

LINOS expects successful fiscal year in 2006

Operating result (EBIT) up 7.1 per cent in the first quarter of 2006 and earnings before tax (EBT) 26.0 per cent higher. Executive Board expects revenue of EUR 85 to 88 million and EBIT between EUR 9.0 and 10.5 million in 2006. Annual Shareholders' Meeting supports all the resolutions proposed by the Executive Board and Supervisory Board.

Göttingen, May 4, 2006. LINOS AG generated revenue of EUR 21.9 million in the first three months of 2006. This represents an increase of 3.5 per cent by comparison with the first quarter of 2005. The Health Care & Life Sciences business division recorded particularly fast growth: revenue was up 20.1 per cent here at EUR 8.1 million. This growth was attributable to a large extent to the biotechnology market segment. LINOS increased revenue in the Industrial Manufacturing division by 10.8 per cent to EUR 9.6 million. Particular mention should be made of the semiconductor technology and laser systems market segments here. Revenue in the Information Technology & Communications business division decreased by 26.9 per cent to EUR 4.2 million due to the planned reduction in the business with the Turkish technology partner and because of the insolvency of the customer Agfa Photo in 2005.

The total performance was 9.3 per cent higher than in the same quarter the previous year at EUR 23.9 million. Volker Brockmeyer, Chief Financial Officer of LINOS AG: "By comparison with the previous year, the total performance increased by 9.3 per cent in spite of lower personnel capacities in production. By increasing efficiency, we have created the scope to recruit additional staff in the strategically important areas of sales, development and engineering."

The operating result (EBIT) increased by 7.1 per cent to EUR 2.8 million, while earnings before tax (EBT) went up by as much as 26.0 per cent to EUR 2.5 million. Earnings per share rose from 26 cents in the first quarter of 2005 to 29 cents in the period under review. The capital increase of 499,999 shares made in January 2006 has been taken into account here. Including the capital increase, the shareholders' equity ratio improved from 34.9 per cent at the end of 2005 to 39.4 per cent.

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Order intake was 13.8 per cent higher than in the same quarter the previous year at EUR 17.7 million. In the first three months of 2006 it did not, however, reach the high level of substantially more than EUR 20 million achieved in each of the previous quarters. This is due to the normal quarterly fluctuations in order intake, which are attributable to differences in the terms of general contracts. The total orders on hand on March 31, 2006 were more than 18 per cent higher than in the previous year at EUR 67.5 million (March 31, 2005: EUR 57.1 million).

For the current fiscal year, the Executive Board is expecting revenue of EUR 85 to 88 million and an operating result (EBIT) between EUR 9.0 and 10.5 million. Professor Dr Gerd Litfin, Chief Executive Officer: "LINOS AG is in an excellent position to operate effectively in our demanding market environment. We have another successful year ahead of us."

Shareholders pass all resolutions almost unanimously

About 150 shareholders and guests attended the seventh Annual Shareholders' Meeting in Göttingen. They represented nearly 50 per cent of the voting capital. The Annual Shareholders' Meeting approved the conduct of the company's business by the Executive Board and Supervisory Board almost unanimously and again chose Deloitte & Touche as the auditors of the financial statements and consolidated financial statements for the 2006 fiscal year.

The report about the first quarter of 2006, which is being published today, and the Chief Executive Officer's speech at the Annual Shareholders' Meeting are available to be downloaded from the Internet: www.linos.de.

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. 750 highly qualified staff are employed in the Group, which produces at three

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The LINOS logo consists of the word "LINOS" in a bold, sans-serif font. A small red dot is positioned above the letter "I".

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>

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