LASERS & MATERIAL PROCESSING I OPTICAL SYSTEMS I INDUSTRIAL METROLOGY I TRAFFIC SOLUTIONS I DEFENSE & CIVIL SYSTEMS

JENOPTIK

Interim Financial Report of the Jenoptik Group (unaudited)

FOR THE MONTHS JANUARY TO JUNE 2013

Q 2
2013

AT A GLANCE – JENOPTIK GROUP

Figures in million euros	Jan. – June 2013	Jan. – June 2012[1)]	Change in %	April – June 2013	April – June 2012[1)]	Change in %
Sales	**283.6**	**283.8**	**– 0.1**	**151.6**	**146.1**	**3.8**
Lasers & Optical Systems	104.4	110.9	– 5.8	54.7	53.6	2.1
Metrology	90.5	80.0	13.1	47.7	42.7	11.7
Defense & Civil Systems	88.4	92.4	– 4.4	48.8	48.8	0.0
Others[2)]	0.4	0.6	– 25.9	0.3	0.9	– 62.2
EBITDA	**34.9**	**37.3**	**– 6.5**	**19.0**	**20.0**	**– 5.0**
Lasers & Optical Systems	14.4	21.0	– 31.3	7.9	9.6	– 17.5
Metrology	11.9	8.1	47.3	4.9	4.3	12.9
Defense & Civil Systems	8.0	6.6	21.3	6.5	4.0	60.2
Others[2)]	0.6	1.7	– 66.2	– 0.3	2.0	– 113.6
EBIT	**23.5**	**26.0**	**– 9.6**	**12.9**	**14.4**	**– 10.2**
Lasers & Optical Systems	9.7	16.2	– 40.2	5.6	7.3	– 23.6
Metrology	10.8	6.5	65.5	4.3	3.6	19.7
Defense & Civil Systems	4.9	4.2	17.7	4.6	2.8	63.8
Others[2)]	– 1.9	– 0.9	– 112.7	– 1.5	0.7	– 304.6
EBIT margin (EBIT as % of sales)	**8.3 %**	**9.2 %**		**8.5 %**	**9.8 %**	
Lasers & Optical Systems	9.3 %	14.6 %		10.1 %	13.6%	
Metrology	11.9 %	8.2 %		8.9 %	8.3 %	
Defense & Civil Systems	5.5 %	4.5 %		9.4 %	5.8 %	
Earnings before tax	**20.3**	**23.0**	**– 11.7**	**11.3**	**13.1**	**– 14.1**
Earnings after tax	**17.5**	**19.6**	**– 10.6**	**9.7**	**11.2**	**– 13.5**
Order intake	**282.7**	**282.4**	**0.1**	**150.7**	**133.6**	**12.8**
Lasers & Optical Systems	114.2	108.0	5.7	62.0	53.0	17.0
Metrology	86.7	100.5	– 13.7	44.5	41.6	7.0
Defense & Civil Systems	83.5	73.2	14.2	46.1	37.9	21.7
Others[2)]	– 1.7	0.8	– 316.7	– 1.9	1.2	– 259.7

Figures in million euros	June 30, 2013	Dec. 31, 2012	June 30, 2012
Order backlog	**446.1**	**446.8**	**449.6**
Lasers & Optical Systems	115.0	105.2	97.7
Metrology	85.1	87.4	93.1
Defense & Civil Systems	249.7	255.8	260.2
Others[2)]	– 3.7	– 1.6	– 1.3
Employees (incl. trainees)	**3,346**	**3,272**	**3,154**
Lasers & Optical Systems	1,358	1,349	1,304
Metrology	868	814	757
Defense & Civil Systems	903	913	910
Others[2)]	217	196	183

1) Changed due to first-time application of IAS 19R as at December 31, 2012.
2) Other 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) in this report.

SUMMARY OF THE MONTHS JANUARY TO JUNE 2013

- Demand from the automotive and machine construction industry remained stable. The semiconductor equipment manufacturing market was still weak, as expected.
  See Market Development – from page 5.

- In a challenging economic environment group sales, at 283.6 million euros, reached the good level of the previous year
  See Earnings and Order situation – page 7.

- The Group EBIT came to 23.5 million euros (prev. year 26.0 million euros) as a result of the programs required for the development of the Group as well as the scheduled expansion of the sales and R+D activities.
  See Development of Results – page 7.

- Net debt increased slightly to 80.8 million euros compared with the end of 2012 due to advance payments for future customer projects and the dividend payment. The shareholder's equity quota rose to 50.5 percent.
  See Financial and Asset position – page 9.

- In the 1st half-year 2013 the course of business in the Lasers & Optical Systems segment was characterized by the reluctance to invest in some areas. The Metrology segment posted strong growth in sales and earnings. Sales in the Defense & Civil Systems segment were down slightly on the previous year; positive one-off effects were included in earnings.
  See Segment Reporting – from page 11.

- In the 2nd quarter 2013 the order intake rose, it came to 282.7 million euros in the 1st half of the year and was at the same level as sales. The book-to-bill ratio stabilized at 1.00.
  See Earnings and Order situation – from page 8.

- On the basis of the good trend in the development of business during the year the Executive Board reaffirms his forecast and continues to expect sales to show a small rise of up to 5 percent for the full year 2013, with a group EBIT from the operating business of between 50 and 55 million euros before costs for the projects required for the development of the Group in the mid single-figure million euro range.
  See Forecast Report – from page 16.

1. BUSINESS AND FRAMEWORK CONDITIONS

1.1 Group structure and business activity

As an integrated optoelectronics group, Jenoptik is divided into the three following segments:
- Lasers & Optical Systems
- Metrology and
- Defense & Civil Systems.

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

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

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

1.2 Development of the capital market and the Jenoptik share

The hopes of a stabilizing global economy combined with the continuation of the looser monetary policy by the central banks allowed share prices to reach new highs in the 1st half-year 2013, particularly in Europe. The Dax reached a new record high of 8,531 points on May 22, 2013 and its lowest level in the 1st half-year of 7,459 points on April 19. According to market participants, the surprising sell-off on German equity markets in April and June was responsible not only for the sudden surge of profit-taking but also the announcement by the US FED to allow the purchase of US treasury bonds to expire prematurely over the remainder of the year. After reaching 7,779 points at the start of the year, the Dax had risen 2.3 percent at the end of the 1st half-year 2013. The TecDax increased sharply by 12.3 percent.

Jenoptik also benefited from the excellent mood on the stock exchanges. Following a very strong performance in 2012, during the first six months of 2013 the value of the Jenoptik share also reported a higher than average increase of 23.3 percent since the beginning of the year. After a pleasing start, the share reached its first high of the year at the end of January with a closing price of 8.49 euros. The share price subsequently moved sideways and recorded its lowest closing price during the period covered by the report of 7.46 euros on March 22. However, in May the share price then rose above 9 euros and recorded another new high for the year on June 18 with a closing price of 10.16 euros, the highest level since mid-2004. On June 28 it closed at 9.50 euros, an increase of just under 1.80 euros compared with the start of the year.

EARNINGS PER SHARE

	1.1. to 30.6.2013	1.1. to 30.6.2012[1)]
Net profit in KEUR	17,540	19,600
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.31	0.34

Earnings per share are the net profit divided by the weighted average number of shares outstanding.
1) Changed due to first-time application of IAS 19R.

The liquidity and tradeability of the Jenoptik share improved further on the German stock exchanges during the period covered by the report. In the 1st half-year 2013, the average number of shares traded on one day was 137,520 (prev. year 113,958). According to the June ranking by the German Stock Exchange based on stock exchange turnover, Jenoptik moved up from no. 32 in the previous year to its current 22nd place. In addition to the turnover, the company also showed a slight improvement in its market capitalization compared with the previous year. Jenoptik ranked 19th in the list of TecDax securities at the end of June (prev. year: 20th).

One of the main corporate events during the 2nd quarter was the 15th Annual General Meeting held in Weimar on June 4, 2013. The Supervisory Board and Executive Board reported to the approx. 450 attending shareholders and guests on the 2012 fiscal year – the most successful in the company's recent history – as well as on the company's further strategic development. The shareholders approved all the proposals from the Executive Board and Supervisory Board with large majorities. For example, the Annual General Meeting of JENOPTIK AG passed a resolution to pay a dividend of 0.18 euros per share. The payment per share therefore increased by 20 percent compared with the previous year. On the basis of the total dividend paid in the sum of 10.3 million euros, approx. 22.5 percent of the group earnings after tax were therefore paid to the Jenoptik shareholders. Based on the closing price of 9.24 euros on the date of the Annual General Meeting, the dividend yield was 1.9 percent.

