Interim Financial Report of the Jenoptik Group
for the months January to September 2008.

At a glance – Jenoptik Group.

Figures in million euros	Jan. – Sept 2008	Jan. – Sept 2007 **	Change in %	July – Sept. 2008	July – Sept. 2007 **	Change in %
Sales	397.4	374.7	6.1	132.9	121.0	9.8
Lasers & Optical Systems	153.3	159.5	– 3.9	45.7	49.5	– 7.7
Metrology	87.0	82.9	4.9	33.1	26.7	24.0
Defense & Civil Systems	152.1	128.1	18.7	51.4	42.8	20.1
Other*	5.0	4.2	19.0	2.7	2.0	35.0
EBITDA	46.1	45.3	1.8	15.4	15.9	– 3.1
Lasers & Optical Systems	24.3	28.8	– 15.6	4.5	8.0	– 43.8
Metrology	4.6	5.9	– 22.0	3.8	1.9	100.0
Defense & Civil Systems	13.6	8.4	61.9	4.9	3.0	63.3
Other*	3.6	2.2	63.6	2.2	3.0	26.7
EBIT	24.6	21.2	16.0	8.5	8.1	4.9
Lasers & Optical Systems	15.0	16.4	– 8.5	2.9	4.1	– 29.3
Metrology	2.0	3.9	– 48.7	3.0	1.1	172.7
Defense & Civil Systems	8.7	3.3	163.6	3.3	1.3	153.8
Other*	– 1.1	– 2.4	54.2	– 0.7	1.6	143.8
EBIT margin (EBIT as % of sales)	6.2	5.7		6.4	6.7	
Lasers & Optical Systems	9.8	10.3		6.3	8.3	
Metrology	2.3	4.7		9.1	4.1	
Defense & Civil Systems	5.7	2.6		6.4	3.0	
Other*	– 22.0	– 57.1		– 25.9	80.0	
Earnings before tax	13.4	2.1	538.1	5.1	1.7	200.0
Earnings after tax	10.2	– 2.5	n.a.	3.9	– 3.1	n.a.
Order intake	398.4	368.9	8.0	130.8	116.5	12.3
Lasers & Optical Systems	153.7	160.7	– 4.4	41.2	44.0	– 6.4
Metrology	105.3	88.6	18.8	39.5	32.6	21.0
Defense & Civil Systems	134.4	112.8	19.1	47.4	34.4	37.9
Other*	5.0	6.8	– 26.5	2.7	5.5	– 50.1

	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
Order backlog	438.5	439.5	427.5
Lasers & Optical Systems	77.3	77.6	84.8
Metrology	48.2	30.0	33.5
Defense & Civil Systems	313.4	332.5	312.3
Other*	– 0.4	– 0.6	– 3.1
Employees (incl. trainees)	3,430	3,436	3,363
Lasers & Optical Systems	1,431	1,431	1,364
Metrology	827	863	848
Defense & Civil Systems	1,105	1,079	1,091
Other*	67	63	60

* Other includes holding, real estate, consolidation.

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

Summary of the first nine months 2008.

- The Jenoptik Group reaffirms its forecast for the full year 2008 despite the marked deterioration in the economic framework conditions. The Group EBIT is expected to come in at 37 million euros and thus at the lower end of the earnings range forecast in March 2008. See earnings and order situation – Page 7

- At the end of the 3rd quarter the Group succeeded again in posting a significant rise in all earnings figures compared with the same period in the previous year. The Group EBIT climbed 16 percent to 24.6 million euros, the earnings after tax rose to 10.2 million euros after showing a loss in the previous year. See earnings development – Page 7

- The figure for nine month sales, at 397.4 million euros, was up by 6.1 percent over the level in the previous year. The order intake reported an 8 percent rise to 398.4 million euros. See sales development – Page 7

- On the financing side the Jenoptik Group currently has a solid base. The financing for the current operating business is primarily provided through the operating cash flow. As the convertible bond will mature in July 2009 it is included in current liabilities and not in non-current liabilities in these quarterly financial statements. This reclassification has no effect on net debt. See financial and asset position – Page 11f.

- The collapse in the semiconductor equipment industry and the sharp downturn in the automotive industry begins to leave its mark on the Jenoptik operating business. However, this can be partially offset by continuing, increasing international demand for traffic safety technology as well as by the strong growth in the Defense & Civil Systems division. See segment reporting – Page 14f.

1. Business and framework conditions.

1.1 Group structure.

Jenoptik's worldwide customers primarily include companies in the automotive and automotive supplier industry, the semiconductor and semiconductor manufacturing industry, the aerospace industry, medical technology, security and defense technology as well as the public sector. The listed company JENOPTIK AG does not have any operating business of its own.

Jenoptik serves its customers in five divisions: Lasers & Material Processing, Optical Systems, Industrial Metrology, Traffic Solutions as well as Defense & Civil Systems. The five divisions are divided into three reporting segments: Lasers & Optical Systems, Metrology and Defense & Civil Systems.

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

The Jenoptik share has been able to by and large but not entirely escape the major turbulences on the equity markets over recent weeks and the generally difficult conditions in the capital markets. Trigged by the banking crisis, the overall capital market environment was characterized by major fluctuations in share prices across all segments and sectors, accompanied by enormous losses in share prices.

Although the Jenoptik share underperformed against the German comparison indices the Dax and TecDax at the beginning of 2008, over recent weeks by contrast the Jenoptik share has not been affected to such a significant extent by the sell-offs, some of which were the result of panic reaction. In difficult financial market conditions investors are rewarding Jenoptik's comparatively stable earnings situation based on the company's diversification and the strategic realignment of the Group which was started in 2007. The stock market turnover has once again showed a marked increase since September 2008. Increased turnover in the share makes it more attractive for all investors.

Trading in the Jenoptik share in 2008 opened at 6.07 euros on January 2. With a closing price of 4.30 euros in trading on the Xetra on September 30 the share posted a loss of 29 percent over the first nine business months of 2008. During the same period the TecDax also reported a loss of around 29 percent, whilst the Dax fell approx. 27 percent.

In October the Jenoptik share price fluctuated in parallel with the turbulences on the capital markets, albeit at a lower level of volatility. The lowest closing price was recorded on October 10 at 3.59 euros. At the end of October the share price increased again and oscilliated around 5 euros at the beginning of November.

In addition to the analysts' conference on the half-year results, the Group Management gave presentations of the current figures and developments at various banking conferences in Frankfurt and Munich. During the 3rd quarter 2008 roadshows were staged in Chicago, Frankfurt am Main, London, New York and Vienna.

Earnings per share

	Sept. 30, 2008	Sept. 30, 2007
Net profit in TEUR	7,120	– 4,273
Weight. average number of outst. shares	52,034,651	52,033,002
Earnings per share in euros	0.14	– 0.08
Dilution effect* in TEUR	2,380	1,656
Weight. average number of outst. shares**	56,918,070	56,916,421
Earnings per share in euros**	0.14	– 0.08

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 as a whole.

The global economy is feeling the full impact of the financial crisis. Economic prospects have deteriorated sharply over recent weeks. The phrase 'economic crisis' and, increasingly, the threat of recession, are characteristic of the style of language being used in most current economic forecasts. The 2008 growth forecasts for the OECD states as well as those of most other countries, published in spring and summer this year, have also been adjusted sharply downwards. Government support programs, which are already no longer restricted purely to 'bailing-out' the financial sector, are being rolled out worldwide. The aim is to provide help for the European automotive industry, amongst others.

