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 SEPTEMBER 2013

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2013

AT A GLANCE – JENOPTIK GROUP

Figures in million euros	Jan.–Sept. 2013	Jan.–Sept. 2012[1]	Change in %	July–Sept. 2013	July–Sept. 2012[1]	Change in %
Sales	432.5	423.1	2.2	148.9	139.3	6.9
Lasers & Optical Systems	160.4	161.7	-0.8	56.0	50.8	10.3
Metrology	140.8	125.0	12.6	50.3	45.0	11.7
Defense & Civil Systems	128.6	133.0	-3.3	40.3	40.6	-0.8
Others[2]	2.7	3.4	-21.3	2.3	2.8	-20.5
EBITDA	53.7	58.8	-8.7	18.9	21.5	-12.4
Lasers & Optical Systems	23.8	31.2	-23.6	9.4	10.3	-7.9
Metrology	19.0	15.9	19.9	7.1	7.8	-8.5
Defense & Civil Systems	10.4	11.1	-6.5	2.4	4.5	-46.9
Others[2]	0.5	0.6	-28.1	-0.1	-1.0	90.2
EBIT	37.5	42.1	-10.9	14.0	16.1	-13.0
Lasers & Optical Systems	16.8	24.2	-30.4	7.1	8.0	-10.5
Metrology	17.2	13.5	27.6	6.4	7.0	-7.8
Defense & Civil Systems	6.6	7.6	-13.7	1.7	3.5	-51.3
Others[2]	-3.1	-3.2	2.0	-1.2	-2.3	46.0
EBIT margin (EBIT as % of sales)	8.7%	10.0%		9.4%	11.6%	
Lasers & Optical Systems	10.5%	15.0%		12.7%	15.7%	
Metrology	12.2%	10.8%		12.8%	15.5%	
Defense & Civil Systems	5.1%	5.7%		4.2%	8.5%	
Earnings before tax	33.6	37.7	-10.8	13.3	14.7	-9.4
Earnings after tax	29.1	31.4	-7.2	11.6	11.8	-1.6
Order intake	415.4	437.1	-5.0	132.6	154.7	-14.3
Lasers & Optical Systems	165.1	167.2	-1.3	51.0	59.2	-14.0
Metrology	125.1	158.0	-20.8	38.4	57.5	-33.3
Defense & Civil Systems	124.2	109.0	13.9	40.7	35.9	13.4
Others[2]	0.9	2.9	-68.9	2.6	2.1	23.4

Figures in million euros	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Order backlog	430.2	446.8	462.6
Lasers & Optical Systems	108.8	105.2	104.9
Metrology	72.8	87.4	104.9
Defense & Civil Systems	251.9	255.8	254.9
Others[2]	-3.4	-1.6	-2.1
Employees (incl. trainees)	3,424	3,272	3,224
Lasers & Optical Systems	1,385	1,349	1,328
Metrology	903	814	796
Defense & Civil Systems	911	913	918
Others[2]	225	196	182

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

[2] Others include 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.

OVERVIEW OF THE MONTHS JANUARY TO SEPTEMBER 2013

- Demand from the automotive industry and machine construction remained at a stable level. The semiconductor equipment market continued to a show slight recovery.

  See Development of the economy as a whole and of the individual Jenoptik sectors – page 5.

- In a challenging economic environment, group sales came to 432.5 million euros, exceeding the good level in the previous year.

  See Earnings and order situation – page 7.

- The Group EBIT, at 37.5 million euros (prev. year 42.1 million euros,) developed as projected. The group development projects and the scheduled expansion of international sales and R&D activities affected the EBIT. At 14.0 million euros, the EBIT generated in the 3rd quarter was higher than in the two previous quarters.

  See Development of results – page 7.

- Prepayments for new customer projects and the dividend payment led to an increase in net debt from the end of 2012 to 82.0 million euros. The shareholders' equity quota improved to 51.9 percent.

  See Financial and asset situation – page 9.

- At 415.4 million euros, the order intake just fell below the high level in the previous year, which was characterized by major orders. The book-to-bill ratio was 0.96.

  See Earnings and order situation – page 8.

- In the first nine months of 2013, the progress of business in the Lasers & Optical Systems segment was marked by a reluctance to invest in some areas. The Metrology segment reported strong growth in sales and earnings. Sales in the Defense & Civil Systems segment remained slightly below the level in the previous year, while the order intake rose significantly.

  See Segment reporting – page 11.

- Encouraged by a favorable trends in the business development in the year to date, the Executive Board confirms its forecast and expects a slight growth in sales of up to 5 percent for the full year 2013 with a Group EBIT generated in the operating business of between 50 and 55 million euros prior to costs for Group development projects in the mid single-digit million euro range.

  See Forecast report – page 14.

