

LINOS: earnings in the first quarter of 2005 again considerably better than in the same quarter the previous year

Göttingen, May 2, 2005. LINOS AG (ISIN DE0005256507) generated revenue of EUR 21.2 million in the first three months of 2005 (same quarter the previous year: EUR 20.9 million). This represents an increase of 1.5 per cent. The operating result (EBIT) was more than EUR 1.4 million higher than in the same quarter the previous year at EUR 2.6 million. The photonics company recorded earnings before tax (EBT) of EUR 2.0 million, an increase of EUR 1.6 million over the same quarter the previous year. The consolidated net income amounted to EUR 1.3 million (same quarter the previous year: EUR 0.1 million).

The Information Technology & Communications division increased revenue by 17.3 per cent to EUR 5.8 million in the first quarter of 2005 (same quarter the previous year: EUR 4.9 million). Revenue in the Health Care & Life Sciences division was 2.9 per cent higher at EUR 6.7 million (same quarter the previous year: EUR 6.5 million). The Industrial Manufacturing division reported a shortfall of 7.7 per cent to revenue of EUR 8.9 million (same quarter the previous year: EUR 9.4 million), which is attributable primarily to the weakness of the semiconductor market.

Order intake and total orders on hand were lower than expected in the first quarter at EUR 15.6 million (same quarter the previous year: EUR 31.7 million) and EUR 57.0 million (same quarter the previous year: EUR 74.6 million) respectively. When comparing with the previous year, however, it needs to be taken into consideration that LINOS had an unusually large order intake in the first quarter of 2004. LINOS is working on the assumption that order intake will be returning to normal in the next quarter, because negotiations are currently being held about appropriate orders. The reduction in the total orders on hand reflects not only the lower order intake but also the fact that about EUR 12 million of the deliveries in connection with the large order from the Turkish partner have already been invoiced (percentage of completion-method IAS 11).

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Ad hoc release

2005-05-02 Page 2 of 2



The Executive Board continues to assume that revenue in the current fiscal year will total EUR 81 to 85 million. Earnings in the first quarter show that solidly positive results are achieved with the present corporate structure on the basis of revenues of this size. LINOS anticipates EBIT of between EUR 8.5 and 10.0 million for the year as a whole.

Professor Dr Gerd Litfin, CEO, and Volker Brockmeyer, CFO, of LINOS AG, are available for telephone interviews. Tel.: +49 551/69 35-126.

The report about the first quarter of 2005 is being published on May 11, 2005.

A profile of 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. Almost 800 highly qualified staff are employed in the Group, which has three production locations in Germany as well as 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>

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