



Interim Financial Report of the Jenoptik Group

FOR THE MONTHS JANUARY TO MARCH 2010

Q1_Q2_Q3



AT A GLANCE – JENOPTIK GROUP.

| Figures in million euros | Jan. – March 2010 | Jan. – March 2009 | Change in % |
|---|-------------------|-------------------|--------------|
| Sales | 115.2 | 117.7 | –2.1 |
| Lasers & Optical Systems | 45.2 | 36.9 | 22.5 |
| Metrology | 20.0 | 24.3 | –17.7 |
| Defense & Civil Systems | 49.9 | 54.4 | –8.3 |
| Others* | 0.1 | 2.1 | –95.2 |
| EBITDA | 10.4 | 7.7 | 35.1 |
| Lasers & Optical Systems | 6.5 | 1.4 | 371.4 |
| Metrology | –0.2 | –1.4 | 85.7 |
| Defense & Civil Systems | 3.4 | 6.1 | –44.3 |
| Others* | 0.7 | 1.6 | –62.5 |
| EBIT | 4.0 | 0.4 | – |
| Lasers & Optical Systems | 3.9 | –1.9 | – |
| Metrology | –1.0 | –2.4 | 58.3 |
| Defense & Civil Systems | 1.7 | 4.5 | –62.2 |
| Others* | –0.6 | 0.2 | – |
| EBIT margin (EBIT as % of sales) | 3.5 % | 0.3 % | |
| Lasers & Optical Systems | 8.6 % | –5.1 % | |
| Metrology | –5.0 % | –9.9 % | |
| Defense & Civil Systems | 3.4 % | 8.3 % | |
| Others* | – | 9.5 % | |
| Earnings before tax | 0.7 | –2.9 | 124.1 |
| Earnings after tax | 0.4 | –2.7 | 114.8 |
| Order intake | 145.6 | 109.9 | 32.5 |
| Lasers & Optical Systems | 56.2 | 41.9 | 34.1 |
| Metrology | 40.4 | 19.9 | 103.0 |
| Defense & Civil Systems | 48.8 | 46.4 | 5.2 |
| Others* | 0.2 | 1.7 | –88.2 |

| Figures in million euros | March 31, 2010 | Dec. 31, 2009 | March 31, 2009 |
|-----------------------------------|----------------|---------------|----------------|
| Order backlog | 368.8 | 339.4 | 384.8 |
| Lasers & Optical Systems | 70.2 | 59.9 | 67.6 |
| Metrology | 42.4 | 21.9 | 32.0 |
| Defense & Civil Systems | 258.7 | 260.2 | 285.8 |
| Others* | –2.5 | –2.6 | –0.6 |
| Employees (incl. trainees) | 3,102 | 3,268 | 3,399 |
| Lasers & Optical Systems | 1,230 | 1,284 | 1,387 |
| Metrology | 657 | 769 | 795 |
| Defense & Civil Systems | 1,066 | 1,077 | 1,083 |
| Others* | 149 | 138 | 134 |

* Others includes holding, SSC, real-estate, consolidation.

EBIT, EBITDA and EBIT margin cannot be compared with the figures for the previous year (see page 6).

SUMMARY OF THE MONTHS JANUARY TO MARCH 2010.

- There has been a further improvement in the economic framework conditions. The pick-up in the semiconductor industry has continued.
[See Development of the business as a whole and of the individual Jenoptik sectors – Page 5.](#)
- Sales, at 115.2 million euros, were down slightly on the level for the period in the previous year. In the 1st quarter of the previous year the Industrial Metrology division in particular had still been benefiting from the order backlog prior to the crisis.
[See Earnings and order position – Page 6.](#)
- Improved order intake in the sum of 145.6 million euros or plus 32.5 percent compared with the level in the previous year as the result of several major orders in the traffic solutions and medical technology areas, as well as increasing demand from the semiconductor industry.
[See Development of orders – Page 7.](#)
- As a result of the overall increase in business, particularly in the semiconductor industry, as well as the cost reduction measures that were consistently pursued in 2009, the Group operating result (EBIT), at 4.0 million euros, was 3.6 million euros up on the same quarter in the previous year. The EBITDA showed a significant increase by 7.7 million euros in the previous year's quarter to 10.4 million euros.
[See Development of results – Page 6.](#)
- The number of employees as at the end of the 1st quarter fell to approx. 3,100 as the result of personnel measures taken in the 4th quarter 2009.
[See Development of the key performance indicators – Page 7.](#)
- Net debt reported a further significant reduction down to 145.7 million euros. The cash flow from operating activities amounted to 1.6 million euros and was thus positive in spite of payments made due to personnel measures.
[See Financial and asset position – Page 8.](#)
- The Jenoptik Group reaffirmed the full year forecasts given in March. Sales are expected to come in at between 475 and 500 million euros, the Group EBIT between 15 and 25 million euros.
[See Forecast report – Page 16.](#)

1. BUSINESS AND FRAMEWORK CONDITIONS.

1.1 Group structure and business activity.

As an integrated optoelectronics group Jenoptik's operational business is divided into the following five divisions

- Lasers & Material Processing
- Optical Systems
- Industrial Metrology
- Traffic Solutions and
- Defense & Civil Systems.

These five divisions are organized into the Lasers & Optical Systems, Metrology and Defense & Civil Systems segments and so correspond to the segment reporting.

Jenoptik is primarily a supplier of capital goods and a partner for industrial companies. In the Traffic Solutions and Defense & Civil Systems divisions we are also a major supplier to the public sector both directly as well as indirectly through system integrators. We do not focus on consumer markets.

The product portfolio extends from complex systems, industrial facilities and production lines, to modules and subsystems, through to components. The Jenoptik Group also successfully markets comprehensive total solutions and/or operator models comprising the integration of systems and facilities and corresponding networks, as well as project management, data processing and after-sales.

Our key markets primarily include security and defense technology, the aviation and aerospace markets as well as traffic solutions, the automotive and machine construction industry, medical technology as well as the semiconductor and photovoltaics industry.

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

In the 1st quarter the key factors in the capital market were the recovery in the global economy, Greece's debt problems as well as a stronger US dollar against the euro. The Dax, the key equities index in Germany, posted a small increase of 1.5 percent in the period covered by the report, rising from 6,048.3 points on January 4, 2010 to 6,139.40 points on March 31, 2010. By contrast the TecDax fell by 3 percent from 834.46 points at the start of the year to 809.44 points as at March 31, 2010.

In the 1st quarter the Jenoptik share recorded a 4 percent rise. It started on January 4, 2010 at 4.21 euros, reaching 4.37 euros on March 31, 2010 (closing price on the Xetra).

On March 10, Jenoptik carried out a 10 percent capital increase. Approx. 5.2 million shares were placed with institutional investors via an accelerated bookbuilding process, with the shareholders' subscription right excluded. The placement price was 4.25 euros. The proceeds of approx. 22 million euros are to be used not only to finance major orders in the traffic solutions business but also to expand the Group's global presence, particularly of its laser business in Asia and North America, as well as for smaller acquisitions that will increase the Group's profitability. In addition, there are plans to round up the Group's product portfolio or the value added chain.

