



Interim Report JENOPTIK AG
First three months – January to March 2007.



At a glance – Jenoptik Group.

Figures in TEUR	Jan. – March 2007	Jan. – March 2006 *	Change in %
Sales			
Laser & Optics	128,754	109,027	18.1
Sensors	56,437	45,058	25.3
Mechatronics	42,246	35,519	18.9
Other**	28,595	27,081	5.6
	1,476	1,369	7.8
EBITDA	16,862	15,939	5.8
Laser & Optics	10,340	7,140	44.8
Sensors	4,858	5,710	-14.9
Mechatronics	1,873	1,325	41.4
Other**	-209	1,764	
EBIT	9,016	8,907	1.2
Laser & Optics	6,244	3,515	77.6
Sensors	3,544	4,679	-24.3
Mechatronics	1,013	468	116.5
Other**	-1,785	245	
EBIT margin (EBIT as % of sales)	7.0	8.2	
Laser & Optics	11.1	7.8	
Sensors	8.4	13.2	
Mechatronics	3.5	1.7	
Other**	-120.9	17.9	
Earnings before tax	2,846	4,347	-34.5
Earnings after tax	2,743	5,264	-47.9
Order intake	140,923	117,372	20.1
Laser & Optics	66,330	55,106	20.4
Sensors	35,709	36,134	-1.2
Mechatronics	36,934	24,725	49.4
Other**	1,950	1,407	38.6
	March 31, 2007	Dec. 31, 2006	March 31, 2006
Order backlog	448,554	438,378	444,711
Laser & Optics	76,621	66,073	66,307
Sensors	62,008	68,993	72,109
Mechatronics	309,925	303,312	306,295
Other**	0	0	0
Employees (incl. trainees)	3,251	3,192	2,825
Laser & Optics	1,294	1,254	1,164
Sensors	1,074	1,050	781
Mechatronics	825	828	817
Other**	58	60	63

* The figures for the first quarter 2006 include only the continuing business divisions.

** Other includes holding, real estate, consolidation.

The first quarter 2007 in brief.

- **Sales** of the Jenoptik Group in the 1st quarter increased by **18.1 percent** to 128.8 million euros. Approx. 60 percent of sales came from abroad.
-- EARNINGS SITUATION – PAGE 6
- The **EBIT of the three operating divisions** Laser & Optics, Sensors and Mechatronics rose to **10.8 million euros** (prev. year 8.7 million euros). The result from operating activities (EBIT), at 9.0 million euros, was at approximately the same level as the previous year, which included a one-off income from real estate.
-- EARNINGS SITUATION – PAGE 6
- The **order intake** of the Jenoptik Group, at 140.9 million euros, was **20.1 percent** up on the figure for the previous year.
-- ORDER BOOK SITUATION – PAGE 6
- The **shareholders' equity** of the Jenoptik Group, at **306.9 million euros**, was once again clearly above the 300 million euro mark. The **shareholders' equity ratio** rose slightly from 34.3 percent at the end of 2006 to **35.0 percent**.
-- FINANCIAL AND ASSET POSITION – PAGE 8
- The **Laser & Optics** division remained the engine driving growth at Jenoptik, repeating the excellent figures achieved in the year 2006.
-- SEGMENT REPORTING – PAGE 10
- In the **Sensors division** the integration of Hommelwerke and Etamic to create Hommel-Etamic is proceeding. The focus remained on investments in the continuing process of **internationalization** of the division.
-- SEGMENT REPORTING – PAGE 11
- The Jenoptik Group sales target for **2007** is between **510 and 535 million euros**, with the EBIT margin between 7.5 and 8 percent.
-- FORECAST REPORT – PAGE 13

1. Business and framework conditions.

1.1 Group structure and framework conditions.

Jenoptik is a specialist in photonics and mechatronics technologies and one of the technology and market leaders in selected areas. The Group operates in the four areas of expertise of lasers, optics, sensors and mechatronics and supplies eight important key markets: the semiconductor industry, medical technology, the aerospace industry, traffic safety technology, the markets for material processing, industrial measurement technology, digital image processing as well as security and defense technology.

The Jenoptik Group has approx. 3,200 employees worldwide and achieved sales of 485.1 million euros and a result from operating activities of 38.2 million euros in fiscal year 2006. As a joint stock company listed on the TecDax of the Deutsche Börse (German Stock Exchange), JENOPTIK AG holds investments primarily in mid-cap companies and, as a holding company, does not itself pursue any operational activities.

1.2 Development of the capital market and the Jenoptik share.

Despite the marked fall at the beginning of March 2007 the German stock market showed a positive result over the 1st quarter 2007 as a whole. The key leading and comparison indices, the Dax and TecDax, posted marked gains. The Dax rose to 6,917.03 points, representing an increase of 3.53 percent compared with the beginning of 2007. The TecDax achieved a clearly stronger rise of 11.56 percent over the quarter, closing at 846.79 points on March 30, 2007.

The Jenoptik share initially succeeded in matching this positive trend but over the quarter as a whole underperformed against the Dax and TecDax. The Jenoptik

share began trading on January 2, 2007 at 7.80 euros and reached its 1st quarter high on January 30, 2007 at 8.23 euros. After a relatively short period the Jenoptik share, in parallel with the equity market as a whole, suffered a marked fall at the beginning of March 2007, reaching the quarter low of 6.88 euros on March 5, 2007. It subsequently recovered to close on the Xetra at 7.79 euros on March 30, 2007. The development over the 1st quarter 2007 represents a loss of 0.13 percent. In April 2007 the Jenoptik share recovered again and at the end of April / beginning of May 2007 was oscillating around 8 euros.

The reporting period with the publication of the consolidated financial statements is scheduled for the 1st quarter of a year. The presentation of the key indicators for 2006 and a comprehensive outlook for the current year is accompanied by numerous activities on the investor relations front. As such, the Jenoptik management provided analysts and investors with information at roadshows in Frankfurt and London. In addition, a visit to Jenoptik's traffic safety technology area arose keen interest.