As late as August the US economy surprised the market with economic growth ahead of expectations. By contrast, current reports on the US economy now talk of a "sharp downturn" (IMF) and a downward spiral. The OECD is relying on the 700 billion dollar rescue package from the US government which could provide stabilization both for the banking sector as well as the economy.

The EU Commission reduced its predicted growth for the euro region from 1.7 to 1.3 percent. According to forecasts the German economy in particular will be hit hard by a rapid and sharp fall in demand for capital goods. In their joint report in October the leading economic research institutes talk about Germany now standing on the edge of a recession. GDP will fall by approx. 0.7 percent in the 2nd half-year 2008. For the full year however experts are keeping to their forecast of a 1.8 percent increase in GDP. As the largest exporting nation, in particular of capital goods, according to the OECD the downturn in Germany is likely to be particularly sharp, although the full impact will not be felt until 2009.

The crisis also affects Asia in particular. As a result of falling export levels to Europe and North America, growth rates for 2008 and 2009 are forecast to be markedly lower than in previous years. Economic experts predict that China's economy, which was still growing at almost 12 percent in 2007, will achieve growth of between 7 and 8 percent for the current year. As in the world's other economic regions cutbacks in investment will be severe.

1.4 Development of the individual Jenoptik sectors.

With the exception of security, defense as well as traffic safety technology, the economic prospects for the sectors serviced by Jenoptik have deteriorated during the course of the general economic downturn. As a manufacturer of capital goods the Jenoptik Group will be unable to entirely escape a sharp drop in the investment climate within the Group's key target markets. This will however be offset by the unique selling points of the products, some of which can be found in the high technology sector.

According to current statements by the sector association Spectaris within the framework of the world market index for Optical Technologies, sales in the market

3th quarter 2008

- Growth forecasts adjusted downwards.
- Downturn in Germany particularly from 2009.
- Cutbacks in investment volumes.

for optical and photonic technologies in the 2nd quarter 2008 were 11.7 percent higher than in the same quarter in the previous year. In the 1st quarter and in the individual quarters 2007 the rise was only one-digit. In a questionnaire made by Spectaris on the economic situation in October 2008 the 44 participating companies expected sales growth of around 9 percent for 2008 and with around 7.5 percent, a lower growth in 2009.

The semiconductor market began to weaken in the 2nd quarter 2008 and has fallen dramatically over the last weeks. Chip manufacturers are clearly reducing the volume of their capital investments due to falling chip prices. This will reduce the business for manufacturers of production machines and test equipment.

The photovoltaics industry so far was almost defying all the negative developments in 2008. It is predicted to achieve 50 percent growth for 2008. However, experts forecast a marked slowdown in growth from 2009 as a result of the high starting level and the increasing downward pressure on prices and difficult financing conditions for solar projects.

The automotive and automotive supplier industry was affected by the financial crisis very quickly. As expected, marked reductions in sales and consequently lower profits even in 2008 are reported by numerous manufacturers, followed shortly afterwards by clear measures aimed at savings. This situation will also have a detrimental effect on investment in expansion and modernization.

Falling exports in particular are making life difficult for the German mechanical engineering sector. According to the VDMA, export orders between May and August dropped by 12 percent compared with the same period in the previous year. However, the VDMA is keeping to its forecast 5 percent growth for the full year.

Experts predict that the aviation sector will also be unable to escape the rapid consequences of the current situation on the financial markets. The International Air Transportation Association (IATA) predicts a total loss of approx. 5 billion US dollars in 2008 for airlines worldwide. Although the falling oil price is bringing some relief, worldwide air travel volumes will shrink. The beneficiaries of this trend are likely to be the low-cost providers. The manufacturers are adapting to this development.

The security and defense technology sector is reporting a positive development, contrary to the general trend. There is increasing demand for systems. Following years of stagnation the German Armed Forces are also increasing their procurement budget over the next two years by 5 percent respectively. German providers in particular are currently in the process of expanding their worldwide commitments, focusing on security for and training of the soldiers – which supports the product range of Jenoptik.

The German rail industry was capable of insulating itself from the weak economy. The marked increase of 45 percent in order intakes compared with the previous year was primarily attributable to exports. Numerous new train models – showcased at the Innotrans in October – are providing optimism.

3th quarter 2008

-- Security and defense technology shows positive development, contrary to trend.
-- Semiconductor and automotive industry with strong decline over last weeks.

2. Earnings, financial and asset position.

Important note: the details on the three segments in the reporting on the earnings situation, and in the segment reporting – despite having similar names – cannot be compared with the figures published in the quarterly report for the previous year. Details on the report on the previous year's period are shown in this report in each case in brackets and in the summary on the inside front cover as well as on P. 29 of this interim report.

2.1 Earnings and order situation.

Development of sales. In the first nine months the Jenoptik Group posted sales of 397.4 million euros. This represents an increase of 6.1 percent compared with the same period in the previous year (prev. year 374.7 million euros). Sales in the Lasers & Optical Systems segment were slightly down on the figure for the previous year, attributable to a reduction in sales with the semiconductor sector as well as to disinvestments. Since the 2nd quarter 2008 this figure has no longer included the laser display business involving a sales volume in the single digit million euro range, the majority holding in this business having been sold to Rheinmetall and deconsolidated.

The Defense & Civil Systems segment succeeded in increasing sales significantly by almost 20 percent.

In the first nine business months of 2008 the Metrology segment also posted higher sales than in the previous year – despite the very weak dollar rate. This is attributable in particular to the successful integration of Etamic in the Industrial Metrology division and a pick-up in the international traffic safety market.

Exports accounted for the majority of Group sales at 56 percent (prev. year 57 percent). The share of exports therefore remained at approximately the same level as in the previous year - despite a weaker US dollar and a different sales mix compared with the previous year. The Defense & Civil Systems division, which posted a marked increase in its share of sales in 2008 compared with the same period in 2007, primarily generates its sales in Germany.

Earnings development. The key indicators on results, EBITDA, EBIT and in particular the net profit, were increased by comparison with the previous year. As forecast, the net profit for the year clearly rose at a proportionally higher rate compared with the EBIT as there was a significant reduction in interest expenses compared with the same period in the previous year following the repayment of the high-yield bond from the year 2003 in November 2007. The Group also benefited from the disposal of low-margin marginal business activities which offer no future prospects.

The Group EBIT (result from operating activities before interest and taxes) showed a 16 percent rise to 24.6 million euros (prev. year 21.2 million euros), at a clearly higher rate in proportion to sales. The EBIT margin

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- Sales rose by more than 6 percent compared with the previous year.
- All key earnings indicators increased significantly.

increased accordingly from 5.7 percent in the previous year to 6.2 percent. The positive development in the results is attributable to the Defense & Civil Systems segment which succeeded in substantially increasing the EBIT thanks to the growth in sales and a different product mix. By contrast, the other two segments reported figures below the level for the previous year. In the Lasers & Optical Systems segment the reduction in sales with the semiconductor and automotive industry in particular had a negative impact on the result. In this context there was a marked reduction in the capitalization of research and development costs in this segment compared with the same period in the previous year and these were instead immediately included in costs, reducing the risk of future depreciation compared with the method used in previous reporting periods.

The Metrology segment achieved another marked improvement in the results and showed the best quarterly result in the 3rd quarter since the end of 2006. This resulted in an overall positive EBIT contribution of the segment on a nine-month basis. However, this was not enough to repeat the good result achieved in the first nine months 2007 – in particular due to the intensive expansion of the service providing business and the costs related with this. You will find detailed information on the development of business by the segments in this interim report from P. 14.