When publishing the 2009 annual financial statements on March 30, 2010 the Management gave a presentation of the figures and outlook for the current fiscal year at the

EARNINGS PER SHARE

| | 1. quarter 2010 | 1. quarter 2009 |
|---|-----------------|-----------------|
| Net profit in TEUR | 467 | -3,424 |
| Weighted average number of outstanding shares | 53,248,793 | 52,034,651 |
| Earnings per share in euros | 0.01 | -0.07 |
| Dilution effect* in TEUR | - | 446 |
| Weighted average number of outstanding shares** | - | 55,737,714 |
| Earnings per share in euros** | - | -0.07 |

Earnings per share are the net profit divided by the weighted average number of shares outstanding. The convertible bond was repaid in fiscal year 2009, therefore earnings per share cannot be diluted.

* After taking deferred taxes into account.

** Diluted.

annual Analysts' Conference in Frankfurt/Main. In the 1st quarter the Management gave presentations of the Jenoptik Group at roadshows in Frankfurt/Main, London, Zurich and Vienna. Jenoptik also attended banking conferences in Frankfurt/Main, Hanover and London.

1.3 Development of the overall economy and the individual Jenoptik sectors.

The global economy posted a recovery. According to the International Monetary Fund the overall situation remains fragile since the upturn is attributable amongst other things to government economic stimulation programs. Economic development in Germany also reported a positive trend in the 1st quarter 2010. The institutes left their economic predictions for Germany for 2010 unchanged at 1.2 percent.

There was a further improvement in the situation in the semiconductor sector in the 1st quarter 2010. This was confirmed by the statistics published by the Semiconductor Industry Association (SIA) at the beginning of April. Sales in January and February totaled approx. 22 billion US dollars. The figure in February represented an increase of more than 50 percent compared with the same period in the previous year.

The German automotive industry benefited from its strength in exports, with the international markets showing a slow recovery. According to initial forecasts exports in the first quarter 2010 rose by nearly 50 percent. Following the one-off effect of the environmental premium in 2009, domestic demand has fallen slightly in the current year. However, the slight pickup affects investment demand of the sector with a time delay.

The German machine construction industry managed to halt the slide in order intakes. According to VDMA, the order intake of the sector increased by 14 percent in the first three months of the current year compared with the same period in the previous year, with foreign demand rising by 18 percent and thus stronger than domestic demand (8 percent increase).

No significant new sector reports have been published for the other sectors in the 1st quarter. We therefore refer to the details in the 2009 Annual Report.

2. EARNINGS, FINANCIAL AND ASSET POSITION.

Note: The details on the three segments regarding the results from operating activities (EBIT) and EBITDA cannot be compared with the details in the report on the 1st quarter 2009. In 2010 the Jenoptik Group is switching to reporting the EBIT for the segments after the Group charge. The figures for the results for 2009 stated in this report have been adjusted. All other figures can be compared in full with those published a year ago.

2.1 Earnings and order situation.

Development of sales. In the 1st quarter 2010, sales of the Jenoptik Group at 115.2 million euros were down slightly on the level for the previous year (prev. year 117.7 million euros). The reduction in sales is attributable amongst other things to the Metrology segment which in the same period in the previous year was still benefiting from the good order backlogs from the period prior to the economic crisis. Sales in the Defense & Civil Systems segment were approx. 8 percent below the same period in the previous year in which the delivery of a major order had been a significant factor. The recovery in the semiconductor industry was clearly reflected in the sales of the Lasers & Optical Systems segment which posted an increase in sales of 22.5 percent.

Development of results. The pickup in economic activity as well as the cost reduction measures implemented in 2009 were clearly reflected in the Group EBIT. Despite sales remaining virtually constant the result from operating activities before depreciation and amortization (EBITDA) increased from 7.7 million euros in the 1st quarter of the previous year to 10.4 million euros in the 1st quarter 2010.

At 4.0 million euros the Group EBIT showed a marked rise compared with a year ago (prev. year 0.4 million euros). In the Lasers & Optical Systems segment Jenoptik posted a leap in results to 3.9 million euros. In the previous year it had suffered a loss primarily as a result of the crisis in the semiconductor industry. As expected, the Metrology segment failed to achieve a return to profit in the 1st quarter. The Defense & Civil Systems segment recorded a marked fall in the segment EBIT as the delivery of a major order in the Sensor Systems area had been a significant factor in the 1st quarter of the previous year. The result of Others came in at minus 0.6 million euros.

The financial result remained constant as against the same period in the previous year, totaling minus 3.3 million euros (prev. year minus 3.3 million euros). The investment result came in at minus 0.5 million euros (prev. year minus 0.7 million euros) and is mainly attributable to JT Optical Engine GmbH + Co. KG, a joint venture with Trumpf for the development of optical engines for fiber lasers. In the interest result of minus 2.8 million euros (prev. year minus 2.6 million euros) interest expenses in the sum of 3.4 million euros were offset by interest income in the sum of 0.5 million euros. As expected, interest expenses increased over the same period in the previous year during which Jenoptik had benefited from low short-term interest rates.

Earnings before tax were a positive as the result of the higher Group EBIT, totaling 0.7 million euros (prev. year minus 2.9 million euros). Income taxes in the sum of 0.3 million euros (prev. year 0.3 million euros) were only incurred to a minimal extent, deferred taxes totaled 10 TEUR (prev. year minus 0.5 million euros). Earnings after tax

SALES (in million euros)

| | 1.1. to 31.3.2010 | 1.1. to 31.3.2009 | Change in % |
|--------------------------|----------------------|----------------------|----------------|
| Total | 115.2 | 117.7 | -2.1 |
| Lasers & Optical Systems | 45.2 | 36.9 | 22.5 |
| Metrology | 20.0 | 24.3 | -17.7 |
| Defense & Civil Systems | 49.9 | 54.4 | -8.3 |
| Others | 0.1 | 2.1 | -95.2 |

EBIT (in million euros)

| | 1.1. to 31.3.2010 | 1.1. to 31.3.2009 | Change in % |
|--------------------------|----------------------|----------------------|----------------|
| Total | 4.0 | 0.4 | - |
| Lasers & Optical Systems | 3.9 | -1.9 | - |
| Metrology | -1.0 | -2.4 | 58.3 |
| Defense & Civil Systems | 1.7 | 4.5 | -62.2 |
| Others | -0.6 | 0.2 | - |

accordingly totaled 0.4 million euros (prev. year minus 2.7 million euros).

Order book situation. The improvement in the economic environment was reflected in particular in the order intake for the 1st quarter 2010 which increased by 32.5 percent to 145.6 million euros (prev. year 109.9 million euros). This includes the major order for the Traffic Solutions division in March 2010 in the sum of more than 12 million euros.

In the Lasers & Optical Systems segment the pickup in the semiconductor industry in particular led to a rise of more than 30 percent in order intakes. In the Metrology segment the order intake doubled compared with the 1st quarter 2009, mainly as a result of the major order in the Traffic Solutions division; the order intake in the Defense & Civil Systems segment remained stable.

With a marked increase in the order intake compared with sales, the book-to-bill rate was 1.3 in the 1st quarter 2010 (prev. year 0.9). The Jenoptik Group order backlog rose accordingly from 339.4 million euros at the end of 2009 to the new figure of 368.8 million euros.