In the 1st half-year 2013, the Jenoptik Management provided investors and analysts with information at banking conferences in Baden-Baden, Boston, Frankfurt/Main, New York, Paris and Warsaw and also staged roadshows in Chicago, Copenhagen, Düsseldorf, Frankfurt/Main, London, Luxembourg, Warsaw, Vienna and Zurich.

In the 1st half of the year 2013 twelve research houses regularly reported about Jenoptik. The analysts recommended to buy or hold the shares. The average target price was 9.68 euros at the time of reporting.

1.3 Development of the economy as a whole and the Jenoptik sectors

According to details from the International Monetary Fund (IMF), the global economy failed to grow as strongly in the 1st half-year 2013 as had still been assumed in the spring. This was primarily attributable to three factors: contrary to the expectations of the IMF, growth in the key emerging countries was weaker and the recession in the euro zone stronger. The US economy also failed to achieve the anticipated level of growth.

In the US economy, the real estate market and industry provided a number of positive indications in June. While industrial production continued to stagnate in May, in June it increased by 0.3 percent compared with the previous month. The development was driven by the increasing demand, particularly for industrial machinery, automobiles and automotive accessories. According to the US Department of Trade the economic output in the 2nd quarter 2013 rose by an annualized rate of 1.7 percent. In the 1st quarter the economy had increased by just 1.1 percent according to revised data. The upswing is considered to be still week, as a growth rate of 2 percent was not reached during three quarters in succession.

There were positive signs for the economy of the euro zone in the 2nd quarter 2013: the Purchasing Managers' Index, which is calculated each month by the London Markit Institute, rose continuously, and in June industrial production grew faster than at any time since June 2011. For the first time in two years, the Purchasing Managers' Index once again passed the 50 point mark which indicates growth. According to the ifo Institute, economic output in the 2nd quarter 2013 rose by 0.1 percent compared with the previous quarter.

Following a weak 1st quarter 2013, during which economic output in Germany rose by 0.1 percent, the Federal Government currently expects growth in the 2nd quarter to be stronger. The ifo Business Climate Index has also stabilized at a higher than average level. However, from January to May 2013 export figures fell below the level for the previous year due to the recession in the euro zone and the economic slowdown in the emerging countries.

In the 2nd quarter 2013 China's economy grew at a markedly slower rate than had been anticipated. The Chinese Department of Statistics calculated that economic output had risen by 7.5 percent compared with the same period in the previous year. That was the fifth quarter in which growth was below 8 percent – according to analyst IHS Global Insight, a clear sign of a slowdown in the pace of growth. Exports, industrial production and investment in plants and machinery also weakened in June.

Jenoptik primarily targets the semiconductor and semiconductor equipment manufacturing industry, medical technology, machine construction / automotive, traffic, aviation and security and defense technology markets.

In all three segments, Jenoptik uses optical technologies. In the Optical Technologies Global Market Index, the German industry association Spectaris analyzes the development of sales of 15 international photonics companies, including Jenoptik. In the 1st quarter 2013, this index fell by 8.2 percent compared with the previous quarter; at 123 points, according to Spectaris, the index was only just above the level for the previous year.

Spectaris also analyzes the development of sales of 13 international manufacturers of medical technology in its Medical Technology Global Index which fell by 10.2 percent in the 1st quarter 2013 compared with the previous quarter.

According to the Semiconductor Industry Association (SIA), global sales in the semiconductor industry in the 2nd quarter 2013, at 74.7 billion US dollars, were 6.0 percent above the figure for the same quarter in the previous year. This was the highest growth in a quarter for three years. Following a moderate increase at the beginning of the year the global development continued to gain momentum in the 1st half of the year 2013. Sales in America, at 8.6 percent, showed the strongest increase compared with the previous quarter.

Up to now, the Semiconductor Equipment and Materials International (SEMI) trade association has only published the sales figures for the semiconductor equipment manufacturing industry for the 1st quarter 2013: at 7.3 billion US dollars, global sales by the manufacturers were 8 percent above those for the 4th quarter 2012 but 32 percent below the figures for the same quarter in the previous year. Major equipment manufacturers such as ASML reported a fall in sales and earnings for the 1st half-year 2013.

According to the German Engineering Federation (VDMA), order intakes increased for the first time in April this year. However, orders fell once again in May and June. For the 1st half of 2013 the VDMA calculated a minus of 1 percent for the order intake compared with the previous year. With exports stable, domestic order intakes at minus 6 percent were disappointing according to the VDMA, which believes that the overall quarterly figures still do not suggest a recovery in the situation inspite of „cautious impulses" from non-EU countries.

According to the European Automobile Manufacturers Association (Acea), the number of automobiles sold in Western Europe in the 1st half-year 2013 was the lowest for twenty years. Worldwide, in the 1st half-year 2013 vehicle sales only increased over the 1st half-year 2012 in the US, China and Brazil, according to figures from the German Association of the Automotive Industry (VDA). New vehicle registrations in Germany fell by 8 percent.

In the market for security and defense technology, a number of major orders for German systems companies were the topic of discussion in the 2nd quarter 2013. These included orders from the Near and Middle East. In the aviation industry, the aircraft manufacturers Airbus and Boeing have already delivered more aircrafts in the 1st half-year 2013 than in the same period in the previous year.

No major new reports were published for the other sectors in the 1st half-year 2013. We therefore refer to the details on pages 53 ff. in the 2012 Annual Report as well as to the first Interim Report on page 5f.

2. EARNINGS, FINANCIAL AND ASSET POSITION

Jenoptik took advantage of the opportunity to prematurely apply the IAS 19R (amended in 2011) as at December 31, 2012; this was applied retrospectively, which resulted in an adjustment in the interim financial statements for 2012. The resultant changes affect the pension provisions, shareholders' equity, result for the period and deferred taxes. The tables in the Management Report, which show a breakdown of the key indicators by segment, include the Corporate Center, Shared Service Center and the real estate under Others. The consolidation effects are shown separately.

2.1 Earnings and order situation

Development of sales. In a challenging economic environment sales of the Jenoptik Group in the reporting period, at 283.6 million euros, were at the same strong level as in the previous year (prev. year 283.8 million euros). At 151.6 million euros, a sharp increase was seen in the 2nd quarter over the 1st quarter 2013 (132.0 million euros). The Metrology segment reported a strong rise in sales of 13.1 percent in the first six months, primarily attributable to the business with traffic safety technology. This enabled the Group to partially compensate for the influences of the economic development in the Lasers & Optical Systems and Defense & Civil Systems segments.

The share of sales generated abroad in the 1st half-year 2013, at 64.8 percent, also remained unchanged over the previous year (prev. year 64.9 percent). Strong increases in sales were recorded particularly in the regions of America and Middle East/Africa. 21.3 percent of group sales were generated in America. The Metrology segment in particular posted an increase in the abovementioned regions.

Development of results. The EBITDA in the 1st half-year 2013 totaled 34.9 million euros compared with 37.3 million euros for the same period in the previous year. At 23.5 million euros, the Group EBIT was down on the figure for the previous year (prev. year 26.0 million euros) in spite of an improved gross margin. This was in part attributable to the programs required for the development of the Group such as the ERP project (JOE) and Go Lean as well as the planned expansion of international sales and R+D activities. In the 2nd quarter 2013 the Group posted an EBIT of 12.9 million euros, up on the previous quarter (Q1 2013: 10.6 million euros). The EBIT margin for the first six months of 2013 was 8.3 percent (prev. year 9.2 percent).

While, as expected, the EBIT in the Lasers & Optical Systems segment failed to repeat the high level achieved in the previous year, the Metrology segment increased its operating result by 65.5 percent. The EBIT of the Defense & Civil Systems segment rose by 17.7 percent compared with the 1st half-year 2012, which was in part due to a positive one-off effect in connection with the site optimization measures. In the Group, the balance of all one-off effects was just 0.3 million euros.

