JENOPTIK

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Interim Financial Report of the Jenoptik Group (UNAUDITED)

JANUARY TO SEPTEMBER 2015

At a glance – Jenoptik Group

in million euros	Jan. - Sept. 2015	Jan. - Sept. 2014	Change in %	July - Sept. 2015	July - Sept. 2014	Change in %
Revenue	487.7	420.1	16.1	171.5	136.9	25.3
Lasers & Optical Systems	183.2	172.2	6.4	64.0	54.1	18.2
Metrology	148.8	127.7	16.5	51.4	43.1	19.2
Defense & Civil Systems	154.7	117.3	31.8	55.0	37.2	47.8
Others[1]	1.0	2.9		1.1	2.4	
EBITDA	63.8	54.1	18.0	25.1	19.8	26.6
Lasers & Optical Systems	24.7	26.9	-7.8	8.8	7.3	21.4
Metrology	18.0	17.7	1.6	7.9	6.7	18.5
Defense & Civil Systems	16.3	4.2	289.2	7.8	1.2	535.5
Others[1]	4.8	5.3		0.6	4.7	
EBIT	44.3	37.8	17.2	17.7	13.8	28.3
Lasers & Optical Systems	17.7	20.4	-13.4	6.3	5.1	25.1
Metrology	12.5	14.7	-15.5	6.0	5.6	8.3
Defense & Civil Systems	12.4	0.4		6.4	0.0	
Others[1]	1.7	2.2		-1.0	3.2	
EBIT margin	9.1%	9.0%		10.3%	10.1%	
Lasers & Optical Systems	9.7%	11.9%		9.9%	9.4%	
Metrology	8.4%	11.5%		11.8%	12.9%	
Defense & Civil Systems	8.0%	0.4%		11.6%	-0.1%	
Earnings before tax	41.3	33.1	24.8	16.5	12.3	34.0
Earnings after tax	34.1	28.2	20.7	13.9	10.4	34.5
Earnings per share in euros	0.59	0.49	20.2	0.24	0.18	35.5
Free cash flow	28.6	-2.7	1,172.0	20.2	22.0	-8.4
Order intake	479.0	446.7	7.2	145.3	132.2	9.9
Lasers & Optical Systems	180.6	186.0	-2.9	55.3	60.7	-9.0
Metrology	159.6	126.2	26.5	46.9	41.3	13.5
Defense & Civil Systems	138.7	130.9	6.0	41.3	27.8	48.7
Others[1]	0.1	3.7		1.8	2.4	

	Sept. 30, 2015	Dec. 31, 2014	Sept. 30, 2014
Order backlog (in million euros)	403.2	422.5	436.9
Lasers & Optical Systems	98.8	100.8	107.2
Metrology	78.5	77.2	71.8
Defense & Civil Systems	228.1	245.9	259.7
Others[1]	-2.2	-1.4	-1.8
Employees (incl. trainees)	3,542	3,553	3,532
Lasers & Optical Systems	1,350	1,377	1,391
Metrology	1,022	1,030	987
Defense & Civil Systems	890	885	899
Others[1]	280	261	255

[1] Others includes holding, shared service center, real estate and consolidation.

Please note that there may be rounding differences as compared to the mathematically exact amounts (monetary units, percentages, etc.) in this report.

Summary of the months January to September 2015

- Jenoptik achieved a new revenue record of 487.7 million euros in the reporting period (prior year 420.1 million euros). Growth in all three segments, with main revenue increases seen in Europe and Americas. Asia showed a slight growth.
  See Earnings and Order Situation – from page 8.

- EBITDA rose 18.0 percent to 63.8 million euros (prior year 54.1 million euros); income from operations (EBIT) was up 17.2 percent to 44.3 million euros (prior year 37.8 million euros). Earnings after tax grew to 34.1 million euros, well above prior-year figure of 28.2 million euros.
  See Earnings and Order Situation – page 8.

- Group financing reorganized – the syndicated loan was increased and extended, and new debenture loans were issued. The equity ratio improved to 55.7 percent. The free cash flow rose considerably to 28.6 million euros (prior year minus 2.7 million euros).
  See Financial and Asset Position – page 10.

- At 479.0 million euros, order intake was significantly above prior-year figure (prior year 446.7 million euros). The high revenue produced a book-to-bill ratio of 0.98 (prior year 1.06).
  See Earnings and Order Situation – page 8.

- Lasers & Optical Systems segment: Revenue rose by 6.4 percent. Due to a lower margin in the product mix, the EBIT margin was down to 9.7 percent compared to 11.9 percent in prior year.
  Metrology segment: Revenue and order intake were significantly improved. EBIT declined due to a weak traffic safety market in the US, and was also affected by depreciation effects arising from acquisitions.
  Defense & Civil Systems segment: Main driver of revenue and earnings of the Group.
  See Segment Reporting – from page 12.

- The Jenoptik Executive Board is narrowing its 2015 forecast range with publication of the report on the first nine months of the year. It is now expecting Group revenue in the 2015 fiscal year to come in at between 660 and 680 miilion euros (prior year 590.2 million euros).
  The EBIT margin will reach at least 9.0 percent (prior year 8.7 percent).
  See Forecast Report – page 17.

1 Business and Framework Conditions

1.1 Group Structure and Business Activity

The Jenoptik Group operates in three segments
- Lasers & Optical Systems,
- Metrology as well as
- Defense & Civil Systems.

The Group has several sites in Germany and is represented in over 80 countries around the world.

Jenoptik is a globally operating integrated photonics group and a supplier of high-quality capital goods. The Group is thus primarily a partner for industrial companies. In the Metrology and Defense & Civil Systems segments, Jenoptik is also a supplier to the public sector, in part indirectly through system integrators.

The product portfolio comprises OEM and standard components, modules and subsystems, and extends to cover complex systems and production lines. It also covers full-service solutions and operator models, comprising the integration of systems and facilities and their corresponding networks as well as project management, data processing and after-sales.

Our key markets primarily include the semiconductor equipment industry, medical technology, machine construction/automotive, traffic, aviation and security and defense technology.

1.2 Targets and Strategies

To promote sustainable and profitable growth, we continued to make further headway in the Jenoptik Group's core strategic themes of internationalization, innovation and operational excellence.

We are working to achieve our growth strategy by
- realigning our segments with growth markets and megatrends,
- continuing our excellence program with extended focus,
- consistently working on our process of internationalization, together with greater vertical integration in the growth regions of Americas and Asia/Pacific and
- further boosting our financial strength.

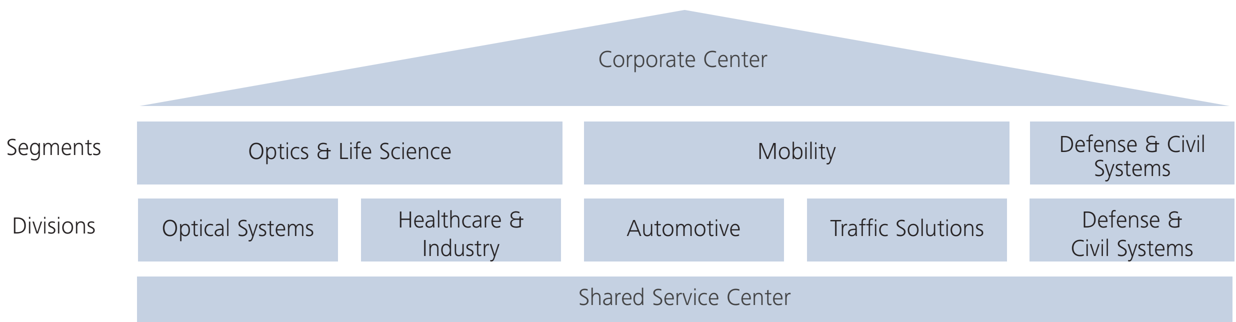
We want to enhance our organic growth with acquisitions.

In 2015, we pushed on with work to better align the Group's organizational structure with our objectives. Business operations within the segments are also being reorganized and thus better targeted at growth markets such as the medical technology, automotive and semiconductor equipment sectors. The new structure will come into force on January 1, 2016 (see chart below).

The reorganization of our long-term financing in the spring of 2015 marked a key step on the road to boosting our financial strength. New debenture loans were issued and our existing syndicated loan was extended and increased.

In the first half-year of 2015, the consolidation of the Industrial Metrology and Laser Processing Systems business units' sites in the US enhanced our position on the important North American market.

For more information on the strategic trajectory of the Jenoptik Group, we refer to the 2014 Annual Report published in March 2015 and the details given in the "Targets and Strategies" section from page 46 on.



1.3 Development of the Capital Market and the Jenoptik Share

A noticeable slowdown was seen on the global stock markets in the third quarter of 2015 – on the back of price rises in the first quarter and a sideways trend in the second quarter. In particular, weak Chinese growth figures published in mid-August were instrumental in setting off the negative price movements and increasing volatility that followed. Worries about weaker growth in emerging markets, chief among them Brazil, and uncertainty regarding a forthcoming interest rate rise by the US Federal Reserve exacerbated this trend.