The EBIT of Other areas (holding company, real estate and consolidation) improved to minus 1.1 million euros (prev. year minus 2.4 million euros). This figure includes a positive one-off effect in the sum of approx. 1.8 million euros arising from the termination of a finance lease for a large property in the 1st quarter 2008. This item is shown under other operating income which totaled 14.2 million euros (prev. year 15.9 million euros). Other operating expenses came in at 10.5 million euros (prev. year 12.6 million euros). This item includes, among others, expenses for the closing-down of a smaller company in the sum of around 1 million euros.

The Group EBITDA (result from operating activities before interest, taxes, depreciation and amortization) at 46.1 million euros, was slightly up on the figure in the previous year (prev. year 45.3 million euros) inspite of lower depreciation.

The Group financial result shows the biggest change compared with the same period in the previous year and is attributable to an improvement in the financing structure and consistent disposal of areas of business and development themes which offer no future prospects. This produced a significant rise in both the interest as well as the investment result.

The net interest result improved by approx. 5.8 million euros to a total of minus 9.3 million euros compared with minus 15.1 million euros for the same period in the previous year. This is a reflection of the early repayment of the high-yield bond in November 2007 which had characterized the interest expenses in the previous year. Interest expenses reduced accordingly by approx. 9.9 million euros to 11.1 million euros (prev. year 21.0 million euros). Interest income was 4.0 million euros lower at 1.9 million euros (prev. year 5.9 million euros). The high level of income in the previous year was the result of interest for the restricted cash which had been

Sales (in million euros)

	1.1. to 30.9.2008	1.1. to 30.9.2007	Change
Total	397.4	374.7	6.1 %
Lasers & Optical Systems	153.3	159.5	−3.9 %
Metrology	87.0	82.9	4.9 %
Defense & Civil Systems	152.1	128.1	18.7 %
Other	5.0	4.2	19.0 %

EBIT (in million euros)

	1.1. to 30.9.2008	1.1. to 30.9.2007	Change
Total	24.6	21.2	16.0 %
Lasers & Optical Systems	15.0	16.4	−8.5 %
Metrology	2.0	3.9	−48.7 %
Defense & Civil Systems	8.7	3.3	163.6 %
Other	−1.1	−2.4	54.2 %

utilized in November 2007 for the early repayment of the high-yield bond.

The significant reduction in the burden on the net investment result is attributable to the disposal of loss-making marginal activities and development themes which offer no future prospects. The investment result came in at minus 2.0 million euros compared with minus 4.0 million euros for the same period in the previous year. The figure no longer included the joint venture Xtreme technologies which had continued to have a negative impact on the investment result in the previous year and the 1st quarter 2008. Jenoptik sold its shares in May 2008. In addition, depreciation on an investment, in which Jenoptik had sold its majority share already in 2007, had a negative effect on the investment result. In the 2nd half-year the investment result will essentially be characterized by the development of fiber laser systems which Jenoptik is pursuing together with Trumpf in a joint venture.

Reflecting the interest and investment result, the financial result improved by more than 40 percent to minus 11.3 million euros (prev. year minus 19.1 million euros).

The earnings before tax showed a significant increase from 2.1 million euros in the previous year to 13.4 million euros, rising more than six-fold - as a result of the 16 percent increase in the EBIT and the improvement of more than 40 percent in the financial result.

Income taxes increased to 1.4 million euros (prev. year 0.6 million euros) as a result of the improvement in results. Non-cash deferred tax expenses totaled 1.8 million euros compared with 4.0 million euros for the same period in the previous year, during which adjustments were required in conjunction with the German tax reforms. Jenoptik's effective tax quota in the first nine months was about 24 percent.

The earnings after tax of the Jenoptik Group rose accordingly to 10.2 million euros (prev. year minus 2.5 million euros). As a result of the substantially higher result and the one-off effect in the real estate area the minority's share of profit rose to 3.1 million euros (prev. year 1.8 million euros). The net profit increased by 11.4 million euros in absolute terms to 7.1 million euros (prev. year minus 4.3 million euros).

Order situation. Despite the marked deterioration in the economic framework conditions the Jenoptik Group increased its order intake in the first nine business months by 8 percent to 398.4 million euros. It thus came in at the level of sales (prev. year 368.9 million euros). In the Lasers & Optical Systems segment the effects of the "downturn" of the semiconductor equipment industry were reflected in a reduction in the order intake. This trend will continue in the current 4th quarter. The order intake in the Metrology segment rose by nearly 20 percent, a higher rate proportional to sales. The Traffic Solutions division in particular succeeded in posting markedly higher order intakes in the 2nd and 3rd quarters compared with the same period in the previous year. The Defense & Civil Systems segment also recorded a 20 percent increase in its order intake, essentially in parallel with the growth in sales.

Order intake — in million euros

	1.1. to 30.9.2008	1.1. to 30.9.2007	Change
Total	398.4	368.9	8.0 %
Lasers & Optical Systems	153.7	160.7	−4.4 %
Metrology	105.3	88.6	18.8 %
Defense & Civil Systems	134.4	112.8	19.1 %
Other	5.0	6.8	−26.5 %

Order backlog — in million euros

	30.9.2008	31.12.2007	Change
Total	438.5	439.5	−0.2 %
Lasers & Optical Systems	77.3	77.6	−0.4 %
Metrology	48.2	30.0	60.7 %
Defense & Civil Systems	313.4	332.5	−5.7 %
Other	−0.4	−0.6	−33.3%

The Defense & Civil Systems division benefited from project-related order intakes in the security and aerospace sector.

The order backlog, at 438.5 million euros, remained at the same level as in the previous year (as of Dec. 31, 2007: 439.5 million euros) as a result of the almost balanced ratio between sales and order intake.

You will find more detailed information on the development of sales, results and orders for the three segments Lasers & Optical Systems, Metrology and Defense & Civil Systems, in the segment reporting from P. 14 of this interim report.

2.2 Development of key performance factors.

Cost of sales. At 283.7 million euros, the cost of sales represents an increase of 7.3 percent compared with the same period in the previous year and therefore just above the growth in sales. The growth margin therefore reduced slightly to 28.6 percent (prev. year 29.5 percent). In accordance with IFRS, cost of sales include developments on behalf of customers which are therefore not showing under research and development expenses. The Defense & Civil Systems segment, which posted the strongest sales growth this year, also has the highest share of customer-financed development costs in the Group.

At 22.5 million euros **research and development expenses** were approx. 10 percent lower than in the same period for the previous year (prev. year 25.1 million euros). The figure no longer includes the R+D expenses of those companies sold by Jenoptik in the 2nd half-year 2007 and beginning of 2008 and which are now deconsolidated. Depreciation on development costs in the first nine business months totaled 1.7 million euros (prev. year 1.9 million euros).

The R+D quota, the share of research and development expenses as a proportion of sales, was 11.1 percent compared with 12.6 percent for the same period in the previous year. As this R+D ratio does not include developments on behalf of customers, the R+D quota both in absolute terms and in comparison with the previous year is not fully conclusive. The development theme of fiber lasers is also not shown under R+D expenses but in the investment result.

Group selling expenses increased by 15 percent to 42.4 million euros (prev. year 36.8 million euros) in conjunction with the strategic realignment towards increased closeness to customers and markets. This reorientation is being implemented worldwide through the expansion of the direct distribution channels.

There was a marked reduction in **general administrative expenses** which fell by 9 percent to 27.9 million euros (prev. year 30.7 million euros). This is the result of first cost down measures.