At minus 3.2 million euros, the financial result was down slightly on the level in the previous year (prev. year minus 3.0 million euros). While interest expenses fell due to a reduction in liabilities to banks and improved financing terms, the investment result was slightly lower.

The abovementioned effects led to a reduction in earnings before tax compared with the previous year, to 20.3 million euros (prev. year 23.0 million euros). Income taxes totaled 2.8 million euros. The cash effective tax quota was

SALES (in million euros)

	1.1. to 30.6.2013	1.1. to 30.6.2012	Change in %
Total	283.6	283.8	– 0.1
Lasers & Optical Systems	104.4	110.9	– 5.8
Metrology	90.5	80.0	13.1
Defense & Civil Systems	88.4	92.4	– 4.4
Others	0.4	0.6	– 25.9

EBIT (in million euros)

	1.1. to 30.6.2013	1.1. to 30.6.2012	Change in %
Total	23.5	26.0	– 9.6
Lasers & Optical Systems	9.7	16.2	– 40.2
Metrology	10.8	6.5	65.5
Defense & Civil Systems	4.9	4.2	17.7
Others	– 1.9	– 0.9	– 112.7

13.7 percent. Earnings after tax, at 17.5 million euros, were consequently down on the figure for the previous year (prev. year 19.6 million euros).

Order situation. The Jenoptik Group posted an order intake of 282.7 million euros, repeating the level achieved in the 1st half-year 2012 (prev. year 282.4 million euros). In this context, it should be taken into account that the order intake for the same quarter in the previous year included a proportion of the major order for traffic safety technology in Malaysia in the Metrology segment, as well as two larger orders in the Lasers & Optical Systems segment. At 150.7 million euros, the volume in the months April to June exceeded the order intake for the previous quarter (Q1 2013: 132.0 million euros).

The book-to-bill ratio was 1.00 and so in the 1st half-year 2013, in challenging economic conditions, the Group once again posted an order intake at the level of sales for the period. The Group order backlog was 446.1 million euros, the same level as at the end of 2012 (31.12.2013: 446.8 million euros).

Detailed information on the development of the key indicators in the segments can be found in the Segment Reporting from page 11 of this report.

2.2 Development of the key performance indicators

With sales remaining at the same level, selling costs reduced by 0.9 percent to 186.3 million euros (prev. year 188.0 million euros). The gross margin improved accordingly to 34.3 percent (prev. year 33.7 percent). The successful continuation of the Jenoptik Excellence Program as well as economies of scale contributed to this result.

In the 1st half-year 2013 Jenoptik increased its level of investment in research and development, ensuring the Group's future performance capability and competitiveness. The R+D total output increased as planned to 26.3 million euros compared with 23.1 million euros for the same period in the previous year. It consequently rose to 9.3 percent of sales and includes the R+D costs, development costs on behalf of customers as well as the changes in the capitalized development costs which are included in assets. The development costs on behalf of customers in the 1st half-year 2013 totaled 7.1 million euros (prev. year 6.4 million euros). These costs are apportioned according to the contract structure and are thus dependent upon individual orders or projects. This means that both the cost of sales as well as the R+D expenses and corresponding quotas can fluctuate without producing a change in the R+D total output. Group R+D expenses amounted to 19.8 million euros in the first six months, approx. 18 percent above the figure for the same period in the previous year (prev. year 16.8 million euros).

Selling expenses rose during the course of the expansion of the international activities. There was also an increase in administrative expenses as a result of the expansion of key Group functions required for future growth.

Employees & management. As at June 30, 2013, the Jenoptik Group had 3,346 employees (31.12.2012: 3,272). The number of employees therefore showed a small rise of

ORDER INTAKE (in million euros)

	1.1. to 30.6.2013	1.1. to 30.6.2012	Change in %
Total	282.7	282.4	0.1
Lasers & Optical Systems	114.2	108.0	5.7
Metrology	86.7	100.5	− 13.7
Defense & Civil Systems	83.5	73.2	14.2
Others	− 1.7	0.8	− 316.7

ORDER BACKLOG (in million euros)

	30.6.2013	31.12.2012	Change in %
Total	446.1	446.8	− 0.2
Lasers & Optical Systems	115.0	105.2	9.3
Metrology	85.1	87.4	− 2.7
Defense & Civil Systems	249.7	255.8	− 2.4
Others	− 3.7	− 1.6	− 130.7

2.3 percent which was mainly due to the initial consolidation of foreign companies. The Group had 469 employees abroad (31.12.2012: 433).

As at the end of the 1st half-year 2013, the Jenoptik Group had a total of 101 trainees (31.12.2012: 130). There was short-time working for a small number of employees in a joint venture company in the 1st half-year 2013. As at June 30, 2013, the Group had 155 agency employees in Germany (prev. year 139).

2.3 Financial and asset position

A shareholders' equity quota of 50.5 percent as at June 30, 2013, the debenture loans and a syndicated loan for 120 million euros which was signed in April 2013 give Jenoptik a long-term and very sound financing structure.

As a result of the increase in the shareholders' equity and simultaneous reduction in borrowings, the debt to equity ratio, the ratio between borrowings and shareholders' equity, improved from 1.03 as at the end of 2012 to 0.98 as at June 30, 2013.

The dividend payment in the sum of 10.3 million euros in June 2013, expansion in the working capital, among other things in preparation for future customer projects, and payment of variable remuneration components (incl. due to collective agreement of the company), as expected, led to a slight increase in net debt to 80.8 million euros as at June 30, 2013 (31.12.2012: 74.6 million euros).

In April 2013 Jenoptik successfully concluded a syndicated loan agreement in the sum of 120 million euros. With this new financing structure, the Group has established an international core group of banks which is oriented towards the Group's future and secured a credit line for itself at attractive terms for the next five years. This will help Jenoptik to generate future growth on the international level and can be utilized flexibly for the purpose of financing the general purposes of the company.

Analysis of capital expenditure. Jenoptik is investing in the continued expansion of its sales structures as well as innovative products and optimizing its internal procedures. In the first six months of 2013, the Group invested 12.6 million euros in tangible and intangible assets (prev. year 10.4 million euros). At 9.2 million euros, the largest share of the resources went into tangible assets, including manufacturing capacities for the future business with the semiconductor industry. Investments in intangible assets, at 3.4 million euros in the 1st half-year, exceeded the figure for the same quarter in the previous year (1.5 million euros).

Depreciation in the Jenoptik Group totaled 10.8 million euros and were, just below the level for the same period in the previous year (prev. year 11.3 million euros).

Analysis of cash flows. The cash flow from operating activities reduced from 14.5 million euros to 10.2 million euros. This is attributable to a reduction in earnings before tax and the change in provisions. Reduced payments for the working capital compared with the 1st half-year 2012 had a positive effect on the cash flow from operating activities.

The increased capital expenditure in tangible and intangible assets, together with the payments for the acquisition of now JENOPTIK Australia Pty. Ltd, were reflected in the

R+D OUTPUT (in million euros)

	1.1. to 30.6.2013	1.1. to 30.6.2012	Change in %
R+D expenses	19.8	16.8	15.1
Capitalized development costs	0.1	0.3	– 284.6
Depreciation and impairment on capitalized development costs	– 0.6	– 0.4	32.7
Allocation to customer development orders	4.2	4.5	– 7.7
Other expenses Customer development orders	2.9	1.9	34.2
R+D output	26.3	23.1	12.3

EMPLOYEES (incl. trainees)

	30.6.2013	31.12.2012	Change in %
Total	3,346	3,272	2.3
Lasers & Optical Systems	1,358	1,349	0.7
Metrology	868	814	6.6
Defense & Civil Systems	903	913	– 1.1
Others	217	196	10.7

cash flow from investing activities. Receipts from disposals of financial assets totaled 6.5 million euros and were attributable to the repayment of a loan. The cash flow from investing activities was minus 6.3 million euros in the 1st half-year 2013 (prev. year minus 15.5 million euros).

The free cash flow is calculated on the basis of the cash flow from operating activities (before interest and taxes) less the payments for operating investment activities. The free cash flow in the period covered by the report was 1.2 million euros (prev. year 8.4 million euros).

