JENOPTIK GERMANY

Interim Report JENOPTIK AG
First three months – January to March 2008.

At a glance – Jenoptik Group.

Figures in million euros	Jan. – March 2008	Jan. – March 2007 **	Change in %
Sales	129.2	128.8	0.3
Lasers & Optical Systems	54.6	58.3	– 6.3
Metrology	25.9	29.7	– 12.8
Defense & Civil Systems	47.6	39.6	20.2
Other*	1.1	1.2	– 8.3
EBITDA	16.4	16.9	– 3.0
Lasers & Optical Systems	10.7	11.2	– 4.5
Metrology	– 0.4	3.3	– 112.1
Defense & Civil Systems	4.1	2.6	57.7
Other*	2.0	– 0.2	++
EBIT	9.2	9.0	2.2
Lasers & Optical Systems	7.2	7.1	1.4
Metrology	– 1.1	2.7	– 140.7
Defense & Civil Systems	2.5	1.0	150.0
Other*	0.6	– 1.8	++
EBIT margin (EBIT as % of sales)	7.1	7.0	
Lasers & Optical Systems	13.2	12.2	
Metrology	– 4.2	9.1	
Defense & Civil Systems	5.3	2.5	
Other*	54.5	– 150.0	
Earnings before tax	4.4	2.8	57.1
Earnings after tax	3.2	2.7	18.5
Order intake	138.8	140.9	– 1.5
Lasers & Optical Systems	66.6	65.3	2.0
Metrology	31.2	30.1	3.7
Defense & Civil Systems	39.7	45.7	– 13.1
Other*	1.3	– 0.2	++

	March 31, 2008	Dec. 31, 2007	Change in %
Order backlog	448.7	439.5	2.1
Lasers & Optical Systems	90.4	77.6	16.5
Metrology	34.8	30.0	16.0
Defense & Civil Systems	323.9	332.5	– 2.6
Other*	– 0.4	– 0.6	33.3
Employees (incl. trainees)	3,437	3.436	0
Lasers & Optical Systems	1,418	1,431	– 0.9
Metrology	864	863	0.1
Defense & Civil Systems	1,093	1,079	1.3
Other*	62	63	– 1.6

* Other includes holding, real estate, consolidation.

** The segment reporting published a year ago for the first quarter cannot be compared with the current segment reporting as the new segments are based on a different composition of the operational business.

Summary of the first three months 2008.

- First quarter 2008 sales, operating result and order intake of the Jenoptik Group at the same level as in the previous year's period or partly above.
  See sales development – Page 6

- Earnings before tax increased by approx. 57 percent to 4.4 million euros.
  See earnings development – Page 6

- Markedly positive earnings after tax in the first quarter 2008. Repayment of bond in the previous year significantly reduces the burden on the net interest result.
  See earnings development – Page 6

- Net profit for the quarter increases shareholders' equity. Shareholders' equity ratio rises further to 40.8 percent, with unchanged balance sheet total.
  See financial and asset position – Page 11

- Lasers & Optical Systems segment reports quarterly results at the same high level as in the previous year. The Metrology segment continues to be affected by the marked reduction in the order intakes of the Traffic Solutions division in 2007. The Defense & Civil Systems segment posted marked increases in both sales and results.
  See segment reporting – Page 12ff

- Strategic realignment to be continued on a consistent basis in 2008. Further development of Jenoptik will be pursued by way of specific projects and initiatives already underway. See forecast report – Page 17

- Outlook for 2008: anticipated increase in Group sales and results in 2008. Significant improvement expected, particularly in the earnings after tax. See forecast report – Page 18

1st quarter 2008

- Successful 1st quarter.
- Key operating figures at the same level as in the previous year's period or partly above.
- Repayment of bond in the previous year significantly reduces the burden.

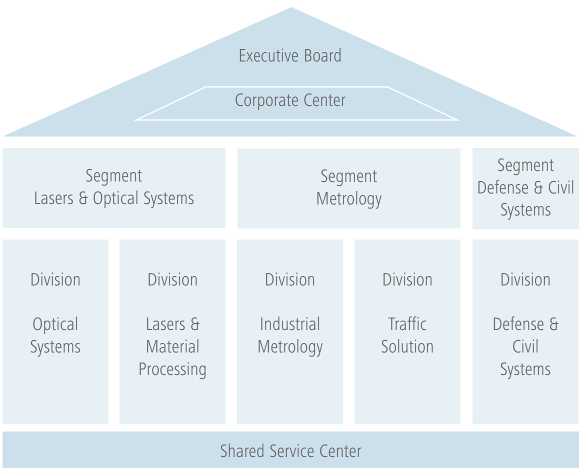
1. Business and framework conditions.

1.1 Group structure.

Jenoptik has had a new organizational structure in place as an integrated optoelectronics group since January 1, 2008: the entire operational business has been combined into the five divisions of Optical Systems, Lasers & Material Processing, Industrial Metrology, Traffic Solutions and Defense & Civil Systems. Comprehensive know-how in the field of optoelectronics forms the basis for the laser & optics business and is an enabling technology for the system businesses in measurement, defense and system technology.

The five divisions are combined into the segments Lasers & Optical Systems, Metrology and Defense & Civil Systems thus corresponding to the new segment reporting of the Jenoptik Group since the first quarter 2008.

Jenoptik develops, manufactures and markets system solutions and facilities as well as components and modules. Its worldwide clients include in particular companies in the global semiconductor and semiconductor manufacturing industry, the automotive and automotive supplier industry, medical technology, security and defense technology, the aerospace industry, technology companies as well as the public sector. The listed JENOPTIK AG is not itself active on the operational side.



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

The price of the Jenoptik share continued to fall during the first quarter 2008. Initially, the movement in the share price paralleled the development of prices in the German capital market. At the beginning of March, however, the Jenoptik security fell sharply and on March 17 and 19, 2008 respectively closed at 3.78 euros, the lowest closing price to-date. Following the announcement of the 2007 financial statements on March 28, 2008, the Jenoptik security recovered and on March 31, 2008 closed on the Xetra at 4.42 euros. This represents a 27.2 percent drop in the share price compared with the 6.07 euros on January 2, 2008. The headline indices, the Dax and TecDax, fell 17.8 and 20.0 percent respectively during the first quarter 2008. At the end of April the Jenoptik share price rose to 5.89 euros on April 30, 2008.

With the publication of the 2007 financial statements the Jenoptik Management gave a presentation at the annual Analysts' Conference in Frankfurt/Main at the beginning of April, followed by roadshows in Frankfurt and London. In addition, numerous investors and analysts paid further visits to the Jenoptik production sites.

