

## **Qioptiq Group publishes takeover bid**

**Offer to buy LINOS shares for a cash payment of EUR 16 per share.  
Acceptance period ends on October 6, 2006.**

Düsseldorf, 24 August 2006. Today, the Qioptiq Group, a worldwide leader in the design and manufacture of high-precision optical components and modules for military and commercial applications, published the takeover offer of Optco Akquisitionen GmbH (Optco) to acquire the outstanding shares of Linos AG. This has been announced on July 14, 2006. The Qioptiq Group is an investee company of funds managed by Candover, one of the leading private equity companies in Europe. The German financial services supervisory authorities (BaFin) have examined and approved the voluntary public takeover bid. It involves the acquisition of bearer, no par value shares in Linos AG in return for a cash payment of EUR 16 per share. This represents a premium of 45 per cent on the three-month weighted average of EUR 11.00 on July 13, 2006.

The acceptance period for the takeover bid starts with its publication today and ends at 24:00 on October 6, 2006 (CEST).

The Executive Board of Linos AG has already announced that it is basically positive about the takeover bid.

### **Changes in the Executive Board of Linos AG**

Optco and Professor Dr Gerd Litfin, the current CEO of Linos AG, have agreed that Professor Litfin will resign from the Executive Board of Linos AG, join the Supervisory Board and take over the position of chairman there with effect from December 31, 2006 if the takeover bid is completed successfully. Professor Dr Litfin's successor as CEO of Linos AG from January 1, 2007 onwards is to be the CFO of Linos, Volker Brockmeyer.

### **Business operations of Linos AG in future according to the takeover bid**

If this bid is completed successfully, Linos AG will become a subsidiary of Optco Akquisitionen GmbH and thus part of the Qioptiq Group. Optco currently plans to continue operating Linos AG as an independent company. Optco and the Qioptiq Group do not intend to change the business operations of Linos AG and its subsidiaries. On the contrary, they plan to continue Linos' three business divisions – Health Care & Life Sciences, Industrial Manufacturing and Information Technology & Communications. There are no plans to dispose of individual activities of the Linos Group either. It is at present planned that Göttingen is to remain the location of the headquarters of Linos AG.

The aim is to combine the two companies and their operations in the medium term. A strong and efficient new organisation is to be created as a result that provides the necessary basis for expanding the market positions held with the existing products and for exploiting growth potential.

Optco is not at present planning any measures that will affect the employees of Linos AG or its subsidiaries, their representatives or their conditions of employment.

After completion of the takeover bid, Optco and the Qioptiq Group will carry out an investigation with the Executive Board of Linos AG to determine whether any changes are to be made with respect to the future business operations of the Linos Group. It cannot be ruled out that Optco's current intentions and assessments will be reviewed and, to the extent that is necessary and appropriate, adapted in this context.

### **Strategic background according to the takeover bid**

The Qioptiq Group and its subsidiaries develop and manufacture high-precision optical components and modules for military and commercial applications. The Qioptiq Group has its core operations in the UK and Singapore as well as other manufacturing and sales units in Germany, Hungary and the USA.

In the UK, Qioptiq specialises in developing and producing sophisticated optical modules and components for applications including aerospace, defence and night-vision operation. Its most important products include head-up displays for aircraft, optical modules for defence programmes and infrared optical systems, night-vision equipment and anti-reflection coatings. In Singapore, the company develops and produces high-precision optical components and modules for night-vision equipment and the medical field.

The Linos Group also manufactures sophisticated optical systems. It has production locations in Germany and Poland as well as sales companies of its own in France, Great Britain and the USA. In the Health Care & Life Sciences division, Linos develops such products as high-resolution X-ray cameras, dental cameras, optical systems for endoscopic equipment and efficient analytical instruments for genetic and protein research. In the Industrial Manufacturing division, Linos concentrates on particularly promising market segments like material processing with lasers or semiconductor manufacturing. The Information Technology & Communications business division produces optical systems and components for the automotive, photographic, printing and defence industries.

Not only the product portfolios of Qioptiq and Linos but also their regional emphases are largely complementary. The technologies developed and used by the two companies complement each other well too. From this point of view, a combination of Qioptiq and Linos or co-operation between the two companies represents an economically sound and strategically appropriate option. Together, Qioptiq and Linos have a stronger platform in customer markets and can increase their innovative skills. Bringing the two companies together creates the basis for satisfying customers' requirements and obtaining new customers with a broader product portfolio.

### **Suspensory conditions**

The takeover bid is subject to the suspensory condition that the total number of Linos shares for which the offer has been accepted, plus / including the 40.8% of the Linos shares held by Professor Dr Litfin and his family, corresponds to at least 75 per cent of the Linos shares at the end of the acceptance period. Another suspensory condition is that the cartel authorities responsible approve the merger. Professor Dr

Gerd Litfin, CEO of Linos AG, and his family, who together hold 40.8 per cent of Linos AG, 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 sale of these shares is also subject to the two above-mentioned suspensory conditions.

### **Publication of the bid document**

The bidder has published this bid document in accordance with § 14 Paragraph 3 of the WpÜG by posting it in the Internet at [www.optco-uebernahmeangebot.de](http://www.optco-uebernahmeangebot.de), by providing copies for distribution free of charge at Bankhaus Sal. Oppenheim jr. & Cie. KGaA, Equity Capital Markets, Untermainanlage 1, 60329 Frankfurt am Main, Germany, fax: +49 69 7134-5169, and by including an announcement in the stock exchange newspaper. The bid document is being published exclusively in German.

HypoVereinsbank will be the bank providing the finance.

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\* *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.*

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### **About Qioptiq**

Qioptiq – formerly the High Tech Optics division of Thales – is an international leader in the design and manufacturing 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.

In the UK, Qioptiq specialises in developing and producing sophisticated optical modules and components for applications including aerospace, defence and night-vision operation. Its most important products include head-up displays for aircraft, optical modules for defence programmes and infrared optical systems, night-vision equipment and anti-reflection coatings. In Singapore, the company develops and produces high-precision optical components and modules for night-vision equipment and the medical field.

**[www.qioptiq.com](http://www.qioptiq.com)**

### **About Linos**

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 as 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 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.

**[www.linos.de](http://www.linos.de)**

### **About Candover**

Candover is one of the leading private equity companies in Europe, focussing 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.

**[www.candover.com](http://www.candover.com)**