The cash flow from financing activities totaled minus 14.9 million euros. This was affected in particular by the dividend payment in the sum of 10.3 million euros and repayments of loans in the sum of 3.0 million euros

Balance sheet analysis. At 671.4 million euros, the balance sheet total for the Jenoptik Group remained at almost the same level as at the end of 2012 (31.12.2012: 669.6 million euros).

Non-current assets, at 330.4 million euros, were virtually unchanged against the figure at the end of 2012 (31.12.2012: 333.8 million euros). On the one side, intangible assets increased to 74.9 million euros (31.12.2012: 70.6 million euros), in part as the result of investments in the JOE project, and on the other a loan was repaid. There were only minor changes in the other items.

Compared with the end of 2012, current assets were only marginally higher at 341.0 million euros (31.12.2012: 335.8 million euros). Inventories rose to 181.9 million euros (31.12.2012: 169.3 million euros). The increase compared with the end of 2012 was in part a result of low inventory levels as at December 31, 2012 due to the high level of sales at the year-end. The Group was also required to make advance payments for new customer projects in the 2nd half-year 2013 and in 2014. Accounts receivable and other assets showed a small rise to 122.4 million euros (31.12.2012: 120.7 million euros). By contrast, cash reduced mainly as the result of the dividend payment.

The increase in inventories led to a rise in the working capital to 215.7 million euros as at June 30, 2013, compared with the figure as at the end of 2012 (31.12.2012: 202.8 million euros). The working capital is defined as the total of trade accounts receivable and PoC (Percentage of Completion) plus inventories, less trade accounts payable and PoC, as well as on-account payments received. The working capital quota, the ratio between working capital and sales, accordingly showed a slight increase over the end of 2012, to 36.4 percent (31.12.2012: 34.7 percent).

The profit reported in the 1st half-year 2013 resulted in the shareholders' equity increasing to 339.0 million euros (31.12.2012: 330.3 million euros). At 50.5 percent, the shareholders' equity quota, the ratio between shareholders' equity and balance sheet total, once again exceeded the 50 percent level and was up on the figure for the end of 2012 (31.12.2012: 49.3 percent).

Non-current liabilities as at June 30, 2013 totaled 177.9 million euros (31.12.2012: 177.6 million euros) and were therefore virtually unchanged. There were also virtually no changes in the items included in non-current liabilities, such as e.g. non-current financial liabilities and pension obligations. Non-current liabilities include debenture loans placed in the fiscal year 2011, totaling 90 million euros and with terms of five resp. seven years.

Current liabilities reduced to 154.4 million euros (31.12.2012: 161.7 million euros). Current provisions fell as a result of paying variable remuneration components for 2012. There were virtually no changes in the other individual items.

Purchases and sales of companies. In order to further strengthen the market position in the Asia-Pacific region and to benefit in future from direct access to its customers, Jenoptik acquired 100 percent of the Australian company DCD Systems Pty. Ltd., a traffic safety technology in January 2013. The company now trades as JENOPTIK Australia Pty. Ltd, generating annual sales in the mid-single figure million euro range. The acquisition has had no significant consequences for the financial and asset position of the Jenoptik Group.

For details of assets and liabilities not included in the balance sheet we refer to the information on page 70ff in the Annual Report 2012 and the details on guarantees from page 108 in the Risk Report.

3. SEGMENT REPORTING

3.1 Lasers & Optical Systems segment

The course of business in the Lasers & Optical Systems segment in the 1st half-year 2013 was characterized by a continuing reticence to invest in some areas. This is also reflected in the development of the segment result.

The segment posted sales of 104.4 million euros, 5.8 percent down on the figure of 110.9 million euros generated in the same period in the previous year when in particular the semiconductor sector was very strong. In addition, the first six months 2013 were affected by a weaker demand from the semiconductor industry and China. Nevertheless, in the months of April to June 2013 the segment succeeded in increasing sales to 54.7 million euros, 2.1 percent up on the same quarter in the previous year, (prev. year 53.6 million euros). The segment's share of Group sales in the 1st half-year fell slightly compared with the previous year to 36.8 percent (prev. year 39.1 percent).

The slowdown in sales during the first six months, together with the planned increase in expenses for research and development and the expansion of the international sales, all had an impact on earnings from operating activities. As expected, the segment EBIT fell from 16.2 million euros in the previous year to 9.7 million euros. The EBIT margin was 9.3 percent compared with 14.6 percent for the same period in the previous year.

At 114.2 million euros, the order intake of the Lasers & Optical Systems segment was up on the figure of 108.0 million euros for the previous year and above the level of sales in the period covered by the report. This produced an improvement in the book-to-bill ratio to 1.09 (prev. year 0.97). The growth in the order intake was primarily attributable to the Optical Systems division. Also in future, the segment is aiming to expand its business outside the semiconductor industry by attracting major customers for close collaboration in areas such as medical technology or inspection and optoelectronic systems.

The order backlog in the Lasers & Optical Systems segment increased further thanks to the good order intake. As at the end of the 1st half-year 2013, the order backlog was 115.0 million euros, a rise of 9.3 percent on the figure for the end of 2012 (31.12.2012: 105.2 million euros).

The number of employees in the segment was only marginally higher, up by nine in the first six months of 2013 to 1,358 (31.12.2012: 1,349 employees).

Key events in the 1st half-year. In addition to the sector trade fair SPIE Photonics West which was held in San Francisco (US) in January, the Lasers & Optical Systems segment also had a presence at the LASER World of PHOTONICS in Munich and the LASER Trade Fair in Shanghai (China). In the 1st half-year 2013 the Lasers & Material Processing division showcased products such as the 1 kW fiber laser which is used primarily for the highly flexible and rapid contactless cutting and welding of metals. The division also presented its femtosecond laser for fast material processing in industry and medical technology. In the Optical Systems division, Jenoptik presented ultra-precision optics and optical systems for semiconductor manufacturing, their outstanding feature being exceptional quality. The division also expanded its range of F-Theta lenses and customer specific lenses primarily for high-power and picosecond lasers.

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

	30.6.2013	30.6.2012	Change in %
Sales	104.4	110.9	−5.8
EBIT	9.7	16.2	−40.2
Order intake	114.2	108.0	5.7
Order backlog	115.0	105.2 [1]	9.3
Employees	1,358	1,349 [1]	0.7

[1] Figures as at December 31, 2012.

- Development of sales in the 1st half-year still being influenced by economic trends.
- Earnings situation reflects increased expenses for R&D and planned expansion of sales.
- Order intake up on previous year, book-to-bill ratio rises to 1.09.

3.2 Metrology segment

The Metrology segment continued its very good performance in first six months of 2013, posting a sharp rise in sales and earnings compared with the same period in the previous year.

Segment sales increased by 13.1 percent to 90.5 million euros (prev. year 80.0 million euros). The main contributor to this rise was the Traffic Solutions division. The segment further increased its share of total sales over the previous year to 31.9 percent (prev. year 28.2 percent).

Earnings from operating activities (EBIT) in the segment rose to 10.8 million euros, up by 65.5 percent on the previous year (prev. year 6.5 million euros). This was attributable on the one side to the positive development of business in Industrial Metrology in the automotive/machinery engineering area, particularly in the US market. On the other side, the higher-than-average rise in gross profit thanks to economies of scale and a favorable product mix in Traffic Solutions contributed toward the rise in the segment EBIT, with the EBIT margin increasing from 8.2 percent in the 1st half-year 2012 to 11.9 percent.

At 86.7 million euros, the segment order intake was 13.7 percent down on the same period in the previous year (prev. year 100.5 million euros), although this figure had included a portion of the major order for traffic safety technology in Malaysia. Major projects like these give rise to fluctuations in the order-related indicators on a quarterly basis. In the area of industrial metrology, demand from China and the US remained roughly at the same level as in the previous year.

The order intake and sales were approximately the same, resulting in a book-to-bill ratio of 0.96 (prev. year 1.26). At 85.1 million euros, the segment order backlog remained slightly below the figure at the end of 2012 (31.12.2012: 87.4 million euros).

As at June 30, 2013, the segment had 868 employees, 6.6 percent more than at the end of 2012 (31.12.2012: 814). In addition to the initial consolidation of foreign companies new personnel were primarily recruited abroad in the Service Providing business of the Traffic Solutions division in conjunction with major international projects and in the Industrial Metrology division mainly at the German locations.