A change in the shareholder structure of JENOPTIK AG was announced on February 25, 2008 by ECE Industriebeteiligungen GmbH, Vienna. According to information ECE now holds 25.02 percent of the shares in

New organizational structure since January 1, 2008

JENOPTIK AG and is the largest single shareholder. ECE sees itself as a strong core shareholder in JENOPTIK AG, with a medium to long-term commitment, who welcomes the Group's general reorientation and intends to support and drive forward Jenoptik's growth strategy.

Three representatives of ECE will be proposed for election to the Supervisory Board at the JENOPTIK AG Annual General Meeting on June 5, 2008 in Weimar. Prof. Johann Löhn relinquished his post with effect from April 24, 2008. Mag. Heinrich Reimitz was appointed as member of the Supervisory Board for the period up to the Annual General Meeting through decision of the court. Prof. Dipl.-Ing. Jörg Menno Harms and Dr. Norbert Schraad will also be standing down from the Supervisory Board. For ECE, Mr. Rudolf Humer, Chairman of the Supervisory Board, as well as Mr. Christian Humer, Chairman of the ECE Executive Board and Heinrich Reimitz, MA, member of the Executive Board of ECE European City Estates AG, Hinterbrühl/Austria, are being proposed as members.
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1.3 Development of the economy as a whole and of the sectors.

The pace of expansion in the global economy is losing its overall impetus. However, the prediction that there will be no abrupt setback in economic activity is attributed by economic institutes primarily to the extremely healthy condition of companies outside the financial sector. The outlook for the US economy, however, does provide cause for concern at the moment. By contrast, it is the emerging nations that are supporting the global economy, although if prices for foodstuffs and energy continue to rise this could heighten social tensions, particularly in these countries, which could then put a break on growth.

The slowdown in the dynamic of global economic activity is hampering economic prospects for the euro zone. Following a pickup in the pace of growth in the first quarter 2008, leading European economic institutes predict a markedly slower dynamic for the remainder of the year. In April 2008 the Federal German government reduced its growth forecast for Germany for the year as a whole from 1.8 to 1.2 percent. Although the financial crisis is holding back the economy there can be no talk of any "stalling". However, the risk factors continue to include the strong euro, high energy costs and a high inflation rate. According to the Ifo institute these are the reasons for a marked fall of more than two points in the business climate index in April.

There have been no major changes in the economic prospects in the Jenoptik Group's key sectors compared with the figures in the Annual Report published at the end of March 2008.

At the end of March the Semiconductor Industry Association forecast a slight reduction in worldwide semiconductor sales in January 2008 compared with December 2007, as well as from January to February 2008. This seems to confirm the difficult start to the current year for the global semiconductor market. For details on the other sectors we refer to the information on Pages 96-98 in the Jenoptik 2007 Annual Report.

Earnings per share

	March 31, 2008	March 31, 2007
Net profit in TEUR	2,263	2,131
Weight. average number of outst. shares	52,034,651	52,029,701
Earnings per share in euros	0.04	0.04
Dilution effect* in TEUR	563	469
Weight. average number of outst. shares**	56,918,070	56,913,120
Earnings per share in euros**	0.04	0.04

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

2. Earnings, financial and asset situation.

Important information: The details on the three segments in the report on the earnings position and in the segment reporting cannot be compared with the figures published in the quarterly report for the previous year - despite the similar names. Comparison details for the segments are shown in the report on the first quarter 2008 in brackets in each case and in the summary on P. 25 of this quarterly report.

2.1 Earnings and order position.

Sales development. In the first quarter 2008 the Jenoptik Group posted a small rise in sales to 129.2 million euros (prev. year 128.8 million euros). Approx. 45 percent of sales came from abroad (prev. year 60 percent) with Europe having been the key export region, followed by North America and Asia. The fall in the proportion of foreign sales is attributable to a change in the sales mix during the quarter just past: the Defense & Civil Systems segment recorded a marked rise in sales during the previous period under review and also increased sales primarily in Germany. By contrast, as expected, sales in the Metrology segment remained clearly below the very good level for the same period in the previous year.

Earnings development. On the results side, in the first quarter – in line with the development of sales – Jenoptik equaled and slightly exceeded the Group EBIT in the previous year.

The Group's earnings before interest, taxes and depreciation and amortization (EBITDA) totaled 16.4 million euros (prev. year 16.9 million euros). The Group result from operating activities (Group EBIT) – as with sales – at 9.2 million euros was slightly above the figure for the period in the previous year (prev. year 9.0 million euros) representing an EBIT margin of 7.1 percent. The growth in sales in the Defense & Civil Systems segment was also reflected in a marked increase in the results. The Metrology segment by contrast was affected by the lack of major orders for the Traffic Solutions division in 2007 and now in 2008 – following a very good quarter in the previous year – led to a negative result for the quarter for this segment. In general, a reduction in the capitalization of R+D costs by one third compared with the same period in the previous year had a short-term negative effect on the result, but will reduce the risk of unscheduled depreciation in the long run.

Detailed information on the development of the segments can be found in the segment reporting on P. 12 of this report.

The Group EBIT includes the EBIT contribution from Other (holding company, real estate, consolidation) which, at 0.6 million euros contrary to the same period in the previous year, was positive (prev. year minus 1.8 million euros). This was helped by a positive effect arising from the release of the finance lease for a large property, with a contribution to the results in the sum of just over 1.8 million euros.

Sales (in million euros)	1.1. to 31.3.2008	1.1. to 31.3.2007	Change
Total	129.2	128.8	0.3 %
Lasers & Optical Systems	54.6	58.3	– 6.3 %
Metrology	25.9	29.7	– 12.8 %
Defense & Civil Systems	47.6	39.6	20.2 %
Other	1.1	1.2	– 8.3 %

EBIT (in million euros)	1.1. to 31.3.2008	1.1. to 31.3.2007	Change
Total	9.2	9.0	2.2 %
Lasers & Optical Systems	7.2	7.1	1.4 %
Metrology	– 1.1	2.7	– 140.7 %
Defense & Civil Systems	2.5	1.0	150.0 %
Other	0.6	– 1.8	++

The net interest result of the Jenoptik Group in the first quarter 2008 has already clearly shown the positive effects derived from the early repayment of the bond in autumn 2007. Although the reduction of 3.1 million euros of interest expenses to 3.8 million euros (prev. year 6.9 million euros) was offset by a marked reduction in interest income at 0.4 million euros (prev. year 1.9 million euros), the markedly lower balance of expenses and income produced a positive effect in the sum of 1.6 million euros. As previously announced, the early repayment of the high interest-bearing bond using the restricted cash is now having a clearly positive impact on the net interest result.