2.2 Development of the key performance factors.

Cost of sales. Cost of sales fell by 4.1 percent to 82.1 million euros (prev. year 85.6 million euros) and therefore at a higher rate than sales. The gross margin increased accordingly from 27.3 to 28.7 percent. Here the measures of the Jenoptik Excellence Program, in particular in the areas of purchasing and product optimization, as well as a changed sales and product mix had a positive effect.

Cost of sales include development costs on behalf of customers in the sum of 6.6 million euros (prev. year 7.1 million euros). The classifications as cost of sales or R+D expenses partly depends on the structure of the contracts of customer orders. Therefore, the amount of cost of sales (gross margin) and R+D expenses (R+D ratio) may fluctuate without having an impact on total R+D costs.

Research and development expenses of the Jenoptik Group totaled 13.2 million euros (prev. year 15.1 million euros) in the 1st quarter and thus amounted to 11 percent of sales. They include development costs on behalf of customers, capitalized development costs and depreciation on these as well as R+D expenses.

R+D expenses totaled 6.6 million euros and were therefore 1.7 million euros lower overall compared with the same period in the previous year (prev. year 8.3 million euros). The reduction is mainly attributable to the discontinuation of themes that are not promising such as for example the withdrawal from the mid-format camera business and other smaller themes in the fiscal year just past as well as

ORDER INTAKE (in million euros)

| | 1.1. to 31.3.2010 | 1.1. to 31.3.2009 | Change in % |
|--------------------------|----------------------|----------------------|----------------|
| Total | 145.6 | 109.9 | 32.5 |
| Lasers & Optical Systems | 56.2 | 41.9 | 34.1 |
| Metrology | 40.4 | 19.9 | 103.0 |
| Defense & Civil Systems | 48.8 | 46.4 | 5.2 |
| Others | 0.2 | 1.7 | -88.2 |

ORDER BACKLOG (in million euros)

| | 31.3.2010 | 31.12.2009 | Change in % |
|--------------------------|-----------|------------|----------------|
| Total | 368.8 | 339.4 | 8.7 |
| Lasers & Optical Systems | 70.2 | 59.9 | 17.2 |
| Metrology | 42.4 | 21.9 | 93.6 |
| Defense & Civil Systems | 258.7 | 260.2 | -0.6 |
| Others | -2.5 | -2.6 | 3.8 |

focused R+D roadmapping. The costs for developing the optical engines for fiber lasers, the key development project in the Lasers & Material Processing division, are included in the investment result on a pro rata basis through the joint venture JT Optical Engine GmbH & Co. KG.

Employees & management. The number of employees in the Jenoptik Group fell markedly in the 1st quarter 2010, totaling 3,102 as at March 31, 2010 (31.12.2009: 3,268). The reduction is attributable to the personnel-related measures introduced in the 4th quarter 2009 which took effect in the first months of the current year and continued in the current second quarter. The number of employees was reduced in line with these measures, the reductions being carried out particularly in the Lasers & Optical Systems segment and the Industrial Metrology division. As at March 31, 2010 a total of approx. 90 employees were on short-time working, the majority of these being engaged the Industrial Metrology division.

A total of 25 trainees, including students from the Career Academies, successfully completed their training at Jenoptik in February 2010. As at March 31, 2010 the Group therefore employed a total of 114 trainees.

2.3 Financial and asset position.

Financing structur. Jenoptik continued to show a sound financing structure in the 1st quarter 2010. The Group's non-current liabilities recorded a 7.5 million euro reduction compared with the end of 2009. At 198.2 million euros they were 3.7 percent below the figure as at the end of 2009 (31.12.2009: 205.8 million euros) as the result of a reduction in non-current financial liabilities. Current liabilities totaled 158.3 million euros and were therefore virtually unchanged compared with the end of 2009 (31.12.2009: 161.3 million euros).

The debt to equity ratio, as a ratio between borrowings (356.5 million euros) to shareholders' equity (262.4 million euros), showed a clear improvement as of March 31, 2010, amounting to 1.36 (31.12.2009: 1.53). This is mainly attributable to the higher shareholders' equity as a result of the capital increase.

After reporting a significant reduction in net debt in the 4th quarter 2009 (31.12.2009: 159.5 million euros) the Jenoptik Group posted a further reduction in the 1st quarter 2010. At 145.7 million euros net debt was also down on the figure for the same quarter in the previous year (31.03.2009: 194.6 million euros).

Analysis of capital expenditure. Capital expenditure in intangible and tangible assets in the sum of 2.9 million euros, was below the level for the previous year (prev. year 3.4 million euros). The largest share, 2.4 million euros, was once again invested in tangible assets, of which 1.5 million euros were payments made on account. At 0.5 million

R+D COSTS (in million euros)

| | 1.1. to 31.3.2010 | 1.1. to 31.3.2009 | Change in % |
|--------------------------|----------------------|----------------------|----------------|
| Total | 13.2 | 15.1 | - 12.9 |
| Lasers & Optical Systems | 5.2 | 6.3 | - 17.5 |
| Metrology | 2.8 | 3.3 | - 15.2 |
| Defense & Civil Systems | 5.2 | 5.8 | - 10.3 |
| Others | 0 | - 0.3 | 85.0 |

EMPLOYEES (incl. trainees)

| | 31.3.2010 | 31.3.2009 | Change in % |
|--------------------------|-----------|-----------|----------------|
| Total | 3,102 | 3,268 | - 5.1 |
| Lasers & Optical Systems | 1,230 | 1,284 | - 4.2 |
| Metrology | 657 | 769 | - 14.6 |
| Defense & Civil Systems | 1,066 | 1,077 | - 1.0 |
| Others | 149 | 138 | 8.0 |

euros, investments in intangible assets were also below the previous year's level (prev. year 1.0 million euros).

Capital expenditure was offset by regular depreciation in the sum of 6.4 million euros (prev. year: 7.2 million euros).

The cash flows in the [analysis of cash flows](#) in 2010 can be compared in full with those for the previous year.

The cash flow from operating activities, at 1.6 million euros, was below the level for the previous year (prev. year: 2.3 million euros). The reduction is mainly due to the increase in the working capital resulting from the pickup in the operating business and a sharper reduction in provisions due to payments made in conjunction with the personnel measures. This was offset by the positive earnings before tax.

The cash flow from investing activities, at minus 7.2 million euros, was below the level for the previous year (prev. year: minus 2.9 million euros) and included payments for investments in tangible assets in the sum of 2.3 million euros. Investments in intangible assets totaled 0.6 million euros. Here the largest individual item are payments made in conjunction with the purchase of the outstanding shares in the diode laser business from the former minority shareholder which is now again 100 percent owned by Jenoptik.

The cash flow from financing activities rose sharply to 14.9 million euros (prev. year: minus 1.5 million euros). The main contribution to this came from the proceeds in the sum of approx. 22 million euros derived from the 10 per-

cent capital increase in March 2010 which are included in receipts from allocations to equity. There was also a marked increase over the same quarter in the previous year in receipts from issue of bonds and loans in the sum of 22.8 million euros as well as in repayments of bonds and loans in the sum of minus 26.9 million euros.

Balance sheet analysis. The balance sheet total of the Jenoptik Group rose slightly to 618.9 million euros by comparison with the end of 2009 (31.12.2009: 607.1 million euros).

