JENOPTIK
GERMANY

Interim Report JENOPTIK AG
First nine months – January to September 2007.

At a glance – Jenoptik Group.

Figures in TEUR	Jan. – Sept. 2007	Jan. – Sept. 2006 *	Change in %	July – Sept. 2007	July – Sept. 2006 *	Change in %
Sales	374,714	344,307	8.8	120,971	119,424	1.3
Laser & Optics	159,867	145,866	9.6	50,449	50,400	0.1
Sensors	115,872	108,090	7.2	37,818	39,169	– 3.4
Mechatronics	94,525	83,723	12.9	30,657	27,944	9.7
Other**	4,450	6,628	– 32.9	2,047	1,911	7.1
EBITDA	45,274	46,665	– 3.0	15,921	15,362	3.6
Laser & Optics	28,909	23,845	21.2	8,445	8,131	3.9
Sensors	7,526	16,673	– 54.9	1,741	5,267	– 66.9
Mechatronics	6,655	5,092	30.7	2,652	1,795	47.7
Other**	2,184	1,055	107.0	3,083	169	++
EBIT	21,152	24,159	– 12.4	8,071	8,041	0.4
Laser & Optics	15,990	11,651	37.2	4,378	4,160	5.2
Sensors	3,478	13,522	– 74.3	288	4,308	– 93.3
Mechatronics	4,103	2,492	64.6	1,823	931	95.8
Other**	– 2,419	– 3,506	31.0	1,582	– 1,358	216.5
EBIT margin (EBIT as % of sales)	5.6	7.0		6.7	6.7	
Laser & Optics	10.0	8.0		8.7	8.3	
Sensors	3.0	12.5		0.8	11.0	
Mechatronics	4.3	3.0		5.9	3.3	
Other**	– 54.4	– 52.9		77.3	– 71.1	
Earnings before tax	2,097	10,503	– 80.0	1,654	1,166	41.9
Earnings after tax	– 2,485	11,818	– 121.0	– 3,041	1,372	– 321.6
Order intake	368,940	346,459	6.5	116,558	103,293	12.8
Laser & Optics	166,803	143,664	16.1	48,076	45,054	6.7
Sensors	114,656	101,805	12.6	44,223	34,110	29.6
Mechatronics	80,930	94,327	– 14.2	21,440	22,222	– 3.5
Other**	6,551	6,663	– 1.7	2,819	1,907	47.8

	Sept. 30, 2007	Dec. 31, 2006	Sept. 30, 2006
Order backlog	427,540	438,378	436,052
Laser & Optics	74,252	66,073	55,194
Sensors	67,024	68,993	62,586
Mechatronics	286,264	303,312	318,272
Other**	0	0	0
Employees (incl. trainees)	3,363	3,192	2,921
Laser & Optics	1,310	1,254	1,234
Sensors	1,156	1,050	800
Mechatronics	837	828	829
Other**	60	60	58

* The figures for 2006 include only the continuing business division.

** Other includes holding, real estate, consolidation.

Summary of the first nine months 2007.

- The 8.8 percent increase in sales to 374.7 million euros is attributable to a very good performance by the Lasers & Optics division as well as contributions to sales by Etamic that were not included in the previous year. Development of sales – Page 6
- There was no change in the earnings situation of the Jenoptik Group compared with the half-year report: very good in the Lasers & Optics and Mechatronics divisions and below the previous year in the Sensors division. Development of results – Page 6
- The Group order intake rose by 6.5 percent, thanks primarily to the boost provided by the Lasers & Optics division. Order situation – Page 7
- There were no major changes in the financial and balance sheet key indicators. The effects of the repayment of the high-yield bond during the current 4th quarter will have an impact as at December 31, 2007. Financial and asset position – Page 8
- The risk situation has changed. The risk arising from the remaining matters relating to the M+W Zander sale has reduced, the risk arising from R+D topics and disinvestments has increased in the Group's continuing process of focusing. Risk report – Page 14
- The focus of the further development of Jenoptik is on a consistent client and market – driven approach and the concentration on business areas with high growth and earnings potential. From 2008 the Group will be operating in five divisions close to the market. Forecast report – Page 15
- For the full year Group sales are expected to come in at 510 to 535 million euros. Fall in results of the Sensors division cannot be fully compensated. Outlook – Page 17

3rd quarter 2007

- Sales rose by 8.8 percent.
- Earnings situation as in the first half year.
- Operation in five divisions and three segments close to the market.

1. Business and general conditions.

1.1 Group structure.

Jenoptik specializes in photonic and mechatronic technologies and is one of the technology and market leaders in selected areas. The Group is actively engaged in its four areas of expertise of lasers/optics, optoelectronics and mechatronics. The Jenoptik Group employs around 3,300 personnel worldwide.

The listed company JENOPTIK AG is not itself engaged in the operating business. It holds investments in more than 25 operating companies which will be organized into five divisions with effect from January 1. More detailed information on the future group structure can be found in the Forecast from P. 15 of this nine-monthly report.

1.2 Development of the capital market and the Jenoptik share.

Following a temporary, strong rise during the first half year 2007 in August this year the companies listed on the Dax and TecDax indices reported sharp falls in their share prices. By the end of September however the TecDax in particular successfully recouped these losses. As at end September both indices were sharply above the levels at the start of the year. The Dax rose by nearly 18 percent to 7861.51 points on September 28, with the TecDax actually reporting an increase of approx. 27 percent to 966.06 points.

The Jenoptik share was unable to keep pace with this very positive trend during the third quarter 2007. The announcement of the results for the first half year 2007 and reduction in the forecast for the operating results in particular prompted a marked fall in the price of the Jenoptik security. Since the start of the year the share has lost approx. 11 percent and was trading at 6.92 euros on September 28, 2007. The Jenoptik share reached its high in the first nine months 2007 of 8.29 euros on January 30 and its low of 6.54 euros on September 24. With effect from September 24 the Jenoptik share was removed from the TecDax due to insufficient exchange volumes.

During the third quarter the Jenoptik management provided analysts and investors with information on the development of business and the first steps in the strategic reorientation of the Jenoptik Group by way of an analysts' conference in Frankfurt, roadshows in Frankfurt, London and, at the beginning of October in New York, as well as at capital markets conferences.

At the beginning of July the rating agency Standard & Poor's upgraded the JENOPTIK AG rating from B+ to BB-, stable outlook. Standard & Poor's expects the early repayment of the bond to improve the financial profile and cash flow.

Earnings per share — in TEUR

	1.1. – 30.9.2007	1.1. – 30.9.2006
Net profit	– 4,273	9,954
Weight. average number of outst. shares	52,033,002	52,028,475
Earnings per share in euros	– 0.08	0.19
Dilution effect*	1,656	1,381
Weight. average number of outst. shares**	56,916,421	56,911,931
Earnings per share in euros**	– 0.08	0.19

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.
** diluted

1.3 Development of the economy in general and of the individual sectors.

The global economy is growing, however the expectations for economic activity over the short-term have become slightly clouded following the financial turbulences resulting from the US mortgage crisis. The International Monetary Fund (IMF) has therefore slightly reduced its growth targets for all the major economies both for 2007 as well as for 2008.