The slightly higher losses incurred by XTREME technologies GmbH compared with the same period in the previous year are revealed in the net investment result of minus 1.4 million euros (prev. year minus 1.2 million euros). The net investment result for the first quarter 2008 also includes essentially JT Optical Engines GmbH + Co. KG as well as Zenteris GmbH as associated companies.

The net financial result of the Group showed a marked improvement of 1.4 million euros over the same period in the previous year as a result of the reduction in the burden on the interest result, to minus 4.8 million euros (prev. year minus 6.2 million euros). The increase led to a marked improvement in earnings before tax of 4.4 million euros, an increase of approx. 57 percent compared with just 2.8 million euros in the first quarter in the previous year. The income taxes in the sum of 0.6 million euros (prev. year 0.6 million euros) were at the previous year's level.

Non-cash deferred tax expenses in the sum of 0.6 million euros had a reducing effect, compared with a deferred tax income of 0.4 million euros reported for the same quarter in the previous year. The deferred tax expenses in 2008 are attributable to the profits which resulted in the utilization of JENOPTIK AG's tax losses carried forward as well as the liquidation of deferred taxes in connection with the release of finance lease. The deferred tax income in the previous year resulted from an increase in deferred tax assets on the tax losses carried forward of JENOPTIK AG.

As announced, the Jenoptik Group reported markedly positive earnings after tax of 3.2 million euros for the first quarter 2008, 18.5 percent above the figure for the previous year (prev. year 2.7 million euros).

Order development. The Group order intake totaled 138.8 million euros in the first three business months of 2008, the same level as in the previous year (prev. year 140.9 million euros). Whereas the Laser & Optical Systems and Metrology segments were able to slightly increase their order intake, the order intake of the Defense & Civil Systems segment remained just under the high level achieved in the previous year. At the end of 2007 and the beginning of 2008 the segment recorded major orders the bigger part of which had already been included in the order intake of the 4th quarter 2007. The Group's order backlog totaled 448.7 million euros as at March 31, 2008 and was therefore nearly 10 million euros above the figure for the end of 2007 (as at Dec. 31, 2007: 439.5 million euros).

Order intake — in million euros

	1.1. to 31.3.2008	1.1. to 31.3.2007	Change
Total	138.8	140.9	−1.5 %
Lasers & Optical Systems	66.6	65.3	2.0 %
Metrology	31.2	30.1	3.7 %
Defense & Civil Systems	39.7	45.7	−13.1 %
Other	1.3	−0.2	++

Order backlog — in million euros

	31.3.2008	31.12.2007	Change
Total	448.7	439.5	2.1 %
Lasers & Optical Systems	90.4	77.6	16.5 %
Metrology	34.8	30.0	16.0 %
Defense & Civil Systems	323.9	332.5	−2.6 %
Other	−0.4	−0.6	33.3 %

2.2 Development of the key performance factors.

Cost of sales. The cost of sales, at 91.2 million euros, remained at almost the same level as in the previous year (prev. year 89.0 million euros). The slight increase is attributable to a change in the sales mix compared with the period in the previous year. The share of sales recorded by the Defense & Civil Systems segment was higher in the first quarter 2008 than in the same quarter for the previous year, with a simultaneous reduction in sales achieved by the Metrology segment, its gross margin reduced as a result of capacity utilization. This change was also reflected in the Group's gross margin of 29.4 percent compared with 30.9 percent in the previous year.

Research and development. Research and development expenses reported a reduction in the first three business months compared with the period in the previous year. This was attributable to the consistent adjustment in the Group portfolio with the termination of individual R+D topics during the course of the year 2007. At 7.6 million euros R+D expenses were down on the figure for the previous year (prev. year 8.2 million euros). The R+D quota, the ratio between R+D expenses and sales, consequently fell slightly to 5.9 percent (prev. year 6.3 percent). However, the figure for the R+D expenses does not include developments on behalf of clients in the sum of 4.2 million euros or capitalized development costs. After including these items the R+D share of sales in the first quarter 2008 was 9.7 percent.

General administrative expenses were reduced to 9.9 million euros, corresponding to 7.6 percent of sales (prev. year 10.3 million euros/8.0 percent). Selling expenses by contrast rose slightly in connection with the stronger market and customer orientation to 13.2 million euros (prev. year 12.7 million euros).

Employees & Management. As at March 31, 2008 the Jenoptik Group employed a total of 3,437 personnel (as at Dec. 31, 2007: 3,436 employees). Consequently, the number of employees in the Group remained almost constant compared with the end of 2007 since any increases in the number of employees within the segments were offset by reductions: whilst the number of employees in the Metrology segment remained almost the same, the employee numbers in the Lasers & Optical Systems segment reduced slightly as a result of the sale of the majority in LDT Laser Display Technology GmbH Jena (subject to the approval by the Federal Cartel Office). The Defense & Civil Systems segment, however, showed a slight increase (see also segment reporting from Page 12).

With the appointment of Dr. Dirk Michael Rothweiler as head of the Optical Systems division with effect from January 1, 2008 as well as the addition to the company of Mr. Peter Lischewski as Vice President of the Lasers & Material Processing division with effect from April 1, 2008, the management team of the Jenoptik Group and its five divisions is now complete. The Executive Management Board was firmly established in the first quarter 2008.

R+D expenses (in million euros)

	1.1. to 31.3.2008	1.1. to 31.3.2007	Change
Total	7.6	8.2	−7.3 %
Lasers & Optical Systems	3.8	4.3	−11.6 %
Metrology	2.3	2.7	−14.8 %
Defense & Civil Systems	2.0	2.0	0 %
Other	−0.5	−0.8	37.5 %

Employees (incl. trainees)

	31.3.2008	31.12.2007	Change
Total	3,437	3,436	0 %
Lasers & Optical Systems	1,418	1,431	−0.9 %
Metrology	864	863	0.1 %
Defense & Civil Systems	1,093	1,079	1.3 %
Other	62	63	−1.6 %

Change management process in the divisions has been started. In 2008 special attention is paid to the process of integrating the business units. Comprehensive measures have been started or were prepared in the first quarter. In the Defense & Civil Systems division the comprehensive change management program has already been implemented. This division is combined of four companies at different locations as well as two profit centers of JENOPTIK Laser, Optik, Systeme GmbH. Following the kick-off event at the beginning of January this year, several project teams have begun their work.

2.3 Financial and Asset Position.

The financing structure of the Jenoptik Group remains oriented towards the long term. Switches between non-current and current liabilities during the first quarter resulted from the termination of finance lease for real estate, the first step towards the later sale of a property which is not used by the Group and thus not required for operational purposes. During the course of these changes the proportion of non-current financial liabilities as at March 31, 2008 fell by 10.8 percentage points to 67.1 percent (as at December 31, 2007: 77.9 percent) since the non-current finance lease was replaced with current financial liabilities (see also explanatory notes on P. 11).