Employees and management. As at September 30, 2008 the Jenoptik Group employed a total of 3,430 personnel (as at Dec.31, 2007: 3,436 employees). The reduction is primarily attributable to the restructuring of the French Etamic acquired – going on as planned –

R+D expenses (in million euros)

	1.1. to 30.9.2008	1.1. to 30.9.2007	Change
Total	22.5	25.1	– 10.4 %
Lasers & Optical Systems	12.9	13.4	– 3.7 %
Metrology	7.5	7.9	– 5.1 %
Defense & Civil Systems	4.3	5.8	– 25.9 %
Other	– 2.2	– 2.0	– 10.0 %

Employees (incl. trainees)

	30.9.2008	31.12.2007	Change
Total	3,430	3,436	– 0.2 %
Lasers & Optical Systems	1,431	1,431	0.0 %
Metrology	827	863	– 4.2 %
Defense & Civil Systems	1,105	1,079	2.4 %
Other	67	63	6.3 %

in the Industrial Metrology division, as well as to the deconsolidation of LDT Laser Display Technology GmbH following its sale in the Lasers & Optical Systems segment. The number of employees in the Defense & Civil Systems segment increased slightly at a rate lower in proportion to the strong growth in sales.

2.3 Financial and asset situation.

Jenoptik has a sound financing. Non-current liabilities are predominantly independent, secured by properties on a long-term basis and only do not the operational financing options. In addition, Jenoptik has significant lines of credit in the sum of 90.8 million euros at its disposal; these are currently not being utilized. In view of the planned maturity of the convertible bond in the sum of nominally 62.1 million euros in July 2009 and a resultant residual period of less than twelve months, these liabilities now have to be shown under current liabilities and no longer under non-current liabilities. In addition, a switch from long-term to short-term liabilities was attributable to the termination of a finance lease for real estate already during the 1st quarter 2008. The planned sale of a property not used by the Group itself and therefore not required for operating purposes which has been prepared with this step, will further reduce the Group's level of debt at the time of the successful sale. As a result of these two effects the proportion of long-term debt as at September 30 this year reduced to 38.1 percent (Dec. 31, 2007: 77.9 percent).

Net debt as at September 30, 2008 in the sum of 198.3 million euros, increased slightly compared with the end of December (Dec. 31, 2007: 191.7 million euros). The reason for this slight increase was the expansion of the working capital during the course of the year.

Investments in intangible and tangible assets totaled 15.2 million euros. The volume of investment was therefore 37.4 percent lower than the same period in the previous year (prev. year 24.3 million euros). This fall is attributable, amongst other things, to the marked reduction in the capitalization of development costs. Investments in intangible assets at 4.8 million euros (prev. year 7.8 million euros) accounted for around one third of the investment total.

Investments in tangible assets came to 10.4 million euros, also markedly lower than in 2007 (prev. year 16.5 million euros). Technical equipment and machines as well as factory and office equipment, at approx. 3 million euros each, accounted for the largest share of investments in tangible assets. Investments in real estate or investment properties were at a low level. Depreciation of tangible assets in the sum of 16.9 million euros therefore exceeded the total amount of investments.

Net debt (in million euros)

	30.9.2008	31.12.2007	30.9.2007
Total	– 198.3	– 191.7	– 210.4
Securities	1.3	2.2	1.5
Cash and cash equivalents	10.9	13.8	155.3
Non-current financial liabilities	80.1	161.8	283.6
Current financial liabilities	130.4	45.9	83.6

Analysis of cash flows. The cash and cash equivalent flows are comparable with those of the previous year.

The operating result before changes in working capital, at 46.2 million euros, increased by comparison with a year ago (prev. year 42.9 million euros), with the significantly higher earnings before tax affecting the figure and more than offsetting the lower depreciation. However, the cash flow from operating activities before income taxes came in at 21.0 million euros, slightly below the figure for the previous year (prev. year 27.6 million euros). The reason for this is a higher increase in working capital during the course of the year as against the previous year and the strong decrease in the 4th quarter 2007.

The cash flow from investing activities totaled minus 9.6 million euros (prev. year minus 16.7 million euros) and was characterized by payments for investments in tangible assets. Receipts from disposals of tangible assets are derived mainly from the sale of smaller properties which form part of the assets not required for operating purposes.

The cash flow from financing activities totaled minus 13.8 million euros (prev. year minus 8.8 million euros). The payments arising from the finance lease and the receipts derived from the issue of bonds and credits are primarily attributable to the termination of the finance lease for a property not used for the Group's own purposes. Interest payments totaled 5.3 million euros.

Balance sheet analysis. The balance sheet total of the Jenoptik Group remained virtually unchanged at 701.0 million euros (Dec. 31, 2007: 697.3 million euros).

Non-current assets fell by 10.3 million euros to 377.5 million euros. This is mainly due to the reduction in tangible assets which fell as a result of the sales of smaller properties and depreciation which exceeded total investments. Financial assets, which include shares in associated companies, remained virtually unchanged at 23.2 million euros (Dec. 31, 2007: 24.8 million euros).

Current assets by contrast increased by 14.0 million euros to 323.6 million euros (Dec. 31, 2007: 309.6 million euros). The sole reason for the increase is the rise in inventories which grew by nearly 20 million euros to 193.9 million euros (Dec. 31, 2007: 174.1 million euros). On the one side, inventories increased in conjunction with the expansion of business, particularly in the Defense & Civil Systems segment. The increase is also attributable to the fact that the 4th quarter is traditionally the strongest for sales. This produces an increase in receivables and a simultaneous reduction in inventories due to the qualifying date. Receivables and other assets, at 117.6 million euros, remained approximately the same (Dec. 31, 2007: 119.5 million euros) despite the increased sales. Cash and cash equivalents fell by nearly 3 million euros to 10.9 million euros (Dec. 31, 2007: 13.8 million euros).

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-- Continuously positive operating cash flow.

-- Balance sheet total virtually unchanged.

The Jenoptik Group shareholder's equity increased by 7.6 million euros to 288.5 million euros as a result of the profit shown for the period (Dec. 31, 2007: 280.9 million euros). This proportionally higher increase compared with the balance sheet total increased the shareholder's equity ratio to 41.2 percent (Dec. 31, 2007: 40.3 percent).

Current liabilities rose by 78.2 million euros to 285.8 million euros (Dec. 31, 2007: 207.6 million euros) reflecting the switching of the convertible bond and interim financing for a property.

These two one-off effects led non-current liabilities to reduce by 82.1 million euros to 126.7 million euros (Dec. 31, 2007: 208.8 million euros). The two items, convertible bond and finance lease, were included in "non-current financial liabilities" as of the end of 2007, which have now fallen to 80.1 million euros (Dec. 31, 2007: 161.8 million euros). There were only minimal changes in pension commitments, other non-current provisions as well as other non-current liabilities.

Purchases and sales of companies. During the course of the current fiscal year, as planned, the Jenoptik Group streamlined the group portfolio and withdrew from themes which do not form part of the strategic focus. These include the sale of the majority holding in the laser display technology as well as the withdrawal from the area of EUV beam source technology. Both measures were carried out during the course of the 2nd quarter 2008 and had already been included in the 2007 annual financial statements.

There were no purchases of companies during the first nine months of the current fiscal year.

For information on assets and liabilities not included in the balance sheet we refer to the details in the 2007 annual report on Page 70 as well as to the details on guarantees in the opportunities and risk report contained in the 2007 annual report from Page 88, as well as the updates on these on page 20 of this report.

