



Interim Report JENOPTIK AG  
First six months – January to June 2007.



## At a glance – Jenoptik Group.

Figures in TEUR	Jan. – June 2007	Jan.–June 2006 *	Change in %	April – June 2007	April – June 2006 *	Change in %
<b>Sales</b>	<b>253,743</b>	<b>224,883</b>	<b>12.8</b>	<b>124,989</b>	<b>115,856</b>	<b>7.9</b>
Laser & Optics	109,418	95,466	14.6	52,981	50,408	5.1
Sensors	78,054	68,921	13.3	35,808	33,402	7.2
Mechatronics	63,868	55,779	14.5	35,273	28,698	22.9
Other**	2,403	4,717	– 49.1	927	3,348	– 72.3
<b>EBITDA</b>	<b>29,353</b>	<b>31,303</b>	<b>– 6.2</b>	<b>12,491</b>	<b>15,364</b>	<b>– 18.7</b>
Laser & Optics	20,464	15,714	30.2	10,124	8,574	18.1
Sensors	5,785	11,406	– 49.3	927	5,696	– 83.7
Mechatronics	4,003	3,297	21.4	2,130	1,972	8.0
Other**	– 899	886	++	– 690	– 878	21.4
<b>EBIT</b>	<b>13,081</b>	<b>16,118</b>	<b>– 18.8</b>	<b>4,065</b>	<b>7,211</b>	<b>– 43.6</b>
Laser & Optics	11,612	7,491	55.0	5,368	3,976	35.0
Sensors	3,190	9,214	– 65.4	– 354	4,535	– 107.8
Mechatronics	2,280	1,561	46.1	1,267	1,093	15.9
Other**	– 4,001	– 2,148	– 86.3	– 2,216	– 2,393	7.4
<b>EBIT margin (EBIT as % of sales)</b>	<b>5.2</b>	<b>7.2</b>		<b>3.3</b>	<b>6.2</b>	
Laser & Optics	10.6	7.8		10.1	7.9	
Sensors	4.1	13.4		– 1.0	13.6	
Mechatronics	3.6	2.8		3.6	3.8	
Other**	– 166.5	– 45.5		– 239.1	– 71.5	
<b>Earnings before tax</b>	<b>443</b>	<b>9,337</b>	<b>– 95.3</b>	<b>– 2,403</b>	<b>4,990</b>	<b>– 148.2</b>
<b>Earnings after tax</b>	<b>556</b>	<b>10,446</b>	<b>– 94.7</b>	<b>– 2,187</b>	<b>5,182</b>	<b>– 142.2</b>
<b>Order intake</b>	<b>252,382</b>	<b>243,166</b>	<b>3.8</b>	<b>111,459</b>	<b>125,794</b>	<b>– 11.4</b>
Laser & Optics	118,727	98,610	20.4	52,397	43,504	20.4
Sensors	70,433	67,695	4.0	34,724	31,561	10.0
Mechatronics	59,490	72,105	– 17.5	22,556	47,380	– 52.4
Other**	3,732	4,756	– 21.5	1,782	3,349	– 46.8
	June 30, 2007	Dec. 31, 2006	June 30, 2006			
<b>Order backlog</b>	<b>435,110</b>	<b>438,378</b>	<b>454,156</b>			
Laser & Optics	76,527	66,073	60,720			
Sensors	62,642	68,993	69,030			
Mechatronics	295,941	303,312	324,406			
Other**	0	0	0			
<b>Employees (incl. trainees)</b>	<b>3,338</b>	<b>3,192</b>	<b>2,895</b>			
Laser & Optics	1,308	1,254	1,211			
Sensors	1,141	1,050	781			
Mechatronics	829	828	841			
Other**	60	60	62			

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

\*\* Other includes holding, real estate, consolidation.

## The first half year 2007 in brief.

- Sales of the Jenoptik Group in the 1st half year rose by 12.8 percent to 253.7 million euros. Exports accounted for nearly 60 percent. [Development of sales – Page 6](#)
- The result from operating activities (EBIT) of the three operating divisions, at around 17.1 million euros (prev. year 18.3 million euros), remained at approx. the same level as in the previous year. The EBIT of the Group, at 13.1 million euros, was clearly down on the figure for the same period in the previous year as a result of special factors – positive in the 1st half year 2006 and negative in 1st half year 2007 – in both half years 2006 and 2007 (prev. year 16.1 million euros). [Development of results – Page 6](#)
- The cash flow from operating activities improved significantly and rose from 2.5 million euros in the previous year (continuing business divisions) to 21.9 million euros in the first half year 2007. This is in particular attributable to substantially reduced increase in working capital. [Financial and asset position – Page 9](#)
- Order intakes rose by 3.8 percent to 252.4 million euros, the order backlog totaled 435.1 million euros. [Order situation – Page 7](#)
- There were virtually no changes in the key balance sheet and financial indicators compared with the end of 2006. Shareholders' equity ratio is now 35 percent. [Financial and asset position – Page 8](#)
- The Laser & Optics division remained the engine driving growth at Jenoptik and achieved a double figure percentage increase in all the key indicators. The Sensors division posted shortfall as the result of a weak 1st half year. [Segment reporting – Page 11](#)
- Sales of the Jenoptik Group in 2007 are forecast to come in at between 510 and 535 million. Shortfall in earnings of the Sensors division can probably not be compensated for, therefore the Group EBIT might come in at 32 to 36 million euros. Higher special effects are expected which can not be forecast. If the balance of their EBIT contribution will be slightly positive, the originally forecast target range of 38 to 42 million euros might still be achieved. [Forecast report – Page 15](#)

### 1st half year 2007

- Sales rose by 12.8 percent.
- Operating EBIT almost at last year's level.
- Laser & Optics division remains engine driving growth.

# 1. Business and framework conditions.

## 1.1 Group structure and business activity.

Jenoptik specializes in photonic and mechatronic technologies and is one of the technology and market leaders in selected areas. The group actively operates in its four areas of expertise of lasers, optics, sensor systems and mechatronics and serves eight main key markets: the semiconductor industry, the medical technology and aerospace industry, traffic safety technology, the markets for materials processing, industrial measurement technology, digital imaging as well as security and defense technology.

The Jenoptik Group has around 3,300 employees worldwide and in the 2006 business year generated sales of 485.1 million euros and a result from operating activities in the sum of 38.2 million euros. As a public limited company quoted on the TecDax of the German Securities Exchange, JENOPTIK AG holds investments primarily in mid-cap companies and, as a holding company, does not pursue any operating business.