Non-current assets remained virtually constant at 334.4 million euros (31.12.2009: 336.9 million euros). At 19.2 million euros, there was also virtually no change in financial assets, including shares in associated companies (31.12.2009: 19.2 million euros).

The Group reported a small rise in current assets to 284.5 million euros (31.12.2009: 270.2 million euros). This was due in particular to cash and cash equivalents in the sum of 20.7 million euros as a result of the increase in capital (31.12.2009 11.2 million euros). There was also a small rise in inventories to 158.5 million euros (31.12.2009: 154.7 million euros).

The working capital, defined as total receivables from operating business activities and inventories, less trade accounts payable, liabilities from PoC (Percentage of Completion) and on-account payments received, reported a slight increase to 176.0 million euros (31.12.2009: 166.4 million euros). This rise is mainly attributable to the pickup in the

NET DEBT (in million euros)

| | 31.3.2010 | 31.12.2009 | 31.3.2009 |
|-----------------------------------|-----------|------------|-----------|
| Total | - 145.7 | - 159.5 | - 194.6 |
| Securities | 1.2 | 1.1 | 1.7 |
| Cash and cash equivalents | 20.7 | 11.2 | 10.5 |
| Non-current financial liabilities | 150.1 | 158.2 | 99.4 |
| Current financial liabilities | 17.5 | 13.6 | 107.4 |

operating business and the associated increase in inventories and receivables.

A 10 percent capital increase raised approx. 22 million euros for the Jenoptik Group at the beginning of March this year. This is to be used for growth in the core business and the continuing process of internationalization. This, together with the profit reported in the 1st quarter 2010, contributed towards an increase in the Group shareholders' equity to 262.4 million euros (31.12.2009: 240.0 million euros). Despite the increase in the balance sheet total this also led to an improvement in the shareholders' equity ratio, the ratio between shareholders' equity and balance sheet total, from 39.5 percent to 42.4 percent.

Non-current liabilities reduced to 198.2 million euros (31.12.2009: 205.8 million euros). This is mainly due to a reduction in non-current financial liabilities which fell as a result of the reclassification of installments due within less than twelve months to current financial liabilities. There were only minor changes in the pension liabilities, other non-current provisions as well as other non-current liabilities.

Current liabilities remained virtually constant at 158.3 million euros (31.12.2009: 161.3 million euros). There was a slight reduction in other current provisions included in this item due to their utilization within the framework of the reduction in personnel numbers. Current financial liabilities, however, reported a slight increase as a result of the reclassifications mentioned above.

Purchases and sales of companies There were no purchases or sales of companies in the 1st quarter of the current fiscal year. The outstanding shares in the diode laser business were acquired in the 4th quarter 2009.

For details on assets and liabilities not included in the balances sheet we refer to the information contained in the 2009 Annual Report on Page 73, the information on guarantees in the risk report from Page 85 as well as the corresponding updates on Page 15 of this report.

3. SEGMENT REPORTING.

Note. The details on the three segments in the results from operating activities (EBIT) and EBITDA cannot be compared with the details in the report for the 1st quarter 2009. In 2010 the Jenoptik Group is changing over to showing the segment EBIT and EBITDA after the Group charge. The figures on the results for the year 2009 stated in this report have been adjusted. All other details can be compared in full with the figures published a year ago.

3.1 Lasers & Optical Systems segment.

The Lasers & Material Processing and Optical Systems divisions are combined within this segment. There was a further improvement in the business climate for the two divisions during the course of the 1st quarter 2010, particularly in the Optical Systems division as a result of the continuing recovery in the semiconductor industry.

Sales of the Lasers & Optical Systems segment rose sharply by 22.5 percent to 45.2 million euros (prev. year 36.9 million euros). In addition to the Optical Systems division – due to the continuing pickup in the semiconductor industry – the medical lasers and laser processing systems areas also recorded a marked increase in sales. Sales of the mid-format camera business, which amounted to approx. 1.2 million euros in the same period in the previous year, are not included anymore.

At 3.9 million euros **the EBIT** was once again positive (prev. year minus 1.9 million euros). This was attributable to both the increase in sales in the abovementioned areas as well as the comprehensive measures to reduce costs implemented during the course of the year 2009. For example, in

addition to disposing of the loss-making mid-format camera business other measures included optimization of the locations, restructuring of production and adjustment of capacities to meet the increased efficiency.

The order intake of the Lasers & Optical Systems segment rose by 34.1 percent to 56.2 million euros (prev. year 41.9 million euros). The segment's book-to-bill rate was accordingly 1.2 (prev. year 1.1). The Optical Systems division recorded a particularly strong increase in order intake thanks to the pickup in the semiconductor industry. The Lasers & Material Processing division also achieved a marked increase in its order intake in the double figure percentage range. Order intakes came from the USA in the area of medical technology lasers and from Asia for laser processing systems.

As at March 31, 2010 the segment had a total of 1,230 **employees**, consequently 54 fewer than at the end of December 2009 (31.12.2009: 1,284). The reduction was the result of the personnel measures planned in the 4th quarter 2009, the majority of which were implemented during the course of the 1st quarter 2010.

The segment's **international presence** and in particular that of the Lasers & Material Processing division was further expanded in 2010. The new laser application center opened in South Korea at the beginning of March. Customers and potential customers from all over Asia can use the center for testing lasers and laser applications for their own production environments on their own materials and continue to develop their processes in conjunction with Jenoptik's engineers. In particular in 2009 Jenoptik invested approx. 3.4 million euros in this center which

LASERS & OPTICAL SYSTEMS SEGMENT AT A GLANCE (in million euros)

| | 31.3.2010 | 31.3.2009 | Change in % |
|---------------|-----------|-----------|----------------|
| Sales | 45.2 | 36.9 | 22.5 |
| EBIT | 3.9 | - 1.9 | - |
| Order intake | 56.2 | 41.9 | 34.1 |
| Order backlog | 70.2 | 59.9* | 17.2 |
| Employees | 1,230 | 1,284* | - 4.2 |

- Substantial increase in sales and order intake.
- EBIT once again positive.
- International presence of the Lasers & Material Processing division expanded through laser application center in South Korea.

* Figures as at December 31, 2009.

covers an area of approx. 500 square meters and has initially been equipped with two laser processing systems for processes used in the electronics, photovoltaics and flat panel industry.

The segment's corporate structure was comprehensively streamlined and adapted to the Group's divisional-based structure during the course of the 1st quarter and the current 2nd quarter 2010. In order to make better use of the synergies in the USA in future, all US optical companies were combined within JENOPTIK Optical Systems Inc. with effect from January 1, 2010. The headquarters of JENOPTIK Optical Systems Inc. are based in Jupiter (Florida), the company employs a total of 125 personnel.

Since the beginning of May this year the limited company structures in Germany have completely been organized in accordance with the divisional structure. The Laser Technology business unit was separated from JENOPTIK Laser, Optik, Systeme GmbH and merged with JENOPTIK Laserdiode GmbH. This company now operates under the name JENOPTIK Laser GmbH. The former JENOPTIK Laser, Optik, Systeme GmbH now completely focuses on the field of developing, manufacturing and selling systems and components for optical and opto-electronic applications. It has been operating under the name of JENOPTIK Optical Systems GmbH since the beginning of May.