These switches did not produce any change in the Jenoptik Group net debt. The small increase of 7.3 million euros to 199.0 million euros (as at Dec. 31, 2007: 191.7 million euros) was essentially attributable to the repayment of a loan to one of the associated companies and the subsequent reduction in the liabilities to associated companies.

Capital expenditure in intangible and tangible assets totaled 5.8 million euros (prev. year 6.7 million euros). Intangible assets accounted for 1.7 million euros or 29 percent of this figure and were thus down on the figure for the previous year (prev. year 2.7 million euros). The sharp fall is attributable to the marked reduction in the capitalization of R+D costs. At 4.1 million euros, investments in tangible assets, primarily in machines and equipment remained at the same level as in the previous year's period (prev. year 4.0 million euros). In the segments, the investment intensive Lasers & Optical Systems segment accounted for the majority of the capital expenditure in intangible and tangible assets in the sum of 3.2 million euros (prev. year 4.2 million euros).

Depreciation. Investments of the Group were offset by depreciation in the total sum of 7.2 million euros (prev. year 7.8 million euros), with depreciation on intangible assets at almost the same level as the total amount of the capital expenditure. By contrast, depreciation on tangible assets exceeded investments by approx. 1.5 million euros.

In the cash flow analysis the cash and cash equivalent flows in the year 2008 can be compared in full with those of the previous year.

Net debt (in million euros)

	31.3.2008	31.12.2007	31.3.2007
Total	– 199.0	– 191.7	– 200.6
Securities	2.2	2.2	3.1
Cash and cash equivalents	10.4	13.8	154.8
Non-current financial liabilities	142.0	161.8	282.2
Current financial liabilities	69.6	45.9	76.3

Cash flow from operating activities totaled 7.9 million euros (prev. year 10.5 million euros). In this context, the operating result before changes in working capital, at 16.9 million euros, was at the same level as in the previous year (prev. year 16.8 million euros). The cash flow was reduced by the utilization of provisions in the sum of 5.2 million euros as well as by an increase in the working capital in the sum of 2.3 million euros. By comparison with the previous year this increase was 3.6 million euros lower thanks to active working capital management. The main reason for the lower cash flow compared with the previous year is the reduction in other assets and liabilities, the changes in which are attributable to payments for tax liabilities, in particular to payments for sales taxes due to the high sales in the 4th quarter 2007.

Cash flow from investing activities totaled minus 5.1 million euros (prev. year minus 4.6 million euros) and was characterized essentially by the payments for tangible assets in the sum of 4.1 million euros (prev. year minus 3.6 million euros). Payments for intangible assets amounted to 1.7 million euros (prev. year 2.7 million euros).

Cash flow from financing activities came to a total of minus 5.7 million euros (prev. year minus 5.0 million euros). This clearly reflects the switch in liabilities between the liabilities derived from finance lease and liabilities to banks. Payments in the sum of 10.6 million, financed by the take-up of loans, were made in order to terminate a finance lease arrangement. In addition, the cash flow was characterized by the change in the group financing in the sum of 5.9 million euros as well as by interest payments in the sum of 2.2 million euros.

There was no change in the balance sheet total of the Jenoptik Group, at 697.0 million euros, compared with December 31, 2007 (as at Dec. 31, 2007: 697.3 million euros).

Non-current assets, at 385.9 million euros, remained almost constant (as at Dec. 31, 2007: 387.7 million euros). Whilst there were virtually no changes in intangible assets at 88.0 million euros, tangible assets (including the investment properties) were reduced by 1.6 million euros to 210.3 million euros (as at Dec. 31, 2007: 211.9 million euros). Financial assets (including shares in associated companies), at 25.4 million euros, also remained at the same level as of end 2007 (as at Dec. 31, 2007: 24.8 million euros).

Current assets increased slightly to 311.1 million euros (as at Dec. 31, 2007: 309.6 million euros). Whilst inventories rose by 7.4 million euros to 181.5 million euros (as at Dec. 31, 2007: 174.1 million euros), receivables and other assets were down by 2.5 million euros at 117.0 million euros (as at Dec. 31, 2007: 119.5 million euros). The sharpest fall, at 4.8 million euros was in receivables from operating business activities. The reason for the increase in inventories with the simultaneous reduction in receivables are the traditionally high sales in the 4th quarter of each fiscal year.

1st quarter 2008

-- Clear shift in non-current and current liabilities.
-- Cash flow from operating activities again clearly positive.
-- Balance sheet total unchanged.

Securities, at 2.2 million euros, showed no change compared with the end of 2007, whilst cash and cash equivalents fell by 3.4 million euros to 10.4 million euros (as at Dec. 31, 2007: 13.8 million euros). The main reason for this fall was the loan repayment for an associated company.

As a result of the profit for the quarter, the shareholders' equity of the Jenoptik Group increased by 3.7 million euros to 284.6 million euros (as at Dec. 31, 2007: 280.9 million euros). With a virtually unchanged balance sheet total this resulted in a slight increase in the shareholders' equity ratio from 40.3 percent as at end December 2007 to 40.8 percent as at end March 2008.

There was a clear shift in the Group's non-current and current liabilities as at March 31, 2008. The reduction in non-current liabilities of 20.1 million euros to 188.7 million euros (as at Dec. 31, 2007: 208.8 million euros) was the result of the reduction in non-current financial liabilities in conjunction with the termination of the finance lease for a property in the Jena city center. In preparation for the sale of this property, which was not used by the Group itself and had been fully rented, Jenoptik converted the financing and provided interim financing through current financial liabilities. This is the main reason for the rise in current liabilities of 16.1 million euros to 223.8 million euros (as at Dec. 31, 2007: 207.6 million euros).

Purchases and sales of companies. As described in the 2007 financial statements, Jenoptik pressed further ahead with the withdrawal from non-strategic investments and development themes in the first as well as in the current second quarter 2008. With the sale of 51 percent of the shares in LDT Laser Display Technology GmbH Jena, Jenoptik transferred the majority holding in the laser display business to its key client Rheinmetall Defence. The transfer ist still subject to the approval by the Federal Cartel Office. The company's employees were taken over by Rheinmetall. This sale of shares will not have any major consequences for the statement of income or the consolidated balance sheet in the current fiscal year apart from the loss of sales in the mid single-figure million euro range.

There were no sales of companies in the first quarter 2008. Work on the integration of the Berlin-based company EPIGAP Optoelektronik GmbH, acquired at the end of 2007, into the Optical Systems division was commenced in the first quarter as planned (see also segment reporting P. 12).

For assets and liabilities not included in the balance sheet we refer to the details in the 2007 Annual Report from Page 70 as well as to the details on guarantees in the risk-opportunities report contained in the 2007 Annual Report from P. 88.