## 1.2 Development of the capital market and the Jenoptik share.

Following a temporary sharp fall at the beginning of March, the German equities market continued its positive trend in the 2nd quarter 2007. Both the Dax and TecDax indices posted clear gains in the 1st half year 2007. The Dax rose by almost 20 percent to 8007.32

points on June 29, 2007 whilst the TecDax advanced by approx. 23 percent to 932.47 points.

The Jenoptik share was unable to keep pace with this very positive development during the first half year 2007. Since the beginning of the year the Jenoptik share has lost 5.51 percent and on June 29, 2007 was quoted at 7.37 euros. However, in the month of July the Jenoptik share price outperformed the two comparison indices, the Dax and TecDax. The share recorded its high in the first half year 2007 on January 30 at 8.29 euros, its low on March 5 at 6.88 euros.

In addition to the publication of the results for the 2006 fiscal year and the first quarter 2007 roadshows in Frankfurt, London and Zurich as well as the presentation at "Laser 2007", the Annual General Meeting on June 6, 2007 in Weimar was one of the milestones in the investor relations. The shareholders agreed all the items on the agenda and consequently approved, amongst other things, the extension of the control and profit transfer agreements as well as the change in the remuneration for the Supervisory Board and elected member to the Supervisory Board.

At the beginning of July the rating agency Standard & Poor's raised the rating for JENOPTIK AG from B+ to BB-, stable outlook. Standard & Poor's expects an improvement in the financial profile and cash flow as a result of the planned early repayment of the bond.

### Earnings per share

	in TEUR	
	1.1. – 30.6.2007	1.1. – 30.6.2006
Net profit	– 626	9,096
Weighted average number of outstanding shares	52,032,176	52,028,475
Earnings per share in euros	– 0.01	0.17
Dilution effect*	941	911
Weighted average number of outstand. shares (dilut.)	56,915,595	56,911,894
Earnings per share (diluted) in euros	– 0.01	0.17

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 global economy is growing, economic experts currently see no general signs of weakness. The European economic region compensates for the slowdown in the US economy and benefits from high export quotas. For the German economy, the engine driving economic activity in Europe, economic experts forecast that growth eased slightly in the 2nd quarter 2007, although this will only be a temporary period of weakness. Manufacturers of capital goods in particular are operating at full capacity. In this respect German suppliers are benefiting from strong domestic demand and continuing high order volumes from Asia. Chinese economic activity grew by more than 10 percent in the 1st quarter 2007 - despite various measures taken by the Chinese government to put a brake on growth.

Jenoptik's key markets show a differentiated picture at the end of the 1st half year.

For example, according to the sector association Spectaris, in 2006 the German optical, medical and mechatronic industry posted a 9.8 percent rise in sales to 43.5 billion euros. The laser and optical components business recorded particularly strong growth of 21 percent. This trend continued in the 1st half year 2007. The mood in the laser sector in particular is buoyant. Business is being driven by the high level of demand for capital goods and the booming electronics industry as well as the switchover to laser systems by ever increasing numbers of solar cell manufacturers.

The development of the semiconductor market was slightly weaker in the 1st half year 2007 than had been anticipated. Manufacturers are being hit by falling prices and overcapacities. According to the sector expert Gartner, the course of business for equipment manufacturers in the sector in the 1st half year 2007 was better than had been originally forecast.

In addition to the 'crowd puller' of the semiconductor industry for suppliers of high performance and micro-optics, plastic optics continue to show an upward trend. Alongside the purely optical applications special new processes for surface finishing hold the promise of additional areas of application particularly in the field of medical technology.

German automobile manufactures are continuing to battle with falling sales in the domestic market. However, the sector was helped by a disproportionately high level of export demand. The trend towards consolidation amongst automotive suppliers continues as underlined by the latest takeover of Siemens VDO by Continental.

Although not over-buoyant, the aerospace sector was nevertheless in confident mood at the Paris Air Show, in June. According to the sector association, the BDLI, the sector posted record sales in Germany in 2006.

In 2006 the aviation defense and security area growth in Germany totaled 7.6 percent according to the BDLI, growth was continuing here as in the space flight sector which reported sales up by nearly 7 percent.

## 1st half year 2007

- Global economy is growing.
- Upward trend of optical technologies shows no sign of weakness.
- Aerospace industry confident.

## 2. Earnings, financial and asset situation.

Important note on the comparability of the previous year with the figures of the 1st half year 2007: unless stated otherwise the figures for the previous year that were shown in the report for the 1st half year 2006 for the continuing business divisions, can be compared with the published figures for the 1st half year 2007.

### 2.1 Earnings and order position.

**Development of sales.** Sales of the Jenoptik Group in the 1st half year 2007 rose by 12.8 percent to 253.7 million euros (prev. year 224.9 million euros). All three of the Group's divisions contributed towards the growth in sales, in particular the Laser & Optics and Mechatronics divisions. In the Sensors division the sales growth is attributable to the company Etamic which was acquired in the 4th quarter of the previous year and was consequently not included in the 1st half of the previous year. In the first six months of the current year Etamic contributed sales of approx. 14 million euros to the Sensors division. Almost 60 percent of the Jenoptik Group's sales were generated abroad, primarily in Europe and the USA.

Cost of sales increased during the course of the expansion of sales, by 13.7 percent to 178.1 million euros (prev. year 156.6 million euros). The slightly disproportionate increase is attributable to the companies which were included for the first time but which have not yet achieved the margins created elsewhere by Jenoptik. The gross result of the Jenoptik Group accordingly to-

taled 75.7 million euros, an increase of 10.9 percent compared with the same period in the previous year (prev. year 68.2 million euros).

**Earnings development.** Earnings before interests, taxes, depreciation and amortization (EBITDA) came in at 29.4 million euros, representing a fall of 6.2 percent compared with the 1st half year 2006 (prev. year 31.3 million euros). This fall is partly attributable to rental credits in the previous year for other periods. The respective real estate was sold in the 3rd quarter 2006.

In the 1st half year 2007 the Jenoptik Group posted an EBIT of 13.1 million euros (prev. year 16.1 million euros). The reduction by 3.0 million euros is essentially due to the positive effects of real estate in the previous year in the sum of nearly 2.0 million euros and one-off negative effects on the results together totaling 1.8 million euros in the 1st half year 2007 of which 0.8 million euros for the strategic further development of the group. The result from operating activities of the three operating divisions amounted to 17.1 million euros and came in at almost the same level as in the previous year (prev. year 18.3 million euros), although there were clear shifts within the divisions:

- In the Laser & Optics division the good development of sales and increases in efficiency led to a disproportionate 55 percent increase in the EBIT to 11.6 million euros (prev. year 7.5 million euros).
- The Mechatronics division also succeeded in increasing its EBIT to 2.3 million euros (prev. year 1.6 million euros).

