JENOPTIK AG
Results of the first nine months 2014 and outlook

November 12, 2014

Dr. Michael Mertin, CEO
Rüdiger Andreas Günther, CFO

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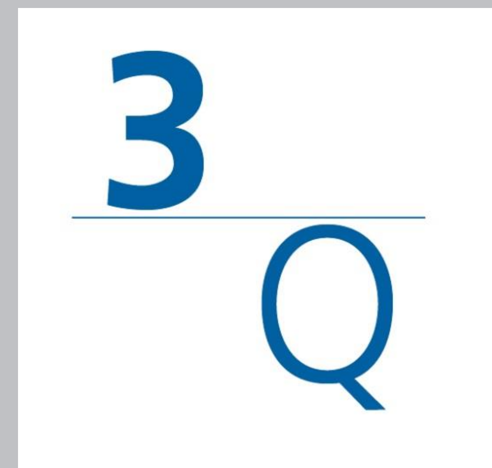

Challenging environment: framework conditions have become more difficult

Impacts on the business development

- Challenging economic framework conditions
  - Noticeable decline in investment good orders in Germany and Europe
  - Subdued demand from the automotive / machine construction and semiconductor equipment industry
  - Continuing positive trend in the medical technology market
- Political developments in the Ukraine and Russia as well as in the Middle East with adverse effects
- More stringent export regulations on national and European level

Further strategic steps successfully implemented

- Internationalization / customers
  - Revenue growth in Asia;
    transfer of projects from US to Asia
  - Winning of new key accounts, successful progress of projects in the area of medical technology/life sciences
  - New orders in the areas of lasers and energy systems
- Operational Excellence
  - Launched projects for the development of the Group continued according to plan, go-live of JOE in three divisions in Germany until now

Almost 64 percent of revenue was generated abroad; Strongest growth in the Asia/Pacific region

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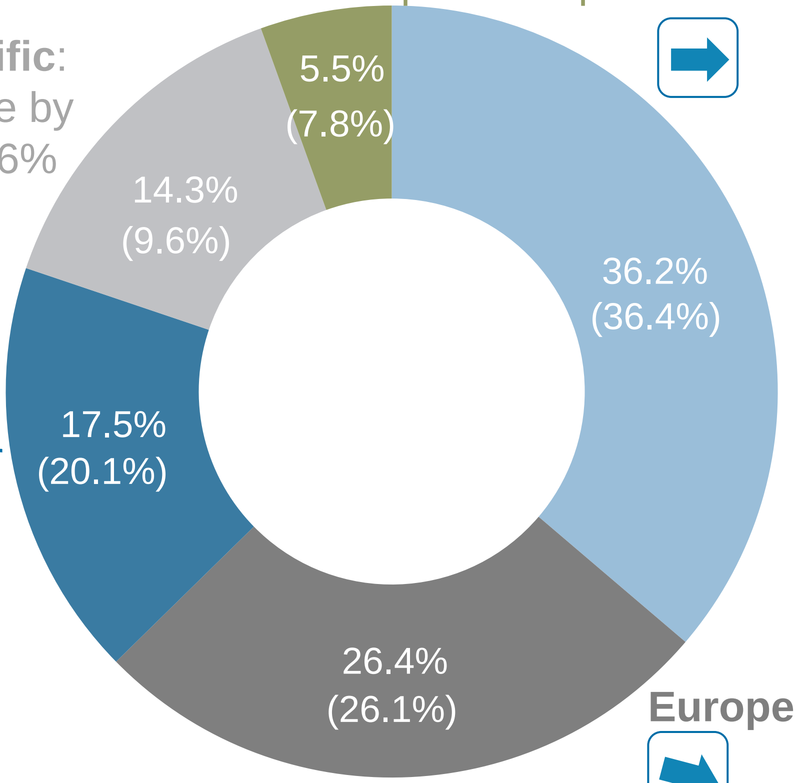
Revenue by region

(as at 30.09.2014 / prior year figures in brackets)