1 BUSINESS AND FRAMEWORK CONDITIONS

1.1 Group structure and business activity

As an integrated optoelectronics group, Jenoptik is divided into the following three segments:

- Lasers & Optical Systems
- Metrology
- 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 supplier to the public sector either directly or indirectly via system integrators. We do not focus on consumer markets.

The product portfolio extends from components to modules and subsystems to complex systems, industrial facilities and production lines. We also market comprehensive total solutions and/or 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 and semiconductor equipment industries, medical technology, machine construction/automotive, transport, aviation and security and defense technology.

1.2 Development of the capital market and the Jenoptik share

Hopes that the global economy would stabilize in conjunction with prolonged conditions of monetary ease at central banks allowed share prices to rise further in the first nine months of 2013. Neither the discord surrounding the US budget in recent weeks nor the risk of a military strike in Syria could hamper this development. The Dax climbed to over 8,600 points in the 3rd quarter of 2013 and reached a new record high of 9,033.92 points in the 4th quarter on October 31. The Dax started 2013 at 7,779 points and thus recorded an increase of 10.5 percent in the first nine months of the year. In the same period, the TecDax rose even more sharply, with an increase of 28.6 percent.

Jenoptik could also benefit from the buoyant mood on the stock markets, the increasing demand for technology stocks as well as its good performance. After a period of slightly cautious development from January to early April, the share improved significantly with just minor falls in late July and August. From the beginning of the year up until the end of September, the price rose by 50 percent. This price gain surpassed even the strong development of the Dax and TecDax indices.

Considered from the beginning of 2012, the Jenoptik share price has risen by 148 percent. The share hit its lowest closing price in the reporting period, 7.46 euros, on March 22. In the first nine months of 2013, the Jenoptik share achieved its highest Xetra closing price of 11.69 euros on September 27. In October, for the first time in ten years, the share price returned to a level above 13.00 euros. On October 31, 2013,

EARNINGS PER SHARE

	1.1. to 30.9.2013	1.1. to 30.9.2012[1)]
Net profit in KEUR	29,125	31,384
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.51	0.55

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 Xetra closing price was 12.89 euros, a rise of approx. 67 percent since the beginning of the year.

The liquidity and thus tradability of the Jenoptik share on the German stock markets further improved in the period covered by the report. In the first nine months of 2013, an average 129,765 shares were traded every day (prev. year 106,936). According to the stock turnover ranking by the German Stock Exchange on September 30, 2013, Jenoptik moved up from 30th place to its current 22nd place. In terms of free float market capitalization (74.99%), too, Jenoptik improved appreciably on the previous year – from 31st to 19th place. The market cap rose from 441.1 million euros at the beginning of the year to 661.7 million euros on September 30, 2013.

In August, the Jenoptik Executive Board presented analysts and investors the results for the 1st half-year 2013 during a conference call and at the analysts' conference in Frankfurt/Main. The management also reported on the company and progress of business at banking conferences in Geneva and Munich and roadshows in Chicago, London and Edinburgh in the 3rd quarter.

In August 2013, the 2012 Jenoptik Annual Report was ranked number 1 in the TecDax stock market segment as part of manager magazin's "Best Annual Report" competition, thus recognizing the comprehensive and transparent financial communication of Jenoptik.

A highlight of investor relations were the 4th Capital Market Days in October. The Executive Board and members of top management explained the Group's development and prospects to analysts, domestic and international investors and bank representatives. At guided tours of two company sites, the guests were also given the opportunity to acquaint themselves with the products made by the company.

In the first nine months 2013, a total of twelve research companies regularly reported on Jenoptik. Montega AG started to cover the share for the first time. The majority of the share analysts recommended either buying or holding the Jenoptik share, one bank issued a sell recommendation due to the significant increase in the share price. The average price target stated at the time the report was created was 11.67 euros.

JENOPTIK SHARE KEY FIGURES

Closing share price 30. Sept. 2013 (Xetra)	11.56 euro
Highest share price (Xetra) Jan–Sept. 2013	11.69 euro
Lowest share price (Xetra) Jan–Sept. 2013	7.46 euro
Market capitalization 30. Sept. 2013 (Xetra)	661.7 million euro
Average daily trading volume	129,765 shares

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

According to the International Monetary Fund (IMF), the global economy has entered a new phase: industrial countries, including in Europe, are experiencing a gradual recovery, while growth in key emerging economies is weaker than seen in recent years. The US economy is at the heart of global developments, due both to potential changes in monetary policy and the budget crisis, which to date has only been provisionally resolved. Experts feared far-reaching repercussions for the global economy.

In the US, the budget dispute was provisionally resolved by raising the debt ceiling to avert insolvency and the adoption of an interim budget. According to the US Federal Reserve, industrial production stagnated in July compared with previous month, but rose again in the following months. The 0.6 percent rise in September was reported as the strongest in six months, which the Federal Reserve attributed to high levels of energy production. The rate of growth for the 2 quarter was significantly adjusted upward by the US Department of Commerce, from 1.7 percent to 2.5 percent for the year due to a higher export volume. This recovery continued in the 3rd quarter. According to first estimates by the Department of Commerce the US GDP rose by 2.8 percent.

