

9 June 2004

AWARDS UNDER LONG TERM INCENTIVE SCHEME

Applied Optical Technologies PLC announces that it has today made initial awards of 1,285,000 ordinary shares of 5p each under the Company's Long Term Incentive Scheme. The awards are conditional upon growth in the Company's reported earnings per share (adjusted for the effects of goodwill, exceptional items, amounts written off investments and taxation) being equal to or greater than the sum of the retail price index measure of inflation (RPI) plus 15 per cent over the three years ending 31 March 2007.

As the Company recorded a loss per share for the year ended 31 March 2004 (being the base point for the assessment of these awards) the base EPS will be taken as Brewin Dolphin Securities' updated forecast EPS for the year ended 31 March 2005 discounted by the RPI for that year plus 5 per cent.

Directors have been granted the following initial awards;

Director	Initial Award of Shares	Market Value of Initial Award
Mark Turnage	325,000	£100,750
Mike Angus	275,000	£85,250
Peter Emerson	125,000	£38,750
Richard Salomone	125,000	£38,750

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