By contrast, favorable financing costs, low energy prices and the European Central Bank's monetary policy, involving a bond purchasing program worth 60 billion euros that started in March, all helped to stimulate economic activity in the first nine months of 2015.

Following a sharp rise in the first quarter and patchy development in the following months, the Dax fell significantly in the third quarter. It reached a new all-time high of 12,391 points on April 10, later the factors mentioned above, together with emissions scandal at Volkswagen, exerted strong downward pressure on prices from the middle of August. At the end of trading on September 30, 2015, Germany's benchmark index was at 9,660 points, a year-to-date fall of 1.1 percent. The TecDax, by contrast, performed better, moving from an initial 1,382 points to a new high of 1,840 in July 2015. At the end of trading on September 30, the TecDax was at 1,748 points, an increase of 26.5 percent.

In the first nine months of the year, the Jenoptik share saw volatile performance in line with the overall market. Since mid-June, however, its price has risen sharply. From the start of the year, it rose from 10.60 euros to 12.67 euros on September 30, 2015, an increase of 19.6 percent. In the period covered by the report, the total shareholder return was 21.4 percent (prior year minus 25.3 percent). The share hit its lowest closing price in the reporting period, 10.22 euros, on January 07, 2015. On March 16, 2015, the Jenoptik share climbed to 13.43 euros, its highest Xetra closing price in the first nine months, and went on to reach a new high of 15.00 euros on November 2. On October 30, the share closed on Xetra trading at 14.69 euros, equating to an increase of around 39 percent in the first ten months of the current year.

By the end of October 2015, Jenoptik had received several notifications of voting rights, for example from Templeton Investment Counsel LLC, which increased its stake in Jenoptik to 3.08 percent. Since May 2015, Dimensional Fund Advisors LP has held 3.01 percent of Jenoptik's shares. Oddo Asset Management increased its holdings in Jenoptik to 3.02 percent in July, while Norges Bank reduced its stake in the company to 2.63 percent in July. On March 31, 2015, our longstanding major shareholder, ECE Industriebeteiligungen GmbH, also sold the entirety of its remaining investment holdings in Jenoptik, amounting to a 10.48 percent stake, as part of an accelerated book building process. The free float increased from 74.99 to 89.0 percent following the replacement of shares. With an 11.0 percent stake, Thüringer Industriebeteiligungen GmbH & Co. KG is our largest shareholder.

In the last twelve months (LTM), the liquidity of the Jenoptik share on the German stock exchanges increased sharply on the equivalent prior period. Through the end of September 2015, an average of 231,581 shares were traded per day, an increase of 68 percent (prior year 137,501). According to the stock exchange turnover rankings compiled by Deutsche Börse Group on September 30, 2015, Jenoptik

EARNINGS PER SHARE

	1/1/ to 30/9/2015	1/1/ to 30/9/2014
Net profit in thousand euros	33,918	28,207
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.59	0.49

Earnings per share are the net profit divided by the weighted average number of shares outstanding.

JENOPTIK KEY SHARE FIGURES

	1/1/ to 30/9/2015	1/1/ to 30/9/2014
Closing share price (Xetra) on 30/9/ in euros	12.67	8.91
Highest share price (Xetra) in euros	13.43	13.61
Lowest share price (Xetra) in euros	10.22	8.82
Market capitalization (Xetra) on 30/9/ in million euros	725.2	510.0
Average daily trading volume in shares (LTM)[1]	231,581	137,501

[1] Source: Deutsche Börse

was in 20th place (prior year 23rd), and was 19th (prior year 22nd) in terms of free float market capitalization. Market capitalization rose considerably to 725.2 million euros on September 30, 2015 (prior year 510.0 million euros).

At the 17th Annual General Meeting in Weimar on June 3, 2015, the shareholders agreed to pay out a dividend of 0.20 euros per share, among other things (prior year 0.20 euros). On the basis of the total dividend paid in the sum of 11.4 million euros, the payout ratio increased to 27.5 percent of 2014 Group earnings after tax (prior year 24.3 percent). Based on the closing price of 11.27 euros on the date of the Annual General Meeting, the dividend yield was 1.77 percent.

In the first nine months of 2015, the Jenoptik management presented the company to investors and analysts at banking conferences in Berlin, Frankfurt/Main, Boston, Munich, New York and Warsaw, and at roadshows in Copenhagen, Edinburgh, Hamburg, Helsinki, London, Lugano, Vienna and Zürich.

Jenoptik's Capital Market Days in October 2015 marked a further key event at which the Executive Board and members of top management explained the Group's development and prospects to analysts and investors. On a factory tour, guests were given the opportunity to become acquainted with the products manufactured by the Group.

Sixteen research institutes and banks have been issuing regular reports on Jenoptik since the start of 2015. Metzler Capital Markets started to cover the share for the first time in June. The analysts recommended either buying or holding the Jenoptik share. The average price target issued by all analysts combined at the time the report was prepared was 14.13 euros.

1.4 Development of the Economy as a whole and of the individual Jenoptik Sectors

In view of weak development in key emerging markets, the **global economy** has shown only moderate growth in the year to date. Disquiet on the financial markets, especially China, prompted the US Federal Reserve to keep the key interest rate in the US at a record low level. The International Monetary Fund (IMF) has warned central banks around the world not to undertake premature interest rate rises. In August, China's central bank devalued the national currency to help stabilize exports.

The **US economy** grew more strongly in the second quarter of 2015 than had previously been expected. The Department of Commerce (DoC) raised its original gross domestic product (GDP) estimate from 2.3 percent to 3.9 percent (annualized figure). Underlying this change of heart was a sharp rise in consumer spending on the back of positive developments in the labor and real estate markets. For the third quarter, the initial estimate of the DoC is a growth rate of 1.5 percent.

The economic mood in the **euro zone** showed few signs of improvement in the first half-year. Following growth of 0.5 percent in the first quarter, GDP grew just 0.4 percent from April to June, according to Eurostat, the continent's statistical office. There was disappointment at stagnation in France, while Greece, at 0.8 percent, performed even better than Germany. The purchasing managers' index compiled by Markit provided initial indication for the third quarter: in September, it again revealed a negligible fall in the industrial sector but was still far above the crucial figure of 50 points.

The purchasing managers' indices for **Germany** remained stable in the positive range in the third quarter. A number of other indicators were far below expectations: in August, exports were down 5.2 percent on the prior month, five times more than forecast. Industry received 1.8 percent fewer orders than in July, with positive stimuli coming only from the euro zone. Industrial production also showed a 1.2 percent drop on the prior month.

In the third quarter of 2015, **Chinese economy** again grew with relatively sluggish momentum. Economic output increased just 6.9 percent on the same period in the prior year. Weakness is being seen almost across the board: industrial production grew by less than 6 percent; exports fell 8.8 percent, imports 17.7 percent. Between January and July, business capital spending was at its lowest level for 15 years. The purchasing managers' index for the manufacturing industry also fell further below the key threshold of 50 points each month (September: 47).

The World Market Index for Optical Technologies now also including photonics, is a barometer of trends in the **photonics industry**. Prepared by the German industry association Spectaris, it analyzes the development of revenue of 15 international photonics companies, including Jenoptik. In the second quarter of 2015, the index rose almost 3 percent on the same quarter in the prior year. German photonics exports increased 7.3 percent in the first half-year.

In the World Market Index for **medical technology,** Spectaris analyzes the development of revenue at 13 international companies in the sector. In the second quarter of 2015, this index rose 8.5 percent on the prior-year period and at 117.3 points achieved a new record high for a second quarter. Exports by German manufacturers rose a good 11 percent in the first half-year.

To date, the Semiconductor Equipment and Materials International (SEMI) trade association has only published revenue figures in the **semiconductor equipment industry** for the second quarter: At 9.4 billion US dollars, global revenue was 1 percent below the prior quarter and 2 percent below the figure in the prior year.

According to the Semiconductor Industry Association (SIA), the global **semiconductor industry** generated 85.2 billion US dollars in the third quarter of 2015, 1.5 percent more than in the prior quarter. However, as a result of currency devaluation and a slightly declining demand revenue fell by 2.8 percent compared with the same quarter in the prior year.

According to the **German Engineering** Federation order intakes in the first nine months were almost 1 percent lower than in the previous year, as the decrease in China could so far be compensated by increases in traditional industrialized countries. The high order intake in July (18 percent) was attributed to major domestic orders. But as a result of the unfavorable conditions in global markets the figures fell in August and September below the high figures of the prior year.

The **machine tool industry** posted a stable balance sheet for the first half-year of 2015, according to the Association of German Machine Tool Manufacturers (VDW). Following a downward trend in the first quarter, orders picked up in the second quarter, with the result that the order intake – and revenue – stagnated overall in the first six months, not least also due to a strong prior-year period. Business in South-East Asia was the key driver of growth, while demand from the US has to date been disappointing.

According to the German Association of the **Automotive Industry** (VDA), the major automobile markets of Western Europe, the US and China continued to show healthy development through the end of September 2015: around 5 percent more new registrations in China and the US, almost 10 percent more in western Europe. The markets in Russia, Brazil and Japan, by contrast, remained far below prior-year figures.