In the euro zone, there were also indications of strong growth in the 3rd quarter of 2013: The monthly Purchasing Manager Index compiled by London-based Markit Economics was above the 50 point mark for the entire 3rd quarter, an indication of growth. A rise in incoming orders was the main reason and suggests greater utilization for the coming months. Eurostat, the continent's statistical office, reported more rapid growth in industrial production than at any time in the last two years.

According to the Federal Government, the German economy is growing at only a moderate pace in a subdued foreign trade environment. The Federal Statistical Office reported a surprising drop in export volumes at the start of the 3rd quarter, and companies also decreased production in July by a level not seen in the past year. By contrast, incoming orders and investment in equipment displayed positive indications, and production was once again ramped up at the end of the quarter. The ifo Business Climate Index rose in September for the fifth time in succession, with business expectations being the chief beneficiaries.

China's economy grew year-on-year by 7.8 percent in the 3rd quarter of 2013, according to the National Bureau of Statistics in China. This was attributed to the economic recovery in industrial countries with positive follow-on effects for Chinese exports. Nevertheless, the export rate in September fell unexpectedly by 0.3 percent on the same month in the previous year; experts had anticipated a rise of around 5.5 percent.

Jenoptik primarily targets the semiconductor and semiconductor equipment manufacturing industry, medical technology, machine construction / automotive, 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 2nd quarter of 2013, this index rose by 6.0 percent compared with the previous quarter and by 2.8 percent compared with the same quarter in the pre-vious year.

Spectaris also analyzes the development of sales of 13 international manufacturers in the medical technology sector in its Medical Technology Global Index, which showed a slight rise of 0.7 percent in the 2nd quarter of 2013 compared with the previous quarter.

According to the Semiconductor Industry Association (SIA), the semiconductor industry generated sales of 80.9 million euros in the 3rd quarter of 2013, so far the highest amount in a quarter. Compared with the previous quarter sales rose by 8.4 percent. Thanks to the growing strength in America the industry had gained an impressive momentum.

Up to now, the Semiconductor Equipment and Material International (SEMI) trade association has only published the 2nd quarter sales figures for semiconductor equipment industry: At 7.6 billion US dollars, global sales were 3 percent above those for the 1st quarter of 2013 but 27 percent below the figures for the same quarter in the previous year. SEMI has already reported similar figures for the 1st quarter of 2013.

According to the German Engineering Federation (VDMA), order intakes increased in August for the first time in three months, by 6 percent compared with the same month in the previous year. This was primarily due to major orders in the euro area. In the 3rd quarter order intake was 6 percent below the previous year's figure. However, in September both the figures for domestic orders and orders from abroad were distorted by major orders, according to statements of VDMA.

For the German machine tool manufacturing, the Association of German Machine Tool Manufacturers (VDW) reported a rise in domestic orders for the first time in 17 months and a greater number of orders from abroad, especially from South Korea, Brazil and Mexico.

According to the German Association of the Automotive Industry (VDA), the US and China continued to dictate momentum on the global car market. On both markets, new registrations passed the 10 million mark as early as August. The VDA sees a move toward stabilization in Western Europe. In September, the recovery also gained pace in the countries most affected by the euro crisis, even if the number of new registrations in the first nine months was still 4 percent below the level of the previous year. Over the same period, the Chinese market grew by a fifth, the US by a good 8 percent, according to the VDA.

In the aviation market, aircraft manufacturer Boeing recorded an increase in sales and deliveries in the 3rd quarter. By the end of July, Airbus had received more orders than in the entire previous year. Airbus' parent group, EADS, announced a restructuring package in July to last until July 2014, which primarily aims to generate renewed growth in the armaments business and improved access to growth markets.

The German rail industry reported a year-on-year 17 percent drop in sales to 4.4 billion euros in the first half-year. According to the industry association (VDB), however, incoming orders in the same period showed a record increase of almost 50 percent to 8.7 billion euros.

No important new reports were published for the other sectors in the 3st quarter of 2013. We therefore refer to the details on pages 53ff of the 2012 Annual Report and the interim reports for 2013.

2 EARNINGS, FINANCE AND ASSET POSITION

Jenoptik took advantage of the opportunity to prematurely apply the IAS 19R (amended 2011) as at December 31, 2012; this was applied retrospectively, the result of which was an adjustment in the interim financial statements for 2012. The resulting changes affect the pension provisions, the shareholders' equity, the 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. Despite a challenging economic environment, the Jenoptik Group generated sales of 432.5 million euros in the period covered by the report, exceeding the high level of the previous year (prev. year 423.1 million euros). At the quarterly level, too, sales of 148.9 million euros were 6.9 percent higher than in the third quarter of 2012 (prev. year 139.3 million euros). Growth in sales was again driven by the Metrology segment, which primarily generated growth of 12.6 percent in its traffic safety system business in the first nine months of 2013. This was sufficient to balance out the cyclical factors affecting the Lasers & Optical Systems and Defense & Civil Systems segments.