Earnings per share*		in TEUR	
		1.1. – 31.3.2007	1.1. – 31.3.2006
Net profit	2,131	4,758	
Weighted average number of outstanding shares	52,029,701	52,028,475	
Earnings per share in euros	0.04	0.09	
Dilution effect**	469	451	
Weighted average number of outstanding shares (diluted)	56,913,120	56,911,894	
Earnings per share (dil.) in euros	0.04	0.09	

** Earnings per share represent the net profit divided by the weighted average number of shares outstanding. In calculating the diluted earnings per share the dilution effects are accounted for in determining the weighted average number of shares outstanding. The weighted average number of outstanding shares is adjusted for the effect of the options granted in the convertible bond assuming all options are exercised. The diluted earnings per share were reduced to the lower undiluted earnings per share.

** After taking deferred taxes into account.

1.3 Development of the economy as a whole and of the sectors.

The current statements on the economy as a whole and Jenoptik's individual markets essentially reaffirm the forecast announced in the Outlook in the 2006 Annual Report. The business climate, particularly in Germany, remains very positive.

In 2006 the global economy reported robust growth of just over 5 percent. Neither the temporarily higher energy prices nor the crisis in the Middle East have had any significant impact on global market activity. The Asian economy in particular is showing continuing strong growth. Driven by booming exports, in the first quarter 2007 Chinese economic growth was 11.1 percent according to information from the Chinese National Department of Statistics. This is clearly above the 7 to 8 percent rates which were estimated as sustainable and confirms the risk of an overheating economy. India remains the second growth driver in the region. The upturn phase in the Japanese economy has become a self-sustaining expansion.

According to the OECD the euro zone expanded by 2.6 percent in 2006, a clearly stronger rate than had been forecast and so for the first time since 2000 is once again enjoying a strong upswing. The German economy remains on a continuing growth path despite the three percentage point rise in value added tax with effect from January 1, 2007. The order intakes of German companies are stable and the fall in total economic production anticipated by most experts up to six months ago appears not to have materialized.

According to the definitive information from the sector association Spectaris, the German companies operating in the optical, medical and mechatronic areas posted a sales growth of 9.8 percent in 2006, to nearly 43.5 billion euros. This is the highest rate of growth since the year 2000. Sales in the core area of lasers and optical components actually soared by 21.4 percent compared with 2005, reaching a record level of 5.83 billion euros.

The measurement technology and sensor systems sector grew by 8.1 percent last year in Germany according to data from the AMA sector association, thus once again reaffirming its long-term growth trend.

The global semiconductor market as well as the market for semiconductor manufacturers reported robust growth in 2006. New figures from the Zentralverband Elektrotechnik- und Elektronikindustrie ZVEI and the market research institution Gartner Inc. confirm the growth rates stated in the Jenoptik Annual Report. The global semiconductor market is therefore running at nearly 148 billion US dollars, equipment manufacturers generated a good 41 billion US dollars in sales. The market for semiconductor manufacturers is seen as very stable in the first quarter 2007.

In 2006 the automation sector achieved worldwide sales of around 228 billion euros according to the automation sector association the ZVEI. This represents a 6 percent rise compared with 2005. The German automation industry actually recorded an increase in sales of nearly 9 percent to more than 38 billion euros. Its share of global production rose to a total of 14 percent.

As expected, in the first quarter 2007 the German automobile industry suffered a fall in domestic new vehicle registrations of 10 percent in comparison with the previous year, attributable to the increase in value added tax. Nevertheless, the industry succeeded in increasing its production by 7 percent to 1.53 million units, the highest level in a first quarter. Exports increased by 12 percent over the previous year, also reaching a new high.

German companies in the medical technology manufacturing sector posted an 8.1 percent increase in 2006, to 15.9 billion euros according to details from the sector association Spectaris. In this context, following two years of falling sales, domestic sales once again reported a small rise of 3.2 percent to 5.7 billion euros. Export sales increased by 11.1 percent to 10.2 billion euros. The higher export quota can be explained by a policy-driven investment backlog of up to 30 billion euros on the domestic market which the sector has had to combat.

2. Earnings, financial and asset situation.

Important note on the figures for the 1st quarter 2007 regarding the comparability with the figures of the previous year: unless specified otherwise the figures for the previous year which were also shown in the 1st quarter report 2006 for the continuing business divisions, can be compared with the figures published for the 1st quarter 2007.

2.1 Earnings and order book situation.

Sales of the Jenoptik Group in the 1st quarter 2007 rose by 18.1 percent to 128.8 million euros (prev. year 109.0 million euros). Organic growth of about 10 percent accounted for more than half the rise in sales. This figure includes sales of approx. 7 million euros by Etamic, purchased in the autumn of 2006, boosting the increase in sales inorganically. 60.0 percent of the Jenoptik Group sales and consequently 77.2 million euros were generated abroad (prev. year 59.3 percent).

Cost of sales increased at a proportionately slightly lower rate to the rise in sales, by 17.5 percent to 89.0 million euros (prev. year 75.7 million euros). The gross result of the Jenoptik Group therefore totaled 39.8 million euros (prev. year 33.3 million euros). The gross margin (gross result as a percentage of sales) improved from 30.5 percent to 30.9 percent.

The result from operating activities (EBIT) was 9.0 million euros, approximately at the previous year's level of 8.9 million euros. In the previous year the EBIT of Other (Jenoptik holding, real estate, consolidation) was characterized by a one-off income from real estate of approx.

1.5 million euros. The Group EBIT margin in the 1st quarter 2007 was 7.0 percent (prev. year 8.2 percent). The purely operational business of the three divisions Laser & Optics, Sensors and Mechatronics produced an EBIT of 10.8 million euros compared with 8.7 million euros in the same period of the previous year.