Trend order intake versus revenue

Middle East/Africa: development depends on individual projects

Asia/Pacific: strong rise by approx. 46%

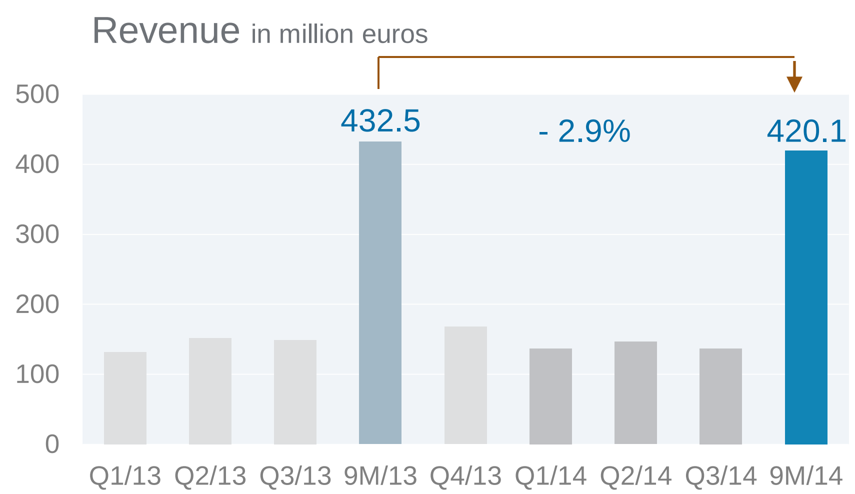


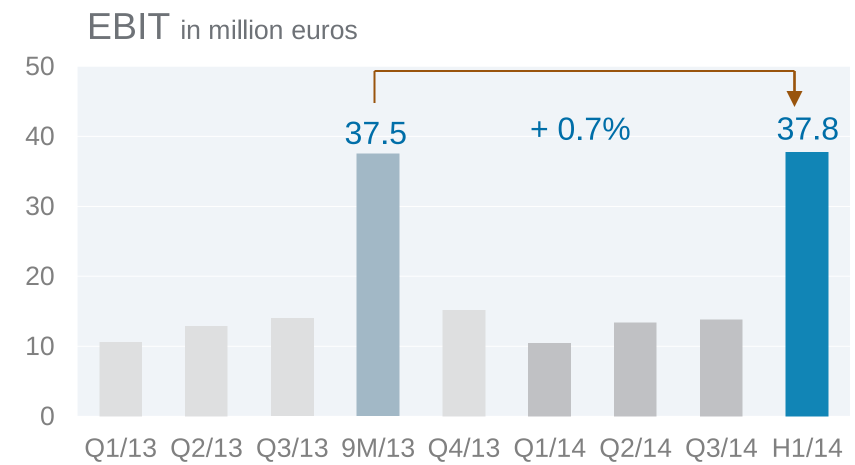
Germany: slight reduction in domestic demand

Americas: sharp reduction, among other things due to transfer of projects to Asia and lower demand from the automotive industry

Europe: stable development

Revenue slightly below prior year; profitability improved





- Slight reduction of revenue due to a difficult economic and political environment as well as postponements of orders and more stringent export regulations

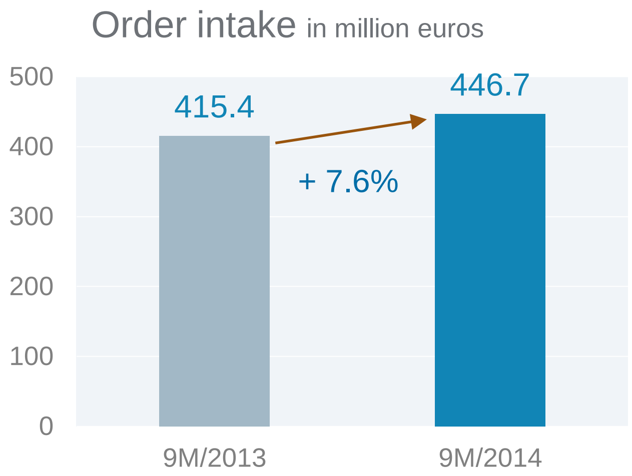
- Group EBIT at prior year level
- EBIT affected by:
  - Changed revenue mix and more efficient operative processes
  - 1.7 million euros from discontinued business division; prior year one-off effect in Defense & Civil Systems