Key events in the 1st half-year. The acquisition of the Australian company DCD Systems at the start of the year enabled Jenoptik to strength its role as a leading global provider of traffic safety technology as well as traffic service providing and further expand its business in the Asia-Pacific region. More information on this can be found in Chapter 2.3 Financial and asset position on page 10.

At Traffex Birmingham, one of the headline trade fairs for traffic safety technology, Jenoptik presented a new contactless laser scanner system for speed monitoring. The new scanner system makes Jenoptik the only provider in the world to have all the established sensor technologies for modern traffic monitoring at its disposal: laser scanner, radar, piezo and induction loops.

At Control, the world's leading trade fair for industrial metrology in Stuttgart, a new mobile roughness tester was showcased at the beginning of May 2013. With a range of

METROLOGY SEGMENT AT A GLANCE (in million euros)

	30.6.2013	30.6.2012	Change in %
Sales	90.5	80.0	13.1
EBIT	10.8	6.5	65.5
Order intake	86.7	100.5	– 13.7
Order backlog	85.1	87.4[1]	– 2.7
Employees	868	814[1]	6.6

[1] Figures as at December 31, 2012.

- Positive development of sales. Significant increase in EBIT.
- Expansion of international sales is securing a good development of business particularly in North America, the Middle East and Africa.

new features this device provides for user-friendly, economic, in-process testing. Jenoptik also presented a new generation of measurement devices for surface inspection and roughness testing in cylinder bores mainly for use in engine development and manufacturing.

3.3 Defense & Civil Systems segment

The Defense & Civil Systems segment successfully continued its internationalization strategy, primarily in North America. The business is oriented toward the long-term and because of major projects it is subject to certain fluctuations on a quarterly basis which impact mainly on a period's order-related indicators.

On the sales side, the Defense & Civil Systems segment showed a positive development in the course of the 1st half-year. As at the end of the period covered by the report, sales amounted to 88.4 million euros and were 4.4 percent below the figure for the previous year (prev. year 92.4 million euros), compared with a fall of 9.4 percent as at the end of the 1st quarter. The segment's share of group sales was only down slightly compared with the previous year and is currently 31.2 percent (prev. year 32.6 percent).

The segment EBIT was up by 17.7 percent to 4.9 million euros (prev. year 4.2 million euros) among other things as a result of positive one-off effects. The EBIT margin in the segment therefore increased from 4.5 percent to 5.5 percent.

At 83.5 million euros, the order intake was significantly above the level for the previous year (prev. year 73.2 million euros) but just below the level of sales for the first six months of the 2013 fiscal year. As at the end of the period covered by the report, the segment's book-to-bill ratio consequently improved from 0.79 in the same period of the previous year to 0.95. The segment reported a slight fall in its order backlog to 249.7 million euros (31.12.2012: 255.8 million euros).

There was a reduction in the number of employees in the Defense & Civil Systems segment to 903, 1.1 percent lower compared with the end of 2012, (31.12.2012: 913).

Key events in the 1st half-year. In the 1st half-year, Jenoptik won an order in the Defense & Civil Systems segment from Rheinmetall with a total order value of 5.5 million euros. The order is for the supply of 62 thermal imaging target acquisition devices of the NYXUS BIRD series and more than 300 laser rangefinders over a period of three years.

In the Defense & Civil Systems segment, Jenoptik again received the Performance Excellence Award from Boeing. The US aviation company presents this award annually to suppliers in recognition of exceptional performance.

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

	30.6.2013	30.6.2012	Change in %
Sales	88.4	92.4	– 4.4
EBIT	4.9	4.2	17.7
Order intake	83.5	73.2	14.2
Order backlog	249.7	255.8 [1]	– 2.4
Employees	903	913 [1]	– 1.1

[1] Figures as at December 31, 2012.

- Internationalization successfully continued.
- Measures aimed at optimizing costs were taken.
- Order intake up sharply on previous year.

4. REPORT ON POST BALANCE SHEET EVENTS

There were no events of special importance occurring after the reporting date of June 30, 2013.

5. RISK REPORT

Within the framework of the reporting on the Risk Report we refer to the details published at the end of March 2013 on pages 98 to 111 of the 2012 Annual Report.
There have been no major changes in the risks described in the report during the course of the 1st half-year 2013 up to the editorial closing date for this report.

6. FORECAST REPORT

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

The International Monetary Fund (IMF) again updated its growth forecasts in July 2013, reducing them marginally for most countries. In addition to the ongoing euro crisis there are new risks for the global economy, for example the possibility of a further loss of momentum in the emerging countries. In 2013, the global economy are expected to expand by 3.1 percent, the same as in the previous year (previous forecast: 3.3 percent) and in 2014 by 3.8 percent compared with the respective previous year.

According to the IMF, the US economy will grow by 1.7 percent compared with 2012 (previous forecast: 1.9 percent). The spending cutbacks will not have the same restricting effect on economic growth in the 2nd half-year 2013 as they did at the beginning of the year. On the other hand, however, the IMF believes that this effect will continue into the coming year and therefore last longer than had previously been anticipated. The IMF predicts a 2.7 percent rise in economic output for 2014.

The IMF believes that the recession in the euro zone will be much more severe than had previously been expected: in 2013 the economy will shrink by 0.6 percent. In 2014 the gross domestic product (GDP) could grow by 0.9 percent compared with the previous year. The ifo Institute believes that rising exports and a pick-up in domestic demand could lead to a slight recovery in the 2nd half-year 2013. However, this could be held back by fiscal consolidation measures as well as the aims of financial institutions to reduce debt.

In Germany, the IMF believes that in 2013 the economy will grow by 0.3 percent compared with the previous year, only half the previous forecast rate. The IMF predicts an increase of 1.3 percent in GDP for 2014.

The IMF has reduced its forecast for the economy in China for 2013 to 7.8 percent and for 2014 to 7.7 percent compared with the respective previous year (previous forecasts: 8.1 resp. 8.3 percent). The Chinese government also now expects to see growth well below the previously planned 7.5 percent. However, the weaker economic data is said to be the necessary consequence of the economic reforms.

In India, as a result of the slowing economic activity, additional sectors of industry including defense are being opened up to foreign investors. Nevertheless, the Indian government no longer anticipates growth of 6.5 percent for the current budget year. The IMF has reduced its GDP forecasts marginally to plus 5.6 percent in 2013 and 6.3 percent in 2014.

The sector associations Spectaris, VDMA and ZVEI have published a joint sector study for optical technologies entitled "Photonics 2013", according to which the global photonics sector will grow to approx. 615 billion euros by the year 2020 (2011: approx. 350 billion euros). That represents an average annual growth rate of approx. 6.5 percent.

For the German medical technology sector, the Spectaris industry association forecasts a 4.2 percent rise in sales for 2013 compared with the previous year (2012: 22.3 billion euros). The impetus for growth is expected to come from abroad, primarily from the non-EU countries. In 2014, sales by German manufacturers could rise by around 3.5 percent.

According to the SIA sector association, sales by the semiconductor industry in 2013 are expected to increase globally to 297.8 billion US dollars, up by 2.1 percent on the previous year. The SIA also expects to see growth in the sector over the coming years: 5.1 percent to 312.9 billion US dollars in 2014 and in 3.8 percent to 324.9 billion US dollars in 2015.

Major semiconductor equipment manufacturers expect annual sales to be at least maintained at the same level as the previous year or – like ASML – have raised their sales forecasts for 2013 because the continuing high demand for smartphones and tablets is also driving the demand for semiconductor equipment. According to current forecasts from the SEMI sector association, global spending on semiconductor equipment could remain stable at 36.3 billion US dollars (2012: 36.9 billion US dollars) before the possibility of seeing it rise further by 21 percent to nearly 44 billion US dollars in 2014. That would be the second strongest year after 2000. IT analyst Gartner forecasts a similar trend.

For the German machinery and plant manufacturers the VDMA has sharply reduced its production forecast for 2013: instead of a 2.0 percent rise the association expects production in 2013 to fall by 1.0 percent compared with 2012. The economic momentum in key markets has so far been too low. Production is also said to have started at a relatively low level in 2013; the previous production forecast cannot be sustained given the current order backlog. However, the VDMA does expect growth in the second half of 2013, with the main impetus coming from abroad.