The financial result of minus 6.2 million euros (prev. year minus 4.6 million euros) was mainly impacted by a continuing negative interest result. The interest expenses similar to those in the same period of the previous year in the sum of 6.9 million euros (prev. year 6.8 million euros) were set against a clearly lower interest income of 1.9 million euros (prev. year 2.7 million euros). In the previous year the Jenoptik Group posted one-off interest income in the first and second quarter in connection with the M+W Zander sale process.

Taxes on income and earnings, at 0.6 million euros, were approximately the same as in the previous year (prev. year 0.5 million euros) and were primarily incurred in the foreign subsidiaries and one German majority shareholding. As in the same period of the previous year, the Group posted deferred tax income in the first quarter 2007 although, at 0.4 million euros, this was 1.0 million euros lower than in the previous year (prev. year 1.4 million euros). Earnings after tax totaled 2.7 million euros (prev. year 5.3 million euros).

The positive economic development together with new products and technologies enabled the Jenoptik Group to increase its order intake by 20.1 percent compared with the same period in the previous year. The order

Sales		in TEUR		
		1.1. bis 31.3.2007	1.1. bis 31.3.2006	Change
Total		128,754	109,027	18.1 %
Laser & Optics		56,437	45,058	25.3 %
Sensors		42,246	35,519	18.9 %
Mechatronics		28,595	27,081	5.6 %
Other		1,476	1,369	7.8 %

EBIT		in TEUR		
		1.1. bis 31.3.2007	1.1. bis 31.3.2006	Change
Total		9,016	8,907	1.2 %
Laser & Optics		6,244	3,515	77.6 %
Sensors		3,544	4,679	-24.3 %
Mechatronics		1,013	468	116.5 %
Other		-1,785	245	++

intake in the first quarter 2007 totaled 140.9 million euros (prev. year 117.4m euros). This figure does not include new orders for traffic safety technology in North America from the service providing area. Here Jenoptik has been pursuing a new business model since 2006. The systems are not only being installed but also operated. Since the order intake and future sales from this new business can not yet be estimated with the necessary level of accuracy due to various variable sales components, Jenoptik has decided to show these orders as order intake only at the time of the respective monthly sales invoicing. This also applies to the major order from Canada of more than 10 million euros that was published at the beginning of January 2007.

Orders from the service providing business which Jenoptik receives and prepares at present in particular in North America are therefore handled in a very conservative way. The traffic safety systems of the service providing are therefore also not included in the order backlog of the Group which, at 448.6 million euros as of end March 2007, was up slightly on the figure for the previous year (prev. year 444.7 million euros).

2.2 Development of key performance factors.

Research and development expenses, at 8.2 million euros, were markedly up on the figure for the previous year (prev. year 6.0 million euros). The 36.5 percent increase is attributable, in particular, to higher R+D expenses in the Laser & Optics and Mechatronics divisions.

The number of employees in the Jenoptik Group increased slightly by 59 compared with December 31, 2006 to 3,251 (as of Dec. 31, 2006: 3,192). The rise in the number of employees, underproportional to the rise in sales is the result both of new appointments as

well as – predominantly – initial consolidations. For example, the inclusion of JENOPTIK Diode Lab GmbH and Somicronic S.A. within the consolidated companies together added 43 employees. 424 employees worked abroad, representing 13 percent of the total Jenoptik workforce. During the course of the Etamic acquisition there was a marked increase in the proportion of employees abroad in the year just past.

21 trainees successfully completed their vocational training and were taken on as electronic technicians, mechatronic technicians, industrial engineers, precision optical engineers and industrial clerks by the Jenoptik subsidiaries at six Jenoptik locations.

Changes on the Executive Board of JENOPTIK AG will be taking place with effect from July 1, 2007. Alexander von Witzleben will be handing over the Chairmanship of the Executive Board to Dr. Michael Mertin who has been responsible for the entire operational business since October 2006 as a member of the Executive Board and COO. Frank Einhellinger, Head of Finance/Controlling, will be the new Chief Financial Officer.

There was a change in the management of SINAR AG, Switzerland. With effect from April 1 this year Wolfgang Keller took over the management of the business from Alain Wacker as Chief Executive Officer. His main duties, in addition to the operational business, will be the further integration of SINAR AG within the activities of the Jenoptik Group in the area of digital imaging. Before joining SINAR Wolfgang Keller was responsible for the operational business of Leica Camera as COO.

There were no major changes in the procurement, production and organization, quality and environmental management compared with the 2006 Annual Report.

R+D expenses		in TEUR		
		1.1. bis 31.3.2007	1.1. bis 31.3.2006	Change
Total		8,160	5,977	36.5 %
Laser & Optics		4,697	3,316	41.6 %
Sensors		3,266	2,945	10.9 %
Mechatronics		979	335	192.2 %
Other		-782	-619	26.3 %

Employees (incl. trainees)			
	31.3.2007	31.12.2006	31.3.2006
Total	3,251	3,192	2,825
Laser & Optics	1,294	1,254	1,164
Sensors	1,074	1,050	781
Mechatronics	825	828	817
Other	58	60	63

2.3 Financial and asset position.

Within the financial analysis there have been no significant changes in the key indicators during the course of the 1st quarter 2007. For a comprehensive overview we refer to the details in the Annual Report from P. 65.

The Group's financing structure continues to be long-term oriented. The proportion of long-term financial liabilities, at 78.7 percent, remained at the same level as end December 2006 (Dec. 31, 2006: 78.1 percent). The net debt which is defined as the total financial liabilities including bonds, credits, bills of exchange and liabilities arising from finance lease, less cash and cash equivalents and securities reduced slightly to 200.6 million euros (Dec. 31, 2006: 203.0 million euros).

The investment analysis for the 1st quarter 2007 showed total investments in intangible assets and tangible assets in the sum of 6.7 million euros (prev. year 8.9 million euros). At 2.7 million euros, additions, in particularly intangible assets, were markedly below the level for the previous year (prev. year 4.5 million euros). Investments in tangible assets, almost exclusively in machines and equipment, totaled 4.0 million euros and were therefore slightly down on the figure for the 1st quarter 2006 (prev. year 4.1 million euros). These extended right across all three divisions. The above-mentioned investments in intangible assets and tangible assets were offset by depreciation in the total sum of 7.8 million euros (prev. year 7.0 million euros).