3.2 Metrology segment.

The Metrology segment comprises the Industrial Metrology and Traffic Solutions divisions. In the Industrial Metrology division there was a slight recovery in the demand from the automotive industry, starting from a low level. The Traffic Solutions division posted significant international order intakes in the 1st quarter 2010.

Sales of the Metrology segment in the 1st quarter 2010 were lower and came in at 20.0 million euros (prev. year 24.3 million euros). The reason for this was a relatively good sales performance in the 1st quarter 2009 by the Industrial Metrology division which at that time was still processing order backlogs from the period prior to the crisis in the automotive industry. By contrast, the Traffic Solutions division posted a marked rise in sales 2010.

By contrast to the fall in sales the segment succeeded in improving its **EBIT**. At minus 1.0 million euros it was again in negative territory, but the figure was 1.4 million euros above the previous year's quarter (prev. year minus 2.4 million euros) as a result of the comprehensive cost reduction measures. In addition to the consequences of the lower sales from the automotive industry the result includes the expenses for the development of the Traffic Sales Providing business.

The order intake of the Metrology segment doubled by comparison with the same period in the previous year to a total of 40.4 million euros as against 19.9 million euros in the 1st quarter 2009. The figure includes the major international order for the Traffic Solutions division in the sum of more than 12 million euros. Major international projects

METROLOGY SEGMENT AT A GLANCE (in million euros)

| | 31.3.2010 | 31.3.2009 | Change in % |
|---------------|-----------|-----------|----------------|
| Sales | 20.0 | 24.3 | -17.7 |
| EBIT | -1.0 | -2.4 | 58.3 |
| Order intake | 40.4 | 19.9 | 103.0 |
| Order backlog | 42.4 | 21.9* | 93.6 |
| Employees | 657 | 769* | -14.6 |

* Figures as at December 31, 2009.

- Decline in sales as expected.
- Order intake doubled in comparison with the same period in the previous year.
- EBIT still slightly negative, cost reduction measures show first results.

are becoming increasingly important in this area so the division's order intake can fluctuate significantly during the course of the year. In the Industrial Metrology division there was a recovery in demand from the automotive industry during the course of the 1st quarter 2010, starting from a very low level. The division did however benefit from its global presence.

The segment recorded a book-to-bill rate of 2.0 (prev. year 0.8). The order backlog consequently increased from 21.9 million euros at the end of 2009 to 42.4 million euros as at March 31, 2010.

As at March 31, 2010 the Metrology segment had 657 [employees](#) and therefore 112 fewer than at the end of 2009 (31.12.2009: 769). The reduction is attributable almost entirely to the Industrial Metrology division where adjustments to personnel numbers were required at home and abroad due to the crisis in the automotive industry in 2009. At the end of March approx. 70 employees were on short-time working in the division. In the Traffic Solutions division the number of employees remained essentially constant despite the growth in sales.

In the [Traffic Solutions division](#) the switch to a uniform, group-wide umbrella brand was completed as at February 1, 2010. Since then ROBOT Visual Systems GmbH, the key company in the Traffic Solutions division, has operated under the name of JENOPTIK Robot GmbH with an associated change in the external presence under the Jenoptik brand. The Robot brand it will be continued as a so-called ingredient brand.

At Intertraffic in March 2010 in Amsterdam, the sector's most important trade fair, the Traffic Solutions division appeared under the Jenoptik brand for the first time. One of the products showcased at this trade fair, amongst others, was the new 3D Tracking Radar which is able to track several vehicles simultaneously and enables optimum analysis speeds thanks to high precision lane assignment.

At the beginning of 2010 the division also succeeded in launching the new TraffiSection traffic monitoring system in three countries. TraffiSection monitors average speeds over a defined section of road and offers the option of mobile and/or stationary systems. The order was worth a total of more than 4 million euros.

The success of the new total operator concept continued in the 1st quarter 2010, particularly in the German market. The project in Lithuania, which covers a period of over ten years and includes the operation and maintenance of the systems, was brought to a successful conclusion.

Major international orders in the [Industrial Metrology segment](#) were delivered in the 1st quarter 2010. State-of-the-art metrology was supplied to General Motors, amongst others, in Thailand, India and Uzbekistan.

3.3 Defense & Civil Systems segment.

In the 1st quarter 2010 the Defense & Civil Systems segment continued the stable business development of the previous year under market conditions which remained stable. Sales and earnings for the same quarter in the previous year were characterized by the delivery of a major order in the Sensor Systems business unit.

This was the main reason for the 8.3 percent reduction in segment sales in the 1st quarter of the current fiscal year to 49.9 million euros, compared with a year ago (prev. year 54.4 million euros). There was an increase in sales of the Optronics business unit, whilst those of the Mechatronics business unit came in at the same level as the previous year.

At 1.7 million euros the segment EBIT was markedly down on the very good result achieved in the previous year's quarter as this had been influenced by a major order in the Sensor Systems business unit.

The order intake was up slightly on the figure for the 1st quarter 2009 totaling 48.8 million euros (prev. year 46.4 million euros). The figure does not yet include the order intake for the new PUMA armored fighting vehicle for the German Army in the sum of approx. 70 million euros expected to be awarded in 2010. The segment's book-to-bill rate was 1.0 (prev. year 0.9), the order backlog accordingly remained stable at 258.7 million euros compared with the end of December 2009, (31.12.2009: 260.2 million euros).

The number of employees in the segment reduced slightly as at the end of the 1st quarter 2010 to 1,066 (31.12.2009: 1,077).

In the Sensor Systems business unit Jenoptik launched a new thermographic camera, the VarioTHERM® InSb, at the beginning of April. This was designed especially for use in industry and research institutes. The camera covers a temperature range from minus 40 to plus 2,000 degrees and also operates on a spectral-selective basis. The camera, which has already recorded its first successes in the Japanese market, was premiered at the SPIE Defense & Security Symposium trade fair in the USA at the beginning of April.

DEFENSE & CIVIL SYSTEMS SEGMENT AT A GLANCE (in million euros)

| | 31.3.2010 | 31.3.2009 | Change in % |
|---------------|-----------|-----------|----------------|
| Sales | 49.9 | 54.4 | -8.3 |
| EBIT | 1.7 | 4.5 | -62.2 |
| Order intake | 48.8 | 46.4 | 5.2 |
| Order backlog | 258.7 | 260.2* | -0.6 |
| Employees | 1,066 | 1,077* | -1.0 |

- Sales and earnings are lower than in the same quarter in the previous year – 1st quarter 2009 was characterized by shipment of a major order.
- Order intake slightly higher than in the same quarter in 2009.

* Figures as at December 31, 2009.

4. POST BALANCE SHEET REPORT.

There were no events of special importance occurring after the end of the period under review. Details of any individual developments in the current 2nd quarter have been dealt with within the framework of this report.

5. RISK REPORT.

Within the framework of the risk report we refer to the details on Pages 85 to 97 of the 2009 Annual Report published at the end of March 2010. Up to the closing editorial date for this quarterly report there have been no significant changes in the risks described in the Annual Report during the course of the 1st quarter 2010, with the exception of those specified below.