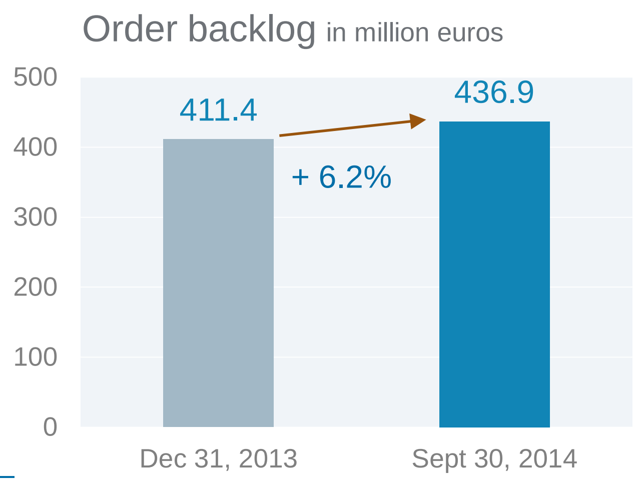
Income statement 9M/2014: EBIT margin improved to 9.0 percent

In million euros	9M/2014	9M/2013
Revenue	**420.1**	**432.5**
Gross margin	35.2%	34.6%
Functional costs	116.0	113.4
EBIT	**37.8**	**37.5**
EBIT margin	9.0%	8.7%
Financial result	- 4.7	- 3.9
Earnings before tax	**33.1**	**33.6**
Earnings after tax	28.2	29.1
Earnings per share	**0.49**	**0.51**

- Gross margin rose to 35.2% due to a changed revenue mix and improved operational excellence (Jenoptik Excellence Program)
- Functional costs almost stable
  - Administrative costs increased (expansion of key group functions, implementation of JOE, new international structures)
- EBIT margin improved to 9.0% (prior year 8.7%)
  - EBIT margin Q3/2014 solo: 10.1% (prior year 9.4%)
- Cash-effective tax rate of 12.8% (prior year 12.8%)

Substantial rise in order intake





- Order intake after nine months significantly higher than in previous year
  - Increase in all three segments
- Order intake exceeds revenue, book-to-bill ratio substantially improved to 1.06 (prior year 0.96)

- Order backlog rose by 25.5 million euros compared with the end of 2013
- Orders received as well as well-filled project pipeline create good conditions for growth in the coming fiscal year

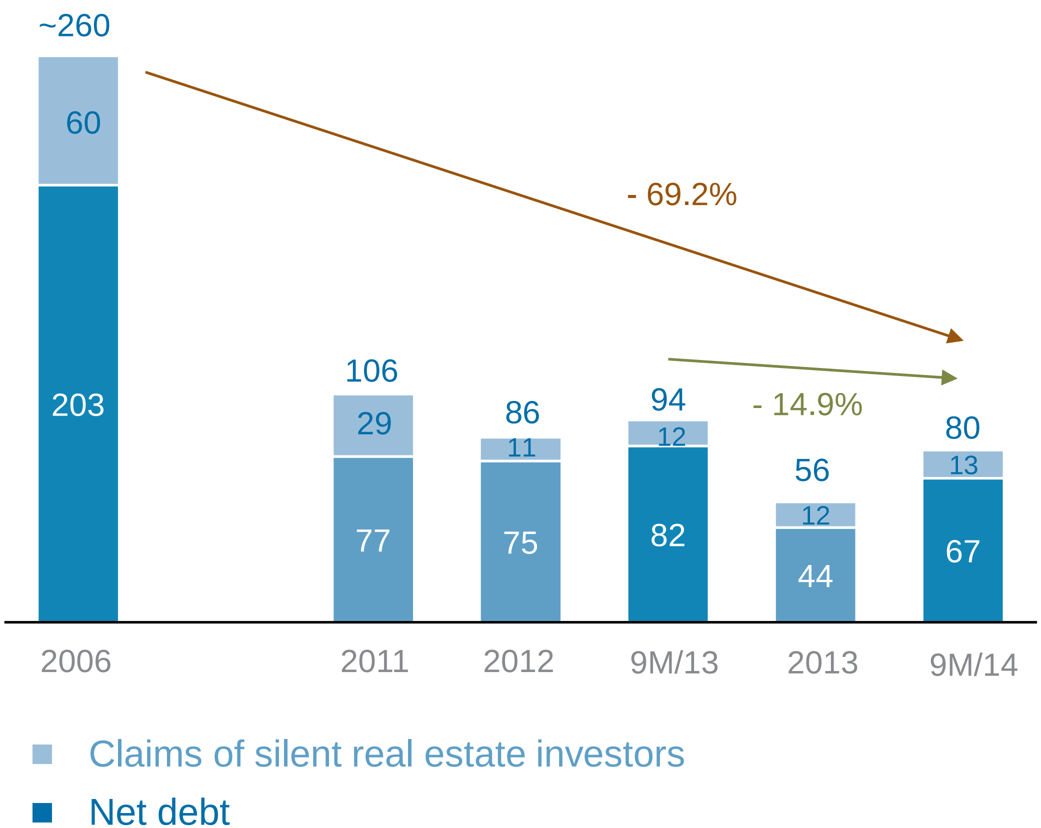
Cash flow statement: Increase in working capital and higher investments affect free cash flow