The VDA forecasts for the global automotive industry new vehicle production to reach 70.5 million in 2013, a rise of 2.0 percent compared with 2012. According to the VDA, the light vehicles market in the US will increase by 5.0 percent to 15.2 million and in China by 10.0 percent to 14.6 million. The market in Western Europe, particularly Italy, Spain and France, will remain weak at minus 5 percent.

According to a study by the management consultants McKinsey and CLEPA, the Association of European Suppliers, the global market for automotive suppliers will increase from the latest figure of 1.1 billion euros to 2 billion euros annually up to 2020. The main opportunities for suppliers lie primarily in the Asiatic growth markets, cost-efficient innovations and the trend toward an increasingly eco-friendly approach and energy efficiency.

According to a study by McKinsey, the fragmented European armaments market is leading to unnecessary spending. A reform of the market by the EU Commission is aimed at creating the opportunity for increased synergies and improved cooperation on a cross-border basis. The intention is to also link the results of civil research and military developments more closely and on this basis to strengthen the position of providers, particularly from the European Union, by having invitations to tender and orders from the defense sector processed within the EU.

In the aviation sector, in summer 2013 the aircraft manufacturer Airbus, which is already supplied with equipment by Jenoptik, increased its annual forecast for orders to over 1,000. The aircraft manufacturer Boeing increased its sales forecast for 2013 as a result of the high order backlog.

No new forecasts have been published for the other sectors. We therefore refer to the details on pages 114ff of the 2012 Annual Report and page 14f of the first Interim Report 2013.

6.2 Long-term forecasts and targets

For details on the long-term forecasts and objectives we refer to the 2012 Annual Report published in March 2013 and the comprehensive information from page 112.

Overall, Jenoptik sees good sales opportunities for its own products and services over the long term – independently of how the economy develops in the medium term. The main attention of the Executive Board is focused on continued profitable, organic growth in all segments. On the regional side we see America and Asia as offering the greatest potential for growth. The aim here is to increase the share of sales to a total of 40 percent by 2016. In addition to the sales growth, economies of scale, cost discipline and increased margins from the systems business should help to grow profits.

As "enablers" for many growth sectors and with a comprehensive portfolio of technologies, products and services, we create forward-looking trends in attractive markets together with our customers. In addition to the Group's further development along the five value levers – organic growth, a market and customer-driven approach, internationalization, employees & management and operational excellence – the focus of our business development is primarily on product quality and sustainability.

6.3 Future development of the business situation

The details are given on the assumption that the economic situation develops within the framework of the economic and sector forecasts stated under Point 6.1 and in the 2012 Annual Report from page 114 and that the situation does not significantly deteriorate. All statements on the future development of the business situation have been made on the basis of current information.

The Lasers & Optical Systems segment still expects slight growth in the mid-single figure percentage range in 2013. Earnings should show a small rise depending upon the development of the semiconductor industry, particularly in the 2nd half-year 2013.

After posting a leap in sales and earnings in the 2012 fiscal year, the Metrology segment expects a stable to small positive development in sales and EBIT in 2013, partly as the result of a high order backlog at the end of 2012.

Our forecast for the Defense & Civil Systems segment in 2013 is for a balanced development of sales, against the background of an improvement in earnings in the double figure percentage range. This is attributable in part to the initiatives for saving cost and increasing efficiency.

In 2013, Jenoptik aims to further expand its sales structures, invest in innovative products and optimize internal procedures. To this end it will continue to consistently pursue a range of projects e.g. the initiatives for process harmonization and excellence – both in the operational and commercial areas. These steps should help to further strengthen the earnings capacity and to make even better use of potential synergies in the future.

The Executive Board reaffirms its forecasts for 2013. In challenging economic conditions it anticipates a small increase in sales of up to 5 percent compared with 2012 von (prev. year 585.0 million euros). Depending upon the course of the semiconductor cycle and the development in demand from the automotive industry, particularly in the 2nd half-year 2013, the EBIT achieved in the operating business should come in at between 50 and 55 million euros before costs in the mid single-figure million euro range required for projects for the development of the Group, such as JOE and Go Lean.

For details of the outlook for other key indicators for the development of business in 2013 we refer to the 2012 Annual Report published in March 2013, from page 119.

Consolidated statement of comprehensive income

Consolidated statement of income

in TEUR	1.1. to 30.6.2013	1.1. to 30.6.2012[1)]	1.4. to 30.6.2013	1.4. to 30.6.2012[1)]
Sales	283,627	283,803	151,611	146,073
Cost of sales	186,323	188,049	102,108	97,857
Gross profit	97,304	95,754	49,503	48,216
Research and development expenses	19,787	16,763	10,019	8,428
Selling expenses	33,541	32,720	16,620	17,182
General administrative expenses	23,135	20,616	12,807	10,185
Other operating income	6,880	8,491	4,035	5,421
Other operating expenses	4,224	11,680	1,190	6,996
EBIT – continuing operations	23,498	22,466	12,902	10,846
EBIT – discontinued operations	0	3,529	0	3,529
EBIT – Group	23,498	25,995	12,902	14,375
Result from investments	–452	265	–418	294
Interest income	482	591	314	238
Interest expenses	3,211	3,842	1,518	1,778
Financial result	–3,181	–2,986	–1,623	–1,246
Earnings before tax – continuing operations	20,317	19,480	11,280	9,600
Earnings before tax – discontinued operations	0	3,529	0	3,529
Earnings before tax – Group	20,317	23,009	11,280	13,129
Income taxes	–2,775	–3,293	–1,541	–1,900
Deferred taxes	–20	–127	–85	–72
Earnings after tax – continuing operations	17,522	16,060	9,654	7,628
Earnings after tax – discontinued operations	0	3,529	0	3,529
Earnings after tax – Group	17,522	19,589	9,654	11,157
Non-controlling interest in profit/loss	–18	–11	–8	–7
Net profit of shareholders	17,540	19,600	9,663	11,165
Earnings per share in euros – continuing operations	0.31	0.28	0.17	0.13
Earnings per share in euros – Group (diluted = undiluted)	0.31	0.34	0.17	0.20

1) Adjusted due to first-time application of IAS 19R as at December 31, 2012

Other comprehensive income

in TEUR	1.1. to 30.6.2013	1.1. to 30.6.2012[1)]	1.4. to 30.6.2013	1.4. to 30.6.2012[1)]
Earnings after tax	17,522	19,589	9,654	11,157
Items that will not be reclassified to the statement of profit or loss	–179	–449	–179	–449
Revaluation	–179	–449	–179	–449
Items that may be reclassified to the statement of profit or loss	107	1,197	–685	1,088
Financial assets available for sale	525	40	359	–52
Cash flow hedge	–189	105	320	–1,034
Deferred taxes	–229	1,052	–1,364	2,174
Total income and expense recognized in shareholders' equity	–72	748	–864	639
Total comprehensive income	17,450	20,337	8,790	11,796
of which attributable to: Non-controlling interest	–18	–11	–8	–7
Shareholders	17,468	20,348	8,799	11,804

1) Adjusted due to first-time application of IAS 19R as at December 31, 2012

Consolidated balance sheet

Assets in KEUR	30. 6. 2013	31. 12. 2012	Change
Non-current assets	330,424	333,778	– 3,355
Intangible assets	74,876	70,622	4,254
Tangible assets	142,272	143,240	– 968
Investment properties	19,344	19,580	– 236
Financial assets	20,005	27,205	– 7,200
Other non-current assets	5,630	4,781	850
Deferred tax assets	68,296	68,351	– 54
Current assets	341,018	335,846	5,172
Inventories	181,893	169,270	12,622
Current accounts receivable and other assets	122,399	120,659	1,739
Securities held as current investments	594	561	33
Cash and cash equivalents	36,132	45,355	– 9,223
Total assets	671,441	669,624	1,817