The economic environment improved during the course of the 1st quarter 2010. This does slightly alleviate the doubt about whether the recovery in the economic environment represents a sustainable trend, although it cannot entirely eliminate this doubt.

The liquidity risks for the Jenoptik Group have reduced as a result of the capital increase in March 2010 and the further reduction in net debt. At the end of March 2010 the Group had at its disposal free liquidity in the form of credit lines and loans not yet utilized totaling 89.3 million euros (31.12.2009: 69 million euros).

In terms of the sector-related risks the demand from the semiconductor industry continued to rise in the period covered by the report thus reducing the risk arising from the development of this sector.

6. FORECAST REPORT.

6.1 Outlook for the economy as a whole and for the Jenoptik sectors.

With regard to the development of the [global economy](#), in its recent economic forecast for US GDP the OECD predicts stronger growth than in Japan and the major countries of the euro zone. The OECD forecasts predict an increase in GDP of 2.4 percent in the 2nd and 2.3 percent in the 3rd quarter 2010 for the USA, with an expected 1.9 percent rise in the second quarter GDP for the three largest countries in the euro region.

In the [semiconductor market](#) the SIA predicts strong growth of 18 percent to approx. 267 billion US dollars for the full year 2010. There are increasing prospects of a sustainable recovery. An anticipated increase in demand for PCs and mobile phones is given as the reason for this prediction.

A government program entitled "Investment Alliance Photovoltaics", approved in April, will provide a boost for the German [photovoltaics industry](#). This program provides for investment of 100 million euros over the coming years in order to strengthen the industry's competitiveness. The alliance is intended to bring together manufacturers and the equipment industry and to strengthen Germany as a technology location. Competitive advantages are to be achieved for the machine construction sector and for manufacturers of photovoltaic products by jointly increasing research and development.

In the [machine construction sector](#) the VDMA remains skeptical about the months ahead. According to estimates German machine production in the first months of 2010 will fall short of the level achieved in the previous year, in some cases well short. The industry might achieve increases later in the year but the forecast for 2010 remains unchanged: zero percent growth.

In view of the current situation regarding information, some of which is contradictory, it is still impossible to provide a sound forecast of or specifics on the anticipated future economic development – either in terms of the economy as a whole or for the Jenoptik sectors.

6.2 Long-term forecasts and targets.

Jenoptik sees the conditions for the sale of its products and services as good in the long-term – irrespective of the economic development over the next two years. The technology group operates in attractive sectors with a comprehensive portfolio of technologies, products and services. Optoelectronics, our core area of expertise, is a cross-sectional technology that facilitates new applications in numerous sectors. We will be supporting mega trends over the coming years. These include:

- efficient and durable production processes with low operating costs,
- the increasing need for security,
- reliable and individual mobility,
- energy resp. fuel saving and low emission engines as well as
- new requirements in the healthcare and life sciences area.

Our predictions for the future development in the segments are based on the assumption that there will be a general recovery in the markets which have been affected to differing degrees by the financial and economic crisis. At this point in time it is impossible to predict to what extent the economic crisis will have a lasting effect on general market trends.

In the Lasers & Optical Systems segment the duration and extent of the current recovery in the semiconductor industry and the development of its associated industries will significantly influence the course of business, particularly in the Optical Systems division. In the Lasers & Material Processing division the Laser Processing Systems business unit will continue to focus on the expansion of its photovoltaic activities. In the lasers business the range will be expanded by the addition of attractively-priced products for mass applications. The process of internationalization in this division will be driven ahead strongly, particularly in Asia and North America.

In the Metrology segment the Jenoptik Group sees itself as well placed in the automotive industry through its

Industrial Metrology division, despite the continuing weakness of the market environment. The consistent adjustments in capacities as well as the international presence will enable the weak development in demand to be cushioned over a longer period. Major projects are increasingly becoming a characteristic feature of business in the Traffic Solutions division. As a result of our position as a market leader and the launch of new service models, plus the major order received in March 2010, we are seeing signs of a positive development in this area.

The Defense & Civil Systems segment operates in what is essentially a stable market environment and is benefiting from the trend towards increased investment in security and environmental-related themes.

Detailed information on the future development of the segments can be found on pages 101 ff in the 2009 Annual Report.

6.3 Future development of the business situation.

The details are given on the proviso that the economic situation develops in line with the economic forecasts stated under 6.1 and does not significantly deteriorate. All statements regarding the future development of the business situation have been made on the basis of current information.

The forecasts for the current fiscal year are reaffirmed. Sales in 2010 are expected to be up slightly on 2009 whilst the Group EBIT should show a significant rise. The Jenoptik Group will continue to benefit from the stable business of the Defense & Civil Systems segment, an improved investment climate worldwide in the current year as well as from the measures taken in 2009 to bring about a permanent reduction in costs in all areas. In our view the recovering semiconductor industry, photovoltaics, medical technology and the areas of traffic and safety will be the driving forces for an improvement in the development of business. Based on current estimates we anticipate a further improvement in sales and earnings for 2011.

Sales of the Jenoptik Group in 2010 are expected to come in at between 475 and 500 million euros. Increases in sales are anticipated in the Lasers & Optical Systems segment as a result of the continuing recovery in the semiconductor industry and the growth in demand from the photovoltaics industry and medical technology. Sales in the Metrology segment should remain stable, with sales in the Industrial Metrology division falling by comparison with 2009. As a result of improved cost structures we expect to see the break-even on a monthly basis at the year-end. The Traffic Solutions division will increase sales and earnings as a result of being awarded major projects. The Defense & Civil Systems segment should continue to report a stable development of business at the same level as in the previous years.

The Group plans a **Group EBIT** of between 15 and 25 million euros and a positive net income for the year. This is subject to a continuation of the recovery in the semiconductor industry. In 2009 we countered the continuing downward pressure on prices resulting from the economic crisis by introducing cost reduction measures, the effects of which will take comprehensive effect throughout 2010 and consequently achieve greater savings than in 2009. The target is to achieve further savings in excess of 10 million euros in 2010. We don't anticipate any negative one-off effects in 2010.

On the **financing** side the Group has liquidity available in the form of credit lines and loans not yet utilized totaling 89.3 million euros, as well as the proceeds from the capital increase which was successfully placed in March. Amongst other things these funds are to be invested in the further process of internationalization.

There will be a continuation of the focus on **positive cash flows** which will essentially be achieved through active working capital management and these are expected to be clearly in the double figure million range. These cash flows are to be used, amongst other things, to fully offset the cash outflows resulting from the personnel measures in 2010.