In million euros	9M/14	9M/13
Operating profit before working capital changes	52.5	53.8
Changes in working capital and other items	- 37.5	- 33.2
Cash flow from operating activities before taxes	15.0	20.5
Cash flow from operative investing activities (tang. + intang. assets)	- 17.7	- 15.3
Free cash flow (before interests and taxes)	- 2.7	5.2

- Cash flow from operating activities in Q3 solo: 24.3 million euros (prior year 5.0m euros)
- Working capital rose to 228.7 million euros (31.12.2013: 195.6m euros)
  - Inventories increased by approx. 24.3 million euros as a result of upfront expenses for revenue in subsequent periods
  - Reduction in trade payables
  - Working capital ratio came to 37.6% and was below the figure in the previous year (prior year 38.4%)
- Free cash flow was affected in particular by changes in working capital and higher investments

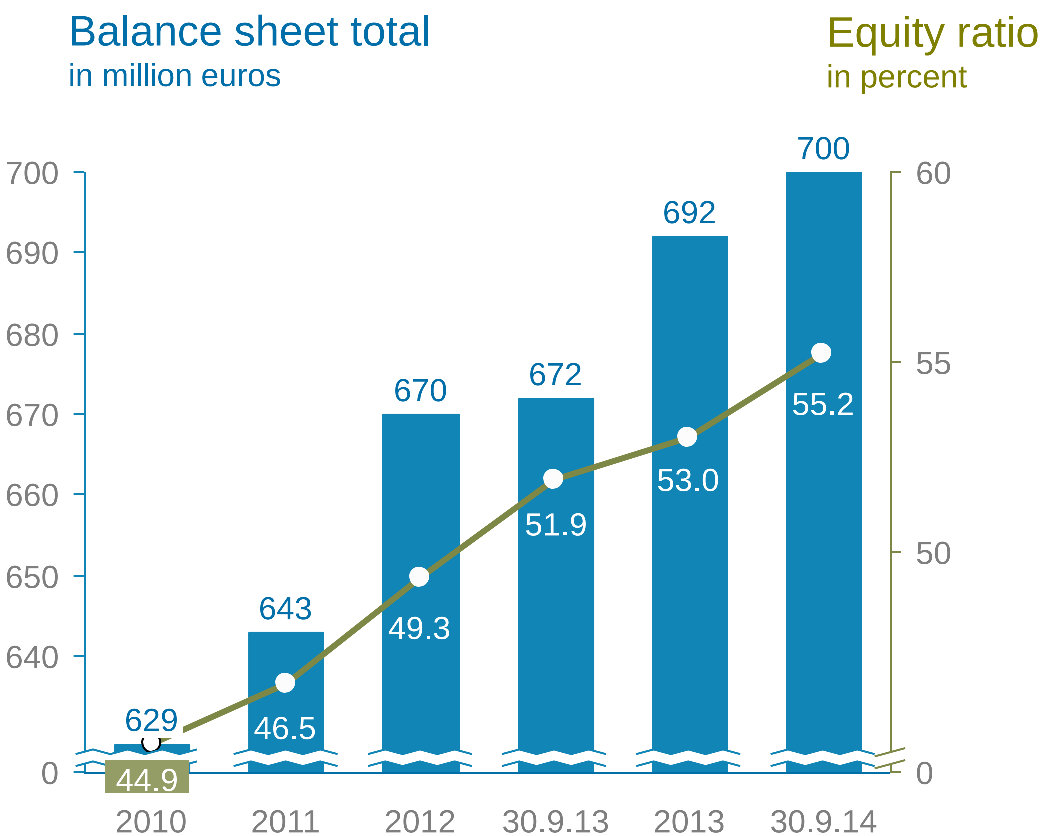
Target remains to further reduce net debt in the mid to long term