A joint study conducted by consulting firm McKinsey and the European Association of Automotive Suppliers Clepa, which was published in September 2015, sees the global supplier industry on a solid financial footing. Since 2007, revenue in the industry has increased 6 percent year-on-year; the EBIT margin rose from 0.3 percent to 6.8 percent in 2014.

In Germany, the number of road deaths has fallen 16 percent since 2011 according to a mid-term review conducted by the Federal Ministry of Transport on the effects of the "**Road Safety** Program 2020" issued in early October 2015. The program aims to reduce the number of deaths on the roads by 40 percent by 2020. In the first half-year of 2015, the number increased 1.4 percent on the prior year to 1,593 persons, according to the Federal Statistical Office.

October saw the German Federal Ministry for Economic Affairs and Energy publish its Armaments Export Report on the **German security and defense technology industry** industry in the first half-year of 2015. Individual export authorizations were worth 3.5 billion euros, almost as much as in the entire prior year (prior year 3.97 billion euros). A large proportion of the authorizations were granted for a submarine for Israel and tanker aircraft for the UK.

No important new reports were published for the other sectors in the third quarter of 2015. We therefore refer to the details on pages 64 ff. of the 2014 Annual Report and the interim reports for 2015.

2 Earnings, Financial and Asset Position

The tables in the Management Report, which show a breakdown of the key indicators by segment, include the Corporate Center, the Shared Service Center, real estate and consolidation effects under “Others”.

2.1 Earnings and Order Situation

Development of revenue. Over the cumulative reporting period, Jenoptik generated revenue of 487.7 million euros, its highest nine-month figure in recent years (prior year 420.1 million euros), and thus achieved growth of 16.1 percent compared to the prior year. Group revenue for the quarter, at 171.5 million euros, also surpassed the figures in recent years. Growth was seen in all three segments.

At the end of the September 2015, the share of revenue generated abroad rose to 67.9 percent (prior year 63.8 percent). Compared to the first nine months of 2014, revenue in Europe (excluding Germany) grew strongly by approximately 28 percent to 142.3 million euros (prior year 111.0 million euros), primarily due to acquisitions in the traffic safety sector. The Metrology segment here increased its total revenue by around 69 percent. In the Americas, Group revenue also showed a marked improvement of 37 percent, due to a growth in demand in the area of optical systems, project-related settlements on major orders and currency effects.

Development of earnings. In the first nine months of 2015, Group EBITDA rose by 18.0 percent to 63.8 million euros (prior year 54.1 million euros), and thus at a higher rate than revenue.

With improved revenue, income from operations (EBIT) also increased more than 17 percent to a new record of 44.3 million euros (prior year 37.8 million euros). This allowed the Group to improve the solid quality of earnings of the half-year. Earnings in the period covered by the report were positively influenced by a changed revenue mix and the settlement of a major project in the Defense & Civil Systems segment. The EBIT margin of 9.1 percent was marginally up on the prior-year level (prior year 9.0 percent).

The financial result improved to minus 3,0 million euros (prior year minus 4.7 million euros), mainly influenced by reduced interest expenses due to the payment of liabilities and positive currency effects.

This growth in EBIT and the improved financial result allowed the Group to also achieve higher earnings before tax than in the prior year of 41.3 million euros (prior year 33.1 million euros). Income taxes increased to 4.7 million euros (prior year 4.2 million euros). The cash effective tax rate was thus 11.5 percent (prior year 12.8 percent). Deferred tax expenses rose sharply in connection with a real estate sale, to 2.5 million euros (prior year 0.6 million euros). Earnings after tax grew to 34.1 million euros, up on the prior-year figure of 28.2 million euros.

Order situation. At 479.0 million euros, the order intake of the Jenoptik Group in the first nine months of 2015 was 7.2 percent higher than the prior-year figure (prior year 446.7 million euros). On the back of the acquisition of Vysionics and a higher order intake in the industrial metrology sector, the Metrology segment posted a substantial increase. The Defense & Civil Systems segment also boosted its order intake compared to the prior year, while the Lasers & Optical Systems segment remained below the prior-year level.

The book-to-bill ratio, that of order intake to revenue, was 0.98 and thus below the level of the prior year due to the stronger growth in revenue (prior year 1.06).

REVENUE

in million euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	Change in %
Total	487.7	420.1	16.1
Lasers & Optical Systems	183.2	172.2	6.4
Metrology	148.8	127.7	16.5
Defense & Civil Systems	154.7	117.3	31.8
Others	1.0	2.9	

EBIT

in million euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	Change in %
Total	44.3	37.8	17.2
Lasers & Optical Systems	17.7	20.4	-13.4
Metrology	12.5	14.7	-15.5
Defense & Civil Systems	12.4	0.4	
Others	1.7	2.2	

At 403.2 million euros, the Group order backlog fell short of the figures in the prior year (31/12/2014: 422.5 million euros / 30/9/2014: 436.9 million euros). Of this order backlog, 37.2 percent will be recognized as revenue in the present fiscal year (prior year 36.2 percent).

Detailed information on the development of the segments can be found in the Segment Reporting from page 12 on.

2.2 Explanation of Key Items in the Statement of Comprehensive Income

The **cost of sales** rose, almost proportionately to revenue, by 16.9 percent to 318.1 million euros (prior year 272.1 million euros). It was in part influenced by a change in the product mix. The gross margin consequently fell slightly to 34.8 percent (prior year 35.2 percent).

Research and development expenses, key indicators of the Group's future performance and competitiveness, remained at a high level. The **R+D total output** came to 37.8 million euros following 36.4 million euros in the comparable period of the prior year, equating to 7.8 percent of revenue (prior year 8.7 percent). The indicator includes the R+D expenses, development costs on behalf of customers and amortization of the capitalized development costs that are included in assets. The costs are apportioned according to the contract structure and are thus dependent upon individual orders or projects. Development costs on behalf of customers in the period covered by the report totaled 7.9 million euros (prior year 8.1 million euros) and are included in the cost of sales. Group R+D expenses came to 30.9 million euros at the end of the third quarter of 2015 and were thus higher than the figure for the prior year (prior year 28.5 million euros).

Jenoptik pushed on with its expansion of international activities in the first nine months of 2015, which was also reflected in its **selling expenses**. The latter increased to 56.7 million euros (prior year 50.4 million euros); the selling expenses ratio, at 11.6 percent, was slightly down on the prior year (prior year 12.0 percent). **Administrative expenses** increased as scheduled to 40.5 million euros (prior year 37.0 million euros) due to first-time consolidations and the continued process of internationalization. At 8.3 percent, however, the administrative expenses ratio was down on the prior year (prior year 8.8 percent).

Both other operating income and other operating expenses were above the prior-year figures, in part due to profits from real estate sales and currency effects. The account balance from both items amounted to 2.8 million euros (prior year 4.1 million euros).

Employees & management. As of September 30, 2015, the number of employees in the Jenoptik Group fell marginally compared to year-end 2014, to 3,542 (31/12/2014: 3,553 employees / 30/9/2014: 3,532 employees). The number of employees abroad increased slightly, by around 1 percent, due to the expansion of foreign companies. As at the end of September 2015, 623 people were employed at the foreign locations (31/12/2014: 617 employees / 30/9/2014: 560 employees).

The Jenoptik Group had a total of 124 trainees as of September 30, 2015 (31/12/2014: 136 trainees). The Group had 127 agency employees in Germany (31/12/2014: 141 agency employees).

Jenoptik has had a new Chief Financial Officer since April 1, 2015. Hans-Dieter Schumacher succeeded Rüdiger Andreas Günther, who left the company at the end of March, and in his new role has since been responsible for the areas of

ORDER INTAKE

in million euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	Change in %
Total	479.0	446.7	7.2
Lasers & Optical Systems	180.6	186.0	-2.9
Metrology	159.6	126.2	26.5
Defense & Civil Systems	138.7	130.9	6.0
Others	0.1	3.7	

ORDER BACKLOG

in million euros	30/9/2015	31/12/2014	Change in %
Total	403.2	422.5	-4.6
Lasers & Optical Systems	98.8	100.8	-2.0
Metrology	78.5	77.2	1.7
Defense & Civil Systems	228.1	245.9	-7.2
Others	-2.2	-1.4	

accounting & controlling, treasury, taxes, mergers & acquisitions, investor relations, strategic management of the real estate portfolio and, since July, the IT department. He was appointed for three years. The Executive Board of JENOPTIK AG thus still comprises two members. Dr. Michael Mertin is Chairman of the Executive Board. In September 2011, while in office, he was appointed for another five years Chairman of the Executive Board and HR Director of JENOPTIK AG until June 30, 2017.

2.3 Financial and Asset Position

Jenoptik successfully placed new debenture loans in April 2015, thereby improving its financing power and liquidity supply. The total value of the debentures, including existing loans from 2011, increased from 90 to 125 million euros. A robust equity ratio in conjunction with these debenture loans and the syndicated loan agreement newly concluded in spring 2015 and increased from 120 to 230 million euros all give Jenoptik a viable financing structure and sufficient room for maneuver to finance future growth.