Consolidated statement of comprehensive income

Consolidated statement of income

| in TEUR | 1.1. – 31.3.2010 | 1.1. – 31.3.2009 |
|--|------------------|------------------|
| Sales | 115,152 | 117,659 |
| Cost of sales | 82,084 | 85,571 |
| Gross profit | 33,068 | 32,088 |
| Research and development expenses | 6,628 | 8,318 |
| Selling expenses | 12,227 | 13,754 |
| General administrative expenses | 8,565 | 8,887 |
| Other operating income | 3,471 | 3,419 |
| Other operating expenses | 5,085 | 4,139 |
| EBIT | 4,034 | 409 |
| Result from investments in associated and jointly controlled companies | – 442 | – 517 |
| Result from other investments | – 11 | – 194 |
| Interest income | 517 | 446 |
| Interest expenses | 3,362 | 3,008 |
| Financial result | – 3,298 | – 3,273 |
| Earnings before tax | 736 | – 2,864 |
| Income taxes | 280 | 301 |
| Deferred taxes | 10 | – 452 |
| Earnings after tax | 446 | – 2,713 |
| Minority interests' share of profit/loss | – 21 | 711 |
| Net profit | 467 | – 3,424 |
| Earnings per share in euros | 0.01 | – 0.07 |
| Earnings per share (diluted) in euros | – | – 0.07 |

Consolidated statement of recognized income and expense

| in TEUR | 1.1. – 31.3.2010 | 1.1. – 31.3.2009 |
|--|------------------|------------------|
| Earnings after tax | 446 | – 2,713 |
| Difference arising on foreign currency translation | 1,478 | 1,009 |
| Financial assets available for sale | 101 | – 176 |
| Cash flow hedge | – 1,805 | – 1,707 |
| Deferred taxes | 510 | 492 |
| Total income and expense recognized in shareholders' equity | 284 | – 382 |
| Total result | 730 | – 3,095 |
| of which attributable to: | | |
| Minority interest | – 21 | 711 |
| Shareholders | 751 | – 3,806 |

Consolidated balance sheet.

| Assets in TEUR | March 31, 2010 | Dec. 31, 2009 | Change |
|--|----------------|----------------|----------------|
| Non-current assets | 334,444 | 336,874 | - 2,430 |
| Intangible assets | 78,088 | 77,949 | 139 |
| Tangible assets | 149,991 | 152,143 | - 2,152 |
| Investment properties | 24,249 | 24,450 | - 201 |
| Shares in associated companies | 359 | 261 | 98 |
| Financial assets | 18,830 | 18,938 | - 108 |
| Other non-current assets | 10,083 | 11,037 | - 954 |
| Deferred tax assets | 52,844 | 52,096 | 748 |
| Current assets | 284,461 | 270,216 | 14,245 |
| Inventories | 158,486 | 154,665 | 3,821 |
| Current accounts receivable and other assets | 104,059 | 103,240 | 819 |
| Securities held as current investments | 1,172 | 1,110 | 62 |
| Cash and cash equivalents | 20,744 | 11,201 | 9,543 |
| Total assets | 618,905 | 607,090 | 11,815 |

| Shareholders' equity and liabilities in TEUR | March 31, 2010 | Dec. 31, 2009 | Change |
|---|----------------|----------------|----------------|
| Shareholders' equity | 262,407 | 239,989 | 22,418 |
| Subscribed capital | 148,819 | 135,290 | 13,529 |
| Capital reserve | 194,296 | 186,137 | 8,159 |
| Other reserves | - 81,144 | - 81,895 | 751 |
| Minority interests | 436 | 457 | - 21 |
| Non-current liabilities | 198,219 | 205,760 | - 7,541 |
| Pension provisions | 6,414 | 6,417 | - 3 |
| Other non-current provisions | 19,091 | 18,544 | 547 |
| Non-current financial liabilities | 150,104 | 158,218 | - 8,114 |
| Other non-current liabilities | 20,115 | 20,116 | - 1 |
| Deferred tax liabilities | 2,495 | 2,465 | 30 |
| Current liabilities | 158,279 | 161,341 | - 3,062 |
| Tax provisions | 2,316 | 2,587 | - 271 |
| Other current provisions | 36,206 | 40,592 | - 4,386 |
| Current financial liabilities | 17,498 | 13,532 | 3,966 |
| Other current liabilities | 102,259 | 104,630 | - 2,371 |
| Total shareholders' equity and liabilities | 618,905 | 607,090 | 11,815 |

Consolidated statement of cash flows.

| in TEUR | 1.1. to 31.3.2010 | 1.1. to 31.3.2009 |
|--|-------------------|-------------------|
| Earnings before tax | 736 | -2,864 |
| Interest | 2,845 | 2,562 |
| Depreciation / write up | 6,432 | 7,247 |
| Impairment | 21 | 231 |
| Loss / profit on disposal of fixed assets | 5 | -8 |
| Other non-cash expenses / income | 486 | 459 |
| Operating profit / loss before working capital changes | 10,525 | 7,627 |
| Increase / decrease in provisions | -4,555 | -2,693 |
| Increase / decrease in working capital | -9,242 | -3,177 |
| Increase / decrease in other assets and liabilities | 5,135 | 849 |
| Cash flow from / used in operating activities before income taxes | 1,863 | 2,606 |
| Income taxes paid | -299 | -300 |
| Cash flow from / used in operating activities | 1,564 | 2,306 |
| Receipts from disposal of intangible assets | 2 | 26 |
| Payments for investments in intangible assets | -552 | -1,002 |
| Receipts from disposal of tangible assets | 22 | 253 |
| Payments for investments in tangible assets | -2,296 | -2,410 |
| Receipts from disposal of financial assets | 186 | 414 |
| Payments for investments in financial assets | -1,079 | -582 |
| Payments for acquisition of consolidated companies | -4,000 | 0 |
| Interest received | 517 | 447 |
| Cash flow from / used in investing activities | -7,200 | -2,854 |
| Receipts from allocations to equity | 21,688 | 0 |
| Receipts from issue of bonds and loans | 22,844 | 8,014 |
| Repayments of bonds and loans | -26,890 | -7,682 |
| Repayments for finance leases | -238 | -158 |
| Change in group financing | -483 | -479 |
| Interest paid | -2,069 | -1,235 |
| Cash flow from / used in financing activities | -14,852 | -1,540 |
| Change in cash and cash equivalents | 9,216 | -2,088 |
| Foreign currency translation changes in cash and cash equivalents | 328 | 46 |
| Cash and cash equivalents at the beginning of the period | 11,201 | 12,523 |
| Cash and cash equivalents at the end of the period | 20,745 | 10,481 |

Consolidated statement of movements in shareholders' equity.

| in TEUR | Subscribed capital | Capital reserve | |
|------------------------------------|--------------------|-----------------|--|
| Balance as at 1.1.2009 | 135,290 | 186,137 | |
| Valuation of financial instruments | | | |
| Currency differences | | | |
| Earnings after tax | | | |
| Balance as at 31.3.2009 | 135,290 | 186,137 | |
| Balance as at 1.1.2010 | 135,290 | 186,137 | |
| Valuation of financial instruments | | | |
| Currency differences | | | |
| Earnings after tax | | | |
| Capital increase | 13,529 | 8,159 | |
| Balance as at 31.3.2010 | 148,819 | 194,296 | |

| | Cumulated profit | Financial assets available for sale | Cash flow hedge | Cumulative currency differences | Minority interests | Total |
|--|---------------------|--|--------------------|---------------------------------------|--------------------|---------|
| | - 53,776 | - 1,888 | 6,552 | - 1,395 | 21,917 | 292,837 |
| | | - 176 | - 1,215 | | | - 1,391 |
| | - 17 | | | 1,026 | | 1,009 |
| | - 3,424 | | | | 711 | - 2,713 |
| | - 57,217 | - 2,064 | 5,337 | - 369 | 22,628 | 289,742 |
| | - 82,527 | - 1,790 | 4,409 | - 1,987 | 457 | 239,989 |
| | | 101 | - 1,295 | | | - 1,194 |
| | - 560 | | | 2,038 | | 1,478 |
| | 467 | | | | - 21 | 446 |
| | | | | | | 21,688 |
| | - 82,620 | - 1,689 | 3,114 | 51 | 436 | 262,407 |

Key figures by business divisions and other areas.