in million euros



- Net debt substantially lower than the comparable prior-year figure
- Affected during the year by:
  - Use of resources to increase working capital
  - Payment of dividend
  - Payment of variable salary components
- Planned exit of the last silent real estate investor at the beginning of 2015

Continuous improvement in equity base



- Equity ratio has continuously risen as a result of the positive earnings development
- Good equity base enables flexible and independent financing of major investments and thus future growth

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Lasers & Optical Systems achieved revenue and earnings growth also after nine months

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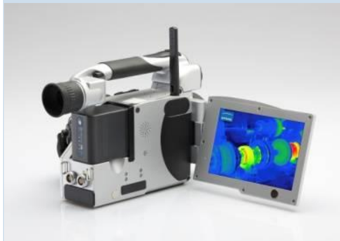
Revenue: 420.1m euros
EBIT: 37.8m euros
(as at 30.9.2014)

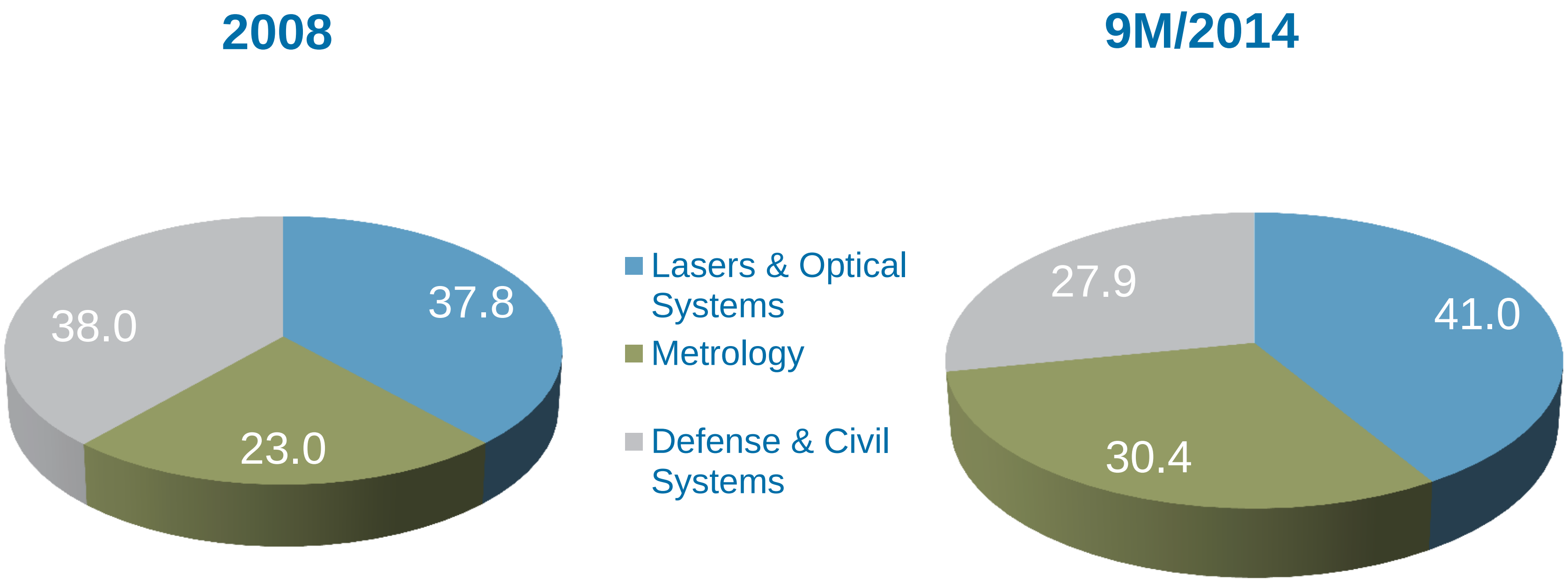
Jenoptik Group

Lasers & Optical Systems	Metrology	Defense & Civil Systems
41.0% of revenue	30.4% of revenue	27.9% of revenue