Sales		in TEUR		
	1.1. to 30.6.2007	1.1. to 30.6.2006	Change	
Total	253,743	224,883	12.8 %	
Laser & Optics	109,418	95,466	14.6 %	
Sensors	78,054	68,921	13.3 %	
Mechatronics	63,868	55,779	14.5 %	
Other	2,403	4,717	-49.1 %	

EBIT		in TEUR		
	1.1. to 30.6.2007	1.1. to 30.6.2006	Change	
Total	13,081	16,118	-18.8 %	
Laser & Optics	11,612	7,491	55.0 %	
Sensors	3,190	9,214	-65.4 %	
Mechatronics	2,280	1,561	46.1 %	
Other	-4,001	-2,148	-86.3 %	

– In the Sensors division in particular a weak 1st half year in the traffic safety technology area which is also currently investing heavily in developing the North American market impacted on the EBIT. In addition, the integration of Hommelwerke and the French Etamic is continuing worldwide. The EBIT of the Sensors division totaled 3.2 million euros and was clearly lower than in the same period last year (prev. year 9.2 million euros).

The net financial result of minus 12.6 million euros (prev. year minus 6.8 million euros) was characterized by a continuing negative interest result. Interest expenses in the sum of 13.6 million euros, similar in comparison to those of the previous year (prev. year 14.2 million euros), were offset by a marked reduction in interest income at 3.6 million euros compared with the 1st half year 2006 (prev. year 8.8 million euros). In both the 1st and the 2nd quarter of the previous year the Jenoptik Group posted one-off interest income in connection with the M+W Zander sale process.

Income taxes totaled 0.6 million euros (prev. year 1.3 million euros) and were incurred primarily in the foreign subsidiaries. Deferred tax income in the sum of 0.7 million euros had a small positive effect (prev. year 2.4 million euros deferred tax income).

In the 1st half year 2007 earnings after tax of the Jenoptik Group at 0.6 million euros (prev. year 10.4 million euros) were only slightly positive.

**Development of orders.** The overall development of the order situation for the group as a whole continued to be positive. Jenoptik succeeded in increasing its order intake

in the 1st half year 2007 by 3.8 percent to 252.4 million euros. The driving force remained the Laser & Optics division whose order intake rose by 20.4 percent to 118.7 million euros and consequently accounted for 47 percent of the total group order intakes.

In the Sensors division almost no major international projects were placed in the traffic technology area. Because of its business model the major order in the service providing area from North America awarded to Jenoptik at the beginning of the year is not included in the order intake or in the order backlog. In the space technology area the order intake was also below the figures of last year. The fact that the order intake of the Sensors division nevertheless increased slightly by 4 percent is attributable to the Etamic order intake that was not included in the first half 2006 and an overall positive development in the industrial measurement technology area.

The Jenoptik Group order backlog as at end June 2007 totaled 435.1 million euros and was consequently just below the level at the end of 2006 (as of Dec. 31, 2006: 438.4 million euros) and the end of the 1st half year 2006 (as of June 30, 2006: 454.2 million euros) with the lack of order intakes for the traffic safety technology business being felt.

#### Order intake in TEUR

	1.1. to 30.6.2007	1.1. to 30.6.2006	Change
Total	252,382	243,166	3.8 %
Laser & Optics	118,727	98,610	20.4 %
Sensors	70,433	67,695	4.0 %
Mechatronics	59,490	72,105	–17.5 %
Other	3,732	4,756	–21.5 %

#### Order backlog in TEUR

	30.6.2007	31.12.2006	30.6.2006
Total	435,110	438,378	454,156
Laser & Optics	76,527	66,073	60,720
Sensors	62,642	68,993	69,030
Mechatronics	295,941	303,312	324,406
Other	0	0	0

## 2.2 Development of the key performance factors.

**Research and development.** In the 1st half year Jenoptik reported a significant increase in research and development expenses compared with 2006, which directly affect the results. The figure includes depreciation on development projects in the sum of 1.3 million euros (prev. year 1.0 million euros).

R+D expenses rose by 19.7 percent and therefore at a disproportionately higher rate to the growth in sales, to 17.3 million euros (prev. year 14.4 million euros). Research and development expenses do not include XTREME technologies GmbH. In the joint venture, Jenoptik is developing an EUV beam source for the production of future generations of chips in conjunction with the Japanese Ushio Group. The number of positive comments on the changeover in production to EUV technology is increasing. Manufacturers and suppliers at the most recent gathering for the sector at the Semicon West Trade Fair in July 2007 widely declared that EUV technology held the most promising prospects for mass production below 32 nanometers.

**Development of employees.** 3,338 personnel in total were employed at Jenoptik as of June 30, 2007, 146 more than at the end of December 2006. The 4.6 percent increase is attributable both to changes in the consolidated companies as well as to organic growth. During the course of the 100 percent takeover of the US company Detroit Precision Hommel, Inc., 51 employees in the USA joined the Jenoptik Group. The number of employees abroad increased to 505 and

these now account for about 15 percent of the workforce. In Germany, jobs were created primarily in the Laser & Optics division. In February, a total of 21 trainees were also taken on at the six Jenoptik sites. For this reason, the number of trainees compared with the end of 2006 reduced to 100.

The changes in the Supervisory Board and Executive Board of JENOPTIK AG took place in June and July. Prof. Dipl. Ing. Jörg Menno Harms has been Chairman of the Supervisory Board since June 6, 2007, replacing Prof. Dr. h.c. Lothar Späth at the Head of the Jenoptik controlling body after four years. Since July 1, 2007 Dr. Ing. Michael Mertin has been Chairman of the Executive Board. Dipl. Kfm. Frank Einhellinger is the new Chief Financial Officer.

There were no major changes in the procurement, production or organization or the quality and environmental management, numerous improvements in these areas are currently being formulated and examined and some have already been initiated. Jenoptik will be providing a comprehensive report on new developments in the detailed 2007 Annual Report which will be published at the end of March 2008.