Increased equity coupled with a reduction in borrowings resulted in the debt ratio, that of borrowings to equity, improving from 1.00 as at the end of 2014 to 0.79 on Wednesday, September 30, 2015.

As of September 30, 2015, **net debt** reduced to 90.4 million euros (31/12/2014: 92.1 million euros) thanks to solid cash flows despite the payout of dividends worth 11.4 million euros and the payment of 12.4 million euros made to the last remaining silent investor in a Jenoptik real estate fund.

Capital expenditure. In the first three quarters of 2015, the Group invested 13.4 million euros in property, plant and equipment and intangible assets (prior year 18.4 million euros). Property, plant and equipment, including new technical equipment and an expansion in production capacities, accounted for the largest share of capital expenditure, at 11.7 million euros (prior year 15.0 million euros).

Investments in intangible assets, at 1.8 million euros in the first nine months, fell below the figure for the same period in the prior year (prior year 3.4 million euros, mainly influenced by the “Jenoptik One ERP” project). Scheduled depreciation and amortization in the Jenoptik Group totaled 21.3 million euros (prior year 17.6 million euros) and also include depreciation effects from acquisitions in the last fiscal year.

Compared to year-end 2014, the Jenoptik Group’s **balance sheet total** fell to 742.1 million euros (31/12/2014: 771.7 million euros), in particular due to the repayment of financial liabilities from cash and cash equivalents.

Currency effects arising from the conversion of financial statements of fully consolidated subsidiaries, in particular the conversion of US dollars to euros, had a minor positive impact on the balance sheet total.

In preparation for a sale, investment property was transferred within the balance sheet to current assets during the second quarter until it was sold in the third quarter. This was chiefly responsible for a reduction in **non-current assets** to 377.4 million euros (31/12/2014: 389.5 million euros). In addition, property, plant and equipment fell to 147.3 million euros (31/12/2014: 150.7 million euros) because depreciation surpassed capital expenditure in the first nine months of 2015. By contrast, the financial assets also included in the non-current assets increased slightly, in part due to currency effects.

Compared to year-end 2014, **current assets** fell to 364.7 million euros (31/12/2014: 382.2 million euros). While inventories and trade receivables rose to 14.9 million euros, cash and cash equivalents fell far more sharply to 37.0 million

R+D OUTPUT

in million euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	Change in %
R+D output	37.8	36.4	4.0
R+D expenses	30.9	28.5	8.4
Capitalized development costs	0.1	0.4	-77.6
Depreciation and impairment on capitalized development costs	-1.1	-0.7	-58.5
Developments on behalf of customers	7.9	8.1	-2.8

EMPLOYEES (INCL. TRAINEES)

	30/9/2015	31/12/2014	Change in %
Total	3,542	3,553	-0.3
Lasers & Optical Systems	1,350	1,377	-2.0
Metrology	1,022	1,030	-0.8
Defense & Civil Systems	890	885	0.6
Others	280	261	7.3

euros (31/12/2014: 69.5 million euros). Alongside the financing of working capital, the drop in cash and cash equivalents is mainly attributable to the dividend payout and the payment of variable salary components for employees. In addition, January 2015 saw the payment of 12.4 million euros to the silent real estate investor and the early repayment of a real estate loan. There are now no more silent real estate investments or claims. Inventories rose to 188.3 million euros (31/12/2014: 179.0 million euros), as in prior years due to prepayments for future revenues. Due to the continuing high level of revenue, trade receivables increased to 139.1 million euros (31/12/2014: 133.4 million euros).

Increased inventories, higher trade accounts receivable and lower trade accounts payable led to an increase in the **working capital** as of the end of September 2015 to 239.9 million euros (31/12/2014: 217.5 million euros / 30/9/2014: 228.7 million euros). The working capital ratio, that of working capital to revenue based on the last twelve months, was well below the prior-year figure on September 30, 2015, at 36.5 percent (30/9/2014: 38.9 percent), and marginally down on the comparative year-end value (31/12/2014: 36.9 percent).

The earnings after tax posted on September 30, 2015, together with currency effects reported in equity outside of profit or loss, resulted in **equity** increasing to 413.5 million euros despite the dividend payment (31/12/2014: 386.6 million euros). The equity ratio thereby improved significantly to 55.7 percent (31/12/2014: 50.1 percent).

Compared to the end of December 2014, **non-current liabilities** fell by 31.6 million euros to 185.0 million euros (31/12/2014: 216.6 million euros). This was mainly due to a reduction in non-current financial assets. In this context, the partially used syndicated loan was paid back or refinanced using the inflow of funds from the greater volume of the debenture loans. In addition, a real estate loan was repaid early.

In particular lower trade accounts payable, which fell from 53.6 million euros to 45.3 million euros, and a reduction in other current liabilities due to the payment to the silent real estate investor, resulted in lower **current liabilities**, totaling 143.6 million euros. At 24.9 million euros, these liabilities were below the figure at the end of 2014 (31/12/2014: 168.5 million euros). There were virtually no changes to the other items included in current liabilities.

Higher earnings before tax and lesser changes in working capital had a positive effect on **cash flows from operating activities**, which at 33.5 million euros as of September 30, 2015 were considerably above the prior year's figure of 10.8 million euros.

Receipts from the sale of investment property and associated movable assets, worth 9.1 million euros, together with lower capital expenditure on property, plant and equipment and intangible assets compared to the prior-year period, were primarily reflected in the **cash flows from investing activities**, which at minus 4.8 million euros as of September 30, 2015 were considerably above the prior-year figure (prior year minus 19.9 million euros).

In the period covered by the report, the **free cash flow** (cash flows from operating activities before interest and tax, minus payments for operating investing activities) was primarily influenced by improved earnings before tax and reduced capital expenditure. Despite an increase in working capital, it was, at 28.6 million euros, significantly above the prior-year figure of minus 2.7 million euros, and also higher than the figure of 8.4 million euros at the end of June 2015.

The **cash flows from financing activities** amounted to minus 63.7 million euros (prior year minus 14.1 million euros), and were particularly influenced by the proceeds from issuing bonds and loans following the placement of the debenture loans in April 2015, the repayments of bonds and loans and the dividend payment. Beyond this, the change in group financing, primarily due to the above-mentioned payment to the silent real estate investor, also influenced cash flows from financing activities.

Purchases and sales of companies. There were no company acquisitions and sales in the first nine months of 2015.

For details on **assets and liabilities not included in the balance sheet**, we refer to the information on page 77 of the 2014 Annual Report and the details on contingent liabilities on page 159.

3 Segment Reporting

3.1 Lasers & Optical Systems Segment

In the first nine months of 2015, the Lasers & Optical Systems segment generated **revenue** of 183.2 million euros, a year-on-year increase of 6.4 percent (prior year 172.2 million euros). Revenue in the third quarter alone came to 64.0 million euros, an increase of 18.2 percent compared to the prior year. The year 2015 has thus seen continuous revenue growth. Business with laser systems and optoelectronic modules developed well. As already seen at the end of the first half-year, demand from the semiconductor equipment sector for Jenoptik products also picked up slightly. At 37.6 percent, the segment again enjoyed the greatest share of Group revenue (prior year 41.0 percent). Revenue in Europe (including Germany) fell slightly from 95.5 million euros to 93.1 million euros, while business in Asia/Pacific and Americas was marked by good growth.

In the third quarter, the segment saw a sharp increase in earnings compared to the prior year, albeit not enough to compensate for the weaker figures in the first half-year. As a result, the **EBITDA** in the period covered by the report came to 24.7 million euros, still 7.8 percent below the figure for the prior year (prior year 26.9 million euros). At 17.7 million euros, **income from operations (EBIT)** was also 13.4 percent lower (prior year 20.4 million euros). The prior year's operating result, however, was influenced by the positive one-off effect from the sale of a system technology. Compared to the same period in the prior year, the EBIT margin in the first nine months fell to 9.7 percent (prior year 11.9 percent), but was still slightly improved on the first-half year's figure of 9.5 percent.

The segment **order intake**, at 180.6 million euros, was below the level in the prior year (prior year 186.0 million euros) and also lower than revenue in the period covered by the report. This was in part due to cyclical call-offs from customers in some areas of the medical technology sector. The ratio of order intake to revenue resulted in a book-to-bill ratio of 0.99 (prior year 1.08).

The **order backlog** in the Lasers & Optical Systems segment consequently also showed a slight fall. At the end of September 2015 it came to 98.8 million euros, 2.0 percent lower than at the end of 2014 (31/12/2014: 100.8 million euros).

In the first three quarters of 2015, at 1,350 employees, the **number of employees** remained below the level as at year-end 2014, (31/12/2014: 1,377 employees).

Key events in the first nine months of 2015.
In June 2015, the Lasers & Optical Systems segment exhibited at LASER World of PHOTONICS in Munich, one of the world's leading trade fairs for the laser and photonics industry; it also attended SPIE Photonics West, the largest photonics trade fair in North America, in February.