3th quarter 2008

-- Convertible bond now included in current liabilities.
-- Shareholders' equity ratio improved to 41.2 percent.

3. Segment reporting.

Important note: The segment reporting published a year ago in the nine-month report cannot be compared with the current segment reporting since the new segments

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

are based on a different composition of the operating business. The key comparison figures for the first nine months of the current fiscal year for the segments are stated in the text in the tables, as well as on Page 2 of this interim report.

3.1 Lasers & Optical Systems Segment.

The development of the Lasers & Optical Systems segment was characterized by the heightening of the semiconductor crisis, particularly during the 3rd quarter 2008. Nevertheless, the segment showed a solid performance in difficult market conditions. After two years of reporting growth rates in the double figure percentage range, sales and EBIT for the first nine months were only just below those for the same period in the previous year. The segment could build on a very good 1st quarter 2007. In addition, other activities, e.g. the photovoltaics business of the Lasers & Material Processing division were able to partly compensate for the decline in the semiconductor market.

Sales of the Laser & Optical Systems segment totaled 153.3 million euros, just 3.9 percent lower than the figure for the same period in the previous year (prev. year 159.5 million euros). The EBIT for the segment came in at 15.0 million euros compared with 16.4 million euros in the previous year. In 2008 too, laser diodes, optics and micro optics make a significant contribution to segment sales and earnings.

Order situation. The Laser & Optical Systems segment posted an order intake of 153.7 million euros. Although this represented a slight fall compared with the level in the previous year (prev. year 160.7 million euros) it came up to the level of sales. The book-to-bill rate was therefore 1.0. There was consequently no change in the order backlog at 77.3 million euros (Dec. 31, 2007: 77.6 million euros).

The number of employees remained constant at a total of 1,431 (Dec. 31, 2007: 1,431). Capacity adjustments in the segment were carried out by reducing the number of temporary personnel and overtime work.

The Lasers & Material Processing division of the Jenoptik Group and Trumpf have intensified their collaboration in the field of innovative laser technologies

Lasers & Optical Systems Segment

Lasers & Optical Systems Segment — in million euros

	30.9.2008	30.9.2007	Change
Sales	153.3	159.5	– 3.9 %
EBIT	15.0	16.4	–8.5 %
Order intake	153.7	160.7	–4.4 %
Order backlog	77.3	84.8	– 8.8 %
Employees	1,431	1,364	4.9 %

and can accelerate developments. In October Trumpf acquired the firm of SPI Lasers plc, Southampton. Jenoptik provided support throughout the entire transaction and is now benefiting from the acquisition through direct access to the comprehensive basis of patents, technological know-how and components which SPI Lasers possesses particularly in the field of fiber laser development and manufacture. Jenoptik is being granted this access on the basis of the agreements with TRUMPF and through the joint venture with TRUMPF, JT Optical Engine GmbH + Co. KG. Jena. Within the framework of the joint venture Jenoptik and TRUMPF have been working together since summer 2007 on the development of optical modules, so-called optical engines for fiber lasers. The acquisition of SPI Lasers by TRUMPF will significantly reduce the length of the development periods thanks to the joint utilization of the SPI Lasers know-how. Building on this foundation Jenoptik will be launching new fiber lasers during the course of the current fiscal year 2008 and, in so doing, significantly expanding its range of fiber laser products. Other new fiber laser products will also follow in 2009.

In the Laser Processing Systems business unit of the division Jenoptik has entered into a new cooperation arrangement with the Swiss glass specialist Bystronic glass. Both companies are combining their areas of expertise in production systems for thin-film solar cells. The corresponding agreement was signed at the glasstec trade fair in October this year. The new product line, "first'laser", designed jointly by the two partners, combines the processes used in laser edge deletion and laser glass cutting which is based on the Thermal Laser Beam Separation process (TLS) developed by Jenoptik. In summer Jenoptik was presented with the "Best of West" award by Semi, the global semiconductor sector association, for this newly developed process which was acclaimed as one of the most important developments in the semiconductor industry. Thanks to the close collaboration between Bystronic and Jenoptik this innovative machine concept will shortly see its market launch in spring 2009. In future, Bystronic and Jenoptik will be profiling themselves as contact partners both for individual solutions as well as total concepts in the area of photovoltaics, an area in which both have years of experience and international client references.

Lasers & Optical Systems Segment

- Solid position in difficult market environment.
- Semiconductor downturn leaves its mark.
- Cooperation with Trumpf expanded.

3.2 Metrology Segment.

The Metrology segment benefited in particular in the 2nd and 3rd quarter 2008 from a revitalization of in the international market for traffic safety technology as well as from the restructured global positioning of the Industrial Metrology division which completed the integration of the French partner Etamic that had been acquired in 2006.

Sales of the Metrology segment increased by nearly 5 percent to 87.0 million euros (prev. year 82.9 million euros). In the 3rd quarter alone sales grew by 24 percent compared with the same period in the previous year.

By contrast to the six-month report, as expected the segment posted a return to positive figures – both on a quarterly basis and in terms of the full nine months. However, at 2.0 million euros, as had been anticipated the EBIT has so far not managed to keep pace with the development of sales and was clearly below the figure for the previous year (prev. year 3.9 million euros) which had still been characterized by a strong 1st quarter 2007 in the Traffic Solutions division.

Order situation. Order intakes by contrast rose strongly by 18.8 percent to 105.3 million euros (prev. year 88.6 million euros), representing a book-to-bill rate of 1.21. Both divisions posted a marked increase in their order intakes and in particular successfully won a number of important international orders. The Traffic Solutions division saw a continuation of the positive upturn in the international market in particular which had begun in May 2008. The order backlog of the Metrology segment also consequently posted a significant increase of 60.7 percent, to 48.2 million euros (Dec. 31, 2007 30.0 million euros).

There was a slight reduction in the number of employees compared with the end of 2007. As at end September the Metrology segment employed a total of 827 personnel, 36 fewer than as at the end of 2007 (Dec. 31, 2007: 863 employees). The reduction is primarily attributable to the worldwide restructuring within the Industrial Metrology division which successfully completed the integration of Etamic. Sites in the USA and France were amalgamated.

The Industrial Metrology division continued to perform well in the market despite the weak US dollar and a slowdown of economic activity in the automotive industry. We are seeing a continuation of the trend towards engines which are more environmentally-friendly and therefore fuel-saving and whose manufacture calls for increasingly more precision metrology. The division is also profiting from its global position as a systems provider with the ability to offer the full range of measurement tasks under one roof and in this context benefits are also to be found in its comprehensive technology portfolio and cost structures. It has a direct presence in all the key centers of the global automotive

Metrology Segment

Metrology Segment — in million euros

	30.9.2008	30.9.2007	Change
Sales	87.0	82.9	4.9 %
EBIT	2.0	3.9	−48.7 %
Order intake	105.3	88.6	18.8 %
Order backlog	48.2	33.5	43.9 %
Employees	827	848	−2.5 %

industry, the US, France, Germany, Eastern Europe, Switzerland, Korea, China and, since the middle of this year, India as well. This global presence was one of the key factors in the division winning a major contract from Continental. It has had the direct presence in India since June 2008 and this is already being reflected by the first results in the form of new orders.

The Traffic Solutions division is seeing a continuation of the revival particularly in the international market, both in the 3rd as well as the current 4th quarter. Orders captured during the course of this year will still contribute to sales and results in this year, including the major order from Lithuania. The international order for nearly 4 million euros to supply stationary and mobile radar systems was awarded in September this year. Jenoptik is consequently maintaining its position as a global market leader in the area of equipment for traffic safety. The majority of the robot systems will be delivered during the course of 2008.