According to forecasts by the European Commission the negative consequences of the financial crisis for the euro zone have so far been kept within limits. However, the risk of a slowdown in the existing pace of growth is today considered clearly greater than it was in summer.

The German economy has had its spirits dampened but is still performing well. The main driving forces are the manufacturing industry and exports which have reported further sharp rises despite the strong euro. However, in September 2007 the levels of the Ifo Business Climate Index have fallen for the fourth time in succession.

In Jenoptik's key markets the development of business showed a differentiated pattern:

For the German companies in the lasers and optical components area the industry association Spectaris anticipates an 11.5 percent increase in sales in comparison with the previous year, to 8.9 billion euros.

In September the semiconductor sector posted a marked rise of 5.9 percent in revenues – compared with the previous year. According to information from the SIA (Semiconductor Industry Association) this was attributable to the second strong month of growth. The reason behind this is said to be the increased demand for computers and mobile phones.

In the German metrology, sensor systems, other photonics and precision engineering industry, total sales in 2006 rose by 5.7 percent compared with the previous year. According to details from Spectaris the level of exports remained unchanged at 54.7 percent.

By contrast, in the traffic monitoring market weak exports during the first half-year 2007 and beyond were the reason why the development of business remained sharply below expectations. On the domestic front digital camera technology for stationary applications are in demand.

In 2007 the German automobile industry lost impetus on the domestic market despite the general economic upturn. Exports account for 75 percent of production. The automobile industry association, the VDA, sees the increase in VAT and the debate on climate change as the reason behind weak domestic demand. The sector is hoping for a recovery in 2008. By contrast, according to the assessment of a current sector study by the IKB Deutsche Industriebank, German automotive suppliers are booming as the manufacturers are increasingly relying on their suppliers for innovations.

3rd quarter 2007

-- Global economy continues growth.
-- Semiconductor sector posted rise in revenues.
-- Industry association spectaris optimistic.

2. Earnings, financial and asset situation.

Important note on the comparability of figures in the previous year with those for the first nine months of 2007: unless stated otherwise the figures for the previous year which were shown in the report on the first nine months of 2006 for the continuing business divisions can be compared with the figures for the first nine months of 2007.

2.1 Earnings and order situation.

Sales development. Jenoptik Group sales totaled 374.7 million euros (prev. year 344.3 million euros). The 8.8 percent increase came from all three of the Group's divisions. The Lasers & Optics and Mechatronics divisions in particular reported a high level of growth. In the Sensors division the Etamic Group and Detroit Precision Hommel Inc., which were not included in the previous year, made a key impact through their contribution to sales in the sum of approx. 24.5 million euros. Exports' share of sales for the Group as a whole was 214.9 million euros, consequently accounting for 57.3 percent (prev. year 197.9 million euros).

The cost of sales totaled 264.3 million euros (prev. year 239.0 million euros) and were therefore 10.6 percent up on the figure for the same period in the previous year. This increase is attributable not only to the nearly nine-percent growth in sales but also to companies which were consolidated for the first time and have not yet reached the margins achieved elsewhere by Jenoptik. The lower sales and share of sales produced by the traffic safety technology area also had an effect. The gross profit in the sum of 110.4 million euros represents a gross margin of 29.5 percent (prev year 30.6 percent).

Earnings development in the 3rd quarter was in line with the statements issued in the half-year report. The result of operating activities in the three divisions – very good in the Lasers & Optics and Mechatronics divisions and clearly below those of the previous year in the Sensors division – showed no major change during the course of the 3rd quarter 2007.

Earnings before taxes, financial result and depreciation and amortization of the Jenoptik Group (EBITDA) came in at 45.3 million euros, representing a slight fall of 3 percent compared with the same period in the previous year (prev. year 46.7 million euros).

The Group EBIT totaled 21.2 million euros (prev. year 24.2 million euros). The 12.4 percent reduction was primarily due to the result posted by the Sensors division which was down by 74.3 percent and approx. 10 million euros in total terms, compared with a year ago. This figure was only partially offset by the very good earnings development in the Mechatronics and the Lasers & Optics divisions. The contribution to the EBIT from the Mechatronics division increased by 1.6 million euros over the same period in the previous year (plus 64.6 percent), that of the Lasers & Optics division by 4.3 million euros (plus 37.2 percent). In the Sensors

Sales — in TEUR

	1.1. to 30.9.2007	1.1. to 30.9.2006	Change
Total	374,714	344,307	8.8 %
Laser & Optics	159,867	145,866	9.6 %
Sensors	115,872	108,090	7.2 %
Mechatronics	94,525	83,723	12.9 %
Other	4,450	6,628	– 32.9 %

EBIT — in TEUR

	1.1. to 30.9.2007	1.1. to 30.9.2006	Change
Total	21,152	24,159	– 12.4 %
Laser & Optics	15,990	11,651	37.2 %
Sensors	3,478	13,522	– 74.3 %
Mechatronics	4,103	2,492	64.6 %
Other	– 2,419	– 3,506	31.0 %

division we are still seeing no major improvement in the market situation for traffic safety technology. In addition, this area of business is continuing to invest heavily in the expansion of its business in the USA. Furthermore, in the industrial metrology area, another key pillar of the Group's Sensors division, the integration of Hommelwerke and the French company Etamic worldwide is proceeding according to plan. As expected, Etamic is not yet making any contribution to the Group results.

The net financial result, at minus 19.1 million euros, was 5.4 million euros lower than in the same period for the previous year (prev. year minus 13.7 million euros). This difference is due to the markedly lower interest income of 5.9 million euros (prev. year 10.8 million euros). The main reason for the fall is one-off interest income which was included in the previous year in connection with the M+W Zander sales process. The interest income is offset by interest expenses of 21.0 million euros, comparable with those of the previous year (prev. year 21.2 million euros).

Earnings before tax came in at 2.1 million euros compared with 10.5 million euros in the same period of the previous year as a result of the approx. 3 million euro reduction in the EBIT and the financial result which was down by approx. 5 million euros.

Whilst income taxes totaled 0.6 million euros and were primarily incurred in the foreign subsidiaries, the consolidated result is reduced by non-cash effective deferred taxes in the sum of 4.0 million euros. This one-off effect as at the end of the 3rd quarter 2007 is the result of the German tax reform which will come into force with effect from January 1, 2008. As a consequence of the reforms, Jenoptik will be charged at a lower rate for income taxes from 2008. This does however also mean a reduction in the tax savings resulting from the loss carried forward and differences between IFRS and tax balance sheet. In accordance with the IFRS accounting these tax savings must be capitalized. The capitalized amounts from these two positions had to be adjusted to the in future lower tax rate and impacted on expenses as at the end of the 3rd quarter. Jenoptik was able to partially offset this effect since only a small proportion of the loss carried forward was capitalized.