1st quarter 2008

- -- Profit for the quarter increased the shareholders' equity.
- -- Increase in the shareholders' equity ratio with a virtually unchanged balance sheet total.

3. Segment reporting.

Important note: The segment reporting published a year ago for the first quarter cannot be compared with the current segment reporting as the new segments

– Lasers & Optical Systems
– Metrology
– Defense & Civil Systems

are based on a different composition of the operational business. The key comparison figures for the first quarter 2007 for the segments are given in the text as well as on Page 2 of this quarterly report.

3.1 Lasers & Optical Systems Segment.

The Lasers & Optical Systems segment posted sales of 54.6 million euros in the first quarter 2008 (prev. year 58.3 million euros). The slight fall is the result of a reduction in the sales volume of the Laser Processing Systems business unit. Here accounting for sales of larger orders has been postponed to the 2nd quarter or the 2nd half of 2008. Sales of the Optical Systems segment were at the same high level as in the previous year. Approx. 66 percent of the segment's sales were generated abroad (prev. year 68 percent).

The result from operating activities for the segment in the first quarter 2008, at 7.2 million euros, was slightly above the high level of the previous year's quarter (prev. year 7.1 million euros). The Optoelectronical Systems and the Diode Laser business units reported a very good development.

The order intake of the Lasers & Optical Systems segment once again exceeded the previous year's figure at 66.6 million euros (prev. year 65.3 million euros) and therefore also clearly exceeded the sales volume for the quarter.

With a segment book-to-bill rate of 1.22 (prev. year 1.12) there was also a corresponding rise in the order backlog compared with the end 2007. This totaled 90.4 million euros (as at Dec. 31, 2007: 77.6 million euros). Amongst other things, the Lasers & Material Processing division won another new major, multi-mil-

Lasers & Optical Systems Segment

Lasers & Optical Systems Segment — in million euros

	31.3.2008	31.3.2007	Change
Sales	54.6	58.3	– 6.3 %
EBIT	7.2	7.1	1.4 %
Order intake	66.6	65.3	2.0 %
Order backlog (as at 31.12.2007)	90.4	77.6	16.5 %
Employees (as at 31.12.2007)	1,418	1,431	– 0.9 %

lion euro order from the solar sector. For the first time the Laser Systems business unit is equipping a solar cell production plant with the entire structuring and edge deletion systems and consequently strengthening its technology portfolio in the growth business of the solar industry.

The number of employees in the segment, at 1,418, fell slightly compared with end 2007 (as at Dec. 31, 2007: 1,431). Whilst the Optical Systems division added 22 employees to give a total 1,038 as of the end of the first quarter (as at Dec. 31, 2007: 1,016), the number of employees in the Lasers & Material Processing division was reduced by 35 to 380 in conjunction with the deconsolidation of LDT Laser Display Technology GmbH, subject to the approval by the Federal Cartel Office, (as at Dec. 31, 2007: 415 employees).

Work on the integration within the Optical Systems division of EPIGAP Optoelektronik GmbH, acquired at the end of 2007, began in the first quarter 2008. Epigap specializes in the development and manufacture of photodiodes, LED (Light Emitting Diodes) chips and components as well as optoelectronic modules and sensor elements. The acquisition will support the rapid development of the optoelectronics business in the Optoelectronical Systems business unit. Project teams have started work on the various integration tasks; for example, the initial decisions on the distribution of tasks between the Triptis and Berlin sites have already been taken.

In the Lasers & Material Processing division the Jenoptik Group continued its further concentration on its core business and disposed of its majority holding in the laser display business. Rheinmetall Defence acquired 51 percent of the shares in LDT Laser Display Technology GmbH, Jena, from Jenoptik which is consequently transferring the majority holding in this business to its main customer. This company had been acquired in 2002 from the insolvency assets of Schneider Laser Technologies AG and developed further for the simulation market. The transfer of the shareholding is subject to approval from the Federal Cartel Office. The transfer of the shares was taken into account in the 2007 financial statements.

In celebrating the 15th anniversary of the diode laser activities in April this year the Group looked back at a history of success. The Diode Laser business unit is today a leader provider of quality in the manufacture of industrial high-power diode lasers which offer a long service life and maximum reliability and over the last 15 years has evolved from being a provider for laser research products to successful mass-produced products for industrial application.

Lasers & Optical Systems Segment

- Integration of EPIGAP Optoelektronik GmbH began.
- Jenoptik's diode laser activities look at a history of success of 15 years.

3.2 Metrology Segment.

The Metrology segment was unable to repeat the good figures for the previous year's period in terms of sales and results. The Industrial Metrology division was unable to fully compensate for the lack of contributions to sales and results from the Traffic Solutions division.

Sales of the segment, at 25.9 million euros, were approx. 13 percent below the figure for the first quarter 2007 (prev. year: 29.7 million euros). The fall in sales was also reflected in the segment's result from operating activities which totaled minus 1.1 million euros (prev. year 2.7 million euros).

However, successes achieved by the integration of Etamic, in which key milestones were reached at the end of 2007 and the first quarter 2008, were reflected in the order intake, particularly abroad. The Metrology segment as a whole posted order intakes of 31.2 million euros, just above the figure for the same period in the previous year (prev. year 30.1 million euros). The book-to-bill rate in the first quarter was 1.2, resulting in a marked increase of 16 percent in the segment's order backlog. This rose from 30.0 million euros as at the end of 2007 to now 34.8 million euros.

The Industrial Metrology division is benefiting from its new global line-up as a systems provider with the ability to supply systems for all the necessary metrology tasks from one source. The amalgamation both of the product ranges, which are ideally complementary, as well as the locations in France and the USA, is gradually producing benefits in terms of both technologies and costs.

There was no significant revival of business in the Traffic Solutions division in the first quarter. The success of the division will be dependent in particular on it winning major international orders for equipment as well as the service providing. There are however clear signs of a pick-up in the market for international invitations to tender, so the number of potential projects available will be higher than during the course of 2007. The Jenoptik Group is continuing to invest heavily in particular in the development of the Traffic Service Providing, which is being expanded to other international regions following the market launch in North America and should give a further boost to the equipment business. This is an area in which Jenoptik is currently involved in the invitations to tender for several major international projects.

The number of employees in the Metrology segment, 864 as at the end of the first quarter 2008, remained constant compared with the end of 2007 (as at Dec. 31, 2007: 863). There were however shifts within the divisions, which offset each other. In the Traffic Solutions division, which has 300 employees, the new Service Providing business unit in particular was strengthened. In the Industrial Metrology division, which has a total of 564 employees, there was a reduction in the number of employees in France as part of the optimization of the locations, whilst additional employees were taken on in the USA during the course of the expansion of the business.