Investments in financial assets in the sum of 1.4 million euros were offset by depreciation of 1.6 million euros.

Net debt	in TEUR	
	31.3.2007	31.12.2006
Total	-200,620	-203,030
Securities	3,112	3,638
Cash and cash equivalents	154,791	153,840
Non-current financial liabilities	282,210	281,679
Current financial liabilities	76,313	78,829

The explanation of the development of the cash flow is provided within the framework of the cash flow analysis. Since the statement of cash flows for the previous year includes the discontinued business division up to its deconsolidation during the course of the 2nd quarter 2006, the statement of cash flows for the previous year's quarter for the continuing business division was shown for the purpose of better comparison.

The cash flow from operating activities, at 10.5 million euros, was virtually at the same level as in the previous year (prev. year 10.9 million euros). Before movements in working capital and taxes it amounted to 16.8 million euros (prev. year 15.5 million euros). It reduced in particular as a result of the increase in working capital by 5.9 million euros and the use of provisions in the sum of 4.2 million euros. The increase in working capital is solely attributable to the Laser & Optics division which showed the highest growth.

The cash flow from investing activities amounted to minus 4.6 million euros (prev. year plus 6.2 million euros). It mainly included the payments for investments in intangible assets in the sum of 2.7 million euros and in tangible assets in the sum of 3.6 million euros. In the previous year the cash flow from investing activities was primarily characterized by receipts from disposal of a securities fund, part sales of DEWB shares and receipts from long-term bonds.

The cash flow from financing activities amounted to minus 5.0 million euros (prev. year minus 16.0 million euros). This was the result primarily of the 2.6 million euros for repayment of credits of as well as the interest payments in the sum of 2.4 million euros.

The balance sheet total of the Jenoptik Group increased slightly to 876.6 million euros (as of Dec. 31, 2006: 873.7 million euros).

On the assets side of the balance sheet, non-current assets rose slightly to 418.1 million euros (as of Dec. 31, 2006: 416.9 million euros). Whilst tangible assets

increased to 173.4 million euros (as of Dec. 31, 2006: 170.2 million euros) mainly as a result of the initial consolidation of JENOPTIK Diode Lab GmbH, financial assets consequently reduced by 4.8 million euros to 50.2 million euros (as of Dec. 31, 2006: 55.0 million euros). This was mainly attributable to a loan of Jenoptik to the subsidiary which is now consolidated.

Current assets slightly increased by 1.8 million euros to 458.6 million euros (as of Dec. 31, 2006: 456.7 million euros). Whilst inventories rose by 10.4 million euros during the course of the expansion of business, receivables and other assets reduced by nearly 9 million euros to 128.8 million euros (as of Dec. 31, 2006: 137.8 million euros). Both effects can be attributed to the fourth quarter with traditionally high sales and with higher receivables and lower inventories as at the balance sheet date. In addition, the fall in receivables from participating interests was the result of the initial consolidation of JENOPTIK Diode Lab GmbH.

The shareholders' equity of the Jenoptik Group rose by 7.6 million euros to 306.9 million euros and is therefore once again clearly above the 300 million euro mark (as of Dec. 31, 2006: 299.4 million euros). In addition to the profit for the quarter, the increase in the value of the shares in the quoted PVA TePla AG made a significant contribution to this figure. The ratio between the shareholders' equity and balance sheet total corresponds to a shareholders' equity of 35.0 percent (as of Dec. 31, 2006: 34.3 percent).

There were no major changes in the non-current liabilities at 333.8 million euros compared with 333.2 million euros as of end 2006. Current liabilities reduced by 5.2 million euros and totaled 235.9 million euros (as of Dec. 31, 2006: 241.1 million euros). There was a slight reduction in virtually all the current liability items.

There were no purchases or sales of companies in the 1st quarter of the current fiscal year. The acquisition of the remaining 75 percent of the US measurement technology investment holding Detroit Precision Hommel,

Inc. USA, as well as of the remaining 49 percent of the shares in SINAR AG, Switzerland, took place in the current 2nd quarter.

For details on assets and liabilities not included in the balance sheet we refer to the 2006 Annual Report from Page 74. There were no major changes in these items, except for the guarantee relationships to the M+W Zander Group (see Opportunities and Risk Report on P. 12 of this interim report).

3. Segment reporting.

3.1 Laser & Optics.

The Laser & Optics division once again remained the engine driving growth at Jenoptik in the 1st quarter 2007. Sales in the first three months of the current fiscal year increased by 25 percent to 56.4 million euros (prev. year 45.1 million euros). The EBIT, which almost doubled to 6.2 million euros (prev. year 3.5 million euros) rose at a clearly stronger rate than sales. High-performance and microoptics as well as high-power diode lasers continue to be the driving force for the positive development. The base material for this most efficient of all types of lasers now comes exclusively from our own production in Berlin. The quality of the semiconductor material was further optimized and in conjunction with new assembly technology led to a further increase in output powers.

The division's order intake also reported another double figure rise, increasing by 20.4 percent to 66.3 million euros (prev. year 55.1 million euros). The order backlog of the division was 15.6 percent higher compared with the end of 2006, at 76.6 million euros (as of Dec. 31, 2006: 66.1 million euros).

The number of employees in the division showed a rise of 40 from 1,254 at the end of 2006, to 1,294. In addition to new appointments mainly at the Jena location, JENOPIK Diode Lab GmbH in Berlin brought an additional 23 employees.

The growth in sales and results as well as the increase in the order intake is attributable both to the products established on the market as well as to product innovations over recent months. The green thin-disk laser for medical technology, 5,555 of which have since been manufactured, remains the main driving force for laser technology. The innovative air-cooled disk laser product family was also further enhanced. At Photonics West 2007 Jenoptik showcased the JenLas® epidot thin-disk laser with a wavelength of 532 nanometers (green

laser light). With an output capacity of up to 10 Watts this now enables finer structures to be created for the ablation and marking of new materials.