For this reason the earnings after tax of the Jenoptik Group showed a negative figure, coming in at minus 2.5 million euros (prev. year 11.8 million euros).

Development of orders. The Jenoptik Group order intake rose by 6.5 percent to 368.9 million euros (prev. year 346.5 million euros). The impetus for this figure came from the Lasers & Optics division which succeeded in growing its order intake by 16.1 percent. The 12.6 percent increase in orders recorded by the Sensors division came from the area of industrial metrology which recorded an overall positive order intake and furthermore, the order intake of Etamic, acquired in 2006, was for the first time also shown in full in this year. The order intakes of the traffic safety technology business increased slightly compared with the first two quarters 2007. However, this division was unable to report a similar scale of major export orders which were a characteristic feature of the previous years. As expected,

Order intake — in TEUR

	1.1. to 30.9.2007	1.1. to 30.9.2006	Change
Total	368,940	346,459	6.5 %
Laser & Optics	166,803	143,664	16.1 %
Sensors	114,656	101,805	12.6 %
Mechatronics	80,930	94,327	−14.2 %
Other	6,551	6,663	−1.7 %

Order backlog — in TEUR

	30.9.2007	31.12.2006	30.9.2006
Total	427,540	438,378	436,052
Laser & Optics	74,252	66,073	55,194
Sensors	67,024	68,993	62,586
Mechatronics	286,264	303,312	318,272
Other	0	0	0

the order intakes in the Mechatronics division, in which major long-term orders are a typical feature, came in below the level for the previous year.

The Jenoptik Group recorded an order backlog of 427.5 million euros representing a reduction of approx. 10 million euros compared with the comparison qualifying date December 31, 2006 (as of Dec. 31, 2006: 438.4 million euros). In the Lasers & Optics division there was a marked increase in the order backlog despite the significant rise in sales. The order backlog of the Sensors division remained virtually unchanged – despite the figures for Etamic which are now included. In the Mechatronics division major orders, a characteristic feature of the order backlog, are being processed as planned, leading to a reduction in the order backlog, as had been anticipated.

2.2 Development of key performance factors.

Research and development. The research and development expenses totaled 25.1 million euros and therefore showed a small 5.8 percent increase compared with the same period in the previous year (prev year 23.7 million euros). This figure includes 1.9 million euros as depreciation on development projects which were thus higher compared with the previous year (prev. year 1.5 million euros). By contrast, the R+D expenses do not include the development-intensive XTREME technologies GmbH which is shown at equity in the balance sheet as a joint venture between Jenoptik and the Japanese Ushio Group and was therefore included in the investment result.

Development of employees. There was a further increase in the number of personnel employed by the Jenoptik Group compared with December 31, 2006. As of September 30, 2007 a total of 3,363 personnel were employed at Jenoptik (Dec. 31, 2006: 3,192). The increase of 171 or 5.3 percent of the workforce was the result both of new appointments as well as additions from newly consolidated companies such as Detroit Precision Hommel Inc. in the USA, as a result of which the number of personnel employed abroad has now increased to 515 or 15.3 percent.

2.3 Financial and asset situation.

Financial indicators. As in the 1st half-year 2007, during the course of the 3rd quarter there were no major changes in the balance sheet and key financial indicators. The proportion of non-current financial liabilities, at 77.2 percent, was at a similar level to that as at end 2006. There was also no significant change in the net debt which totaled 210.4 million euros as of September 30, 2007, despite the takeover of Detroit Precision Hommel and the remaining shares in SINAR AG in the 2nd quarter (as of Dec. 31, 2006: 203.0 million euros).

Investment analysis. Investments in intangible assets and tangible assets in the first nine months of the 2007 fiscal year totaled 24.3 million euros (prev. year 24.7 million euros). Of this figure 7.8 million euros or 32.1 percent was invested in intangible assets (prev. year 10.8 million euros) with capitalized development costs accounting for a large share of this at 5.5 million euros

R+D expenses (in TEUR)

	1.1. to 30.9.2007	1.1. to 30.9.2006	Change
Total	25,054	23,689	5.8 %
Laser & Optics	14,183	12,539	13.1 %
Sensors	9,981	9,675	3.2 %
Mechatronics	2,716	3,382	– 19.7 %
Other	– 1,826	– 1,907	– 4.2 %

Employees (incl. trainees)

	30.9.2007	31.12.2006	30.9.2006
Total	3,363	3,192	2,921
Laser & Optics	1,310	1,254	1,234
Sensors	1,156	1,050	800
Mechatronics	837	828	829
Other	60	60	58

(prev. year 5.3 million euros). Tangible assets which received investment totaling 16.5 million euros (prev. year 13.9 million euros) were dominated by investments in technical equipment and machinery or other equipment, factory and office equipment. The investments were offset by depreciation on intangible assets and tangible assets in the sum of 24.1 million euros (prev. year 22.5 million euros) of which 5.8 million euros was applied to intangible assets (prev. year 5.1 million euros).

Financial assets, including shares in associated companies, remained virtually constant at 55.7 million euros (as of Dec. 31, 2006: 56.4 million euros).

Cash flow analysis. The statement of cash flows for the previous year includes the discontinued business area M+W Zander up to the date of its deconsolidation during the course of the 2nd quarter 2006. The statement of cash flows for the same period in the previous year was shown for the continuing business divisions in order to provide for better comparison.

The cash flow from operating activities, at 27.1 million euros, showed a marked 10.5 million euro increase compared with the figure for the previous year (prev. year 16.6 million euros). This was the result primarily of improvements in the working capital. A system of active working capital management has been an integral part of the corporate controls since the beginning of 2007. In the same period for the previous year the increase in working capital within a period of less than a year was still 33.4 million euros, significantly reducing the cash flow. In 2007, despite an equally marked rise in sales, the increase in working capital affecting cash flow was only 11.1 million euros and thus markedly lower than in the previous year. All three divisions contributed towards the significant increase in the operating cash flow.

The cash flow from investing activities totaled minus 16.7 million euros (prev. year 146.0 million euros) and mainly includes the payments for investments in intangible assets in the sum of 7.8 million euros (prev. year 11.4 million euros) and for tangible assets in the sum of 16.1 million euros (prev. year 13.5 million euros) which include, amongst other things, payments for the child daycare center. In the previous year the cash flow from investing activities was characterized by the receipts from the liquidation of securities funds, the sales of part of the DEWB shares plus, in particular, the payments resulting from the sale of M+W Zander.

The cash flow from financing activities came in at minus 8.8 million euros and was primarily influenced by interest payments in the sum of 14.5 (prev. year 16.3 million euros).