At the trade fair in Munich, Jenoptik presented new manufacturing technologies for optical pulse compression gratings and innovative measurement techniques for high-precision stack-mounted objectives. Alongside lasers for medical technology and material processing, the company also showcased the 3D robot system for metal and plastic cutting.

Jenoptik's Lasers & Material Processing division was the recipient of the "Yanfeng Supplier Quality Award", a recognition of the company's excellent quality and reliability by the Chinese automotive supplier. China's largest automotive supplier, Yanfeng specializes in the production of vehicle instrument panels and uses laser systems from Jenoptik to produce predetermined breaking points in airbag covers.

THE SEGMENT AT A GLANCE

in million euros	30/9/2015	30/9/2014	Change in %
Revenue	183.2	172.2	6.4
EBITDA	24.7	26.9	-7.8
EBIT	17.7	20.4	-13.4
EBIT margin	9.7%	11.9%	
Free cash flow	16.1	12.9	24.6
Order intake	180.6	186.0	-2.9
Order backlog[1]	98.8	100.8	-2.0
Employees[1]	1,350	1,377	-2.0

[1] Prior year's figures refer to December 31, 2014

3.2 Metrology Segment

The slight upswing in investment seen in the automotive industry from early 2015 produced a further year-on-year increase in revenue in the Metrology segment in the third quarter. The segment's revenue and earnings are also influenced by the settlement of larger traffic safety orders; acquisitions in 2014, in particular, contributed to a considerable improvement in the order situation and revenue recognition in this area in the period covered by the report.

In the first three quarters of 2015, **revenue in the segment** rose 16.5 percent to 148.8 million euros (prior year 127.7 million euros). Both industrial metrology and traffic safety contributed to its growth, with acquisitions in the latter area particularly boosting revenue in Europe (including Germany) by 29.5 percent. In the US, the segment generated a moderate rise in revenue despite a challenging environment in the traffic safety sector. Its share of Group revenue remained stable compared to the prior year, at 30.5 percent (prior year 30.4 percent).

The **segment's income from operations (EBIT)** fell 15.5 percent to 12.5 million euros (prior year 14.7 million euros). At 8.4 percent, the EBIT margin was down on the prior year level of 11.5 percent. This fall is partly due to ongoing challenging market conditions in the traffic safety sector in the US and depreciation effects arising from the purchase price allocation for Vysionics. **Earnings before interest, taxes, depreciation and amortization (EBITDA)** increased slightly, by 1.6 percent, to 18.0 million euros (prior year 17.7 million euros).

The **order intake** in the Metrology segment grew significantly to 159.6 million euros (prior year 126.2 million euros). This growth is due both to a higher industrial metrology order intake following an upswing in the market and the newly consolidated companies in the area of traffic safety.

Compared to recognized revenue, the order intake in the first three quarters of 2015 was considerably higher; the book-to-bill ratio thus also improved to 1.07 (prior year 0.99).

At 78.5 million euros, the **order backlog** in the segment was slightly above the figure at the end of 2014 (31/12/2014: 77.2 million euros).

As of September 30, 2015, the segment had 1,022 **employees** (31/12/2014: 1,030 employees).

Key events in the first nine months of 2015.
At the start of the year, Jenoptik's Traffic Solutions division won the tender on a nationwide pilot project to provide "section control" services in Lower Saxony. Jenoptik, as a service provider, is supplying the technology to record average speeds over defined stretches of road. Technical acceptance of the new traffic monitoring system, which is already successfully in use in Austria and Switzerland, followed in June 2015.

THE SEGMENT AT A GLANCE

in million euros	30/9/2015	30/9/2014	Change in %
Revenue	148.8	127.7	16.5
EBITDA	18.0	17.7	1.6
EBIT	12.5	14.7	-15.5
EBIT margin	8.4%	11.5%	
Free cash flow	15.7	0.9	
Order intake	159.6	126.2	26.5
Order backlog[1]	78.5	77.2	1.7
Employees[1]	1,022	1,030	-0.8

[1] Prior year's figures refer to December 31, 2014

3.3 Defense & Civil Systems Segment.

The Defense & Civil Systems segment's business is geared toward the long term and is characterized by order intakes for and revenue recognition of major projects. It is therefore subject to certain fluctuations on a quarterly basis which impact mainly on a period's order-related indicators.

In the first nine months of 2015, **revenue** in the Defense & Civil Systems segment came to 154.7 million euros, 31.8 percent above the prior-year figure (prior year 117.3 million euros). Compared to the same quarter in the prior year, revenue rose sharply, by 47.8 percent, thanks to a good course of business in the field of energy and sensor systems. In addition, a substantial portion of the major order to equip the Patriot missile defense system was settled. The segment's share of Group revenue, at 31.7 percent, was up on the same quarter in the prior year (prior year 27.9 percent).

In the period from January to September 2015, the segment almost quadrupled its **EBITDA** to 16.3 million euros (prior year 4.2 million euros) compared to the same period in the prior year. The **segment EBIT** improved from 0.4 million euros in the prior year to 12.4 million euros, primarily due to considerably higher revenue and higher margins in the product mix. The segment's EBIT margin rose to 8.0 percent (prior year 0.4 percent), in the third quarter alone to even 11.6 percent (prior year minus 0.1 percent).

In the period covered by the report, the **order intake** totaled 138.7 million euros, 6.0 percent above the figure for the prior year (prior year 130.9 million euros). The segment reported three multi-million euro orders for railway technology in the third quarter. Orders were also received from the US Navy for generator controllers for helicopters. In the spring of 2015, the segment received an order to supply mobile power generating units for the Patriot missile defense system. The order intake in the first nine months of 2015 was below revenue in the current period. The segment's book-to-bill ratio of 0.90 was thus below the prior-year figure of 1.12.

The **order backlog** in the segment fell to 228.1 million euros (31/12/2014: 245.9 million euros).

As of September 30, 2015, the Defense & Civil Systems segment had 890 **employees** (31/12/2014: 885 employees).

Key events in the first nine months of 2015.
In fulfilling its orders for railway technology, the Defense & Civil Systems segment is supplying alternators and power units for locomotives to Austria, the Czech Republic and Poland, and will equip over a hundred locomotives and e-locomotives. The framework agreements are worth a total of approximately six million euros.

The segment is also supplying generator controllers to supply power on board helicopters of the US Navy. The series production order is worth around 3.3 million US dollars and will run for two years.

In addition, the segment received an order from a US company to supply mobile power generating units for the Patriot missile defense system in early 2015. Alongside these units, Jenoptik is also supplying related spare parts packages and test equipment for the Patriot Advanced Capability-3 (PAC-3) systems.

In May of 2015, the segment delivered the 200th radome for the Eurofighter Typhoon aircraft to the multinational consortium of manufacturers.

THE SEGMENT AT A GLANCE

in million euros	30/9/2015	30/9/2014	Change in %
Revenue	154.7	117.3	31.8
EBITDA	16.3	4.2	289.2
EBIT	12.4	0.4	
EBIT margin	8.0%	0.4%	
Free cash flow	2.2	-8.8	125.5
Order intake	138.7	130.9	6.0
Order backlog[1]	228.1	245.9	-7.2
Employees[1]	890	885	0.6

[1] Prior year's figures refer to December 31, 2014

4 Report on Post-Balance Sheet Events

There were no events of special importance occurring after the balance sheet date of September 30, 2015.

5 Opportunity and Risk Report

Within the framework of the reporting on the Opportunity and Risk Report, we refer to the details on pages 88 to 99 of the 2014 Annual Report published at the end of March 2015.

There have been no major changes in the opportunities and risks described in the report during the course of the first nine months of 2015 up to the editorial closing date for this report.

6 Forecast Report

6.1 Outlook for the Economy as a whole and the Jenoptik Sectors

The International Monetary Fund (IMF) again adjusted its growth forecasts in October downwards and is now expecting the **global economy** to grow 3.1 percent in 2015 (previous forecast: 3.3 percent). The risks associated with the economic transformation in China, with resultant impacts on other countries, the severe fall in commodity prices and the potential interest rate turnaround in the US have all increased. Strong declines in capital expenditure in emerging countries represent a further risk. According to the IMF, the US is the only country in which the outlook has improved.

The German government marginally reduced its 2015 growth forecast for the **German economy** from 1.8 to 1.7 percent.

For the current year, the **Chinese** government also lowered its growth forecast to 7.0 percent, but considers even this figure optimistic. Weakness in industrial production and exports, however, is in part being balanced out by the growing importance of the services and retail sectors. The IMF is anticipating growth of just 6.8 percent in 2015.

Market research company Gartner has again downgraded its forecast for the **global semiconductor industry**, now even moving into negative territory: it previously expected growth of 2.2 percent for 2015 but is now anticipating a 0.8 percent drop in revenue to 338 billion US dollars. Reasons include weaker demand for PCs, smartphones and tablets and the influence of the strong dollar on demand in key markets.

GROWTH FORECAST OF GROSS DOMESTIC PRODUCT

in percent / in percentage points	2015	Change to forecast of July 2015	2016
World	3.1	-0.2	3.6
US	2.6	0.1	2.8
Euro zone	1.5	0.0	1.6
Germany	1.5	-0.1	1.6
China	6.8	0.0	6.3
Emerging economies	4.0	-0.2	4.5

Source: International Monetary Fund, October 2015

For the **semiconductor equipment industry**, Gartner is also expecting 2015 revenue to fall below the level of the prior year, with the market first due to pick up again in all segments in 2017.