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

Technology competence in optoelectronics,
joint use of distribution networks and shared services

Strategic Group development prioritizes growth markets of the future

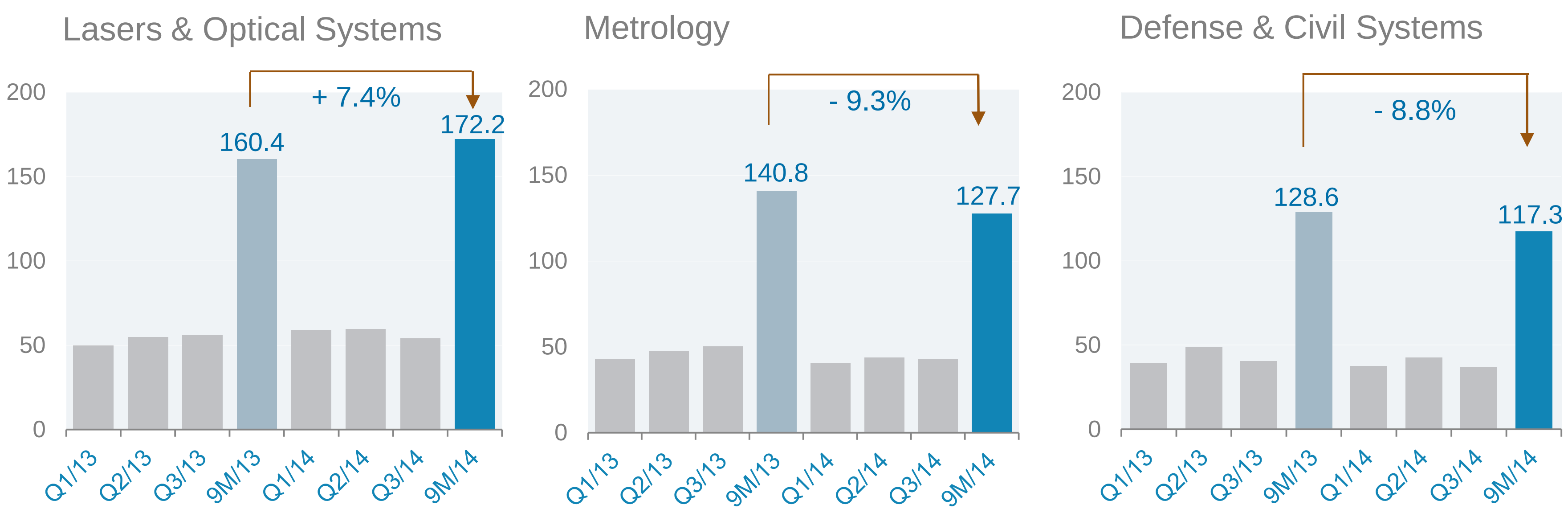


Share of the segments
in Group revenue in percent

- Revenue share of Lasers & Optical Systems as well as Metrology segments has constantly grown
- Strategic focus of growth on future markets of optoelectronics

Lasers & Optical Systems segment increased revenue; All three segments showed growth in the Asia/Pacific region