## 2.3 Financial and asset position.

**Financial indicators.** There were no major changes in the financial analysis indicators in the 1st half year 2007. The proportion of non-current financial liabilities remained virtually unchanged at 78.6 percent (as of Dec. 31, 2006: 78.1 percent). **Net debt**, the sum of

R+D expenses		in TEUR	
	1.1. to 30.6. 2007	1.1. to 30.6. 2006	Change
Total	17,252	14,408	19.7 %
Laser & Optics	9,738	8,079	20.5 %
Sensors	6,909	6,484	6.6 %
Mechatronics	1,955	1,170	67.1 %
Other	– 1,350	– 1,325	– 1.9 %

Employees (incl. trainees)			
	30.6. 2007	31.12. 2006	30.6. 2006
Total	3,338	3,192	2,895
Laser & Optics	1,308	1,254	1,211
Sensors	1,141	1,050	781
Mechatronics	829	828	841
Other	60	60	62



total financial liabilities including bonds, credits, bills of exchange and liabilities arising from finance lease less cash and cash equivalents and securities, increased just slightly to 207.2 million euros (as of Dec. 31, 2006: 203.0 million euros) despite the acquisition of the outstanding shares in Detroit Precision Hommel and SINAR AG.

**Investment analysis.** In the 1st half year 2007 a total of 14.1 million euros (prev. year 16.7 million euros) was invested in intangible assets and tangible assets. This represents a marked fall of 15.5 percent compared with the same period in the previous year. Investments in intangible assets totaled 5.8 million euros (prev. year 8.6 million euros) and mainly resulted from the capitalization of development costs in the sum of 4.0 million euros (prev. year 3.6 million euros). Investments in tangible assets, at 8.3 million euros, were at approximately the same level as in the previous year (prev. year 8.1 million euros) and applied almost exclusively to technical equipment and machines, other equipment, factory and office equipment as well as work in progress. There was virtually no investment in real estate or investment properties in the 1st half year 2007. Depreciation, at 16.3 million euros (prev. year 15.2 million euros) accordingly exceeded investments in intangible assets and tangible assets by approx. 2.2 million euros.

**Cashflow analysis.** The statement of cash flows in the previous year includes the discontinued business division M+W Zander up to its deconsolidation during the course of the 2nd quarter 2006. The statement of cash flows for the previous year's period for the continuing business divisions was presented in order to provide better comparability.

The cash flow from operating activities was 21.9 million euros and consequently, by 19.4 million euros, significantly above the figure for the previous year (prev. year 2.5 million euros) primarily the result of an improvement in the working capital. The increase in the working capital over less than twelve months previous year's period totaled 23.2 million euros and, as such, significantly reduced the cash flow. Despite the equal marked rise in sales in the 1st half of the current business year, the working capital with a cash-effective increase of 1.4 million euros remained virtually unchanged. All three divisions contributed towards the marked increase in the operating cash flow. An active working capital management and consequently the increase in the operating cash flow have been firmly established as part of the corporate controls since the beginning of 2007.

The cash flow from investing activities was minus 14.4 million euros (prev. year 138.1 million euros) and primarily includes the payments for investments in intangible assets in the sum of 5.8 (prev. year 9.1 million euros) and for tangible assets in the sum of 8.0 million euros (prev. year 7.8 million euros). In the previous year the cash flow from investment activities was characterized by the receipts from the sale of the two securities funds, the sales of some DEWB shares and, in particular, the payments received from the sale of M+W Zander.

The cash flow from financing activity totaled minus 10.8 million euros (prev. year 6.3 million euros) and was influenced essentially by interest payments in the sum of 9.4 million euros (prev. year 11.7 million euros).

Net debt	in TEUR		
	30.6.2007	31.12.2006	30.6.2006
Total	- 207,176	- 203,030	- 220,648
Securities	2,350	3,638	2,256
Cash and cash equivalents	150,622	153,840	155,873
Non-current financial liabilities	283,002	281,679	299,516
Current financial liabilities	77,146	78,829	79,261

-- Cash flow from operating activities significantly above previous year's figure despite acquisitions.

-- Working capital virtually unchanged despite sales increase.

**Balance sheet analysis.** The balance sheet total rose slightly by 3 million euros to 876.8 million euros (as of Dec. 31, 2006: 873.7 million euros). There have been no material changes in most of the balance sheet items compared with the end of 2006. The balance sheet total therefore remained virtually unchanged despite the consolidation of three companies and a marked increase in sales.

The main change in non-current assets was recorded in intangible assets which rose by 5.9 million euros to 95.4 million euros (as of Dec. 31, 2006: 89.5 million euros). This is attributable in particular to the initial consolidation of the US company Detroit Precision Hommel, Inc. as well as JENOPTIK Diode Lab, both of which also produced a small rise in tangible assets to 172.1 million euros (as of Dec. 31, 2006: 170.2 million euros).

Inventories of current assets increased at a disproportionately lower rate to the growth in sales, by 14.3 million euros to 175.8 million euros (as of Dec. 31, 2006: 161.5 million euros). Receivables and other assets reduced to 126.5 million euros (as of Dec. 31, 2006: 137.8 million euros).

The shareholders' equity of the Jenoptik Group increased to 306.9 million euros (as of Dec. 31, 2006: 299.4 million euros). This was caused by the appreciation in the value of the PVA TePla shares as well as currency effects. As a result, the shareholders' equity ratio increased slightly from 34.3 percent as of the end 2006 to 35.0 percent now.

Non-current liabilities reported a small reduction to 330.6 million euros as of June 30, 2007 (as of Dec. 31, 2006: 333.2 million euros). Current liabilities also showed no major changes compared with the end of 2006, at 239.3 million euros (as of Dec. 31, 2006: 241.1 million euros).

**Purchases and sales of companies.** With effect from April 2, 2007 the Jenoptik Group acquired the remaining 75 percent in the US company Detroit Precision Hommel, Inc. based in Rochester Hills near Detroit and now holds 100 percent of the company, which has been fully consolidated and since then included in the statement of income on a pro rata basis. Details on the main effects of the acquisition on the balance sheet are set out in the balance sheet analysis.

The joint venture company JT Optical Engine GmbH + Co. KG, established in June by Jenoptik together with Trumpf, will in future be shown in the balance sheet at equity and therefore will continue to be reflected in the investment result. Jenoptik had invested the business activities of a non-consolidated R+D project company into the joint venture and holds 50 percent of this joint venture.

The full takeover of SINAR AG in the 2nd quarter 2007 had already been envisaged as an option at the time of the purchase of the first 51 percent. Since SINAR AG had already been consolidated, the acquisition of the remaining shares has no noticeable direct consequences for the balance sheet and statement of income of the Jenoptik Group or the Laser & Optics division.

## 1st half year 2007

- Inventories increased at disproportionately lower rate to growth in sales.
- Shareholders' equity ratio at 35 percent.