Balance sheet analysis. At 884.9 million euros the Jenoptik Group balance sheet total showed a slight rise of 11.2 million euros compared with December 31, 2006 (as of Dec. 31, 2006: 873.7 million euros). The prime reasons for this are the newly consolidated companies in 2007 such as Detroit Precision Hommel Inc.

Net debt (in TEUR)

	30.9.2007	31.12.2006	30.9.2006
Total	– 210,375	– 203,030	– 211,079
Securities	1,458	3,638	1,952
Cash and cash equivalents	155,318	153,840	156,407
Non-current financial liabilities	283,533	281,679	281,758
Current financial liabilities	83,618	78,829	87,680

-- Improved working capital.
-- Thus, cash flow from operating activities noticeably above the prevoius year’s figure.

On the assets side non-current assets remained unchanged at 416.8 million euros (as of Dec. 31, 2006: 416.9 million euros). The capitalized loss carried forward was adjusted in the course of the tax reform from the previous 55.1 to the new figure of 50.9 million euros. Current assets reported an 11.4 million euro rise as a result of increased inventories, to 468.1 million euros (as of December 31, 2006: 456.7 million euros).

Shareholders' equity rose by 5.0 million euros to 304.4 million euros (as of Dec. 31, 2006: 299.4 million euros). The increase in the value of the PVA TePla shares had a positive effect whilst by contrast the tax reform and the resultant adjustments to the loss carried forward, had a negative impact on the shareholders' equity. The shareholders' equity ratio remained virtually unchanged at 34.5 percent with a simultaneous slight increase in the balance sheet total (as of Dec. 31, 2006: 34.3 percent).

Non-current liabilities reduced slightly by 2.1 million euros to 331.1 million euros (as of Dec. 31, 2006: 333.2 million euros). There were only minor changes respectively in the individual items, with the slight increase of 1.8 million euros in non-current financial liabilities, to 283.5 million euros (as of Dec. 31, 2006: 281.7 million euros) being attributable to the non-cash effects, in particular to the discounting of the convertible bond.

Current liabilities totaled 249.4 million euros (as of Dec. 31, 2006: 241.1 million euros). There were however marked changes within the current financial liabilities. As a result of the increase in liabilities to banks which rose to 79.8 million euros (as of Dec. 31, 2006: 65.8 million euros) liabilities arising from the commercial paper program were repaid in the sum of 9.4 million euros, reducing them to just 2.0 million euros (as of Dec. 31, 2006: 11.4 million euros). Liabilities arising from the operational business activities, at 68.7 million euros, remained almost constant compared with the end of 2006 (as of Dec. 31, 2006: 66.9 million euros).

Purchases and sales of companies. In the current fiscal year Jenoptik acquired 100 percent of the shares in Detroit Precision Hommel Inc. and SINAR AG. Detroit Precision Hommel, Inc. has been fully consolidated since April 2, 2007 and included in the income statement on a proportional basis. SINAR AG, in which Jenoptik previously held 51 percent of the shares, had already been fully consolidated.

The joint venture company JT Optical Engine GmbH + Co. KG has been shown in the balance sheet at equity since July 2007 and is therefore included in the investment result. Jenoptik had invested the business activities of a non-consolidated R+D project company into the joint venture with Trumpf in which both partners hold 50 percent.

3rd quarter 2007

-- Shareholders' equity ratio virtually unchanged with slight increase in balance sheet total.
-- Non-current debt reduced.

3. Segment reporting.

3.1 Laser & Optics.

The Lasers & Optics division increased its sales by 9.6 percent to 159.9 million euros (prev. year 145.9 million euros) and consequently accounted for 42.7 percent of Group sales. The result of operating activities grew sharply and at a disproportionately high rate to the growth in sales to 16.0 million euros. This represents a 37.2 percent increase over the first nine business months of the year 2006 (prev. year 11.7 million euros). The optics business is the main engine driving growth in the division.

The division's order intake increased by 16.1 percent over the same period in the previous year to 166.8 million euros (prev. year 143.7 million euros). In terms of sales this corresponds to a book-to-bill rate of 1.05. The order backlog of the division grew accordingly from 66.1 million euros at the end of 2006 to 74.3 million euros as at September 30, 2007.

The number of employees in the Lasers & Optics division rose by 56 or 4.5 percent to a total of 1,310 (as of Dec. 31, 2006: 1,254). The increase is almost exclusively attributable to new appointments as a result of the strong growth but was clearly at a disproportionately lower rate to the rise in sales.

In the lasers area Jenoptik expanded its cooperation arrangement with Trumpf in June 2007 and established a joint venture for the development, production and marketing of so-called optical engines. The joint venture JT Optical Engines GmbH + Co. KG will offer the modules on a worldwide basis and also supply both partners. Trumpf and Jenoptik have been working together in the area of high-power diode lasers since 2001. Jenoptik has further strengthened this branch of its business through the full integration of unique mode, which was acquired in 2006, into JENOPTIK Laserdiode GmbH. The amalgamation, completed in the 3rd quarter, will enable Jenoptik Laserdiode to strengthen its core areas of expertise particularly in the fiber coupling business.

All three areas in the optics business, micro, polymer and high-performance optics contributed towards the growth.

The amalgamation of the digital imaging activities, one of the cross- sectional areas of expertise in the Group, was intensified. Under the management of Wolfgang Keller, director of the Digital Imaging unit, the Swiss subsidiary SINAR AG plus the imaging systems business of JENOPTIK Laser, Optik, Systeme GmbH are working more closely together than in the past in marketing/ distribution, development and production. The latest product from this area, the new Sinar Hy6 medium-format camera for professional photographers, was successfully launched in September 2007.

Laser & Optics division

- -- 42.7 percent share in Group sales.
- -- Optics business is driving growth.
- -- Concentration of digital imaging activities intensified.

3.2 Sensors.

During the course of the 3rd quarter the Sensors division was still not able to repeat the level of performance achieved in the previous year. The trend in the first two quarters of the current fiscal year continued. The growth rates in sales and order intakes are attributable to Etamic, which is included in the figures for the first time in this fiscal year, as well as to Detroit Precision Hommel Inc., full ownership of which was acquired in the Spring and which is now included on a pro rata basis.

The Sensors division posted sales of 115.9 million euros, showing an increase of 7.2 percent over a year ago (prev. year 108.1 million euros), with around 24.5 million euros of which coming from the Etamic Group and Detroit Precision Hommel Inc. The result of operating activities by the Sensors division showed a sharp 74.3 percent drop to just 3.5 million euros now (prev. year 13.5 million euros). The main reason for this is the continuing weakness in the international market for traffic safety technology. This area of business is also continuing a massive program of expansion for the new service providing business in the USA. In the industrial metrology business the integration of Etamic and Hommelwerke to create an international systems provider for industrial manufacturing metrology is continuing.