Shareholders' equity and liabilities in KEUR	30. 6. 2013	31. 12. 2012	Change
Shareholders' equity	339,049	330,325	8,724
Subscribed capital	148,819	148,819	0
Capital reserve	194,286	194,286	0
Other reserves	– 4,311	– 13,053	8,742
Non-controlling interests	255	273	– 18
Non-current liabilities	177,948	177,567	381
Pension provisions	31,039	31,238	– 199
Other non-current provisions	12,015	12,064	– 49
Non-current financial liabilities	115,813	115,776	37
Other non-current liabilities	16,123	15,417	706
Deferred tax liabilities	2,958	3,072	– 114
Current liabilities	154,444	161,732	– 7,287
Tax provisions	7,814	6,059	1,755
Other current provisions	40,861	52,053	– 11,192
Current financial liabilities	1,750	4,692	– 2,942
Other current liabilities	104,019	98,927	5,092
Total shareholders' equity and liabilities	671,441	669,624	1,817

Consolidated statement of movements in shareholders' equity

in KEUR	Subscribed capital	Capital reserve	Cumulated profit
Balance as at 1. 1. 2012	148,819	194,286	–27,799
Transactions with shareholders (dividend)			–8,585
Valuation of financial instruments			
Revaluation loss			
Currency differences			762
Earnings after tax			19,600
Other differences			573
Balance as at 30. 6. 2012[1]	148,819	194,286	–15,449
Balance as at 1. 1. 2013	148,819	194,286	11,635
Transactions with shareholders (dividend)			–10,303
Valuation of financial instruments			
Revaluation loss			
Currency differences			–171
Earnings after tax			17,540
Other differences			1,577
Balance as at 30. 6. 2013	148,819	194,286	20,278

[1] Adjusted due to first-time application of IAS 19R as at December 31, 2012

Financial assets available for sale	Cash flow hedge	Cumulative currency differences	Revaluation	Non-controlling interest	Total
208	– 1,603	770	– 16,530	292	298,443
					– 8,585
40	105				145
			– 449		– 449
		290			1,052
				– 11	19,589
					573
248	– 1,498	1,060	– 16,979	281	310,768
119	– 22	663	– 25,448	273	330,325
					– 10,303
525	– 189				336
			– 179		– 179
36		– 94			– 229
				– 18	17,522
					1,577
680	– 211	569	– 25,627	255	339,049

Consolidated statement of cash flows

in KEUR	1.1. to 30.6.2013	1.1. to 30.6.2012	1.4. to 30.6.2013	1.4. to 30.6.2012
Earnings before tax	20,317	23,009	11,280	13,129
Interest	2,729	3,251	1,205	1,540
Depreciation / write up	10,785	11,262	5,533	5,624
Impairment	645	1,016	653	1,333
Profit/loss on disposal of fixed assets	–240	–19	–274	–36
Other non-cash expenses / income	–189	–2	440	–495
Operating profit / loss before working capital changes	34,046	38,517	18,836	21,094
Increase / decrease in provisions	–12,450	–3,458	–10,628	–5,891
Increase / decrease in working capital	–10,664	–20,544	–6,484	–13,809
Increase / decrease in other assets and liablities	613	4,039	–2,964	–262
Cash flow from / used in operating activities before income taxes	**11,545**	**18,553**	**–1,240**	**1,131**
Income taxes paid	–1,370	–4,066	–640	–3,870
Cash flow from / used in operating activities	**10,175**	**14,487**	**–1,880**	**–2,739**
Receipts from disposal of intangible assets	12	12	2	8
Payments for investments in intangible assets	–3,415	–1,455	–1,007	–561
Receipts from disposal of tangible assets	2,273	245	1,916	88
Payments for investments in tangible assets	–9,172	–8,992	–5,598	–5,497
Receipts from disposal of investment properties	0	418	0	0
Receipts from disposal of financial assets	6,545	1,326	6,485	311
Payments for investments in financial assets	–152	–8,047	–74	–7,873
Payments for the purchase of consolidated companies	–2,849	0	116	0
Interest received	483	983	314	501
Cash flow from / used in investing activities	**–6,275**	**–15,510**	**2,154**	**–13,023**
Dividend paid	–10,303	–8,585	–10,303	–8,585
Receipts from issue of bonds and loans	2	597	2	–815
Repayments of bonds and loans	–3,015	–1,458	–300	–1,087
Repayments for finance leases	–44	–1,969	–19	–1,804
Change in group financing	–511	–6,908	1,173	–8,344
Interest paid	–1,012	–2,533	–618	–1,809
Cash flow from / used in financing activities	**–14,882**	**–20,856**	**–10,064**	**–22,444**
Change in cash and cash equivalents	**–10,983**	**–21,879**	**–9,791**	**–38,206**
Foreign currency translation changes in cash and cash equivalents	–30	159	–262	363
Change in cash and cash equivalents due to first time consolidation	1,790	0	819	0
Cash and cash equivalents at the beginning of the period	45,355	48,828	45,366	64,951
Cash and cash equivalents at the end of the period	**36,132**	**27,108**	**36,132**	**27,108**

Key figures by business divisions and other areas

January 1 to June 30, 2013

in KEUR	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Other	Consolidation	Group
Sales	104,379 (110,856)	90,469 (79,959)	88,371 (92,438)	12,879 (11,843)	– 12,471 (– 11,292)	283,627 (283,803)
of which Germany	32,647 (33,677)	22,477 (22,801)	44,374 (42,606)	12,701 (11,771)	– 12,287 (– 11,220)	99,912 (99,634)
Europe	28,359 (34,129)	16,954 (17,360)	32,192 (27.657)	46 (30)	– 46 (– 30)	77,505 (79,147)
America	24,062 (21,583)	26,697 (16,977)	9,630 (15,458)	109 (41)	– 107 (– 41)	60,391 (54,018)
Middle East and Africa	9,012 (6,219)	11,467 (9,159)	1,437 (1,043)	0 (0)	0 (0)	21,916 (16,421)
Asia / Pacific	10,299 (15,247)	12,875 (13,663)	739 (5,674)	23 (1)	– 31 (– 1)	23,904 (34,584)
EBIT (Earnings before interest and taxes)	9,691 (16,202)	10,788 (6,518)	4,891 (4,156)	– 1,774 (– 940)	– 99 (60)	23,498 (25,995)
EBITDA (Earnings before interest, taxes, depreciation and amortization)	14,394 (20,956)	11,921 (8,094)	7,987 (6,586)	662 (1,607)	– 99 (60)	34,865 (37,303)
Result from investments	– 83 (– 57)	199 (148)	– 574 (175)	6 (– 1)	0 (0)	– 452 (265)
Research and development expenses	8,259 (7,451)	7,674 (6,479)	3,767 (2,773)	203 (178)	– 117 (– 117)	19,787 (16,763)
Free cash flow (before income taxes)	– 75 (10,473)	6,892 (5,039)	1,724 (– 2,411)	– 7,194 (– 4,693)	– 105 (– 44)	1,242 (8,364)
Working capital [1]	59,993 (51,095)	64,053 (63,171)	98,151 (98,114)	– 6,453 (– 9,489)	– 39 (– 53)	215,705 (202,837)
Order intake	114,163 (108,008)	86,732 (100,457)	83,537 (73,159)	12,879 (11,859)	– 14,587 (– 11,070)	282,723 (282,413)
Tangible assets, investments properties and intangible assets	86,049 (87,182)	19,183 (15,305)	35,838 (36,322)	95,422 (94,633)	0 (0)	236,492 (233,442)
Investments excluding company acquisitions	5,203 (4,707)	2,097 (1,107)	2,012 (3,442)	3,275 (1,189)	0 (0)	12,587 (10,445)
Depreciation, amortization and impairment	4,703 (4,754)	1,133 (1,577)	3,096 (2,429)	2,436 (2,548)	0 (0)	11,367 (11,308)
Employees on annual average (without trainees)	1,315 (1,258)	823 (720)	856 (875)	198 (178)	0 (0)	3,192 (3,030)

Previous year's figures in brackets
[1] Previous year's figures as at December 31, 2012.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS OF 2013.

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 publicly 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 same accounting policies applied in preparing the 2012 consolidated financial statements were also applied in preparing the first half-year interim financial statements as at 30 June, 2013, which were prepared on the basis of the International Accounting Standard (IAS) 34 Interim Financial Reporting. These interim financial statements were prepared in accordance with IFRS as adopted by the European Union. These policies were published and individually described in detail in the Notes to the 2012 Annual Report. The Annual Report is available on the internet under www.jenoptik.com using the path Investors/Reports and Presentations/Annual Reports.

The interim 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 so that a true and fair view of the Group's business performance has been presented in the period under review.