## 3. Segment reporting.

### 3.1 Laser & Optics.

In the 1st half year 2007 this Jenoptik division with the strongest sales growth increased all the key indicators in double figure percentage terms, increases in excess of 50 percent in some areas. Sales grew by 14 percent to 109.4 million euros (prev. year 95.5 million euros). At the same time there was a significant improvement in the quality of the results. The operating result increased by 55 percent to 11.6 million euros (prev. year 7.5 million euros) and consequently grew at a markedly stronger rate than sales. The main growth drivers were the areas of high performance, micro and polymer optics.

The order intake of the Laser & Optics division improved by 20.4 percent over the same period in the previous year to 118.7 million euros (prev. year 98.6 million euros). The book-to-bill rate, the ratio between order intake and sales, was therefore 1.08, consequently producing a rise in the division's order backlog. This totaled 76.5 million euros as at June 30, 2007 (as of Dec. 31, 2006: 66.1 million euros).

The number of employees in the division as at the end of the first half year was 1,308 (as of Dec. 31, 2006: 1,254). The initial consolidation of JENOPTIK Diode Lab GmbH produced an additional 18 employees. A further 36 new jobs were created, primarily in Jena. The increase in the number of employees was at a dispropor-

tionately lower rate to the growth in sales so there was a slight increase in sales per employee.

At the end of the 1st half year Jenoptik showcased a number of new developments at Laser 2007 in Munich, amongst them a new laser source for the flat panel industry, new femto second lasers for tissue-protective medical technology applications, as well as laser technologies for the clean and fast separation of brittle materials such as glass or ceramics.

The development activities for fiber lasers were significantly strengthened by the formation of a joint venture with Trumpf. Trumpf and Jenoptik have expanded their cooperation in the area of laser technology, which began back in 2001, by jointly forming a joint venture company, JT Optical Engine GmbH + Co. KG. The company, with 20 employees and offices in Jena and in which both partners hold 50 percent, will develop, manufacture and sell optical modules, so-called optical engines, for fiber lasers. In addition to pump diodes, control and beam management, the optical engine is an important component in fiber laser devices. The joint venture company will offer the modules worldwide and supply both partners. Approval from the anti-trust authorities was issued at the end of July 2007.

## Laser & Optics division

- Jenoptik's division with the highest growth.
- Sales, EBIT and orders exceed previous year's figure.
- Increase in the number of employees at a disproportionately lower rate to sales growth.

### 3.2 Sensors.

In the Sensors division the process of continuing internationalization is being driven forward strongly and will open up sources for future growth. The increase in the division's sales by 13.3 percent to 78.1 million euros (prev. year 68.9 million euros) is solely attributable to the sales of the company Etamic being included for the first time. The French measurement technology manufacturer has been part of the Jenoptik Group since autumn last year. Work on the integration of Hommelwerke and Etamic to create Hommel-Etamic, an international systems provider for dimensional production measurement technology, is proceeding ahead at full pace. However, a difficult 1st half year in the traffic safety technology business during which there were virtually no major international orders issued, was reflected in the EBIT for the division which came in at 3.1 million euros (prev. year 9.2 million euros).

The order intake rose slightly by 4 percent to 70.4 million euros (prev. year 67.7 million euros) mainly attributable however to the addition of the order intake of Etamic and the good order situation of Hommel-Etamic in general. In July Jenoptik was awarded another order from the solar industry. With an order value of several million euros Jenoptik will supply series systems for structuring of thin layer solar cells. Due to the underlying business model the orders from North America in the traffic safety technology area are not included in the order intake, and consequently neither in the order backlog. The order backlog of the Sensors division, at 62.6 million euros, was therefore down on the figure

as at the end of 2006 (as of Dec. 31, 2006: 69.0 million euros).

The number of employees in the division increased to 1,141 and therefore by 91 personnel, primarily additional personnel abroad. The reason for this was the initial consolidation of the previously non-consolidated French subsidiary of Hommelwerke which was merged with Etamic France, as well as the full acquisition of Detroit Precision Hommel in the USA with more than 50 employees.

### 3.3 Mechatronics.

The course of business in the Mechatronics division during the 1st half year 2007 continued in a positive vein. However, the division's business is of a long-term nature so fluctuations in sales, results and the order situation are of less relevance than in the case of Laser & Optics and Sensors.

The division's sales rose by 14.5 percent compared with the same period in the previous year, to 63.9 million euros (prev. year 55.8 million euros), the EBIT increased by 46.1 percent to 2.3 million euros (prev. year 1.6 million euros).

As expected, the order intake of 59.5 million euros was down on the level for the previous year (prev. year 72.1 million euros). This clearly shows the project nature of the business. In the 1st quarter the order intake of the division was 49.4 percent ahead of the figure for the previous year. During the 2nd quarter of this year the order from the Swiss technology and armaments com-

## Sensors division

- Internationalization is being driven forward strongly.
- Integration of Hommelwerke and Etamic is continuing.
- First half year difficult for traffic safety technology.

pany RUAG, worth more than 13 million euros, was one of the most important and largest order intakes recorded by the division. At the time, the standard battle tank the Pz 87 Leo for the Swiss Army was equipped with a hydraulic weapon slaving system. As part of a so-called 'upgrading the battle tank is now being equipped with digital, electromechanical weapons stabilization reflecting the latest state-of-the-art technology. The order for ESW also covers equipment for training, logistics and spare parts. This major contract helped to keep the order backlog almost constant at 295.9 million euros (as of Dec. 31, 2006: 303.3 million euros).

There were almost no changes in the number of employees as at June 30, 2007, 829, compared with the end of 2006 (as of Dec. 31, 2006: 828).

## 4. Report on post-balance sheet events.

In the patent dispute with Asyst Technologies Inc. Jenoptik won again before the US District Court in San Jose. Contrary to the jury recommendation of February 1, 2007 to order Jenoptik to pay damages in the amount of 57.6 million euros due to alleged patent infringements, the court dismissed the claim for the third time in succession on August 3, 2007. The losing plaintiff may choose to file another appeal against this decision. There were no other events of special importance occurring after the end of the period covered by the report from January 1 to June 30, 2007.

## 5. Opportunities and risk report.

The risk arising from guarantees for the M+W Zander Group resp. companies derived from it, was also further reduced in the 1st half year 2007. After the revolving guarantee facility (excluding the Fab 36 guarantee) for M+W Zander had already been reduced in the 4th quarter 2006 from the original 150 million euros to 33 million euros, it expired in February 2007. The old guarantees resulting from this facility have reduced as at June 30, 2007 to approx. 7.7 million euros, with no indications at present that Jenoptik will incur any further costs from this. New guarantees can no longer be issued by M+W Zander on Jenoptik lines.