The Sensors division increased its order intake to 114.7 million euros, representing a rise of 12.6 percent compared with the same period in the previous year (prev. year 101.8 million euros). Here again the growth is primarily attributable to the new companies in the industrial metrology business. Because of its business model the order intake for North America in the traffic safety technology business, recorded at the start of the year, is essentially not included in the order intake nor consequently in the order backlog. Another major order was received from the solar industry for which Jenoptik will supply series systems for the structuring of thin-film solar cells.

According to a book-to-bill rate of 0.95, the order backlog of the Sensors division, at 67.0 million euros, came in at almost the same level as of end of 2006 (as of Dec. 31, 2006: 69.0 million euros).

The number of employees of the division showed a marked increase in the proportion of foreign employees compared with December 31, 2006 due, amongst other things, to the full acquisition of the US company Detroit Precision Hommel Inc. There was consequently also a marked increase in the total number of employees in the Sensors division: as of September 30, 2007 the division employed 1,156 personnel, a rise of 106 compared with the end of 2006 (as of Dec. 31, 2006: 1,050 employees).

Sensors division

-- Growth is attributable to the new companies in the industrial metrology area.
-- Traffic safety technology are is investing heavily in the USA.

3.3 Mechatronics.

The Mechatronics division continued the positive business development achieved in the 1st half year: sales and results showed marked increases over the same period for the previous year. However, because of the primarily long-term nature of the business fluctuations in sales, results and order situation in the Mechatronics division – positive or negative – are of less relevance than in the other two divisions.

In the first nine months of the current fiscal year the Mechatronics division posted sales of 94.5 million euros (prev. year 83.7 million euros). This 12.9 percent increase is partly attributable to shifts in longer-term projects. The result of operating activities by the division showed a sharp increase of 64.6 percent to 4.1 million euros (prev. year 2.5 million euros). However, this result can not be extrapolated for the full year since the majority of sales and consequently the results as well are generated in the fourth quarter.

The long-term, project-related nature of the business, more than 75 percent of which is generated in the defense technology area, can clearly be seen from the order intake which, at 80.9 million euros, is, as expected, down on the high level achieved in the previous year (prev. year 94.3 million euros).

The number of employees in the Mechatronics division rose by 9 to a total of 837 (as of Dec. 31, 2006: 828). The new additions came exclusively from Lechmotoren GmbH, based in the Bavarian town of Altenstadt which, in 2007, was awarded new orders mainly for the maintenance of technical equipment systems for the US Army.

4. Post balance sheet report.

At the beginning of October Jenoptik sold all of its shares in PVA TePla AG. This generated cash flow in excess of 20 million euros. As planned, Jenoptik uses this liquidity to repay liabilities, in particular the remaining liability to the minority shareholders of the Clean Systems business division, sold in 2006, in the sum of approx. 15 million euros was redeemed.

In October Jenoptik announced that, as planned, it would be redeeming the fixed interest-bearing bond in the nominal sum of 156 million euros prematurely as at November 15 this year, i.e. at the earliest possible date. More information on this is given in the Outlook for the full year 2007 contained in this report on P. 18.

There were no other events of significant importance occurring after the end of the period covered by the report from January 1 to September 30, 2007.

Mechatronics division

-- Division continued positive development of 1st half year.

Post balance sheet report

-- Liabilities repaid.
-- Early repayment of the fixed-interest bond.

5. Opportunities and risk report.

Jenoptik notched up a further success in the patent litigation with Asyst Technologies Inc. before the US District Court in San José. Contrary to the jury recommendation dated February 1, 2007 to order Jenoptik to pay damages in the sum of 57.6 million euros for alleged patent infringement, on August 3, 2007 the court rejected the claim for the third time in succession. As expected, the defeated plaintiff has since filed another appeal against this decision.

The risk arising from guarantees for the M+W Zander Group resp. its successor company has been further reduced during the first nine months of the current fiscal year. With the revolving framework of guarantees for M+W Zander (excluding the Fab 36 guarantee) having been reduced in the 4th quarter 2006 from the original 150 million euros to 33 million euros, it subsequently expired in February 2007. The old guarantees arising from this framework have been reduced to approx. 7.7 million euros as of September 30, 2007. There is currently no indication that this will result in Jenoptik incurring further expenses. No new guarantees can now be issued by M + W Zander on Jenoptik lines.

In addition, the guarantees for the former M+W Zander Gebäudetechnik GmbH (today trading as caverion) were reduced in 2007 from 180 million euros to 150 million euros. The budgeted liquidity facility was also further lowered from 30.1 million euros to 12.9 million euros. Since caverion's operating business has continued to improve there has been a marked reduction in the risk for Jenoptik.

By contrast, the risk arising from misguided developments as well as from additional adjustments to the Group portfolio increased for the Jenoptik Group during the third quarter compared with the report on risks contained in the 2006 Annual Report.

In conjunction with the ongoing concentration on its core areas of expertise, Jenoptik is consistently adjusting its product and technology portfolio. Negotiations currently being held with interested parties for research and business activities might be concluded under terms and conditions that will necessitate value adjustments. There is also a possibility of the negotiations failing. Value adjustments which arise in connection with a sale or a failure and thus a possible termination of these activities, can have a negative impact on the Group result for the current fiscal year, although at this point in time it is not possible to place a figure on this.

Regarding the opportunities and risk report we refer further to the comprehensive details contained in the 2006 Annual Report from P. 83. With the exception of the above-mentioned risk situations, in the period covered by the report there were no other major changes in the opportunities and risk management system or in the opportunities and risks.

Oportunities and risks

-- Jenoptik succeeded again in patent litigation with Asyst in the 1st instance.
-- Ongoing concentration on core areas of expertise.
-- Adjustments in the product and technology portfolio.

6. Forecast report.

Over the long term, Jenoptik aims to once again become a billion euro group. To achieve this the target is an annual growth rate of 10 percent on average – including smaller acquisitions which expand both the technology and product portfolio as well as the international market presence. A long-term marked improvement of earnings shall be achieved both through new products with high earnings potential and new markets as well as through substantial cost reductions. Therefore, the focus of the further development of Jenoptik will be on:

– increasing the operational excellence
– consistent market and client-driven approach of the whole Group as well as
– concentrating on business areas with significant growth and earnings potential.

We have pressed rapidly ahead with the further development of Jenoptik. As a result of focusing the Group on its core activities of lasers/optics, optoelectronics and mechatronics, Jenoptik has already withdrawn from a number of activities that do not form part of the strategic core topics. These include the reduction of the shareholding in what is now Zenteris GmbH from the previous 100 to just 24.9 percent, the sale of the entire shareholding in PVA TePla AG in which Jenoptik originally held a 17.95 percent stake as well as the sale of 33 percent of the shares in KSI Krämer Scientific Instruments during the current fourth quarter. Amongst other things, for 2008, preparations for the sale of real estate which is not required for operational purposes and not used by the group itself are made. In addition, research and development topics of the Group are being analyzed at present.