Metrology Segment

Metrology Segment — in million euros

	31.3.2008	31.3.2007	Change
Sales	25.9	29.7	−12.8 %
EBIT	−1.1	2.7	−140.7 %
Order intake	31.2	30.1	3.7 %
Order backlog (as at 31.12.2007)	34.8	30.0	16.0 %
Employees (as at 31.12.2007)	864	863	0.1 %

3.3 Defense & Civil Systems Segment.

The Defense & Civil Systems segment posted a leap in sales and results in the first quarter. This is due – in addition to a general marked improvement in the development of business over the same period in the previous year – to project settlements having been postponed from 2007 to the first quarter of the current year. The current trend can therefore not be extrapolated in full for the year 2008 as a whole.

Sales of the segment rose by 20.2 percent to 47.6 million euros (prev. year 39.6 million euros). Both the Mechatronics as well as the Optronics business units reported increased sales in comparison with the period in the previous year. Due to the higher sales in the 1st quarter 2008 there was also a significant rise in the result from operating activities by the segment, to 2.5 million euros compared with 1.0 million euros in the first quarter of the previous year.

The segment's order intake, at 39.7 million euros, was able to almost repeat the high level achieved for the same period in the previous year (prev. year 45.7 million euros). Parts of the major order from Mitsubishi for rendezvous and docking sensors, reported at the complete beginning of 2008, had already been included in the order intake for the fourth quarter 2007 as had the major order from BAE Systems for radomes in the sum of 27 million euros. The segment's order backlog totaled 323.9 million euros as at March 31, 2008 (Dec. 31, 2007 332.5 million euros).

The number of employees in the Defense & Civil Systems segment increased slightly during the course of the first quarter, by 14 to 1,093 (as at Dec. 31, 2007: 1,079) primarily in the Mechatronics business unit.

The beginning of April saw a premiere in space for the Optronics business unit. Jenoptik's rendezvous and docking sensors facilitated the docking of the first ATV (Automated Transfer Vehicle) "Jules Verne" of the European Space Agency ESA with the International Space Station ISS. Jenoptik is the basic supplier for rendezvous sensors both for the transfer vehicles of the European Space Agency as well as for the Japanese missions. In the current 2nd quarter Galileo, the major European project, has gained momentum. Jenoptik supplied three sun sensors for attitude control for the second test satellite, which is now to verify technical details.

The Mechatronics business unit won a number of important orders during the first quarter just past and in the current second quarter, amongst others from Switzerland for the supply of water-cooled generators for two new types of armored vehicles.

Defense & Civil Systems Segment

Defense & Civil Systems Segment — in million euros

	31.3.2008	31.3.2007	Change
Sales	47.6	39.6	20.2 %
EBIT	2.5	1.0	150.0 %
Order intake	39.7	45.7	−13.1 %
Order backlog (as at 31.12.2007)	323.9	332.5	−2.6 %
Employees (as at 31.12.2007)	1,093	1,079	1.3 %

4. Post balance sheet report.

There were no events of special importance occurring after the end of the period under review. Individual developments during the course of the second quarter 2008 have already been dealt with as part of the reporting above.

5. Opportunities and risk report.

Within the framework of the Opportunities and Risk Report we refer to the comprehensive details on Pages 82 to 91 of the Jenoptik Annual Report which was published at the end of March 2008. During the course of the first quarter and up to the editorial closing date of this quarterly report there have been no major changes in the risks set out in this Report.

In the course of the 1st quarter the economic framework conditions which are important for the general business development have deteriorated. Rising prices for raw materials and energy as well as a continuing weakening of the US dollar resulted in forecasts on the economic cycles which are clearly more pessimistic than at the beginning of the year 2008.

Opportunities and risks

- No major changes compared with the statements in the 2007 Annual Report.
- In general, the economic framework conditions have slightly deteriorated.

6. Forecast report.

6.1 Future structure of the Group & long-term goals.

The focus of Jenoptik's further development will be
– to concentrate on strong growth and strong earnings areas of business,
– to consistently orientate the whole Group towards markets and customers,
– to continue the process of internationalization,
– on our employees and the management as well as
– to increase the operational excellence.

The Group's new organizational structure which came into being on January 1, 2008 provides the fundamental prerequisite for achieving these goals (see Page 4). It is more customer and market-oriented than in the past and provides for synergies within the Group. Based on the new group structure all divisions and business units will be optimizing their structures and processes. This comprehensive process, which is being supported by active change management, began with kick-off events at the beginning of 2008 in the Defense & Civil Systems and Traffic Solutions divisions.

In the group-wide Shared Service Center work has begun on amalgamating the group-wide IT and procurement activities, the structures of which had differed to an extreme extent. The rolling strategy process implemented in 2007 will be transferred to the divisions in 2008. A group-wide innovation management system will come into being from the second half of 2008.

6.2 Future development of the global economy and of the individual Jenoptik sectors.

The forecasts for the future development of the global economy predict continuing robust growth in 2008, although this will be weaker than in previous years as a result of the crisis in the financial markets. The OECD warns of the delayed consequences of this crisis for 2009 which could then further weaken global economic growth. Economic experts also see dangers in increasing inflation, triggered by rising energy and food prices. The prediction for the euro zone and Germany as well is that economic development will be dampened during the course of 2008, although there are variations in some of the predictions regarding specific growth forecasts.

We shall have to wait and see as to what extent the slight fall in worldwide semiconductor sales at the beginning of 2008 carries over to the equipment market. ASML, a worldwide leading manufacturer in the lithography market, also revealed a slight fall in sales and order backlog for the first quarter 2008 but does anticipate growth in its order intake from the second quarter 2008, particularly in technologically sophisticated and high-end systems. However, uncertainty on the global development of the semiconductor market has increased compared with the beginning of the year 2008.

For further information on the sectors we refer to the details on Pages 96 to 98 in the Jenoptik 2007 Annual Report.

Forecast
Jenoptik for the full year 2008

-- Group-wide Shared Service Center began activities.
-- The strategy process implemented in 2007 will be continued on a consistent basis.

6.3 Future development of the business situation.

With the strategic reorientation, in conjunction with a leaner management structure and a cultural change throughout the Group, we are creating the conditions required for sustainable value growth. We see potential for our innovative products particularly in the overseas markets.

The focal areas in the development of markets on the sector side are, amongst others, the photovoltaics and flat panel industry as well as service providing in the Traffic Solutions division. There are positive forecasts for the markets in these sectors and other markets in which we have established a position for ourselves.

However, the current general economic development makes it very difficult to give reliable predictions – in particular as a result of the sub-prime crisis and continual increases in raw material prices. The forecasts below for our business figures for 2008 and for part of 2009 therefore assume that there is no overall significant deterioration in the economic climate.