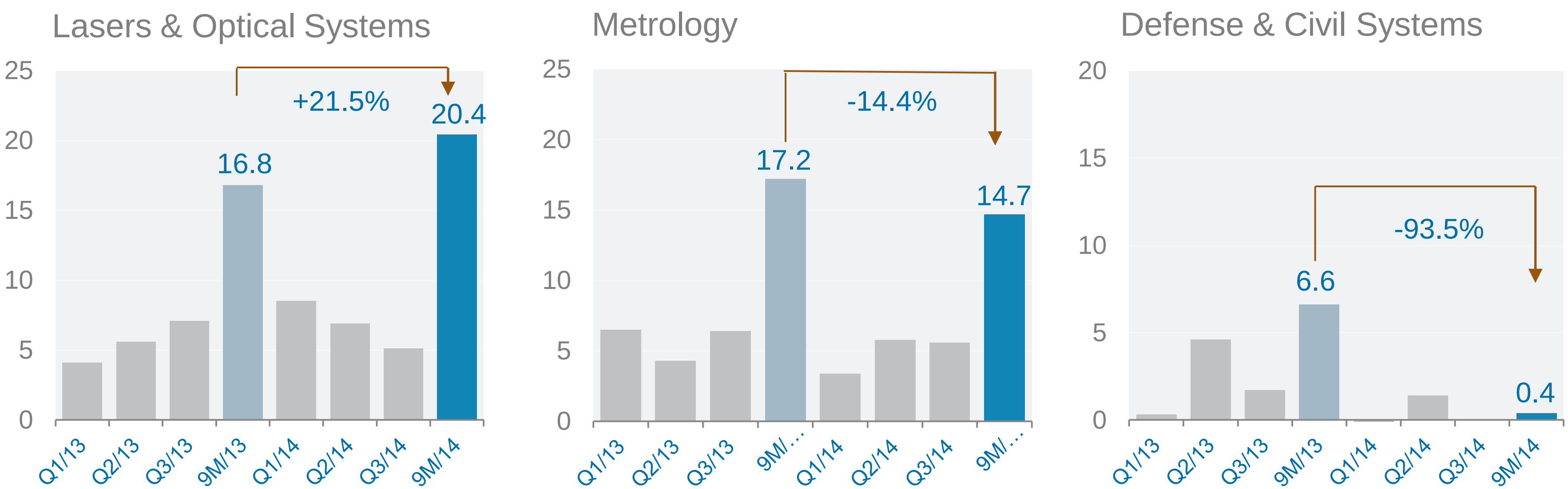
Revenue (in million euros)



- **Lasers & Optical Systems**: marked rise in revenue, in part due to good project starts in the area of medical technology & life sciences and stronger demand for laser machines for plastics processing, reduction in revenue with semiconductor equipment industry in Q3
- **Metrology**: decline in revenue as a result of restrained investments in the field of industrial metrology as well as tighter export restrictions
- **Defense & Civil Systems**: postponement and expansion of time frames of projects in the area of energy systems as well as export restrictions

Lasers & Optical Systems showed substantial earnings growth after nine months

EBIT (in million euros)

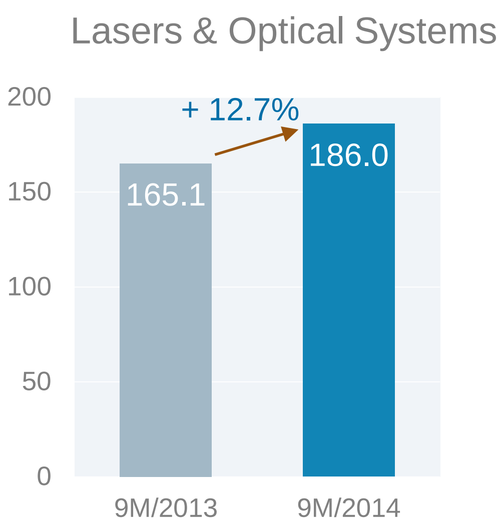


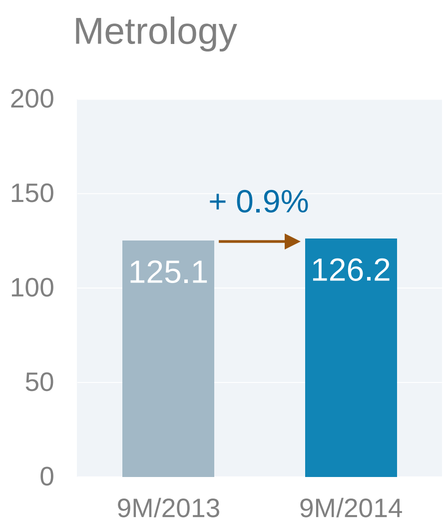
EBIT margin: 11.9% (2013: 10.5%) EBIT margin: 11.5% (2013: 12.2%) EBIT margin: 0.4% (2013: 5.1%)