A new Group structure – and thus a better defined management structure that will be introduced with effect from January 2008 – form the basis for a stronger market and client-driven approach and cost savings.

6.1 Future Group structure.

With effect from January 2008 the Jenoptik Group will be organized into three segments, which are divided into five divisions in total, which combine the operational business:

Lasers & Optical Systems segment
– Optical Systems division
– Lasers & Material Processing division

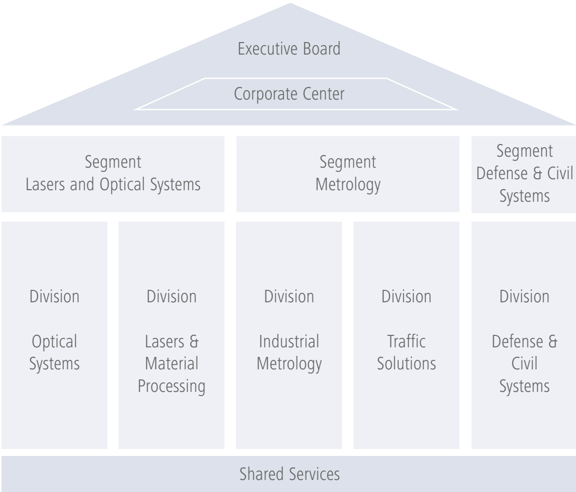
Metrology segment
– Industrial Metrology division
– Traffic Solutions division

Defense and Civil Systems segment
– Defense and Civil Systems division

Forecast
Jenoptik for the fiscal year 2007

-- Target is annual sales growth averaging 10 percent, incl. smaller acquisitions
-- Consistent market and client-driven approach with new divisional structure.

New group structure from January 2008.



With this new organization we are creating the conditions required to facilitate and intensify the Group's further strategic development over and beyond the boundaries of the individual subsidiaries.

The focus of this divisional structure was placed on client groups, technologies, development topics and production processes of the group companies which are similar in nature. The new organization is intended to enable us to be more successful than in the past to bring efficiently products and technologies to market that offer a high level of client benefit.

With the new organizational structure the management structure of the Group will change too. In future strategic decisions will be made by the Executive Management Board with the managers of the five divisions being members of this board.

These changes had become necessary after the sale of M+W Zander and due to the strong growth of the technology business.

At the same time, JENOPTIK AG is being developed further into a strategic holding company. The kind of financial holding company which Jenoptik previously maintained, is no longer adequate for the purpose of managing a focused group. The further development of the Jenoptik holding company actually began at the beginning of 2007. New central departments have been established expanding its strategic functions in comparison with the previous years. The central departments of Strategy & Innovation Management, Human Resources as well as Mergers & Acquisitions have been established. A group-wide Shared Service Center, which combines comprehensive processes with high potential for cost reduction, will start in 2008.

Since January of the current business year the operating cash flow and strategic objectives have been added to the controlling system for the operational business which before only included financial key performance indicators. The expansion of the controlling system has produced first results already at the end of the 3rd quarter 2007, in particular in the cash flow from operating activities (see Page 9). With effect from 2008 additional strategic controlling instruments will be introduced step by step.

The measures mentioned above are the main cornerstones of the comprehensive realignment of the Jenoptik Group.

Forecast

Jenoptik for the fiscal year 2007

-- JENOPTIK AG to develop into a strategic holding company.
-- New management structure.
-- Higher growth resulting from opening up new markets, product innovations, internationalization.

All projects of the strategic realignment, which have already been defined and some of which have been started, are combined under the following five value levers which form the basis for the next 3 to 5 years:

organic growth through opening up new markets, market penetration and product innovations,

market and client orientation through the expansion of the distribution and marketing activities,

internationalization through the systematically opening up of foreign markets, particularly in North America and Asia,

personnel & management by challenging and developing employees and management personnel and

operational excellence by analyzing all processes in the company in order to improve them and reduce costs.

6.2 Global economy and sectors.

It is still impossible to calculate precisely the full impact of the US financial crisis on the global economy. Economists are concerned about the growing risk of inflation and high oil prices. In the euro zone the strength of the euro compared with the weakness of the dollar could give rise to problems.

According to the overwhelming view of economists the turbulences on the international markets will not put a halt to the upturn in Germany. The economy remains robust. According to the current autumn report by leading economic institutes, GDP in 2007 is expected to increase by 2.6 percent and in 2008 by 2.2 percent and was therefore only adjusted slightly downwards in each case. Economists are in hopeful mood about increasing private consumer spending in many areas in Germany which is attributable, amongst other things, to the positive trend in the job market.

According to Spectaris German companies in the optical technologies area can expect disproportionate growth in sales, averaging 8.5 percent per annum up to 2015. According to assessments by the Federal Ministry for Education and Research, optical technologies will be amongst the future technologies of the 21st Century.

Following the higher than expected increase in sales by the semiconductor sector in September, the sector association SIA now again anticipates a slight improve-

Forecast
Global economy and sectors

-- Impact of financial crisis cannot be calculated precisely.
-- Optical technologies with disproportionate growth.

ment in the full year sales for 2007 over the forecasts in summer. By contrast, 2008 is expected to show solid growth. The sector expert Gartner has slightly reduced its expectations for equipment manufacturers for 2008.

The automobile sector is undergoing a major change worldwide and continuing to differentiate. On the one side, over the years ahead the expanding emerging nations will be increasingly demanding attractively-priced and technically simpler products. On the other side it is also forecast that there will be an increase in sales particularly of luxury vehicles. The German supplier industry will be able to benefit in particular from the latter trend as it takes a flexible and innovative approach to new challenges

6.3 Future development of business situation.

Sales of the Jenoptik Group are expected to come in at between 510 and 535 million euros in the full year 2007, in 2008 the figure is anticipated to break through the 550 million euro barrier. All three of the Group's divisions are expected to contribute towards the growth in sales.

Following the leap in sales in 2006 the Lasers & Optics division is planning to generate sales of between 200 and 210 million euros. If the current 4th quarter will also show an extremely positive trend, the division's sales may even exceed the forecast range. Sales of the Mechatronics division in 2007 are anticipated to reach between 120 und 130 million euros and – providing the positive business situation continues – may also slightly exceed this range. Sales of the Sensors division will probably come in below the targeted range of 180 to 190 million euros. This will, however, be completely compensated by the two other divisions.

Providing the very good trend in results achieved by the Lasers & Optics division continues and subject to a stable Mechatronics division which, as in previous years, is expected to make significant contributions to sales and results in the 4th quarter, it will be possible to continue partly offsetting but not fully compensating the drop in the results of the Sensors division.

