews in the afternoon.

About LINOS AG

LINOS AG is a manufacturer of sophisticated optical systems that operates all over the world. In line with the corporate principle "Photonics for Innovation", LINOS is a development partner and supplier for customers in such growth markets as lasers, optical metrology, medicine, biotechnology and semiconductors. The company was established in a management buy-out in 1996, has acquired and integrated various photonics companies – most recently Rodenstock Präzisionsoptik in Munich – since then and is listed in the Prime Standard index at Frankfurt Stock Exchange. LINOS AG focusses on the three strategic business divisions Information Technology & Communications, Health Care & Life Sciences and Industrial Manufacturing. 750 highly qualified staff are employed in the Group, which produces at three locations in Germany as well as at a plant in Poland. LINOS has sales companies of its own in the USA, Great Britain and France, which are important export countries. <http://www.linos.de>

About Qioptiq

Qioptiq – formerly the High Tech Optics division of Thales – is an international leader in the design and manufacture of high-precision optical components and modules for military and commercial applications. Qioptiq has its core operations in the UK and Singapore as well as other manufacturing and sales units in Germany, Hungary and the USA. The company employs about 1,450 people and generated revenues of EUR 142 million in 2005.

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In the UK, Qioptiq specialises in developing and producing sophisticated optical modules and components for applications including aerospace, defence, night-vision operation and space. Its most important products include Head-Up Displays for aircraft, optical modules for defence programmes and night-vision equipment. In Singapore, the company designs and produces high-precision optical components and assemblies for night-vision equipment serving the defence and commercial markets. www.qioptiq.com

About Candover

Candover is one of the leading private equity companies in Europe, focusing on large-scale buy-out transactions. Since it was established in 1980, the company has invested in 128 buy-outs worth more than EUR 35 billion. Candover carries out its investment via two different avenues: first, via Candover Investments plc, a market-listed investment company and, second, via Candover Partners, a wholly-owned subsidiary. The Candover Group has offices in London, Düsseldorf and Paris as well as a regional consultant in Madrid. Candover Partners is authorised by and subject to the Financial Services Authority in the UK.

Wherever mentioned in this text, "Candover" means Candover Investments plc and/or one or several of its subsidiaries, including Candover Partners Limited as the principal initiator of the Candover 1994, 1997 and 2001 Funds and as manager of the Candover 2005 Funds. <http://www.candover.com>

Important information

This is neither an offer to purchase nor a solicitation of an offer to sell shares of LINOS AG. The terms and conditions of the offer will be published in the offer document only after permission of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) has been obtained.

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