Furthermore, during the course of the 2nd quarter 2007 the guarantees for the former M+W Zander Gebäudetechnik GmbH (now trading as caverion) were reduced from 180 to 150 million euros. The budgeted liquidity facilities were further reduced from 30.1 million euros to 12.9 million euros.

In conjunction with the opportunities and risk report we refer to the comprehensive information in the 2006 Annual Report from P. 83. In the period covered by the report there were no major changes in the opportunities and risk management system or in the risks and opportunities with the exception of the improved risk situation in the patent dispute described in the report on post-balance sheet events and the above-mentioned reduction in the risk for the guarantee arrangements in connection with M+W Zander.

## Mechatronics division

- Division with stable business.
- Sales and EBIT rose compared with the previous year.
- Orders down on the level for the previous year as expected.

## 6. Forecast report.

### 6.1 Global economy and sectors.

The global economy is proving to be in good shape despite the slowdown in the USA. Growth in GDP for the OECD member states is forecast to be 2.7 percent for 2007. The euro zone is showing a more dynamic development in 2007 than the USA. However, the OECD does not believe that Europe will be able to replace the USA as the growth driver over the long term. The economic outlook presented at the end of May by the economic organization expects Germany to take on the role of the engine driving economic activity. For the year 2007 as a whole German economic growth is expected to be 2.8 percent and consequently markedly higher than the figure that was still being forecast at the start of the year. Strong corporate and overseas investment are providing the impetus.

In the sector developments the forecasts for capital goods for 2007 and beyond are positive. Some sector associations have raised their sales forecasts for 2007 over recent months, amongst them the Electronic Engineering and Electronics Industry Association as well as the VDMA for Machine and System Manufacturers. The German industry for beam sources and optical components is expected to show growth of 11.5 percent in sales for 2007 to then 8.9 million euros. The high export demand remains the driving force. The associations have lowered their forecasts for the global semiconductor market. For 2007 the US Semiconductor Industry Association (SIA) now only expects

to see a marginal growth rate of below 2 percent for 2007, compared with a previous forecast of ten percent. By contrast, the year as a whole for equipment manufacturers and consequently the key segment for Jenoptik in this sector, is expected to show a better picture than had originally been forecast. Gartner now anticipates a 2.7 percent rise in sector sales – compared with the stagnation that was still being forecast in April this year. The German automobile industry expects 2007 to be a record year, lifted by export sales. Exports should reach a total of 4.2 million passenger vehicles for the first time and consequently more than compensate for the continuing weak domestic market.

### 6.2 Future development of business situation.

In the long-term Jenoptik intends to once again become a billion euro group. In order to achieve this, the group will be aiming for annual growth of an average 10 percent – this figure includes smaller acquisitions that will expand the technology and product portfolio as well as the international market presence.

The Jenoptik Group is reaffirming its sales target for 2007. Sales are expected to come in at between 510 and 535 million euros, in 2008 they are anticipated to exceed the 550 million euro mark. All three of the Group's divisions are expected to contribute to the growth in sales. Following the leap in sales in 2006 the Laser & Optics division plans to generate sales of between 200 and 210 million euros. If the extremely positive business situation in the 1st half year is continued then the division's sales may also exceed the above-mentioned range. The further development of the

## Forecast

### Global economy and sectors

- Positive forecast for the manufacturers of capital goods.
- Forecasts for the global semiconductor market lowered.

Sensors division, with target sales for the full year of between 180 and 190 million euros, essentially depends upon a pickup in the global market for traffic safety technology. Sales of the Mechatronics division in 2007 are expected to come in at between 120 and 130 million euros.

In the event of a marked pick-up in the market for traffic safety technology, a continuation of the very good trend in the Laser & Optics division and stable Mechatronics business which is expected to achieve significant contributions towards sales and earnings in the 4th quarter as it has in previous years, it is possible that the shortfall in earnings from the Sensors division could be partially offset but probably not compensated for. Therefore, despite the fact that the Laser & Optics division will probably overfulfill our expectations and a stable situation in the Mechatronics divisions and the production measurement technology the Group operating result might not completely meet the original expectations and come in at 32 to 36 million euros due to the shortfall in earnings of the traffic safety technology area. In addition to the operating earnings contribution higher special effects are expected in the second half of the year, only some of which will impact on the EBIT. If the balance of these effects on the Group EBIT will be slightly positive or negative can still not be forecast at present. These effects might e.g. stem from the Group's continuing process of focusing, from the early repayment of the fixed interest-bearing bond as well as from the reform of taxation. In total, Jenoptik expects that the EBIT range of 38 to 42 million euros as forecast in the Annual Report 2006 can be achieved, provided that the balance of the special effects is slightly positive.

Jenoptik's further development is focused on the orientation towards markets and customers as well as the concentration on business areas with strong growth and earnings through active portfolio management. Intensive efforts were put into this in the first half year 2007, some topics have already been advanced, for instance the reduction in the shares in Zenteris GmbH, to 24.9 percent in July 2007.

The financial result for the Jenoptik Group will be influenced by the interest payments for the fixed interest-bearing bond for the last time in 2007. Jenoptik plans to repay the bond at the earliest possible date in November 2007. The call option applies at the price of nearly 104, representing a repayment amount of almost 156 million euros. After the repayment, the balance sheet total will be reduced by around 140 to 150 million euros still in 2007, with an associated further increase in the shareholders' equity quota. The interest reliefs will be clearly reflected in 2008 in the earnings after tax.

The law on the reform of corporate taxation passed at the beginning of June 2007 will have a one-off effect on the annual result in 2007, without affecting payments. The reduction in taxes on retained profits with effect from January 1, 2008 will impact on the valuation of the losses carried forward capitalized in the balance sheet and the differences in valuation between the IFRS and tax balance sheet. Both will have to be adjusted accordingly. This item, precise figures for which are currently not available, will be included under deferred taxes.

## Forecast

Jenoptik for fiscal year 2007

- Sales forecasts reaffirmed.
- Higher special effects with EBIT impact expected, amount of which can not yet be specified.