In the summer, The **German Engineering Federation** (VDMA) revised its production forecast for 2015, and for the coming two to three years is expecting to see a sideways trend, possibly including a downturn: although re-industrialization in the US is continuing apace, it does not believe that this will be enough to balance out losses in countries such as Russia and Brazil.

For the **German machine tool industry**, the VDW industry association has to date stuck to its 2015 revenue forecast of 3 percent growth. This remains conditional upon demand – specifically in domestic orders – picking up in the second half of the year.

According to the **German Association of the Automotive Industry** (VDA), sales in China are not increasing as strongly as forecast. It is therefore expecting a maximum rise of just 4 percent for this market, to 19.1 million vehicles. The VDA had originally forecast 6 percent growth at the start of 2015. By contrast, the markets in Western Europe, the US and Germany will exceed expectations. In the long term, India intends to become the third-largest automotive market in the world after China and the US; annual sales there are due to triple at minimum.

Market research company SCI Verkehr has published new analyses for the **global railway industry**: the rail vehicle market is consolidating; major projects will first stimulate the economy toward the end of this decade.

In September, German media reported that the Federal Ministry of Defence will probably not fully exhaust its annual budget for **armaments projects**. Around 500 million euros may remain unused, including funds for the new Puma infantry fighting vehicle, the Eurofighter aircraft and the NH90 helicopter.

No new major forecasts have been issued for the other sectors. We therefore refer to the details in the 2014 Annual Report from page 100 on and in the interim reports for 2015.

6.2 Long-term Forecasts and Targets

For information on the long-term forecasts and targets, we refer to the 2014 Annual Report published in March 2015, in particular the “Targets and Strategies” section from page 46 on and the relevant section of the Forecast Report from page 103 on.

The Jenoptik Group will consistently pursue the targets it has set and, anticipates annual revenue of around 800 million euros with an average EBIT margin of 9 to 10 percent over the market cycles, including smaller corporate acquisitions, to be achieved by the end of 2018. More than 40 percent of revenue is expected to be generated in the target regions of Americas and Asia/Pacific.

This presupposes that political and economic conditions do not worsen. In particular, these include general economic developments, tightened export restrictions, regulations at European level, international conflicts and other disruptions in the euro zone.

6.3 Future Development of Business

The details are given on the assumption that the economic situation develops in line with previous reports, including the economic and sector forecasts stated in the 2014 Annual Report from page 100 on. All statements on the future development of the business situation have been made on the basis of current information.

The Jenoptik Group is continuing to pursue its strategic agenda with the goal of achieving profitable growth in all segments also in the future by better serving target markets and megatrends. The resulting economies of scale together with cost discipline, higher margins from the growing system and service business and the expansion of international sales structures will help our innovative products and services to effect a lasting improvement in profitability. Internal process optimization and the Group development projects will also continue and be further developed in the future.

On the back of good results in the first nine months of 2015, a solid order and project pipeline and positive effects from traffic safety acquisitions, the Executive Board is still anticipating profitable growth for 2015. This presupposes that political and economic conditions do not worsen.

The Jenoptik Executive Board is narrowing its forecast range for the 2015 fiscal year in this report on the first nine months of the year. It is now expecting Group revenue to come in at between 660 and 680 million euros (prior year 590.2 million euros). The EBIT margin will reach at least 9 percent (prior year 8.7 percent). The Executive Board further anticipates a disproportionate rise in EBITDA compared to the prior year. The results published for the first nine months of 2015 show that Jenoptik is firmly on course to achieve its business and financial targets for the full year.

We refer to the 2014 Annual Report, from page 100 on, for details of the outlook for other key indicators for the development of business and the development of the segments in 2015.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	1/7/ to 30/9/2015	1/7/ to 30/9/2014
Revenue	487,682	420,108	171,543	136,907
Cost of sales	318,141	272,079	111,357	88,512
Gross profit	169,542	148,030	60,186	48,394
Research and development expenses	30,923	28,525	9,765	9,489
Selling expenses	56,719	50,418	18,583	16,401
General and administrative expenses	40,473	37,044	12,410	12,137
Other operating income	18,633	16,356	3,205	5,529
Other operating expenses	15,852	12,253	5,004	3,731
EBIT – continuing operations	44,208	36,146	17,629	12,165
EBIT – discontinued operations	100	1,658	100	1,658
EBIT – Group	44,308	37,804	17,729	13,823
Investment result	303	74	-2	164
Financial income	4,347	357	-1,110	96
Financial expenses	7,692	5,159	78	1,742
Financial result	-3,042	-4,728	-1,190	-1,482
Earnings before tax – continuing operations	41,166	31,418	16,439	10,683
Earnings before tax – discontinued operations	100	1,658	100	1,658
Earnings before tax – Group	41,266	33,076	16,539	12,341
Income taxes	-7,194	-4,843	-2,602	-1,982
Earnings after tax – continuing operations	33,972	26,575	13,837	8,701
Earnings after tax – discontinued operations	100	1,658	100	1,658
Earnings after tax – Group	34,072	28,233	13,937	10,358
Results from non-controlling interests	153	26	-38	48
Earnings attributable to shareholders	33,918	28,207	13,975	10,310
Earnings per share in euros – continuing operations	0.59	0.46	0.24	0.15
Earnings per share in euros – Group (undiluted = diluted)	0.59	0.49	0.24	0.18

Other Comprehensive Income

in thousand euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	1/7/ to 30/9/2015	1/7/ to 30/9/2014
Earnings after tax	34,072	28,233	13,937	10,358
Items that will never be reclassified to profit or loss	-302	-548	-300	-80
Remeasurements	-367	-548	-266	-80
Deferred taxes	65	0	-34	0
Items that are or may be reclassified to profit or loss	4,590	4,020	-2,032	3,471
Available-for-sale financial assets	290	351	-497	-140
Cash flow hedges	1,217	-1,205	-57	-700
Foreign currency exchange differences	3,448	4,874	-1,494	4,311
Deferred taxes	-365	0	16	0
Other comprehensive income	4,288	3,472	-2,333	3,391
Total comprehensive income	38,360	31,705	11,604	13,749
Thereof attributable to:				
Non-controlling interests	54	26	5	48
Shareholders	38,306	31,679	11,599	13,701

Consolidated Statement of Financial Position

Assets in thousand euros	30/9/2015	31/12/2014	Change	30/9/2014
Non-current assets	377,386	389,509	-12,122	335,735
Intangible assets	122,268	123,262	-995	77,759
Property, plant and equipment	147,275	150,747	-3,473	142,741
Investment property	9,988	16,358	-6,370	20,015
Financial assets	22,567	21,064	1,504	20,950
Other non-current assets	1,714	1,755	-41	3,329
Deferred tax assets	73,574	76,322	-2,748	70,941
Current assets	364,744	382,221	-17,477	363,996
Inventories	188,272	179,018	9,255	189,329
Trade and other receivables	139,078	133,396	5,682	121,359
Securities	370	312	58	337
Cash and cash equivalents	37,024	69,495	-32,471	52,971
Total assets	742,131	771,730	-29,599	699,731

Equity and liabilities in thousand euros	30/9/2015	31/12/2014	Change	30/9/2014
Equity	413,505	386,593	26,913	386,155
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	71,676	44,817	26,859	42,909
Non-controlling interests	-1,275	-1,329	54	140
Non-current liabilities	185,030	216,612	-31,582	173,877
Pension provisions	40,688	41,043	-355	28,287
Other non-current provisions	10,443	9,958	485	9,660
Non-current financial liabilities	123,139	156,825	-33,687	115,643
Other non-current liabilities	9,306	7,043	2,263	18,242
Deferred tax liabilities	1,455	1,742	-287	2,045
Current liabilities	143,595	168,526	-24,930	139,700
Tax provisions	1,451	5,731	-4,280	3,765
Other current provisions	37,843	37,714	129	38,321
Current financial liabilities	4,650	5,077	-427	4,747
Other current liabilities	99,652	120,004	-20,353	92,866
Total equity and liabilities	742,131	771,730	-29,599	699,731

Statement of Changes in Equity

in thousand euros	Share capital	Capital reserve	Cumulative profit	Available-for-sale financial assets
Balance at 1/1/2014	148,819	194,286	47,674	470
Dividends			-11,447	
Remeasurement of financial instruments				351
Remeasurement loss				
Foreign currency exchange differences				-40
Earnings after tax			28,207	
Other adjustments			-1,022	
Balance at 30/9/2014	148,819	194,286	63,412	781
Balance at 1/1/2015	148,819	194,286	73,442	600
Dividends			-11,447	
Remeasurement of financial instruments				290
Remeasurement profit				
Foreign currency exchange differences				
Earnings after tax			33,918	
Balance at 30/9/2015	148,819	194,286	95,913	890