January 1 – March 31, 2010 (previous year's figures in brackets)

| in TEUR | Lasers & Optical Systems | Metrology | Defense & Civil Systems | Other, Consolidation | Group |
|--|--------------------------|----------------------|-------------------------|----------------------|----------------------|
| Sales | 45,230 (36,927) | 19,977 (24,340) | 49,854 (54,360) | 91 (2,032) | 115,152 (117,659) |
| of which Germany | 13,287 (11,506) | 7,460 (9,299) | 28,874 (28,644) | 285 (2,110) | 49,906 (51,559) |
| European Union | 13,018 (10,801) | 3,654 (4,391) | 13,126 (14,612) | 0 (0) | 29,798 (29,804) |
| Other Europe | 988 (2,347) | 1,151 (1,554) | 2,224 (5,566) | 0 (0) | 4,363 (9,467) |
| NAFTA | 9,535 (9,047) | 3,724 (5,461) | 3,278 (1,382) | - 194 (- 78) | 16,343 (15,812) |
| South East/Pacific | 5,477 (2,377) | 2,495 (2,487) | 1,864 (4,036) | 0 (0) | 9,836 (8,900) |
| Others | 2,925 (849) | 1,493 (1,148) | 488 (120) | 0 (0) | 4,906 (2,117) |
| EBIT | 3,911 (- 1,862) | - 1,035 (- 2,426) | 1,698 (4,456) | - 540 (241) | 4,034 (409) |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 6,569 (1,390) | - 242 (- 1,437) | 3,409 (6,125) | 709 (1,577) | 10,445 (7,655) |
| Earnings from investments in associated and jointly controlled companies | - 442 (- 517) | 0 (0) | 0 (0) | 0 (0) | - 442 (- 517) |
| Result from other investments | 5 (35) | 0 (0) | 1 (2) | - 17 (- 231) | - 11 (- 194) |
| Research and development expenses | 2,609 (3,633) | 1,788 (2,387) | 2,221 (2,461) | 10 (- 163) | 6,628 (8,318) |
| Free cash flow (before income taxes) | 3,715 (660) | - 3,608 (2,368) | - 652 (- 888) | - 416 (- 2,667) | - 961 (- 527) |
| Working capital* | 47,605 (44,394) | 30,732 (31,612) | 102,931 (96,301) | - 5,230 (- 5,867) | 176,038 (166,440) |
| Order intake | 56,168 (41,894) | 40,367 (19,868) | 48,804 (46,404) | 240 (1,702) | 145,579 (109,868) |
| Tangible assets, investments properties and intangible assets* | 92,053 (92,590) | 16,867 (17,040) | 37,569 (38,066) | 105,839 (106,846) | 252,328 (254,542) |
| Investments excluding company acquisitions | 1,114 (1,278) | 322 (294) | 1,200 (1,352) | 279 (487) | 2,915 (3,411) |
| Depreciation and amortization | 2,658 (3,252) | 793 (989) | 1,711 (1,669) | 1,249 (1,336) | 6,411 (7,246) |
| Employees on annual average (without trainees) | 1,177 (1,340) | 631 (773) | 1,015 (1,036) | 133 (132) | 2,956 (3,281) |

* Previous year's figures as at December 31, 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST THREE MONTHS 2010.

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, 2010, 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 2009. 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 2009. The Annual Report can be called up on the Internet at www.jenoptik.com, on the Investors page under the heading Accounts & Presentations.

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

In the opinion of the Executive Board, this consolidated interim report includes all standard adjustments to be applied on an ongoing basis that are required to give a true and fair view of the development of the business of the company in the periods under report.

Companies included in consolidation.

The consolidated financial statements include 18 (prev. year 18) domestic and 8 (prev. year 10) foreign companies fully consolidated. 2 (prev. year 2) joint venture companies are included in the consolidation at equity or proportionally and 1 (prev. year 1) domestic associated companies is shown at equity.

Itemization of key items in the financial statements.

| TANGIBLE ASSETS in TEUR | 31.3.2010 | 31.12.2009 |
|---|----------------|----------------|
| Land and buildings | 89,047 | 89,753 |
| Technical equipment and machines | 36,634 | 38,303 |
| Other equipment, factory and office equipment | 20,202 | 21,119 |
| On-account payments and assets under construction | 4,108 | 2,968 |
| | 149,991 | 152,143 |

| INVENTORIES in TEUR | 31.3.2010 | 31.12.2009 |
|--------------------------------|----------------|----------------|
| Raw materials and supplies | 58,001 | 56,809 |
| Work in progress | 86,260 | 81,822 |
| Finished goods and merchandise | 14,225 | 16,034 |
| | 158,486 | 154,665 |

| ACCOUNTS RECEIVABLE AND OTHER ASSETS in TEUR | 31.3.2010 | 31.12.2009 |
|--|----------------|----------------|
| Trade accounts receivable | 74,938 | 70,873 |
| Receivables from construction contracts | 9,828 | 9,925 |
| Receivables from non-consolidated affiliated companies | 3,659 | 4,195 |
| Receivables from participating interests | 1,612 | 1,869 |
| Other assets | 14,022 | 16,378 |
| | 104,059 | 103,240 |

**NON-CURRENT FINANCIAL
LIABILITIES** in TEUR

| | 31.3.2010 | 31.12.2009 |
|---|----------------|----------------|
| Non-current bank liabilities | 146,437 | 154,396 |
| Non-current liabilities from finance leases | 3,667 | 3,822 |
| | 150,104 | 158,218 |

**CURRENT FINANCIAL
LIABILITIES** in TEUR

| | 31.3.2010 | 31.12.2009 |
|---------------------------------|---------------|---------------|
| Bank liabilities | 16,527 | 12,478 |
| Liabilities from finance leases | 971 | 1,054 |
| | 17,498 | 13,532 |

OTHER CURRENT LIABILITIES
in TEUR

| | 31.3.2010 | 31.12.2009 |
|---|----------------|----------------|
| Liabilities from on-account payments received | 23,913 | 23,848 |
| Trade account payable | 35,858 | 38,541 |
| Liabilities from construction contracts | 7,443 | 6,634 |
| Liabilities to affiliated companies | 1,863 | 2,136 |
| Liabilities to participating interests | 2,847 | 3,271 |
| Other current liabilities | 30,335 | 30,200 |
| | 102,259 | 104,630 |

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 2009.

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.

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.

Jena, May 6, 2010



Dr. Michael Mertin
Chairman of the
Executive Board

Frank Einhellinger
Executive Board Member

DATES 2010

MAY 11, 2010

Publication of the Interim Report
1st quarter 2010

JUNE 9, 2010

General Meeting of JENOPTIK AG 2010

AUGUST 12, 2010

Publication of the Interim Report
1st half 2010

NOVEMBER 11, 2010

Publication of the Interim Report
3th quarter 2010

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