The microoptic product range was also expanded. The key features of transmission gratings made of quartz glass and reflection gratings made of dielectric layer systems in comparison with standard gratings using metallic coatings, are their higher diffraction efficiency and destruction thresholds, which enable us to supply clients with femto-second lasers with increased stability and service life.

The distribution structures for optics were strengthened with the addition of a new sales office in Israel. The office was opened in March this year in Nes Ziona. In Israel today Jenoptik supplies clients from the semiconductor equipment industry, optical inspection as well as from the printing machine industry with sophisticated, client-specific optical components and systems. In addition to greater proximity to existing clients, particular interest is attached to the potential for developing additional client groups for example those from the areas of medical technology or security and defense technology.

The objective of the full takeover of SINAR AG in the 2nd quarter 2007 is to consolidate the brand as the leading systems provider within the top group of global providers to the world of professional digital photography and to significantly expand the market share in the premium segment for digital mid-format cameras. The takeover of the remaining shares had already been provided for as an option at the time of the purchase of the first 51 percent. Since SINAR AG has already been consolidated the acquisition will not have an appreciable effect on the balance sheet or statement of income of the Jenoptik Group or of the Laser & Optics division.

3.2 Sensors.

The Sensors division posted an 18.9 percent growth in sales. The division's sales consequently increased from 35.5 million euros in the same quarter in the previous year, to 42.2 million euros. The increase is primarily the result of sales by Etamic which had not been included in the figures for the 1st quarter of the previous year and which totaled approx. 7 million euros in the first quarter 2007. Etamic, included in the figures for the first time, also had a clear impact on the result. The EBIT of the Sensors division, at 3.5 million euros, was down on the figure for the previous year (prev. year 4.7 million euros). The reason for this, in addition to the amalgamation of Hommelwerke and Etamic to create Hommel-Etamic, is the continuing process of internationalization which is being driven forward particularly in the Sensors division.

The order intake of the Sensors division totaling 35.7 million euros (prev. year 36.1 million euros) was almost at the level for the previous year. As already reported in the statements on the Group order intake, the figure does not include new orders from North America for traffic safety technology in the service providing area. ROBOT Visual Systems GmbH will be supplying digital camera systems for traffic light monitoring to Canada and the USA. The largest order of these, which has a total volume of more than 10 million euros, runs for five years and contains an option for it to be extended by a further five years. Jenoptik was awarded this order since it was the only provider of digital camera systems able to reliably generate sharp images across more than three lanes using just one high resolution camera. As explained in the section on the order situation Jenoptik will record those orders only when they will be invoiced and they are also not included in the order backlog. Therefore, the order backlog of the Sensors division as of March 31, 2007 was at 62.0 million euros slightly below the level at the end of 2006 (as at Dec. 31, 2006: 69.0 million euros).

The number of employees in the Sensors division rose by 24 from 1,050 to 1,074. The initial consolidation of the French firm Somicronic S.A., the French company of Hommelwerke, added 20 employees. The initial consolidation of this company as of January 1, 2007 was carried out within the framework of merging the activities of Hommelwerke and Etamic, acquired last year, under the Jenoptik umbrella, a process which is currently moving ahead at full speed. The specific steps taken in the current 2nd quarter included the change of name to Hommel-Etamic GmbH in Germany as well as the full acquisition of the previous minority investment Detroit Precision Hommel Inc. in the USA.

As of April 2, 2007 Jenoptik acquired the remaining 75 percent in the US company Detroit Precision Hommel, Inc. and now holds 100 percent of the company. Detroit Precision Hommel manufactures production and assembly measurement systems for the automobile and automobile supplier industry and markets the Hommelwerke product range to the numerous clients in the USA, Canada and Mexico. The acquisition took place in preparation for the merger of Detroit Precision Hommel, Inc. and Etamic Corp., Plymouth, which is also based near Detroit. The future Jenoptik Group company, which will operate worldwide under the name Hommel-Etamic, has companies not only in Germany and the USA but in France and Switzerland as well. Industrial measurement technology is now one of Jenoptik's business areas with the largest sales volumes and the greatest progress in terms of internationalization. The process of the internationalization of the business is being driven forward particularly in the Sensors division. In this context, the order from Canada for traffic safety technology was an important milestone, not least since it represents the start of a new business model.

Jena-Optronik received international recognition within the aerospace industry. It was the first German company to be presented with the "Supplier of the Year 2006" award for avionics by the US technology group Boeing. The Jenoptik subsidiary supplies Boeing with the autonomous tracking systems ASTRO 15, the most precise sensor currently available on the market.

3.3 Mechatronics.

The Mechatronics division is continuing its positive development and in the 1st quarter 2007 followed up on the growth figures achieved in the previous year. Sales for the quarter increased by 5.6 percent in comparison with the same period in the previous year, to 28.6 million euros (prev. year 27.1 million euros), the EBIT rose to 1.0 million euros (prev. year 0.5 million euros).

However, this business is difficult to portray on a quarterly basis because of the characteristic long-term contracts. The order intake can fluctuate significantly from quarter to quarter as larger and extremely long-term orders are the norm. This can be seen in the division's order backlog which totaled 309.9 million euros, showing an increase over 2006 of 6.6 million euros (as of Dec. 31, 2006: 303.3 million euros). The order intake in the period covered by the report, at 36.9 million euros, was up by 49.4 percent on the 1st quarter 2006 (prev. year 24.7 million euros). In particular, the division won a major order from the Swiss technology and armaments company RUAG for the upgrading of the Pz 87 Leo standard battle tank of the Swiss Army, worth more than 13 million euros. Equipped at the time with a hydraulic weapon slaving system, the battle tank is being upgraded by the addition of digital, electromechanical weapon stabilization that meets the latest requirements. The order for ESW also includes equipment for training, logistics and spares.