The success of the Traffic Solutions division will remain dependent upon the sustainability of the upturn in the international equipment market even under the conditions created by the financial crisis and whether it succeeds in winning international major orders for Traffic Service Providing. This new business unit is currently being significantly expanded in North America by the Jenoptik Group - one of the reasons for the continuing, markedly lower result posted by the division. Following the entry into the US market in 2007 the business model will be extended to other international regions. Jenoptik is currently participating in a number of invitations to tender in Asia, Eastern Europe and South America.

Metrology Segment

-- Revival of the international market for traffic security technology continues.
-- Slowdown of economic activity in automotive industry.

3.3 Defense & Civil Systems Segment.

2008 will be an extraordinary year for the Defense & Civil Systems segment. Sales and results have been significantly increased across all business units as at the end of the 3rd quarter. In addition, a number of major orders were awarded.

Sales increased by 18.7 percent to 152.1 million euros (prev. year 128.1 million euros). Strong rises were posted by all three business units, Mechatronics, Optronics and Sensor Systems. They are benefiting from the project related demand for systems.

For the first nine business months the segment reported a leap in the EBIT to 8.7 million euros (prev. year 3.3 million euros) and was therefore able to more than double the result at a significantly higher rate proportional to sales. This positive trend will continue in the 4th quarter.

Order situation. The segment reported a 19.1 percent rise in its order intake to 134.4 million euros compared with 112.8 million euros for the same period in the previous year. The order intake also includes, in whole or pro rata, a number of major orders which have been recorded in recent weeks and will contribute towards sales and results in the years 2009 and beyond. The long-term, stable segment achieved an order backlog of 313.4 million euros as at September 30, 2008 which was below the order backlog as at end 2007 (Dec. 31, 2007: 332.5 million euros) as a result of the high growth in sales.

The number of employees in the segment developed at a disproportionately lower rate to the increase in sales. At 1,105, the segment employed 26 personnel more as at September 30 this year (Dec. 31, 2007: 1,079).

The Defense & Civil Systems division was awarded a number of important orders from the area of defense technology, including from Switzerland for the supply of water-cooled generators for the two new types of armored vehicles.

In addition, it won further key orders in the aerospace business. Jenoptik has now become the regular supplier of rendezvous sensors both for the European as well as the Japanese transport vehicles to the ISS. The contract with Mitsubishi worth 21 million euros was signed in September this year. The five RapidEye satellites were launched in August, each one equipped with camera technology from Jenoptik. RapidEye, which is now supplying regular photo material, is an important reference project, representative of Jenoptik's successful entry into the area of satellite camera technology.

Jenoptik has also successfully processed a major order from the area of border security. The first consignment of binocular thermal imaging devices for protecting the

Defense & Civil Systems Segment

Defense & Civil Systems Segment — in million euros

	30.9.2008	30.9.2007	Change
Sales	152.1	128.1	18.7 %
EBIT	8.7	3.3	163.3 %
Order intake	134.4	112.8	19.1 %
Order backlog	313.4	312.3	0.4 %
Employees	1,105	1,091	1.3 %

EU's external orders has been delivered since October. The border authorities charged with protecting Ukraine's national orders will be receiving the new thermal imaging devices from Jenoptik within the next eight months. The total order volume is approx. ten million euros. The contract to develop and supply the handheld VarioVIEW™ 150 thermal imaging device was won by Jenoptik in conjunction with its partners as part of a public invitation to tender issued by the European Commission. Like the VarioCam success story, the VarioVIEW is based on the infrared technology which was developed at Jena and is now in series production.

4. Post balance sheet report.

Details on individual developments in the current 4th quarter 2008 have already been dealt with within the framework of the previous reporting.

There was one major change in the patent dispute with Asyst due to the decision by the Court of Appeals for the Federal Circuit in Washington at the beginning of October. In this connection we refer to the comprehensive details contained in the opportunities and risk report on page 20 of this interim financial report.

Defense & Civil Systems Segment

-- Record year for all business units.
-- Largest order for aerospace industry signed.
-- Supply for key order from the area of border security started.

5. Opportunities and risk report.

Within the framework of the opportunities and risk report we refer to the comprehensive details published at the end of March 2008 in the Jenoptik 2007 annual report on Pages 82 to 91.

The risks arising from the general economic framework conditions have increased significantly. Here – like other companies at present – Jenoptik has to face up a development which is very difficult to assess at this point in time. Risks arise on the one side as a result of difficult market conditions for corporate financing and, on the other, the consequences of this situation for industrial companies.

In particular over recent weeks Jenoptik has also seen a marked increase in the risks arising from a sudden slowdown in economic activity, particularly since the semiconductor and automotive industries, two key sectors for Jenoptik, are experiencing a massive downturn. The full impact of this development on the progress of business in the remaining weeks of the year, more particularly in the full year 2009 - both for the Group as a whole as well as in the Optical Systems and Industrial Metrology divisions individually - cannot be completely predicted at present.

However, a number of companies in both the global semiconductor and automotive industries have already announced sharp cutbacks in their investments. (See also report on the Jenoptik sectors p. 6 and p. 22 of this interim report.) If this reduction in investment does materialize this will have effects on sales and EBIT, the timing and extent of which cannot currently be predicted.

The risk arising from the patent litigation with Asyst which has been continuing for more than ten years was reduced to virtually zero following a ruling by the Court of Appeals for the Federal Circuit in Washington in October this year. The Court of Appeals upheld the decision by the US District Court in San José in favor of Jenoptik. With this ruling the Court of Appeals sided with the opinion of Jenoptik and its US American attorneys that the claims filed by Asyst are unfounded and without merit. The proceedings, which have been ongoing for more than ten years, are now finally at an end. An application by the defeated party for a further review of the ruling only has any prospect of success in very few exceptional cases. The technology which forms the subject of the litigation is related to an area of business relinquished by Jenoptik in 1999.

The risk arising from the sale of M+W Zander has further reduced during the course of the current fiscal year. A special guarantee for an AMD project in the sum of 46.8 million euros, which was still in place as of the end of 2007, has been returned early. Other existing old guarantees reduced further – from 7.6 million euros to the new figure of 0.6 million euros. The total volume of guarantees for M+W Zander has therefore reduced from 54.3 million euros as at the beginning of 2008 to just 0.6 million euros as at September 31, this year.

Opportunities and risks

- Marked increase in risks due to economic downturn.
- Patent litigation with Asyst successfully finished.

The risk arising from the dependency upon individual suppliers, particularly in the procurement of special components, has increased in one specific case. As the result of insufficient quantities and the poor quality of one special component which Jenoptik purchases from an external manufacturer, one of the products in the Lasers & Optical Systems segment experienced delivery delays. Countermeasures had already been introduced in the 2nd quarter which are beginning to take effect in the 3rd and current 4th quarters, but were not yet able to completely eliminate the risk.

There have been no other changes in the risks described in the annual report as at September 30, 2008 and up to the editorial closing date of this report.

6. Forecast report.

6.1 Future structure of the Group and long term objectives.

The Jenoptik Group intends to continue generating profitable growth. The focus of Jenoptik's further development will be on
- the concentration on areas of business with strong growth and earnings and
- the continuing process of internationalization.

On the basis of the new group structure all divisions and business units improved their structures and processes in 2008. This comprehensive process, supported by active Change Management, began within the Group in the 2nd half-year 2007 and since the beginning of 2008 has continued on the level of the new divisions.