The following changes were made that deviate from the consolidated financial statements as at December 31, 2012:

IAS 1 „Presentation of Financial Statements". The changes affected the presentation of other comprehensive income in the statement of comprehensive income. The items included in the statement of other comprehensive income that are later to be reclassified to the statement of profit or loss are in future to be presented separately from the items of the other comprehensive income that have never been reclassified. Insofar as the items are gross, meaning that they are to be reported without offsetting any deferred tax effects, deferred taxes can no longer be presented in one sum, rather they are to be allocated to both groups of items.

IFRS 13 „Fair Value Measurement". In May 2011 the IASB published IFRS 13 Fair Value Measurement that combines the rules for measuring fair value, which had up to this time been dispersed in various IFRS standards, into one standard and thus replaced them with a uniform regulation. IFRS 13 is to be applied prospectively for financial years beginning on or after January 1, 2013. No material effects arose from the first-time application of this standard in measuring assets and liabilities, and thus there was no effect on net assets, the financial position and the results of operations of Jenoptik. Changes applied particular in the Notes to the consolidated financial statements. In accordance with this standard, information concerning the fair value of financial instruments as well as the classification of financial instruments are not only to be disclosed in the annual consolidated financial statements but also in the interim reporting.

IAS 19R „Employee Benefits". Jenoptik made use of the possibility of early application of IAS 19R as at December 31, 2012. IAS 19R is to be applied retrospectively and thus resulted in a change in the interim financial statements as at June 30, 2012, which had already been published.

Companies included in consolidation

The consolidated financial statements included 14 domestic (prev. year: 14) and 15 foreign (prev. year: 10) fully consolidated entities. One joint venture (prev. year: 1) was proportionally included in the consolidation.

As at March 31, 2013, DCD Systems Pty. Ltd., Sydney, Australia, had been acquired in the 1st quarter of 2013 and is now operating under the name of JENOPTIK Australia Pty. Ltd. (JO Australia) and JENOPTIK Asia-Pacific Pte. Ltd., Singapore, founded at the end of 2012, were included in the interim consolidated financial statements for the first time. As at June 30, 2013, the American subsidiaries JENOPTIK Defense, Inc., Jupiter, USA, JENOPTIK Laser Technologies LLC, Brighton, USA, and LECHMOTOREN US, Inc., El Paso, USA have additionally been added to the consolidation. Jenoptik holds 100 percent of the shares in each of the newly consolidated entities. The following additions to assets and liabilities resulted from the first-time inclusion in the consolidation.

in KEUR	Additions
Non-current assets	4,055
Current assets	6,443
Non-current liabilities	57
Current liabilities	3,248

In connection with purchasing the shares in JO Australia, goodwill amounting to KEUR 2,002 was capitalized for gaining an advantage in having an easier market entry. This goodwill is not tax deductible.

The first half year financial statements include the sales of the newly consolidated entities amounting to KEUR 6,523 and profit after taxes of KEUR – 425.

Material transactions

Based on the resolution made at the annual general meeting held on June 4, 2013, dividends for the 2012 fiscal year were paid out in the amount of KEUR 10,303, respectively 0.18 euros for each no-par value share in June 2013.

In the future the increased efficiency planned in connection with relocations in the energy system area of the Defense & Civil Systems segment shall be achieved by implementing alternative measures of optimization. The measures initiated in December 2012 for optimizing the location in the USA were successfully implemented in the first half-year of 2013. In total provisions were reduced by EUR 5.8 million. The effect on earnings after tax amounted to EUR 3.8 million.

Classifications of material financial statement items

TANGIBLE ASSETS in KEUR	30.6.2013	31.12.2012
Land and buildings	79,708	81,505
Investment properties	19,344	19,580
Technical equipment and machines	28,576	28,880
Other equipment, operating and office equipment	20,644	19,487
Payments on-account and assets under construction	13,343	13,369
	161,616	162,820

INVENTORIES in KEUR	30.6.2013	31.12.2012
Raw materials, consumables and supplies	58,851	56,625
Work in progress	95,572	87,856
Finished goods and merchandise	20,797	16,972
Payments on-account made	6,673	7,817
	181,893	169,270

ACCOUNTS RECEIVABLE AND OTHER ASSETS in KEUR	30.6.2013	31.12.2012
Trade accounts receivable	104,067	100,110
Receivables from non-consolidated affiliated companies	3,771	4,413
Receivables from investment companies	1,085	1,959
Other assets	10,971	11,160
Receivables from construction contracts less payments on-account	2,505	3,018
	122,399	120,659

NON-CURRENT FINANCIAL LIABILITIES in KEUR	30.6.2013	31.12.2012
Non-current bank liabilities	115,784	115,776
Non-current liabilities from finance leases	29	0
	115,813	115,776

CURRENT FINANCIAL LIABILITIES in KEUR

	30.6.2013	31.12.2012
Bank liabilities	1,690	4,650
Liabilities from finance leases	60	42
	1,750	4,692

OTHER CURRENT LIABILITIES in KEUR

	30.6.2013	31.12.2012
Liabilities from on-account payments received	26,061	28,693
Trade accounts payable	46,698	40,868
Liabilities to affiliated non-consolidated-companies	3,438	3,797
Liabilities to participating interests	16	37
Other current liabilities	27,806	25,533
	104,019	98,927

The remaining changes to the statement of movements in shareholders' equity concerned the effects triggered by the first-time consolidation of subsidiaries that had been immaterial up until now.

As at December 31, 2012 a contingency liability was set up for eliminating environmental contamination in conjunction with a piece of property in France. At that point in time the reason for the liability as well as its amount had not yet been finally determined. On the basis of the first expert opinion, the facts of this matter have become more concrete as at June 30, 2013, and thus a reliable estimate can be made. There are no material impacts on the consolidated financial statements.

In June 2012 a provision set up for time-barred guarantee risks from the sale of Jena-Optronik GmbH was released. In accordance with the disclosure made in the annual financial statements as at December 31, 2012, the income will be disclosed separately under the item discontinued operations.

Financial instruments

The following carrying amounts of the financial assets and liabilities correspond to market values.

in KEUR	Carrying amount 30.6.2013	Carrying amount 31.12.2012
Financial assets	153,997	165,555
Cash and cash equivalents	36,132	45,355
Financial assets available for sale	2,441	1,914
Receivables from finance lease	2,212	2,223
Loans and receivables	112,756	115,181
Derivatives with hedging relationships	456	882
Financial liabilities	196,123	193,162
Trade accounts payable	46,698	40,868
Liabilities to banks and other financial liabilities	117,503	120,426
Liabilities from finance lease	89	42
Other non-derivative financial liabilities	31,250	30,886
Derivatives with hedging relationships	583	940

In the chart above the shares in unconsolidated associates and investments are not in the item of available-for-sale financial assets because they were measured at acquisition cost. The carrying amounts for these financial instruments are assumed to be at fair value.

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

in KEUR	Carrying amount 30.6.2013	Level 1	Level 3
Financial assets available for sale	2,441	2,261	180
	(1,914)	(1,755)	(159)
Hedges derivatives (assets)	456	456	0
	(882)	(882)	0
Hedges derivatives (liabilities)	583	583	0
	(940)	(940)	0

Level 1 fair values are allocated at listed market prices that are available anytime. Level 3 is based on measurement parameters that are not based on any observable market data. No financial instruments were allocated to level 2.

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

in KEUR	2013
Balance as at January 1	159
Additions	140
Disposals	– 1
Losses recognized in the financial result	– 118
Balance as at June 30	**180**

Related party disclosures

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

German Corporate Governance Code

The current statements 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 have been made permanently available to shareholders on the JENOPTIK AG website. The statements can also be viewed on site at JENOPTIK AG.

Legal disputes

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 2012 consolidated financial statements. In the first half-year of 2013 no further litigation arose that could have a material adverse effect on the financial position of the Group.

Events after the reporting period

No significant events occurred after the interim reporting period ending on June 30, 2013.

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 results 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, August 12, 2013

Dr. Michael Mertin Chairman of the Executive Board	Rüdiger Andreas Günther Executive Board Member

DATES 2013

AUGUST 13, 2013
Publication of the Interim Report
January to June 2013

NOVEMBER 12, 2013
Publication of the Interim Report
January to September 2013

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