The number of employees in the Mechatronics division, at 825, remained at approximately the same level as at end 2006 (as of Dec. 31, 2006: 828).

4. Report on post-balance sheet events.

There were no events of special importance occurring after the end of the period covered by the report from January 1 to March 31, 2007. Reference to individual developments in the 2nd quarter 2007 has already been made within the framework of the reporting above.

5. Opportunities and risk report.

The risk arising from guarantees for the M+W Zander Group which had already reduced at the end of fiscal year 2006 was almost completely eliminated during the course of the 1st quarter 2007. Following a reduction of the revolving guarantee framework (without guarantee Fab 36) for M+W Zander from originally 150 million euros to 33 million euros in the 4th quarter 2006, this expired in February 2007. The old guarantees resulting from this framework reduced to 7.7 million euros as at March 31, 2007. At present, there are no indications that Jenoptik will face any expenses resulting thereof. The granting of new guarantees by M+W Zander on Jenoptik lines is no longer possible.

In conjunction with the Risk and Opportunities Report we refer to the comprehensive details in the 2006 Annual Report from P. 83. There were no major changes in the opportunities and risk management system or in the opportunities and risks in the period covered by the report, except for the risk reduction in the guarantee relationships in connection with M+W Zander that were described above.

6. Forecast report.

6.1 Global economy and sectors.

The global economy has made a strong start to the new year. The International Monetary Fund is optimistic that the global economy will also continue to show strong growth beyond 2006 – mainly due to a more balanced and sustainable global growth. Risks for the global economy continue to be posed by growing protectionism, a potential rise in inflationary pressures as the result of increasing raw material prices, a slowdown in growth in the USA and a sudden adjustment in global imbalances.

The economy in the euro zone is showing virtually no signs of slowing down at the beginning of the second quarter 2007. The European Commission correspondingly anticipates real economic growth in the euro zone this year of 2.4 percent.

The German economy remains on a growth path. In their Spring reports five leading economic research institutes therefore raised their growth forecasts for Germany from 1.4 percent to 2.4 percent for both this and next year.

According to forecasts by the sector association Spectaris the optical, medical and mechatronic industries in Germany can expect a further rise in sales of approx. 9 percent in 2007.

Sales in the semiconductor sector are continuing to rise. The sector association ZVEI is forecasting growth of approx. 8 percent in comparison with 2006.

The German automation sector sees a continuing stable growth path ahead. The global growth potential remains unchanged at between 6 and 8 percent per annum.

In the opinion of the VDA the domestic sales figures for the German automobile industry will return to normal.

6.2 Future development of business situation.

The aim of the Jenoptik Group is to become a billion euro group over the long term. In order to achieve this the Group is aiming for average growth of 10 percent per annum. This figure includes smaller acquisitions which will expand the technology and product portfolio as well as the international market presence. Larger acquisitions may provide an additional boost although the possibility of these can not be included in the planning.

For 2007 the Group's sales target is between 510 and 535 million euros. In 2008 the aim is to generate sales in excess of the 550 million euro mark. All three of the Group's divisions are expected to contribute towards the growth in sales. As such, following the 33.1 percent leap in sales in 2006, the Laser & Optics division plans to consolidate at this high level for 2007 and consequently to post sales of between 200 and 210 million euros. Sales by Etamic, acquired in 2006 and included in full for the first time, can be seen in the Sensors division which forecasts sales of between 180 and 190 million euros for 2007. The Mechatronics division plans sales of between 120 and 130 million euros for 2007.

The Jenoptik Group is aiming for an EBIT margin of 7.5 to 8 percent in the result from operating activities in 2007. This target margin is attributable not only to the anticipated rather small earnings contribution by Etamic with sales of approx. 30 million euros but also to the start-up of smaller R+D project companies which are expected to make a contribution to sales and results from 2008/2009. Over the medium term the Group EBIT margin is anticipated to increase to 9 to 10 percent. Jenoptik sees the effects of scale and experience gained, an active portfolio control, the successful integration of acquisitions, the market launch of new products as well as the continuing internationalization offering potential for improvements in the quality of earnings.

Consolidated statement of income.

in TEUR	Group 1.1.–31.3. 2007	Continuing business divisions 1.1.–31.3. 2006	Discontinuing business division 1.1.–31.3. 2006	Group 1.1.–31.3. 2006
Sales*	128,754	109,027	490,644	599,671
Cost of sales	88,961	75,736	454,497	530,233
Gross profit	39,793	33,291	36,147	69,438
Research and development expenses	8,160	5,977	555	6,532
Selling expenses	12,714	11,078	5,745	16,823
General administrative expenses	10,291	9,068	12,211	21,279
Other operating income	3,951	5,419	4,096	9,515
Other operating expenses	3,563	3,680	3,486	7,166
Depreciation in accordance with IFRS 5			9,477	9,477
Result from operating activities	9,016	8,907	8,769	17,676
Result from investments in associated companies	– 644	904	692	1,596
Result from other investments	– 544	– 1,405	42	– 1,363
Interest income	1,924	2,740	1,845	4,585
Interest expenses	6,906	6,799	3,207	10,006
Financial result	– 6,170	– 4,560	– 628	– 5,188
Earnings before tax	2,846	4,347	8,141	12,488
Income taxes	548	448	2,877	3,325
Deferred taxes	– 445	– 1,365	1,215	– 150
Earnings after tax	2,743	5,264	4,049	9,313
Minority interests' share of profit/loss	612	506	4,049	4,555
Net profit	2,131	4,758	0	4,758
Earnings per share in euros	0.04	0.09	0.00	0.09
Earnings per share (diluted) in euros	0.04	0.09	0.00	0.09

*after consolidation

Consolidated balance sheet.