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

There are widely differing forecasts from the economic institutes on the development of the global economy in 2009. Factors which are creating uncertainty in the forecasts include the continuing course and duration of the current financial and now also the economic crisis, as well as the further development in inflation.

Forecast

-- Global economy 2009 depending on course and duration of the financial crisis.

Following an anticipated 1.8 percent growth rate for Germany in 2008, the autumn report now anticipates a growth rate of 0.2 percent for 2009, equating to a stagnating economy.

The year 2009 does not hold out the promise of any major improvement in the semiconductor sector compared with the current downturn situation. However, from 2010 manufacturers do predict a return to a rise in demand. Reflecting the cyclical nature of the sector 2009 will be utilized in order to reduce overcapacities.

The sector experts see a difficult year 2009 also for the photovoltaic industry. According to a study by WestLB the sector will be exposed to significant downward pressure on prices. The massive expansion of capacities in 2008 is also expected to slow down in 2009.

After numerous automobile manufacturers had already been forced to adjust their previous profit forecasts for the year 2008, some of their assessments for the development of business in 2009 were also significantly more pessimistic than in the 1st half-year 2008. However, some manufacturers do not anticipate a recovery in the market situation until after 2010.

Similar forecasts have come from VDMA for mechanical engineering which the sector association expects to stagnate in 2009. There will also be downward pressure on margins created primarily by Chinese competitors.

Following a difficult 2008, the sector organization IATA does not anticipate a recovery in the aviation sector in 2009. Although losses by the airlines will not be at the same high levels as in 2008 the organization see little prospect of the situation easing. Experts predict financing problems for the manufacturers if the financial crisis continues.

6.3 Future development of the business situation.

With the strategic realignment, accompanied by a more streamlined management structure and a cultural change throughout the Group we have created the conditions needed for value-retaining and sustainable growth. The focus of the activities in 2008 is on the further improvement of processes, cost savings and the continuing increase in the operating cash flow. Over the medium term we will be expanding our position as a leader in the field of optoelectronics on the international level. We see the export markets as offering particular potential for our innovative products. Our areas of focus on the sector-based development of the markets will be amongst other things in the photovoltaics industry and the laser material processing of wafers, glass and ceramics as well as in Service Providing in the Traffic Solutions division and fiber lasers.

Forecast

Jenoptik for the full year 2008

-- Forecasts for full year 2008 reaffirmed despite difficult framework conditions.

With these and other target sectors we are generally actively engaged in long-term growth markets although these will not be able to fully escape the massive slowdown in economic activity we are currently experiencing. At this point in time it is virtually impossible to give any reliable forecasts. The situation has further deteriorated to a massive extent since the half-year financial report was published.

Despite these uncertain economic framework conditions the Jenoptik Group is keeping to its forecasts for the full year announced in spring this year. Group sales will come in at just under 550 million euros, the Group EBIT, however, at 37 million euros, at the lower end of the forecast range of 37 to 40 million euros. This can be attributed to the weak development of economic activity, in particular in the automotive and semiconductor equipment industry. The latter will leave its mark in the Lasers & Optical Systems division. Jenoptik does not currently anticipate an early recovery in the sector.

The Metrology segment achieved the turnaround in 2008: after posting negative results in the 1st quarter, reaching break-even in the 2nd quarter as planned and a clear positive contribution to the EBIT in the 3rd quarter, a further increase in the EBIT contribution in the 4th quarter is expected.

In the current 4th quarter the Jenoptik Group will benefit again from a continuing very good performance by the Defense & Civil Systems segment, where the 4th quarter of a fiscal year ist traditionally the strongest for earnings.

The increase in the earnings before tax in 2008 compared with the previous year will be at a much higher rate in proportion to the operating result. As a result of the marked reduction in interest expenses Jenoptik expects to see an improvement in the net interest result of between 11 and 14 million euros.

We have already seen a correspondingly positive performance over the preceding nine months of the fiscal year. Based on higher earnings before tax we anticipate a clear reduction in the tax quota compared with 2007 since a one-off non-cash expense arising from the 2008 corporate tax reform had to be recorded in the previous year.

On the subject of our long-term objectives and the outlook for the current fiscal year we refer to the detailed information from page 92 in the 2007 annual report published at the end of March 2008.

Forecast

Jenoptik for the full year 2008

- Group EBIT is expected to come in at around 37 million euros.
- Earnings before tax are expected to rise at a higher rate to EBIT particularly due to improved interest result.

Consolidated statement of income.

in TEUR	1.1. – 30.9. 2008	1.1. – 30.9. 2007
Sales	397,428	374,714
Cost of sales	283,677	264,280
Gross profit	113,751	110,434
Research and development expenses	22,501	25,054
Selling expenses	42,390	36,766
General administrative expenses	27,933	30,701
Other operating income	14,192	15,885
Other operating expenses	10,470	12,646
Result from operating activities	24,649	21,152
Result from investments in associated companies	– 762	– 3,124
Result from other investments	– 1,219	– 877
Interest income	1,867	5,903
Interest expenses	11,143	20,957
Financial result	– 11,257	– 19,055
Earnings before tax	13,392	2,097
Income taxes	1,449	580
Deferred taxes	1,749	4,002
Earnings after tax	10,194	– 2,485
Minority interests' share of profit/loss	3,074	1,788
Net profit	7,120	– 4,273
Earnings per share in euros	0.14	– 0.08
Earnings per share (diluted) in euros	0.14	– 0.08

Consolidated balance sheet.

Assets

in TEUR	Sept. 30, 2008	Dec. 31, 2007	Change
Non-current assets	377,454	387,711	– 10,257
Intangible assets	88,747	88,314	433
Tangible assets	168,782	175,873	– 7,091
Investment properties	34,908	35,992	– 1,084
Shares in associated companies	1,231	847	384
Financial assets	21,985	23,931	– 1,946
Other non-current assets	10,639	10,821	– 182
Deferred tax assets	51,162	51,933	– 771
Current assets	323,574	309,615	13,959
Inventories	193,877	174,099	19,778
Current accounts receivable and other assets	117,576	119,502	– 1,926
Securities	1,271	2,222	– 951
Cash and cash equivalents	10,850	13,792	– 2,942
Total assets	701,028	697,326	3,702

Shareholders' equity and liabilities

in TEUR	Sept. 30, 2008	Dec. 31, 2007	Change
Shareholders' equity	288,514	280,924	7,590
Subscribed capital	135,290	135,290	0
Capital reserves	186,726	186,726	0
Other reserves	– 57,582	– 62,726	5,144
Own shares	24,080	21,634	2,446
Non-current liabilities	126,687	208,788	– 82,101
Pension provisions	6,463	6,404	59
Other non-current provisions	22,830	22,046	784
Non-current financial liabilities	80,090	161,755	– 81,665
Other non-current liabilities	14,044	15,195	– 1,151
Deferred tax liabilities	3,260	3,388	– 128
Current liabilities	285,827	207,614	78,213
Tax provisions	1,668	1,085	583
Other current provisions	36,361	39,907	– 3,546
Current financial liabilities	130,357	45,918	84,439
Other current liabilities	117,441	120,704	– 3,263
Total shareholders' equity and liabilities	701,028	697,326	3,702

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		
Dividend payments		
Change in consolidated companies		
Other changes		
Balance as at 30.09.2007	135,290	186,726
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		
Dividend payments		
Other changes		
Balance as at 30.09.2008	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
	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
– 65,550	– 6	6,229	– 3,399	0	21,634	280,924
	– 1,231	– 1,557				– 2,788
25			1,080			1,105
25	– 1,231	– 1,557	1,080			– 1,683
7,120					3,074	10,194
7,145	– 1,231	– 1,557	1,080		3,074	8,511
					– 921	– 921
– 293					293	0
– 58,698	– 1,237	4,672	– 2,319	0	24,080	288,514