Sales are expected to continue increasing in 2008 and to exceed 550 million euros. All three segments plan to increase sales. As such, sales in the Laser & Optical Systems segment are forecast to come in at between 220 and 240 million euros (prev. year 218 million euros). In the Metrology segment, following a sluggish year for Traffic Solutions and strong anorganic growth in Industrial Metrology in 2006, the target will be to organically increase sales to between 125 and 140 million euros (prev. year 117 million euros). The Defense & Civil Systems segment plans to generate sales of between 185 and 200 million euros (prev. year 181 million euros).

The Group operating result is expected to rise to between 37 and 40 million euros once again. This already takes into account a marked reduction in the capitalization of development costs compared with the years 2006 and 2007. In the Metrology segment the weak 2007 fiscal year in the Traffic Solutions division will continue to have a partial impact on the earnings situation in 2008 which will not be yet able to repeat the quality of earnings achieved in the years 2006 and before.

Here, as in the year 2007, the ability to win major orders in particular will impact on the quality of earnings and consequently on the attainment of the Group targets. In addition, Jenoptik is investing heavily in the expansion of the international Traffic Service Providing business.

The increase in the earnings before tax in 2008 will be disproportional to the operating result. In addition to the increase in the operating result we anticipate a

Forecast
Jenoptik for the full year 2008

- Sales to exceed 550 million euros.
- Group EBIT between 37 and 40 million euros.
- Increase in earnings before tax disproportional to operating result.

marked reduction in interest expenses and consequently an improvement in the net interest result of between 11 and 14 million euros. The corresponding positive development has already shown in the 1st quarter 2008. On the basis of increased earnings before tax we expect a markedly lower tax quota than in the previous year. In the fiscal year just past we recorded a one-off non-cash expense, resulting from the German Tax Reforms 2008.

The Jenoptik Group reaffirms its long-term growth target of 1 billion euros in sales with a quality of earnings between 9 and 10 percent. Sales are expected to grow by an average of 10 percent per annum, including smaller acquisitions. The growth in sales in the 2007 fiscal year was 7.5 percent, in the year 2006 18 percent. We expect the strategic realignment, which we will be pursuing on a consistent basis in 2008, to have a positive impact on earnings from 2009.

For information on our long-term targets and the outlook for the current fiscal year we refer to the detailed information on Page 92ff in the 2007 Annual Report published at the end of March 2008.

Targets 2008

in million euros

	Actual 2007	Target 2008
Sales (Group)	522	more than 550
Lasers & Optical Systems	218	220 to 240
Metrology	117	125 to 140
Defense & Civil Systems	181	185 to 200
EBIT(Group)	35	37 to 40

Consolidated statement of income.

in TEUR	1.1. – 31.3. 2008	1.1. – 31.3. 2007
Sales	129,221	128,754
Cost of sales	91,183	88,961
Gross profit	38,038	39,793
Research and development expenses	7,600	8,160
Selling expenses	13,209	12,714
General administrative expenses	9,850	10,291
Other operating income	5,926	3,951
Other operating expenses	4,104	3,563
Result from operating activities	9,201	9,016
Result from investments in associated companies	– 1,363	– 644
Result from other investments	– 39	– 544
Interest income	405	1,924
Interest expenses	3,800	6,906
Financial result	– 4,797	– 6,170
Earnings before tax	4,404	2,846
Income taxes	602	548
Deferred taxes	589	– 445
Earnings after tax	3,213	2,743
Minority interests' share of profit/loss	950	612
Net profit	2,263	2,131
Earnings per share in euros	0.04	0.04
Earnings per share (diluted) in euros	0.04	0.04

Consolidated balance sheet.

Assets

in TEUR	March 31, 2008	Dec. 31, 2007	Change
Non-current assets	385,879	387,711	– 1,832
Intangible assets	88,018	88,314	– 296
Tangible assets	173,247	175,873	– 2,626
Investment properties	37,003	35,992	1,011
Share in associated companies	2,371	847	1,524
Financial assets	23,021	23,931	– 910
Other non-current assets	11,822	10,821	1,001
Deferred tax assets	50,397	51,933	– 1,536
Current assets	311,149	309,615	1,534
Inventories	181,502	174,099	7,403
Current accounts receivable and other assets	116,989	119,502	– 2,513
Securities	2,243	2,222	21
Cash and cash equivalents	10,415	13,792	– 3,377
Total assets	697,028	697,326	– 298

Shareholders’ equity and liabilities

in TEUR	March 31, 2008	Dec. 31, 2007	Change
Shareholders’ equity	284,621	280,924	3,697
Subscribed capital	135,290	135,290	0
Capital reserves	186,726	186,726	0
Other reserves	– 60,000	– 62,726	2,726
Own shares	22,605	21,634	971
Non-current liabilities	188,654	208,788	– 20,134
Pension provisions	6,426	6,404	22
Other non-current provisions	22,570	22,046	524
Non-current financial liabilities	142,064	161,755	– 19,691
Other non-current liabilities	15,026	15,195	– 169
Deferred tax liabilities	2,568	3,388	– 820
Current liabilities	223,753	207,614	16,139
Tax provisions	1,447	1,085	362
Other current provisions	34,816	39,907	– 5,091
Current financial liabilities	69,576	45,918	23,658
Other current liabilities	117,914	120,704	– 2,790
Total shareholders’ equity	697,028	697,326	– 298

Consolidated statement of movements in shareholders' equity.

in TEUR	Subscribed capital	Capital reserve
Balance as at 01.01.2007	135,290	186,726
Valuation of financial instruments		
Currency differences		
Changes in value recorded in shareholders' equity		
Earnings after tax		
Sum of earnings after tax and changes in value not impacting income		
Other changes		– 1
Balance as at 31.03.2007	135,290	186,725
Balance as at 01.01.2008	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		
Balance as at 31.03.2008	135,290	186,726

Reserves						
Cumulated profit	Fair value measurement	Hedging	Cumulative currency differences	Own shares	Minority interests	Total
−56,887	9,143	3,958	−1,404	−47	22,585	299,364
	4,862	177				5,039
−25			−217		−10	−252
−25	4,862	177	−217		−10	4,787
2,131					612	2,743
2,106	4,862	177	−217		602	7,530
				47		46
−54,781	14,005	4,135	−1,621	0	23,187	306,940
−65,550	−6	6,229	−3,399	0	21,634	280,924
	−907	2,345				1,438
−10			−944			−954
−10	−907	2,345	−944			484
2,263					950	3,213
2,253	−907	2,345	−944		950	3,697
−63,297	−913	8,574	−4,343	0	22,584	284,621