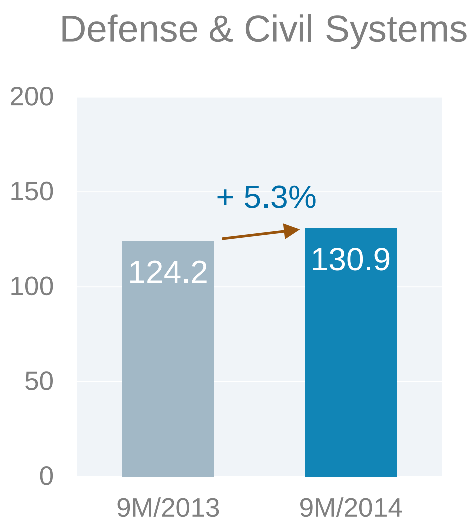
- **Lasers & Optical Systems:** as a result of the good development of revenue and the improved product mix EBIT increased significantly
- **Metrology:** restrained revenue development in industrial metrology resulted in EBIT decline
- **Defense & Civil Systems:** project-related product mix with weaker margins; H1/2013 positive one-off effect

Good order position creates stable basis for future development

Order intake (in million euros)







- **Lasers & Optical Systems:** marked rise in order intake; book-to-bill ratio rose to 1.08
- **Metrology:** several orders for stationary and mobile traffic monitoring received (among other things from Kuwait, Singapore, Netherlands); book-to-bill ratio at 0.99
- **Defense & Civil Systems:** orders for military stabilization systems received; book-to-bill ratio climbed to 1.12

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October 2014: Revenue and earnings forecast for the current fiscal year revised

	2013		2014e
Group revenue	600.3 million euros	→	At level of prior year
Group EBIT	52.7 million euros	→	Approx. 50 million euros

- Prerequisites for forecast:
  - A major international order in the Defense & Civil Systems segment can be completed by the end of the year
  - Uncertainties in the defense business will not increase over the coming weeks
- Reasons for the adjustment: subdued demand from the machine construction, automotive and semiconductor equipment industry as well as project postponements and more stringent export restrictions

2014: Subdued demand, project postponements and more stringent export restrictions have negative impact on business

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Lasers & Optical Systems

- Subdued demand from semiconductor equipment industry
- Rising sales with other industries, e.g. life sciences/ medical technology and automotive industry
- Further expansion of systems business

Revenue growth of between 5 und 10 percent

Metrology

- Globally growing demand for more efficient drives and the necessary measuring technology
- Execution of major inter-national orders in the area of traffic safety
- After strong increase in last two years development in industrial metrology is restrained at the moment

Revenue slightly lower than last year

Defense & Civil Systems

- Long-term major orders ensure stable business development
- Short-term project delays from 2014 into 2015 are possible
- Internationalization, costs for market entry in USA and Eastern Europe
- Stronger focus on civil applications, e.g. energy supply, train technology

Revenue at prior year level
(depending on major internat. order)

Our target: to continue profitable growth

„From Good to Great“

Our mid-term targets

- Revenue of 800 million euros by 2018 (including smaller acquisitions), of which more than 40 percent in Asia and America
- EBIT margin of 9-10 percent over the cycle

External factors may affect development:

- Economic trend
- More stringent export restrictions in Germany
- Uncertainty regarding the developments in Ukraine/Russia and Middle East continues

However, positive development in Asia and US expected; Europe (incl. Germany) remains under pressure due to political situation in Eastern Europe

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Dates 2014 and contact

November 12	Results of first nine months 2014, conference call
November 13	LBBW German Technology & Engineering Conference, London
November 14	Roadshow Tübingen / Stuttgart
November 19	Roadshow Paris
November 26	Eigenkapitalforum Deutsche Börse, Frankfurt am Main
November 27	Roadshow Luxembourg
December 10	Close Brother Seydler Mid Cap Conference, Geneva

Thomas Fritsche
JENOPTIK AG

Head Investor Relations
Phone: +49 (0)3641-652291
thomas.fritsche@jenoptik.com

Dr. Michael Mertin
President & CEO
JENOPTIK AG

Rüdiger Andreas Günther
CFO
JENOPTIK AG

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