Cash flow hedges	Cumulative exchange differences	Remeasurements	Non-controlling interests	Total	in thousand euros
-42	-1,663	-22,737	249	367,056	Balance at 1/1/2014
				-11,447	Dividends
-1,205				-854	Remeasurement of financial instruments
		-548		-548	Remeasurement loss
	4,912		2	4,874	Foreign currency exchange differences
			26	28,233	Earnings after tax
			-136	-1,159	Other adjustments
-1,247	3,249	-23,285	140	386,155	Balance at 30/9/2014
-945	4,042	-32,322	-1,329	386,593	Balance at 1/1/2015
				-11,447	Dividends
852				1,142	Remeasurement of financial instruments
		50		50	Remeasurement profit
	3,547	-352	-100	3,095	Foreign currency exchange differences
			153	34,071	Earnings after tax
-93	7,589	-32,624	-1,276	413,505	Balance at 30/9/2015

Consolidated Statement of Cash Flows

in thousand euros	1/1/ to 30/9/2015	1/1/ to 30/9/2014	1/7/ to 30/9/2015	1/7/ to 30/9/2014
Earnings before tax	41,266	33,076	16,539	12,341
Financial income and financial expenses	3,345	4,802	1,188	1,646
Depreciation and amortization	21,259	17,553	7,139	6,012
Impairment losses and reversals of impairment losses	-1,544	-1,089	310	64
Profit/loss from asset disposals	-297	63	-385	98
Other non-cash income/expenses	-147	-1,914	933	-934
Operating profit before adjusting working capital	63,881	52,491	25,724	19,227
Change in provisions	-1,292	-2,914	3,382	3,501
Change in working capital	-20,863	-31,786	-1,916	3,317
Change in other assets and liabilities	-98	-2,753	-3,812	83
Cash flows from operating activities before income tax	41,629	15,038	23,378	26,127
Income tax payments	-8,122	-4,242	-2,164	-1,792
Cash flows from operating activities	33,506	10,796	21,214	24,336
Thereof discontinued operations	100	0	100	0
Proceeds from sale of intangible assets	49	225	27	27
Capital expenditure for intangible assets	-1,780	-3,429	-530	-359
Proceeds from sale of property, plant and equipment	358	510	210	-214
Capital expenditure for property, plant and equipment	-11,653	-15,011	-2,922	-3,568
Proceeds from sale of investment property	9,100	0	9,100	0
Capital expenditure for investment property	-295	0	-295	0
Proceeds from sale of financial assets	0	2	0	-85
Capital expenditure for financial assets	-237	-338	-81	-190
Proceeds from sale of consolidated entities	0	500	0	500
Acquisition of consolidated entities	-642	-2,742	2	-342
Interest received	347	340	120	89
Cash flows from investing activities	-4,753	-19,944	5,631	-4,142
Dividends paid	-11,447	-11,447	0	0
Proceeds from issuing bonds and loans	103,204	3,733	204	3,732
Repayments of bonds and loans	-135,482	-455	-21,391	-15
Payments for finance leases	-40	-35	-7	-15
Change in Group financing	-13,359	-4,329	389	-2,969
Interest paid	-6,567	-1,560	-1,238	-426
Cash flows from financing activities	-63,691	-14,092	-22,044	306
Change in cash and cash equivalents	-34,937	-23,240	4,802	20,500
Thereof discontinued operations	100	0	100	0
Effects of movements in exchange rate on cash held	2,466	1,516	-565	1,352
Change in cash and cash equivalents due to changes in the scope of consolidation	0	3,130	0	-257
Cash and cash equivalents at the beginning of the period	69,495	71,565	32,787	31,376
Cash and cash equivalents at the end of the period	37,024	52,971	37,024	52,971

Segment Reporting

from January 1 to September 30, 2015

in thousand euros	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Others	Consolidation	Group
Revenue	183,165	148,825	154,716	24,759	-23,782	487,682
	(172,201)	(127,700)	(117,350)	(25,140)	(-22,283)	(420,108)
Germany	41,297	33,123	80,949	22,807	-21,783	156,394
	(47,880)	(34,483)	(66,761)	(24,068)	(-20,924)	(152,268)
Europe	51,838	49,312	41,126	79	-76	142,278
	(47,589)	(29,169)	(34,265)	(66)	(-66)	(111,024)
Americas	42,154	31,509	26,539	1,482	-1,492	100,192
	(33,099)	(29,960)	(10,552)	(751)	(-1,027)	(73,336)
Middle East and Africa	10,871	13,816	2,612	0	0	27,299
	(9,117)	(9,921)	(4,249)	(0)	(0)	(23,288)
Asia/Pacific	37,006	21,064	3,490	391	-432	61,519
	(34,515)	(24,166)	(1,523)	(255)	(-265)	(60,193)
EBIT	17,704	12,452	12,441	1,735	-24	44,308
	(20,446)	(14,740)	(428)	(2,185)	(5)	(37,804)
EBITDA	24,749	18,007	16,282	4,809	-24	63,823
	(26,853)	(17,724)	(4,183)	(5,313)	(5)	(54,077)
Investment result	-105	51	350	907	-900	303
	(-158)	(0)	(227)	(800)	(-795)	(74)
Research and development expenses	12,812	13,824	4,240	419	-371	30,923
	(11,966)	(12,502)	(4,146)	(420)	(-510)	(28,525)
Free cash flow (before income taxes)	16,060	15,749	2,236	-2,310	-3,132	28,603
	(12,885)	(866)	(-8,756)	(-6,716)	(-948)	(-2,668)
Working capital[1]	62,366	63,509	117,279	-3,225	-24	239,905
	(59,223)	(60,738)	(103,381)	(-5,794)	(-30)	(217,518)
Order intake	180,565	159,620	138,692	25,757	-25,676	478,957
	(186,001)	(126,214)	(130,856)	(25,143)	(-21,490)	(446,724)
Total assets[1]	221,210	196,821	194,056	315,750	-185,707	742,131
	(206,377)	(198,500)	(188,371)	(378,970)	(-200,488)	(771,730)
Total liabilities[1]	68,645	136,401	142,336	166,962	-185,719	328,625
	(72,357)	(148,092)	(147,587)	(217,627)	(-200,526)	(385,137)
Capital expenditure	4,378	3,051	3,693	2,384	0	13,506
	(6,554)	(4,193)	(3,258)	(4,440)	(0)	(18,446)
Depreciation and amortization	6,804	5,555	3,841	5,060	0	21,259
	(6,407)	(2,983)	(3,755)	(4,409)	(0)	(17,553)
Number of employees on average	1,321	999	838	272	0	3,430
without trainees	(1,347)	(929)	(850)	(239)	(0)	(3,364)

Prior year figures are in parentheses

[1] Prior year's figures refer to December 31, 2014

Notes to the Interim Consolidated Financial Statements for the first nine months of 2015

Parent Company

The parent company is JENOPTIK AG headquartered in Jena with its legal seat registered in the Jena Commercial Register under the number HRB 200146. JENOPTIK AG is a stock corporation listed on the German Stock Exchange in Frankfurt and, among others, listed on the TecDax index.

Accounting in accordance with International Financial Reporting Standards (IFRS)

The accounting policies applied in preparing the 2014 consolidated financial statements were also applied in preparing the interim consolidated financial statements as at September 30, 2015, which were prepared on the basis of the International Accounting Standard (IAS) 34 “Interim Financial Reporting”. The interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These policies were published and individually described in detail in the Notes to the 2014 Annual Report. The Annual Report is available on the internet under www.jenoptik.com using the path Investors/ Reports and Presentations.

The interim consolidated financial statements were prepared in euros, the currency used in the Group, and figures are shown in thousand euros, if not otherwise stated. It is to be noted that there may be rounding differences as compared to the mathematically exact values (monetary units, percentages, etc.).

Management considers the interim consolidated financial statements to include all standard adjustments to be made on an ongoing basis to present a true and fair view of the Group’s business performance in the period under review.

The following IFRS were applied for the first time in the consolidated financial statements in 2015:

IFRS Improvements (2011 – 2013). As part of the IASB Annual Improvements Project, amendments were made to four standards. They particularly comprise clarifications to existing definitions and the scope of application. The standards affected are IAS 40, IFRS 1, IFRS 3, and IFRS 13. They became effective as of January 1, 2015. These improvements have no material effects on Jenoptik’s consolidated financial statements.

IFRS Improvements (2010 – 2012). As part of the IASB Annual Improvements Project, amendments were made to seven standards. Clarifications of existing regulations will be achieved with the adjustments made. In addition, amendments were made to IAS 16, IAS 24, IAS 38, IFRS 2, IFRS 3, IFRS 8, and IFRS 13 affecting measurement and disclosures in the Notes. They became effective as of February 1, 2015. These improvements have no material effects on Jenoptik’s consolidated financial statements.

Amendments to IAS 19 “Employee Benefits”. With these amendments, the regulations are clarified concerning the allocation of employee contributions or contributions made by third parties to service periods in case the contributions are linked to the service time. Furthermore, simplifications were made when the contributions are independent on the number of service years. The amendments became effective on February 1, 2015. These changes have no material effect on the consolidated financial statements.