Consolidated statement of cash flows.

in TEUR	1.1. to 31.3. 2008	1.1. to 31.3. 2007
Earnings before tax	4,404	2,846
Interest	3,395	4,982
Depreciation / write up	7,280	7,846
Profit on disposal of fixed assets	– 76	– 8
Other non-cash expenses / income	1,911	1,116
Operating profit / loss before working capital changes	16,914	16,782
Increase / decrease in provisions	– 5,234	– 4,207
Increase / decrease in working capital	– 2,292	– 5,884
Increase / decrease in other assets and liabilities	– 1,277	3,873
Cash flow from / used in operating activities before income taxes	8,111	10,564
Income taxes paid	– 237	– 59
Cash flow from / used in operating activities	7,874	10,505
Receipts from disposal of intangible assets	143	2
Payments for investments in intangible assets	– 1,664	– 2,733
Receipts from disposal of tangible assets	897	419
Payments for investments in tangible assets	– 4,109	– 3,614
Receipts from disposal of financial assets	263	38
Payments for investments in financial assets	– 916	– 251
Payments for acquisition of consolidated companies	0	25
Interest received	330	1,554
Cash flow from / used in investing activities	– 5,056	– 4,560
Receipts from issue of bond and loans	16,375	2,574
Repayments of bonds and loans	– 3,407	– 5,176
Repayments for finance leases	– 10,586	– 431
Change in group financing	– 5,925	442
Interest paid	– 2,169	– 2,366
Cash flow from / used in financing activities	– 5,712	– 4,957
Change in cash and cash equivalents	– 2,894	988
Foreign currency translation changes in cash and cash equivalents	– 483	– 37
Cash and cash equivalents at the beginning of the period	13,792	10,640
Cash and cash equivalents at the end of the period	10,415	11,591

Key figures by business divisions and other areas.

January 1 – March 31, 2008 (previous year's figures in brackets)

in TEUR	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Other	Group
Sales	54,565 (58,319)	25,915 (29,704)	47,608 (39,551)	1,133 (1,180)	129,221 (128,754)
of which Germany	18,563 (18,611)	10,361 (10,668)	28,735 (20,952)	1,234 (1,289)	58,893 (51,520)
European Union	19,750 (21,844)	5,670 (9,785)	10,657 (11,067)	0 (0)	36,077 (42,696)
Other Europe	1,371 (1,771)	1,595 (1,429)	4,420 (3,911)	0 (0)	7,386 (7,111)
NAFTA	7,641 (8,210)	4,067 (2,867)	1,417 (2,631)	– 101 (– 109)	13,024 (13,599)
South East Asia/Pacific	3,154 (3,508)	3,531 (2,080)	2,038 (923)	0 (0)	8,723 (6,511)
Other	4,086 (4,375)	691 (2,875)	341 (67)	0 (0)	5,118 (7,317)
Operating result (EBIT)	7,187 (7,145)	– 1,099 (2,680)	2,461 (976)	652 (– 1,785)	9,201 (9,016)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	10,654 (11,149)	– 335 (3,301)	4,117 (2,621)	1,951 (– 209)	16,387 (16,862)
Result from investments in associated companies	– 1,363 (– 644)	0 (0)	0 (0)	0 (0)	– 1,363 (– 644)
Research and development expenses	3,816 (4,349)	2,283 (2,666)	2,016 (2,004)	– 515 (– 859)	7,600 (8,160)
Tangible assets and intangible assets*	113,081 (118,452)	19,921 (20,421)	39,723 (40,124)	125,543 (121,182)	298,268 (300,179)
Investments excluding company acquisitions	3,152 (4,216)	742 (1,314)	1,858 (1,178)	21 (12)	5,773 (6,720)
Depreciation and amortisation	3,467 (4,004)	764 (621)	1,656 (1,645)	1,299 (1,576)	7,186 (7,846)
Employees (without trainees)	1,373 (1,297)	841 (754)	1,047 (1,037)	61 (58)	3,322 (3,146)

* Previous year figures as at December 31, 2007.

Notes to the Consolidated Financial Statements for the first three months 2008.

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

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

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

Accounting and valuation methods.

In the consolidated interim report ("interim report") as at March 31, 2008, 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 2007. 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 2007. 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 19) domestic and 10 (prev. year 10) foreign companies fully consolidated. In accordance with IAS 31 "Interests in Joint Ventures" 1 (prev. year 1) joint venture company is included in the quarterly report proportionally at 50% and, under IAS 28 "Interests in Associates" 3 (prev. year 3) domestic associated companies are shown at equity.

In the first three months of 2008 there were no major changes in the companies included in consolidation.

Itemization of key items in the financial statements.

Tangible assets		in TEUR
	31.3.2008	31.12.2007
Land, buildings	96,695	97,264
Technical equipment and machines	46,562	48,121
Other equipment, factory and office equipment	23,311	24,578
Construction in progress	6,679	5,910
	173,247	175,873

Inventories		in TEUR
	31.3.2008	31.12.2007
Raw materials and supplies	58,213	56,358
Work in progress	103,393	99,037
Finished goods and merchandise	19,896	18,704
	181,502	174,099

Accounts receivable and other assets		in TEUR
	31.3.2008	31.12.2007
Trade accounts receivable	88,381	93,715
Receivables from construction contracts	2,246	1,673
Receivables from non-consolidated affiliated companies	5,106	4,325
Receivables from participating interests	2,561	3,105
Other assets	18,695	16,684
	116,989	119,502

Non-current financial liabilities		in TEUR
	31.3.2008	31.12.2007
Long-term bonds	61,254	60,854
Non-current bank liabilities	76,120	76,061
Non-current liabilities from finance leases	4,690	24,840
	142,064	161,755

Current financial liabilities		in TEUR
	31.3.2008	31.12.2007
Bank liabilities	68,002	43,797
Liabilities from finance leases	1,574	2,121
	69,576	45,918

Other current liabilities		in TEUR
	31.3.2008	31.12.2007
Liabilities from on-account payments received	28,236	26,930
Trade accounts payable	45,025	44,849
Liabilities from construction contracts	7,462	8,014
Liabilities to affiliated companies	1,622	3,276
Liabilities to participating interests	3,473	5,628
Other current liabilities	32,096	32,007
	117,914	120,704

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 2007.

Post balance sheet events.

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

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, May 2008

Dr. Michael Mertin
Chairman of the
Executive Board

Frank Einhellinger
Executive Board
Member

JENOPTIK GERMANY

Dates

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

June 5, 2008
General Meeting 2008
of JENOPTIK AG

August, 13 2008
Interim Report on the first half 2008
of the Jenoptik Group

November 11, 2008
Interim Report on the third quarter 2008
of the Jenoptik Group

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