Assets			
in TEUR	March 31, 2007	Dec. 31, 2006	Change
Non-current assets	418,079	416,934	1,145
Intangible assets	91,817	89,490	2,327
Tangible assets	173,394	170,178	3,216
Investment properties	34,314	34,553	-239
Shares in associated companies	752	1,396	-644
Financial assets	50,151	55,035	-4,884
Other non-current assets	12,880	11,163	1,717
Deferred tax assets	54,771	55,119	-348
Current assets	458,557	456,725	1,832
Inventories	171,877	161,494	10,383
Current accounts receivable and other assets	128,777	137,753	-8,976
Securities	3,112	3,638	-526
Cash and cash equivalents	11,591	10,640	951
Restricted cash	143,200	143,200	0
Total assets	876,636	873,659	2,977
 Shareholders' equity and liabilities			
in TEUR	March 31, 2007	Dec. 31, 2006	Change
Shareholders' equity	306,941	299,364	7,577
Subscribed capital	135,290	135,290	0
Capital reserves	186,726	186,726	0
Other reserves	-38,261	-45,190	6,929
Own shares	0	-47	47
Minority interests	23,186	22,585	601
Non-current liabilities	333,791	333,198	593
Pension provisions	6,390	6,361	29
Other non-current provisions	23,698	22,340	1,358
Non-current financial liabilities	282,210	281,679	531
Other non-current liabilities	19,313	19,953	-640
Deferred tax liabilities	2,180	2,865	-685
Current liabilities	235,904	241,097	-5,193
Tax provisions	1,707	1,218	489
Other current provisions	35,771	41,066	-5,295
Current financial liabilities	76,313	78,829	-2,516
Other current liabilities	122,113	119,984	2,129
Total shareholders' equity and liabilities	876,636	873,659	2,977

Consolidated statement of movements in shareholders' equity.

	Subscribed capital	Capital reserve
in TEUR		
Balance as at 01.01.2006	135,290	186,727
Valuation of financial instruments		
Currency differences		
Changes in value recorded in shareholders' equity		
Earnings after tax		
Sum of earnings after tax and changes in value not impacting income		
Change in consolidated companies		
Other changes		– 1
Balance as at 31.03.2006	135,290	186,726
Balance as at 01.01.2007	135,290	186,726
Valuation of financial instruments		
Currency differences		
Changes in value recorded in shareholders' equity		
Earnings after tax		
Sum of earnings after tax and changes in value not impacting income		
Other changes		– 1
Balance as at 31.03.2007	135,290	186,725

Reserves						
Cumulated profit	Fair value measurement	Hedging	Cumulative currency differences	Own shares	Minority interests	Total
-45,587	-3,623	3,195	-4,557	-48	42,930	314,327
	2,504	501				3,005
-1,800			-1,647		-530	-3,977
-1,800	2,504	501	-1,647		-530	-972
4,758					4,555	9,313
2,958	2,504	501	-1,647		4,025	8,341
					10,180	10,180
				1	-19	-19
-42,629	-1,119	3,696	-6,204	-47	57,116	332,829
-56,887	9,143	3,958	-1,404	-47	22,585	299,364
	4,862	177				5,039
-25			-217		-10	-252
-25	4,862	177	-217		-10	4,787
2,131					612	2,743
2,106	4,862	177	-217		602	7,530
				47		46
-54,781	14,005	4,135	-1,621	0	23,187	306,940

Consolidated statement of cash flows.

in TEUR	Group 1.1. to 31.3. 2007	Cont. bus. division 1.1. to 31.3. 2006	Group 1.1. bis 31.3. 2006
Earnings before tax	2,846	4,347	12,488
Interest	4,982	4,059	5,421
Depreciation / write up	7,846	7,827	7,827
Impairment	0	0	9,477
Operating profit (prev. year loss) on disposal of fixed assets	-8	109	122
Other non-cash expenses / income	1,116	-859	-1,518
Operating profit / loss before working capital changes	16,782	15,483	33,817
Increase / decrease in provisions	-4,207	-349	-3,723
Increase / decrease in working capital	-5,884	-976	7,003
Increase / decrease in other assets and liabilities	3,873	-1,958	-4,958
Cash flow from / used in operating activities before income taxes	10,564	12,200	32,139
Income taxes paid	-59	-1,326	-6,737
Cash flow from / used in operating activities	10,505	10,874	25,402
Receipts from disposal of intangible assets	2	-7	2
Payments for investments in intangible assets	-2,733	-4,526	-4,829
Receipts from disposal of tangible assets	419	421	506
Payments for investments in tangible assets	-3,614	-4,098	-6,776
Receipts from disposal of financial assets	38	10,388	11,313
Payments for investments in financial assets	-251	-2,949	-4,693
Receipts from sale of consolidated companies	0	10,793	10,793
Receipts (prev. year payments) for acquisition of consolidated companies	25	-6,796	-7,144
Interest received	1,554	2,938	4,780
Cash flow from / used in investing activities	-4,560	6,164	3,952
Dividend payments to shareholders	0	0	0
Receipts from issue of bonds and loans	2,574	2,459	21,069
Repayments of bonds and loans	-5,176	-13,598	-17,735
Repayments for finance leases	-431	-1,435	-1,566
Change in group financing	442	-950	-6,409
Interest paid	-2,366	-2,475	-4,623
Cash flow from / used in financing activities	-4,957	-15,999	-9,264
Change in cash and cash equivalents	988	1,039	20,090
Foreign currency translation changes in cash and cash equivalents	-37	43	-1,421
Cash and cash equivalents at the beginning of the period	10,640	8,846	123,465
Cash and cash equivalents at the end of the period	11,591	9,928	142,134

Key figures by business division and other areas.