Therefore, despite the fact that the Laser & Optics division will probably exceed our expectations and a stable situation in the Mechatronics division and the industrial metrology area, the Group operating result before one-off effects is expected to come in at 32 to 36 million euros, as announced in the half-year report.

In addition to this contribution to operating results – over and above the effects arising from the tax reforms and the sale of PVA TePla shares – further one-off effects are expected in the 4th quarter. These will be derived from the early repayment of the fixed interest-bearing bond (impacting on the financial result) and may also be derived from the current adjustment of the product and technology portfolio. Since negotiations with interested parties for research and business activities are currently being held, it is not possible at this

Forecast
Business situation

-- Sales increase as planned.
-- Drop in earnings of Sensors division can only be partly compensated.

point in time to forecast the effects precisely. Positive and negative one-off effects with impact on the EBIT will presumably almost offset as at the end of the year with only a small positive or negative balance.

The interest payments for the fixed interest-bearing bond will impact on the financial result of the Jenoptik Group for the last time in 2007. Jenoptik announced in October 2007 that the bond will be repaid at the earliest possible date on November 15, 2007. The existing call option is at 103.938 – equating to a repayment volume of almost 156 million euros.

Following the repayment of this bond the balance sheet total will reduce in 2007 by approx. 140 to 150 million euros, giving rise to a further increase in the shareholders' equity ratio. The one-off costs arising from the bond repayment, derived primarily from the compensation for early repayment, will impact on the financial result for the current fiscal year. This will however be offset in 2008 by a marked reduction in the burden on the financial result, of 6 to 7 million euros compared with 2007. This is derived from saving the difference between the costs for the bond and the interests received and will also have a positive effect on the earnings after tax in future.

Forecast
Financial position

- Financial result impacted by interest payments for bond for the last time and non-recurringly by bond repayment.
- Balance sheet total reduces as at end of 2007.

Consolidated statement of income.

in TEUR	Group 1.1. – 30.9. 2007	Continuing business divisions 1.1. – 30.9. 2006	Discontinued business division 1.1. – 30.9. 2006	Group 1.1. – 30.9.2006
Sales	374,714	344,307	517,049	861,356
Cost of sales	264,280	239,008	468,098	707,106
Gross profit	110,434	105,299	48,951	154,250
Research and development expenses	25,054	23,689	997	24,686
Selling expenses	36,766	34,470	7,654	42,124
General administrative expenses	30,701	26,095	18,430	44,525
Other operating income	15,885	14,361	6,107	20,468
Other operating expenses	12,646	11,247	15,286	26,533
Result from operating activities	21,152	24,159	12,691	36,850
Result from investments in associated companies	– 3,124	– 691	923	232
Result from other investments	– 877	– 2,558	– 3,011	– 5,569
Interest income	5,903	10,793	1,862	12,655
Interest expenses	20,957	21,200	6,188	27,388
Financial result	– 19,055	– 13,656	– 6,414	– 20,070
Earnings before tax	2,097	10,503	6,277	16,780
Income taxes	580	1,747	3,551	5,298
Deferred taxes*	4,002	– 3,062	593	– 2,469
Earnings after tax*	– 2,485	11,818	2,133	13,951
Minority interests' share of profit/loss	1,788	1,864	2,133	3,997
Net profit	– 4,273	9,954	0	9,954
Earnings per share in euros	– 0.08	0.19	0.00	0.19
Earnings per share (diluted) in euros	– 0.08	0.19	0.00	0.19

* taking the German tax reform into account

Consolidated balance sheet.

Assets

in TEUR	Sept. 30, 2007	Dec. 31, 2006	Change
Non-current assets	416,808	416,934	– 126
Intangible assets	91,006	89,490	1,516
Tangible assets	173,297	170,178	3,119
Investment properties	33,837	34,553	– 716
Share in associated companies	2,556	1,396	1,160
Financial assets	53,124	55,035	– 1,911
Other non-current-assets	12,106	11,163	943
Deferred tax assets	50,882	55,119	– 4,237
Current assets	468,051	456,725	11,326
Inventories	180,919	161,494	19,425
Current accounts receivable and other assets	130,356	137,753	– 7,397
Securities	1,458	3,638	– 2,180
Cash and cash equivalents	12,118	10,640	1,478
Restricted cash	143,200	143,200	0
Total assets	884,859	873,659	11,200

Shareholders' equity and liabilities

in TEUR	Sept. 30, 2007	Dec. 31, 2006	Change
Shareholders' equity	304,377	299,364	5,013
Subscribed capital	135,290	135,290	0
Capital reserves	186,726	186,726	0
Other reserves	– 41,002	– 45,190	4,188
Own shares	0	– 47	47
Minority interests	23,363	22,585	778
Non-current liabilities	331,107	333,198	– 2,091
Pension provisions	6,816	6,361	455
Other non-current provisions	22,883	22,340	543
Non-current financial liabilities	283,533	281,679	1,854
Other non-current liabilities	16,261	19,953	– 3,692
Deferred tax liabilities	1,614	2,865	– 1,251
Current liabilities	249,375	241,097	8,278
Tax provisions	1,318	1,218	100
Other current provisions	36,444	41,066	– 4,622
Current financial liabilities	83,618	78,829	4,789
Other current liabilities	127,995	119,984	8,011
Total shareholders' equity and liabilities	884,859	873,659	11,200

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		–2
Balance as at 30.09.2006	135,290	186,725
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 30.09.2007	135,290	186,726

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
	13,669	571			−53	14,187
640			3,577		−1,102	3,115
640	13,669	571	3,577		−1,155	17,302
9,954					3,997	13,951
10,594	13,669	571	3,577		2,842	31,253
					−180	−180
−23,268					−20,573	−43,841
−264				2	−19	−283
−58,525	10,046	3,766	−980	−46	25,000	301,276
−56,887	9,143	3,958	−1,404	−47	22,585	299,364
	9,796	202				9,998
−199			−1,169			−1,368
−199	9,796	202	−1,169			8,630
−4,273					1.788	−2,485
−4,472	9,796	202	−1,169		1.788	6,145
					−70	−70
					−940	−940
−169				47		−122
−61,528	18,939	4,160	−2,573	0	23,363	304,377

Consolidated statement of cash flows.