Consolidated statement of cash flows.

in TEUR	1.1. to 30.9. 2008	1.1. to 30.9. 2007
Earnings before tax	13,392	2,097
Interest	9,275	15,054
Depreciation / write up	23,127	24,564
Loss (prev. year profit) on disposal of fixed assets	11	– 2,965
Other non-cash expenses / income	349	4,111
Operating profit / loss before working capital changes	46,154	42,861
Increase / decrease in provisions	– 6,399	– 5,279
Increase / decrease in working capital	– 17,291	– 11,079
Increase / decrease in other assets and liabilities	– 1,476	1,103
Cash flow from / used in operating activities before income taxes	20,988	27,606
Income taxes paid	– 883	– 479
Cash flow from / used in operating activities	20,105	27,127
Receipts from disposal of intangible assets	392	35
Payments for investments in intangible assets	– 4,759	– 7,825
Receipts from disposal of tangible assets	3,460	1,279
Payments for investments in tangible assets	– 10,434	– 16,122
Receipts from disposal of financial assets	3,477	5,734
Payments for investments in financial assets	– 3,441	– 2,865
Payments for acquisition of consolidated companies	42	– 2,432
Interest received	1,644	5,476
Cash flow from / used in investing activities	– 9,619	– 16,720
Payments to minority shareholders	– 922	0
Receipts from issue of bonds and loans	20,866	20,225
Repayments of bonds and loans	– 9,216	– 14,525
Repayments for finance leases	– 11,423	– 1,435
Change in group financing	– 7,876	1,460
Interest paid	– 5,277	– 14,500
Cash flow from / used in financial activities	– 13,848	– 8,775
Change in cash and cash equivalents	– 3,362	1,632
Foreign currency translation changes in cash and cash equivalents	420	– 154
Cash and cash equivalents at the beginning of the period	13,792	153,840*
Cash and cash equivalents at the end of the period	10,850	155,318*

* including restricted cash of 143,200 TEUR.

Key figures by business divisions and other areas.

January 1 – September 30, 2008 (previous year's figures in brackets)

in TEUR	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Other	Group
Sales	153,335 (159,480)	87,041 (82,863)	152,076 (128,066)	4,976 (4,305)	397,428 (374,714)
of which Germany	51,567 (51,365)	32,833 (30,845)	85,689 (73,027)	5,221 (4,617)	175,310 (159,854)
European Union	50,227 (55,337)	21,035 (23,124)	37,501 (31,189)	0 (0)	108,763 (109,650)
Other Europe	4,416 (4,537)	5,075 (4,519)	13,367 (13,214)	0 (0)	22,858 (22,270)
NAFTA	24,804 (25,984)	14,722 (11,420)	6,627 (6,531)	– 245 (– 312)	45,908 (43,623)
South East Asia/Pacific	10,760 (10,964)	10,136 (8,097)	7,397 (3,804)	0 (0)	28,293 (22,865)
Other	11,561 (11,293)	3,240 (4,858)	1,495 (301)	0 (0)	16,296 (16,452)
Operating result (EBIT)	15,061 (16,378)	1,973 (3,863)	8,694 (3,326)	–1,079 (–2,415)	24,649 (21,152)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	25,197 (28,784)	4,568 (5,866)	13,597 (8,436)	2,690 (2,188)	46,052 (45,274)
Result from investments in associated companies	–762 (– 3,124)	0 (0)	0 (0)	0 (0)	– 762 (– 3,124)
Research and development expenses	12,884 (13,350)	7,461 (7,852)	4,319 (5,768)	– 2,163 (– 1,916)	22,501 (25,054)
Tangible assets, investment properties and intangible assets*	110,214 (118,452)	20,555 (20,421)	39,020 (40,124)	122,648 (121,182)	292,437 (300,179)
Investments excluding company acquisitions	7,953 (13,175)	2,788 (4,420)	4,408 (4,389)	43 (2,304)	15,192 (24,288)
Depreciation and amortization	10,136 (12,406)	2,595 (2,003)	4,903 (5,110)	3,769 (4,603)	21,403 (24,122)
Employees (without trainees)	1,376 (1,305)	801 (819)	1,047 (1,047)	66 (60)	3,290 (3,231)

* Previous year's figures as at December 31, 2007.

Notes to the Consolidated Financial Statements for the first nine 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 September 30, 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/ Downloads.
The interim report was prepared in the group currency of the Euro and the figures are stated in TEUR unless specified otherwise

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Companies included in consolidation.

In addition to JENOPTIK AG, the consolidated financial statements include 18 (prev. year 18) 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 percent and, under IAS 28 "Interests in Associates" 2 (prev. year 3) domestic associated companies are shown at equity.
In the third quarter 2008 there were no major changes in the companies included in consolidation.
One major change in the first half 2008 was the sale of the majority shares in one company which is now shown as an investment. In addition, shares in a domestic associated company were sold in the second quarter, no shares are held in that company any more.

Related party disclosures.

During the third quarter 2008 as well as in the corresponding period in 2007 the Group of JENOPTIK AG had no business transactions with related companies.

Itemization of key items in the financial statements.

Tangible assets		in TEUR
	30.9.2008	31.12.2007
Land and buildings	95,926	97,264
Technical equipment and machines	44,235	48,121
Other equipment, factory and office equipment	22,496	24,578
On-account payments and assets under construction	6,125	5,910
	168,782	175,873

Inventories		in TEUR
	30.9.2008	31.12.2007
Raw materials and supplies	59,787	52,043
Work in progress	103,080	99,037
Finished goods and merchandise	21,842	18,704
On-account payments	9,168	4,315
	193,877	174,099

Accounts receivable and other assets		in TEUR
	30.9.2008	31.12.2007
Trade accounts receivable	91,461	93,715
Receivables from construction contracts	4,385	1,673
Receivables from non-consolidated affiliated companies	4,393	4,325
Receivables from participating interests	3,392	3,105
Other assets	13,945	16,684
	117,576	119,502

Non-current financial liabilities		in TEUR
	30.9.2008	31.12.2007
Long-term bonds	0	60,854
Non-current bank liabilities	75,727	76,061
Non-current liabilities from finance leases	4,363	24,840
	80,090	161,755

Current financial liabilities		in TEUR
	30.9.2008	31.12.2007
Current bonds	62,070	0
Bank liabilities	67,222	43,797
Liabilities from finance leases	1,065	2,121
	130,357	45,918

Other current liabilities		in TEUR
	30.9.2008	31.12.2007
Liabilities from on-account payments received	41,444	26,930
Trade accounts payable	37,919	44,849
Liabilities from construction contracts	2,373	8,014
Liabilities to affiliated companies	1,749	3,276
Liabilities to participating interests	2,149	5,628
Other current liabilities	31,807	32,007
	117,441	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.
The Court of Appeals for the Federal Circuit in Washington confirmed the decision of the US District Courts in San José in favor of Jenoptik in October. The trial, which had been litigious for over ten years, was thus finished.

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, November 2008

Dr. Michael Mertin Chairman of the Executive Board	Frank Einhellinger Executive Board Member

Dates

November 11, 2008
Interim report
on the first nine months 2008
of the Jenoptik Group

March 27, 2009
Annual report 2008
of the Jenoptik Group

June 2009
General Meeting 2009
of JENOPTIK AG

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