(previous year's figures in brackets)

in TEUR	Laser & Optics	Sensors	Mechatronics	Other	Group
Sales	56,437	42,246	28,595	1,476	128,754
	(45,058)	(35,519)	(27,081)	(1,369)	(109,027)
of which Germany	17,886	15,483	16,675	1,476	51,520
	(14,553)	(10,747)	(17,730)	(1,369)	(44,399)
European Union	20,606	11,496	10,594	0	42,696
	(14,798)	(10,223)	(8,236)	(0)	(33,257)
Other European	4,482	2,493	136	0	7,111
	(4,628)	(787)	(52)	(0)	(5,467)
NAFTA	6,885	5,796	918	0	13,599
	(6,680)	(6,416)	(378)	(0)	(13,474)
South East Asia/Pacific	2,201	4,103	207	0	6,511
	(1,698)	(6,658)	(643)	(0)	(8,999)
Other	4,377	2,875	65	0	7,317
	(2,701)	(688)	(42)	(0)	(3,431)
Operating result (EBIT)	6,244	3,544	1,013	-1,785	9,016
	(3,515)	(4,679)	(468)	(245)	(8,907)
Earnings before tax, depreciation, interest, amortisation (EBITDA)	10,340	4,858	1,873	-209	16,862
	(7,140)	(5,710)	(1,325)	(1,764)	(15,939)
Result from investments in associated companies	-644	0	0	0	-644
	(-363)	(0)	(0)	(1,267)	(904)
Research and development expenses	4,697	3,266	979	-782	8,160
	(3,316)	(2,945)	(335)	(-619)	(5,977)
Tangible assets and intangible assets*	114,184	24,103	26,696	134,542	299,525
	(107,989)	(22,821)	(26,971)	(136,440)	(294,221)
Investments excluding company acquisitions	4,522	1,600	585	13	6,720
	(6,860)	(1,425)	(591)	(17)	(8,893)
Depreciation and amortisation	4,096	1,314	860	1,576	7,846
	(3,625)	(1,031)	(857)	(1,519)	(7,032)

* Previous year figures as at December 31, 2006.

Notes to the Consolidated Financial Statements for the first quarter 2007.

Accounting in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the interpretation of these standards by the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements of JENOPTIK AG have been prepared in accordance with § 315a HGB (German Commercial Code) in line with the rules of the IASB with an exemption from preparation of consolidated financial statements under HGB. At the same time the consolidated financial statements and group management report are in line with the European Union Directive on Consolidated Accounting.

Accounting and valuation methods.

In the consolidated interim report ("interim report") as at March 31, 2007, prepared on the basis of the International Accounting Standard (IAS) 34 "Interim Reporting", the same accounting methods were used as in the consolidated financial statements for the fiscal year 2006. These were prepared in accordance with the International Financial Reporting Standards (IFRS) which have to be applied for reasons of comparison within the European Union. These methods are published individually and described in detail in the Notes to the Annual Report 2006. The Annual Report can be called up on the Internet at www.jenoptik.com, on the Investors page under the heading Accounts & Reports.

The interim report was prepared in the group currency of the Euro and the figures are stated in TEUR unless specified otherwise.

Companies included in consolidation.

In addition to JENOPTIK AG, the consolidated financial statements include 21 (prev. year 20) domestic and 9 (prev. year 8) foreign companies fully consolidated. In accordance with IAS 31 "Interests in Joint Ventures" 1 (prev. year 1) joint venture company is included in the quarterly report proportionally at 50% and, under IAS 28 "Interests in Associates" 1 (prev. year 1) domestic associated company is shown at equity.

In the 1st quarter 2007 two subsidiaries were included in consolidation for the first time.

Itemization of key items in the financial statements.

Tangible assets		in TEUR	
		31.3.2007	31.12.2006
Land, buildings	99,056	100,433	
Technical equipment and machines	44,668	41,500	
Other equipment, factory and office equipment	23,822	23,297	
On-account payments and construction in progress	5,848	4,948	
	173,394	170,178	

Inventories		in TEUR	
		31.3.2007	31.12.2006
Raw materials and supplies	51,411	46,669	
Work in progress	98,183	91,323	
Finished goods and merchandise	16,117	17,662	
Property held for disposal	43	43	
On-account payments	6,123	5,797	
	171,877	161,494	

Accounts receivable and other assets		in TEUR	
		31.3.2007	31.12.2006
Trade accounts receivable	90,368	92,248	
Receivables from construction contracts	10,575	11,530	
Receivables from non-consolidated affiliated companies	5,739	8,305	
Receivables from participating interests	6,454	11,732	
Other assets	15,641	13,938	
	128,777	137,753	

Non-current financial liabilities		in TEUR	
		31.3.2007	31.12.2006
Long-term bonds	205,403	204,772	
Non-current bank liabilities	53,277	53,177	
Non-current liabilities from finance lease	23,530	23,730	
	282,210	281,679	

Current financial liabilities		in TEUR	
		31.3.2007	31.12.2006
Bonds	13,400	11,400	
Bank liabilities	61,069	65,768	
Liabilities from bills of exchange	43	0	
Liabilities from finance leases	1,801	1,661	
	76,313	78,829	

Other current liabilities		in TEUR	
		31.3.2007	31.12.2006
Liabilities from on-account payments received	23,789	26,010	
Trade accounts payable	41,550	40,433	
Liabilities from construction contracts	1,008	483	
Liabilities to affiliated companies	1,139	7,076	
Liabilities to participating interests	3,277	3,262	
Other current liabilities	51,350	42,720	
	122,113	119,984	

German Corporate Governance Code.

The current declarations under § 161 AktG (German Stock Corporation Act) by the Executive Board and Supervisory Board relating to the German Corporate Governance Code have been made available to the shareholders at all times via the JENOPTIK AG Internet site. The declaration can also be viewed at JENOPTIK AG.

Legal disputes.

JENOPTIK AG and the one or the other of its group companies are involved in several legal or arbitration proceedings. If these could have a substantial effect on the group's economic situation, these are described in the consolidated financial statements of Jenoptik for the year 2006. At present, it is only one proceeding.

Post balance sheet events.

There were no events of special importance occurring after the period covered by the interim report.

The Executive Board
May 2007

Dates

June 6, 2007
General Meeting 2007
JENOPTIK AG

August 13, 2007
Interim Report
on the first half year
of the Jenoptik Group

November 13, 2007
Interim Report
on the third quarter
of the Jenoptik Group

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