The Group of Entities Consolidated

The interim consolidated financial statements of JENOPTIK AG contain 35 fully consolidated subsidiaries (31/12/2014: 35). Thereof 14 (31/12/2014: 14) have their legal seat in Germany and 21 (31/12/2014: 21) abroad. The companies to be consolidated within the Jenoptik Group still contain one joint operation.

The existing organizational structure will be even more consistently realigned with markets and megatrends. Business operations within the segments are being reorganized and thus better targeted at markets such as the medical technology, automotive and semiconductor equipment sectors. The new structure will come into force on January 1, 2016. For further information please refer to the “Targets and Strategies” section on page 4.

Material Transactions

The existing syndicated loan was extended and increased from 120 million to 230 million euros in March 2015. This allows the Jenoptik Group to secure a line of credit at attractive conditions for the next five years. Besides, Jenoptik improved its access to the international banking network by extending the group of syndicated banks. Hereby, the cash flows from financing activities were affected by minus EUR 810 thousand.

New debenture loans were placed and existing ones adapted in April 2015. Their volume increased from 90 million to 125 million euros, including existing and unchanged loans from the transaction in 2011. The newly issued debenture loans have terms of five and seven years and are subject to variable and fixed interest rates. The modification and new issuance of debenture loans resulted in positive cash flows from financing activities worth EUR 32,604 thousand that were used for refinancing.

Cash receipts from sales of investment property and associated movable assets made a positive contribution to cash flows from investing activities worth EUR 9,100 thousand, which was used for early repayment of a bank loan. This repayment reduced cash flows from financing activities by EUR 21,347 thousand.

The termination of the investment by the silent shareholder at December 31, 2014, which was held at a Jenoptik real estate fund, led to an expected settlement payment of EUR 12,351 thousand that had a negative impact on the cash flows from financing activities.

A dividend payment of 0.20 euros per share was agreed at the JENOPTIK AG Annual General Meeting on June 3, 2015. The pay-out reduced cash flows from financing activities by EUR 11,447 thousand.

Payments received from transactions associated with the sale of a former business unit produced income worth EUR 100 thousand. In the prior year, income from the partial reversal of an obligation arising from the sale of a former business unit came to EUR 1,658 thousand. The results are shown separately as discontinued operations in the consolidated statement of income and the consolidated statement of cash flows.

Beyond this, transactions with significant influence on the interim consolidated financial statements of Jenoptik in the third quarter or cumulative up to September 30, 2015 did not occur.

Assets held for sale

Due to a scheduled sale within a twelve-month period, two investment properties and associated movable assets were classified as held for sale according to IFRS 5 in the second quarter of 2015. After the initial recognition as assets held for sale, neither impairments nor reversals of impairments were recorded in the income statement. Measurement was made at the lower of the carrying amount and fair value less costs to sell.

The sale of these assets took place in the third quarter of 2015. The assets held for sale were included in the segment Others.

Classifications of Material Financial Statement Items

PROPERTY, PLANT AND EQUIPMENT

in thousand euros	30/9/2015	31/12/2014
Land and buildings	79,995	82,215
Technical equipment and machines	39,695	36,653
Other equipment, operating and office equipment	22,283	23,204
Payments on-account and assets under construction	5,302	8,676
Total	147,275	150,747

INVENTORIES

in thousand euros	30/9/2015	31/12/2014
Raw materials, consumables and supplies	66,475	59,968
Work in progress	96,392	91,667
Finished goods and merchandise	22,234	23,408
Payments on-account made	3,171	3,974
Total	188,272	179,018

TRADE RECEIVABLES AND OTHER ASSETS

in thousand euros	30/9/2015	31/12/2014
Trade receivables	120,963	115,690
Receivables from construction contracts	1,314	233
Receivables from unconsolidated associates	2,027	2,356
Receivables from entities in which investments are held	522	640
Other assets	14,251	14,478
Total	139,078	133,396

NON-CURRENT FINANCIAL LIABILITIES

in thousand euros	30/9/2015	31/12/2014
Non-current bank liabilities	123,053	156,779
Non-current liabilities from finance leases	86	46
Total	123,139	156,825

CURRENT FINANCIAL LIABILITIES

in thousand euros	30/9/2015	31/12/2014
Bank liabilities	4,617	5,028
Liabilities from finance leases	33	49
Total	4,650	5,077

OTHER CURRENT LIABILITIES

in thousand euros	30/9/2015	31/12/2014
Trade payables	45,270	53,599
Liabilities from advanced payments received	25,374	23,820
Liabilities from construction contracts	0	3
Liabilities to unconsolidated associates	2,215	3,163
Liabilities to entities in which investments are held	68	178
Other current liabilities	26,724	39,241
Total	99,652	120,004

Financial Instruments

The carrying amounts listed below for cash and cash equivalents, available for sale financial assets, contingent obligations and derivatives held for hedging purposes correspond to their fair value. The carrying amounts of the remaining items represent an appropriate approximation to their fair value.

in thousand euros	Carrying amount 30/9/2015	Carrying amount 31/12/2014
Financial assets	174,201	201,434
Cash and cash equivalents	37,024	69,495
Available for sale	2,660	2,330
Finance lease receivables	2,294	2,332
Loans granted and receivables	131,728	127,092
Hedged derivatives	495	185
Financial liabilities	201,870	256,399
Trade payables	45,270	53,599
Liabilities to banks and other financial liabilities	127,670	161,807
Finance lease liabilities	119	94
Other non-derivative financial liabilities		
Contingent liabilities	2,052	2,230
Other	22,815	35,583
Hedged derivatives	3,945	3,085

The following chart shows the fair value hierarchy for financial assets and liabilities measured at fair value:

in thousand euros	Carrying amount 30/9/2015	Level 1	Level 2	Level 3
Available for sale	2,660	2,375	0	285
	(2,330)	(2,085)	(0)	(245)
Hedged derivatives (assets)	495	0	495	0
	(185)	(0)	(185)	(0)
Contingent liabilities	2,052	0	0	2,052
	(2,230)	(0)	(0)	(2,230)
Hedged derivatives (liabilities)	3,945	0	3,945	0
	(3,085)	(0)	(3,085)	(0)

Prior year figures are in parentheses

Fair values available as quoted market prices at all times were allocated to level 1. Fair values determined on the basis of direct or indirect observable parameters were allocated to level 2. Level 3 is based on measurement parameters that are not based upon observable market data.

Fair values of available for sale financial assets are determined on the basis of stock exchange prices (level 1) and discounted cash flows (level 3), respectively.

The fair value of hedged derivatives was, dependent on the primary instruments available, determined by using the measurements performed by banks.

The fair value of contingent liabilities was measured by taking the expected and discounted payment outflows at the reporting date into consideration. The put option, agreed upon in conjunction with the acquisition of the British Vysionics Group, for the purchase of the remaining non-controlling interests was recognized at the present value of the expected exercise price, discounted in consideration of the term with interest rates between 1.07 and 1.23 percent. The contingent liabilities also comprised the purchase price liability, which was recognized in connection with the acquisition of the Australian entity, DCD Systems Pty Ltd., in the fiscal year 2013. Since the due date is expected to be very soon, no discounting took place in the current fiscal year.

The development of financial assets measured at fair value through profit and loss and allocated to level 3 is shown in the following chart:

in thousand euros	Available for sale	Contingent liabilities
Balance at 1/1/2015	245	2,230
Additions	237	0
Disposals	0	-329
Gains and losses recognized in financial result	-197	16
Foreign currency exchange effects	0	135
Balance at 30/9/2015	285	2,052

Related Party Disclosures

For the period under review no material business transactions were performed with related parties.

German Corporate Governance Code

The current statement given by the Executive Board and Supervisory Board pursuant to § 161 of the German Stock Corporation Act [Aktiengesetz (AktG)] regarding the German Corporate Governance Code has been made permanently available to shareholders on the JENOPTIK AG website www.jenoptik.com/investors/corporate-governance. Furthermore, the statements can also be viewed on site at JENOPTIK AG.

Litigations

JENOPTIK AG and its Group entities are involved in several court or arbitration proceedings. In the case that these may have any substantial influence on the Group's economic situation, these proceedings were described in the 2014 consolidated financial statements. As at September 30, 2015 no further litigation arose that could have a material effect on the financial position of the Group.

Events after the reporting period

No significant events occurred after the interim reporting period ending on September 30, 2015.

Responsibility statement by the legal representatives

To the best of our knowledge, we assure that the interim consolidated financial statements prepared in accordance with the applicable principles for the interim financial reporting give a true and fair view of the net assets, financial position and result of operations of the Group and that the interim group management report presents a fair view of the performance of the business including the operating result and the position of the Group, together with a description of the significant opportunities and risks associated with the anticipated development of the Group.

Jena, November 4, 2015

Dr. Michael Mertin
President & CEO

Hans-Dieter Schumacher
Chief Financial Officer

Dates

Januar 26, 2016
Publication of the preliminary results
for the fiscal year 2015

March 22, 2016
Publication of the financial statements
for the fiscal year 2015

In cases of differences of opinion the German text shall prevail.

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