## Consolidated statement of income.

in TEUR	Group 1.1. – 30.6. 2007	Continuing business divisions 1.1. – 30.6. 2006	Discontinued business divisions 1.1. – 30.6. 2006	Group 1.1. – 30.6. 2006
Sales*	253,743	224,883	517,049	741,932
Cost of sales	178,055	156,644	468,098	624,742
Gross profit	75,688	68,239	48,951	117,190
Research and development expenses	17,252	14,408	997	15,405
Selling expenses	25,075	23,014	7,654	30,668
General administrative expenses	20,715	17,997	18,430	36,427
Other operating income	8,461	9,870	6,107	15,977
Other operating expenses	8,026	6,572	15,286	21,858
Result from operating activities	13,081	16,118	12,691	28,809
Result from investments in associated companies	– 2,008	86	923	1,009
Result from other investments	– 690	– 1,463	– 3,011	– 4,474
Interest income	3,638	8,818	1,862	10,680
Interest expenses	13,578	14,222	6,188	20,410
Financial result	– 12,638	– 6,781	– 6,414	– 13,195
Earnings before tax	443	9,337	6,277	15,614
Income taxes	573	1,306	3,551	4,857
Deferred taxes	– 686	– 2,415	593	– 1,822
Earnings after tax	556	10,446	2,133	12,579
Minority interests' share of profit/loss	1,182	1,350	2,133	3,483
Net profit	– 626	9,096	0	9,096
Earnings per share in euros	– 0.01	0.17	0.00	0.17
Earnings per share (diluted) in euros	– 0.01	0.17	0.00	0.17

\* after consolidation



## Consolidated balance sheet.

**Assets**

in TEUR

	June 30, 2007	Dec. 31, 2006	Change
<b>Non-current assets</b>	<b>421,527</b>	<b>416,934</b>	<b>4,593</b>
Intangible assets	95,422	89,490	5,932
Tangible assets	172,078	170,178	1,900
Investment properties	34,076	34,553	- 477
Shares in associated companies	1,388	1,396	- 8
Financial assets	52,123	55,035	- 2,912
Other non-current assets	11,899	11,163	736
Deferred tax assets	54,541	55,119	- 578
<b>Current assets</b>	<b>455,268</b>	<b>456,725</b>	<b>- 1,457</b>
Inventories	175,844	161,494	14,350
Current accounts receivable and other assets	126,452	137,753	- 11,301
Securities	2,350	3,638	- 1,288
Cash and cash equivalents	7,422	10,640	- 3,218
Restricted cash	143,200	143,200	0
<b>Total assets</b>	<b>876,795</b>	<b>873,659</b>	<b>3,136</b>

**Shareholders' equity and liabilities**

in TEUR

	June 30, 2007	Dec. 31, 2006	Change
<b>Shareholders' equity</b>	<b>306,927</b>	<b>299,364</b>	<b>7,563</b>
Subscribed capital	135,290	135,290	0
Capital reserves	186,726	186,726	0
Other reserves	- 37,858	- 45,190	7,332
Own shares	0	- 47	47
Minority interests	22,769	22,585	184
<b>Non-current liabilities</b>	<b>330,557</b>	<b>333,198</b>	<b>- 2,641</b>
Pension provisions	6,556	6,361	195
Other non-current provisions	22,992	22,340	652
Non-current financial liabilities	283,002	281,679	1,323
Other non-current liabilities	16,620	19,953	- 3,333
Deferred tax liabilities	1,387	2,865	- 1,478
<b>Current liabilities</b>	<b>239,311</b>	<b>241,097</b>	<b>- 1,786</b>
Tax provisions	1,489	1,218	271
Other current provisions	33,887	41,066	- 7,179
Current financial liabilities	77,146	78,829	- 1,683
Other current liabilities	126,789	119,984	6,805
<b>Total shareholders' equity and liabilities</b>	<b>876,795</b>	<b>873,659</b>	<b>3,136</b>

## Consolidated statement of movements in shareholders' equity.

in TEUR	Subscribed capital	Capital reserve
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		
Dividend payments		
Change in consolidated companies		
Other changes		-4
Balance as at 30.06.2006	135,290	186,723
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		
Dividend payments		
Change in consolidated companies		
Other changes		
Balance as at 30.06.2007	135,290	186,726

Reserves				Own shares	Minority interests	Total
Cumulated profit	Fair value measurement	Hedging	Cumulative currency differences			
-45,587	-3,623	3,195	-4,557	-48	42,930	314,327
	10,836	1,454			-53	12,237
638			3,136		-1,089	2,685
638	10,836	1,454	3,136		-1,142	14,922
9,096					3,483	12,579
9,734	10,836	1,454	3,136		2,341	27,501
					-124	-124
-23,268					-10,384	-33,652
-264				4	-19	-283
-59,385	7,213	4,649	-1,421	-44	34,744	307,769
-56,887	9,143	3,958	-1,404	-47	22,585	299,364
	8,382	-89				8,293
-83			-82			-165
-83	8,382	-89	-82			8,128
-627					1,182	555
-710	8,382	-89	-82		1,182	8,683
					-58	-58
					-940	-940
-169				47		-122
-57,766	17,525	3,869	-1,486	0	22,769	306,927

## Consolidated statement of cash flows.

in TEUR	Group 1.1. to 30.6. 2007	Cont. bus. division 1.1. to 30.6. 2006	Group 1.1. to 30.6. 2006
Earnings before tax	443	9,337	15,614
Interest	9,939	5,404	9,730
Depreciation / write-up	16,272	15,819	15,819
Profit on disposal of fixed assets	- 62	- 96	- 82
Other non-cash expenses / income	2,452	1,088	165
Operating profit / loss before working capital changes	29,044	31,552	41,246
Increase / decrease in provisions	- 7,559	1,593	- 12,087
Increase / decrease in working capital	- 1,420	- 23,216	12,339
Increase / decrease in other assets and liabilities	2,175	- 5,649	- 826
<b>Cash flow from / used in operating activities before income taxes</b>	<b>22,240</b>	<b>4,280</b>	<b>40,672</b>
Income taxes paid	- 302	- 1,825	- 8,467
<b>Cash flow from / used in operating activities</b>	<b>21,938</b>	<b>2,455</b>	<b>32,205</b>
Receipts from disposal of intangible assets	18	1,050	1,059
Payments for investments in intangible assets	- 5,803	- 9,084	- 8,993
Receipts from disposal of tangible assets	791	284	385
Payments for investments in tangible assets	- 7,960	- 7,806	- 11,449
Receipts from disposal of financial assets	535	18,069	20,641
Payments for investments in financial assets	- 2,712	- 2,680	- 3,933
Receipts from sale of consolidated companies	0	141,352	3,904
Payments for acquisition of consolidated companies	- 2,432	- 10,390	- 10,390
Interest received	3,202	7,321	9,855
<b>Cash flow from / used in investing activities</b>	<b>- 14,361</b>	<b>138,116</b>	<b>1,079</b>
Receipts from issue of bonds and loans	5,239	26,920	44,923
Repayments of bonds and loans	- 7,992	- 8,393	- 12,946
Repayments for finance leases	- 832	- 2,841	- 2,975
Change in group financing	2,222	2,307	- 11,890
Interest paid	- 9,408	- 11,677	- 15,150
<b>Cash flow from / used in financing activities</b>	<b>- 10,771</b>	<b>- 6,316</b>	<b>1,962</b>
<b>Change in cash and cash equivalents</b>	<b>- 3,194</b>	<b>146,887</b>	<b>35,246</b>
Foreign currency translation changes in cash and cash equivalents	- 24	140	- 2,838
Cash and cash equivalents at the beginning of the period	153,840*	8,846	123,465
<b>Cash and cash equivalents at the end of the period</b>	<b>150,622*</b>	<b>155,873</b>	<b>155,873</b>

\* including restricted cash of 143,200 TEUR.