in TEUR	Group 1.1. to 30.9. 2007	Cont. bus. division 1.1. to 30.9. 2006	Group 1.1. to 30.9. 2006
Earnings before tax	2,097	10,503	16,780
Interest	15,054	10,407	14,733
Depreciation / write-up	24,564	24,334	24,334
Profit on disposal of fixed assets	– 2,965	– 188	– 174
Other non-cash expenses / income	4,111	2,313	1,390
Operating profit / loss before working capital changes	42,861	47,369	57,063
Increase / decrease in provisions	– 5,279	6,895	– 6,785
Increase / decrease in working capital	– 11,079	– 33,401	2,154
Increase / decrease in other assets and liabilities	1,103	– 2,065	2,758
Cash flow from / used in operating activities before income taxes	27,606	18,798	55,190
Income taxes paid	– 479	– 2,203	– 8,845
Cash flow from / used in operating activities	27,127	16,595	46,345
Receipts from disposal of intangible assets	35	754	763
Payments for investments in intangible assets	– 7,825	– 11,405	– 11,314
Receipts from disposal of tangible assets	1,279	24,814	24,915
Payments for investments in tangible assets	– 16,122	– 13,480	– 17,123
Receipts from disposal of financial assets	5,734	17,240	19,812
Payments for investments in financial assets	– 2,865	– 7,641	– 8,894
Receipts from sale of consolidated companies	0	139,061	1,613
Payments for acquisition of consolidated companies	– 2,432	– 12,448	– 12,448
Interest received	5,476	9,099	11,633
Cash flow from / used in investing activities	– 16,720	145,994	8,957
Payments to shareholders (dividend)	0	– 180	– 180
Receipts from issue of bonds and loans	20,225	37,739	55,742
Repayments of bonds and loans	– 14,525	– 32,312	– 36,865
Repayments for finance leases	– 1,435	– 3,326	– 3,460
Change in group financing	1,460	– 723	– 14,920
Interest paid	– 14,500	– 16,312	– 19,785
Cash flow from / used in financing activities	– 8,775	– 15,114	– 19,468
Change in cash and cash equivalents	1,632	147,475	35,834
Foreign currency translation changes in cash and cash equivalents	– 154	86	– 2,892
Cash and cash equivalents at the beginning of the period	153,840*	8,846	123,465
Cash and cash equivalents at the end of the period	155,318*	156,407	156,407

* including restricted cash of 143,200 TEUR.

Key figures by business divisions and other areas.

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

in TEUR	Laser & Optics	Sensors	Mechatronics	Other	Group
Sales	159,867 (145,866)	115,872 (108,090)	94,525 (83,723)	4,450 (6,628)	374,714 (344,307)
of which Germany	50,628 (45,308)	45,831 (40,329)	58,945 (54,164)	4,450 (6,628)	159,854 (146,429)
European Union	53,254 (46,763)	27,189 (26,070)	29,207 (26,689)	0 (0)	109,650 (99,522)
Other Europe	15,874 (15,037)	5,673 (2,417)	723 (333)	0 (0)	22,270 (17,787)
NAFTA	22,988 (26,079)	18,206 (17,395)	2,429 (1,032)	0 (0)	43,623 (44,506)
South East Asia/Pacific	5,838 (5,002)	14,100 (15,756)	2,927 (1,367)	0 (0)	22,865 (22,125)
Other	11,285 (7,677)	4,873 (6,123)	294 (138)	0 (0)	16,452 (13,938)
Operating result (EBIT)	15,990 (11,651)	3,478 (13,522)	4,103 (2,492)	−2,419 (−3,506)	21,152 (24,159)
Earnings before tax, depreciation, interest, amortisation (EBITDA)	28,909 (23,845)	7,526 (16,673)	6,655 (5,092)	2,184 (1,055)	45,274 (46,665)
Result from investments in associated companies	−3,124 (−1,644)	0 (0)	0 (0)	0 (953)	−3,124 (−691)
Research and development expenses	14,183 (12,539)	9,981 (9,675)	2,716 (3,383)	−1,826 (−1,908)	25,054 (23,689)
Tangible assets and intangible assets*	109,304 (107,989)	28,980 (22,821)	26,461 (26,971)	133,395 (136,440)	298,140 (294,221)
Investments excluding company acquisitions	13,972 (18,542)	5,970 (4,392)	2,042 (1,481)	2,304 (327)	24,288 (24,742)
Depreciation and amortisation	12,919 (12,194)	4,048 (3,151)	2,552 (2,600)	4,603 (4,561)	24,122 (22,506)

*Previous year figures as at December 31, 2006.

Notes to the Consolidated Financial Statements for the first nine months 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 September 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, 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 18 (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 percent and, under IAS 28 "Interests in Associates" 3 (prev. year 1) domestic associated companies are shown at equity.

In the first nine months of 2007 three subsidiaries were included in consolidation for the first time, these had not been included before due to their minor importance, as well as four mergers of fully consolidated subsidiaries.
In the second quarter 2007 the remaining shares in SINAR AG and Detroit Precision Hommel Inc. were acquired, the latter ws merged with ETAMICUS in the third quarter 2007.

Itemization of key items in the financial statements.

Tangible assets — in TEUR

	30.9.2007	31.12.2006
Land, buildings	99,292	100,433
Technical equipment and machines	42,830	41,500
Other equipment, factory and office equipment	24,557	23,297
On-account payments and construction in progress	6,618	4,948
	173,297	170,178

Inventories — in TEUR

	30.9.2007	31.12.2006
Raw materials and supplies	56,256	46,669
Work in progress	100,230	91,323
Finished goods and merchandise	19,153	17,662
Property held for disposal	43	43
On-account payments	5,237	5,797
	180,919	161,494

Accounts receivable and other assets		in TEUR
	30.9.2007	31.12.2006
Trade accounts receivable	89,018	92,248
Receivables from construction contracts	12,690	11,530
Receivables from non-consolidated affiliated companies	7,619	8,305
Receivables from participating interests	4,736	11,732
Other assets	16,293	13,938
	130,356	137,753

Non-current financial liabilities		in TEUR
	30.9.2007	31.12.2006
Long-term bonds	206,698	204,772
Non-current bank liabilities	54,328	53,177
Non-current liabilities from finance leases	22,507	23,730
	283,533	281,679

Current financial liabilities		in TEUR
	30.9.2007	31.12.2006
Bonds	2,000	11,400
Bank liabilities	79,784	65,768
Liabilities from bills of exchange	0	0
Liabilities from finance leases	1,834	1,661
	83,618	78,829

Other current liabilities		in TEUR
	30.9.2007	31.12.2006
Liabilities from on-account payments received	26,741	26,010
Trade accounts payable	40,918	40,433
Liabilities from construction contracts	1,014	483
Liabilities to affiliated companies	4,526	7,076
Liabilities to participating interests	4,274	3,262
Other current liabilities	50,522	42,720
	127,995	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 procedure.

Post balance sheet events.

At the beginning of October all shares in PVA TePla AG were sold.

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, November 2007

Dr. Michael Mertin
Chairman
of the Executive Board

Frank Einhellinger
Executive Board Member

Dr. Michael M.

Frank E.

JENOPTIK GERMANY

Dates

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

March 28, 2008
Annual Report 2007
of the Jenoptik Group

May 8, 2008
Interim Report on the first quarter 2008
of the Jenoptik Group

June 2008
General Meeting 2008 of
JENOPTIK AG

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Additional information
These and other publications of Jenoptik
are available at
www.jenoptik.com