## Key figures by business divisions and other areas.

January 1 – June 30, 2007 (previous year's figures in brackets)

in TEUR	Laser & Optics	Sensors	Mechatronics	Other	Group
Sales	109,418 (95,466)	78,054 (68,921)	63,868 (55,779)	2,403 (4,717)	253,743 (224,883)
of which Germany	33,553 (30,103)	28,075 (21,255)	37,986 (35,491)	2,403 (4,717)	102,017 (91,566)
European Union	39,309 (31,177)	19,428 (17,762)	21,873 (18,437)	0 (0)	80,610 (67,376)
Other Europe	9,896 (9,974)	3,729 (1,327)	517 (161)	0 (0)	14,142 (11,462)
NAFTA	15,153 (16,210)	11,271 (12,670)	1,906 (674)	0 (0)	28,330 (29,554)
South East Asia/Pacific	3,581 (2,965)	11,912 (11,337)	1,407 (931)	0 (0)	16,900 (15,233)
Other	7,926 (5,037)	3,639 (4,570)	179 (85)	0 (0)	11,744 (9,692)
Operating result (EBIT)	11,612 (7,491)	3,190 (9,214)	2,280 (1,561)	–4,001 (–2,148)	13,081 (16,118)
Earnings before tax, depreciation, interest, amortisation (EBITDA)	20,464 (15,714)	5,785 (11,406)	4,003 (3,297)	–899 (886)	29,353 (31,303)
Result from investments in associated companies	–2,008 (–887)	0 (0)	0 (0)	0 (973)	–2,008 (86)
Research and development expenses	9,738 (8,079)	6,909 (6,484)	1,955 (1,170)	–1,350 (–1,325)	17,252 (14,408)
Tangible assets and intangible assets*	113,295 (107,989)	28,875 (22,821)	26,606 (26,971)	132,800 (136,440)	301,576 (294,221)
Investments excluding company acquisitions	8,656 (13,001)	4,100 (2,682)	1,358 (954)	22 (27)	14,136 (16,664)
Depreciation and amortisation	8,852 (8,223)	2,595 (2,192)	1,723 (1,736)	3,102 (3,034)	16,272 (15,185)

\* Previous year figures as at December 31, 2006.

## Notes to the Consolidated Financial Statements for the first half year 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 June 30, 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](http://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 20 (prev. year 20) domestic and 10 (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 percent and, under IAS 28 "Interests in Associates" 1 (prev. year 1) domestic associated company is shown at equity.

In the 1st half year 2007 two subsidiaries were included in consolidation for the first time, these had not been included before due to their minor importance, as well as two mergers of fully consolidated subsidiaries.

In the second quarter 2007 the remaining shares in Detroit Precision Hommel Inc. were acquired.

### Itemization of key items in the financial statements.

Tangible assets		in TEUR
	30.6.2007	31.12.2006
Land, buildings	98,322	100,433
Technical equipment and machines	43,611	41,500
Other equipment, factory and office equipment	23,792	23,297
On-account payments and construction in progress	6,353	4,948
	<b>172,078</b>	<b>170,178</b>

Inventories		in TEUR
	30.6.2007	31.12.2006
Raw materials and supplies	54,718	46,669
Work in progress	96,518	91,323
Finished goods and merchandise	19,001	17,662
Property held for disposal	43	43
On-account payments	5,564	5,797
	<b>175,844</b>	<b>161,494</b>

Accounts receivable and other assets	in TEUR	
	30.6.2007	31.12.2006
Trade accounts receivable	89,559	92,248
Receivables from construction contracts	10,698	11,530
Receivables from non-consolidated affiliated companies	6,010	8,305
Receivables from participating interests	3,606	11,732
Other assets	16,579	13,938
	<b>126,452</b>	<b>137,753</b>

Non-current financial liabilities	in TEUR	
	30.6.2007	31.12.2006
Long-term bonds	206,045	204,772
Non-current bank liabilities	53,835	53,177
Non-current liabilities from finance leases	23,122	23,730
	<b>283,002</b>	<b>281,679</b>

Current financial liabilities	in TEUR	
	30.6.2007	31.12.2006
Bonds	15,101	11,400
Bank liabilities	60,185	65,768
Liabilities from bills of exchange	0	0
Liabilities from finance leases	1,860	1,661
	<b>77,146</b>	<b>78,829</b>

Other current liabilities	in TEUR	
	30.6.2007	31.12.2006
Liabilities from on-account payments received	28,840	26,010
Trade accounts payable	40,958	40,433
Liabilities from construction contracts	1,420	483
Liabilities to affiliated companies	1,431	7,076
Liabilities to participating interests	3,862	3,262
Other current liabilities	50,278	42,720
	<b>126,789</b>	<b>119,984</b>

## 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 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 procedure, the risk of which significantly reduced on August 3, 2007.

## Post balance sheet events.

There were no events of special importance occurring after the balance sheet date – except for the change in risk which was mentioned under legal disputes and is described in the report on post-balance sheet events.

## Responsibility statement by management.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the fiscal year.

Jena, August 2007

*Dr. Michael ME.*

Dr. Michael Mertin  
Chairman  
of the Executive Board

*Frank Einhellinger*

Frank Einhellinger  
Executive Board Member



#### Dates

August 13, 2007

Interim Report on the first half year 2007  
of the Jenoptik Group

November 13, 2007

Interim Report on the third quarter 2007  
of the Jenoptik Group

March 2008

Annual Report 2007  
of the Jenoptik Group

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##### Additional informationen

These and other publications of Jenoptik  
are available at  
[www.jenoptik.com](http://www.jenoptik.com)

In case of differences of opinion the German text shall prevail.