The share of sales generated abroad by the end of September 2013, at 63.6 percent (prev. year 64.5 percent) was only slightly below the same period in the previous year. While sales in the regions of America and the Middle East/Africa rose, Asian sales remained below the level of the previous year due to project delays. 20.1 percent of group sales were generated in America, where the Metrology and Lasers & Optical Systems segments recorded growth.

Development of results. Group development projects such as the ERP project (JOE) and Go Lean, and the planned expansion of international sales and R&D activities, influenced the result in the period covered by the report. In the first nine months of 2013, the Group generated an EBITDA of 53.7 million euros, compared with 58.8 million euros in the same period of the previous year. At 37.5 million euros, the Group EBIT was also below the value in the previous year (prev. year 42.1 million euros). The EBIT margin was 8.7 percent (prev. year 10.0 percent). Nevertheless, the positive trend seen across the individual quarters continued. With 14.0 million euros, a higher EBIT was posted in the 3rd quarter of 2013 than in the previous quarters (Q2 2013: 12.9 million euros; Q1 2013: 10.6 million euros).

At minus 3.9 million euros, the financial result was better than in the previous year (prev. year minus 4.4 million euros). This was attributable to lower interest expenses due to reduced liabilities to banks and improved financing terms.

In line with the development of results, earnings before tax fell year-on-year to 33.6 million euros (prev. year 37.7 million euros). Income taxes totaled 4.3 million euros. The cash effective tax quota was thus 12.8 percent (prev. year 15.6 percent). Earnings after tax, at 29.1 million euros, were consequently down on the figure for the same period in the previous year (prev. year 31.4 million euros).

Order situation. The Jenoptik Group posted an order intake of 415.4 million euros in the first nine months of 2013,

SALES (in million euros)

	1.1. to 30.9.2013	1.1. to 30.9.2012	Change in %
Total	432.5	423.1	2.2
Lasers & Optical Systems	160.4	161.7	-0.8
Metrology	140.8	125.0	12.6
Defense & Civil Systems	128.6	133.0	-3.3
Others	2.7	3.4	-21.3

EBIT (in million euros)

	1.1. to 30.9.2013	1.1. to 30.9.2012	Change in %
Total	37.5	42.1	-10.9
Lasers & Optical Systems	16.8	24.2	-30.4
Metrology	17.2	13.5	27.6
Defense & Civil Systems	6.6	7.6	-13.7
Others	-3.1	-3.2	2.0

down on the figure for the previous year (prev. year 437.1 million euros). In this context, allowance must be made for the fact that the order intake for the same period in the previous year included major orders for traffic safety technology from Malaysia and Oman in the Metrology segment and two larger orders in the Lasers & Optical Systems segment. In October 2013 the Group received a new major order for traffic safety technology in Australia, valued in the low double-digit million euro range.

The book-to-bill ratio, i.e. the ratio of order intake to sales, was 0.96 for the first nine months of 2013.

The Group's order backlog, at 430.2 million euros, therefore remained at the high level at the end of 2012 (31.12.2012: 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.

2.2 Development of the key performance indicators

Cost of sales rose by 2.5 percent to 282.8 million euros (prev. year 275.9 million euros) and thus almost in parallel with the growth in sales. At 34.6 percent the gross margin was almost at the level of the previous year (prev. year 34.8 percent).

As previously announced, Jenoptik has boosted its investment in research and development in recent months to safeguard the future performance and competitiveness of the Group. The R&D total output increased as planned to 37.9 million euros, compared with 35.8 million euros for the same period in the previous year. It consequently rose to 8.8 percent of sales and includes the R&D expenses, development costs on behalf of customers and the changes in the capitalized development costs which are included in assets. The development costs on behalf of customers in the period covered by the report totaled 9.3 million euros (prev. year 10.2 million euros) and are included in cost of sales. Group R&D expenses totaled 29.4 million euros in the first nine months, approx. 15 percent above the figure for the same period in the previous year (prev. year 25.6 million euros). The 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 output.

As expected, selling expenses rose during the course of the continued expansion of international activities. Administrative expenses also rose due to the expansion of key Group functions for future growth.

Employees & management. As at September 30, 2013 the Jenoptik Group had 3,424 employees (31.12.2012: 3,272 employees). The number of employees therefore showed a rise of 4.6 percent, primarily attributable to the initial consolidation of foreign subsidiaries (41 employees). As at September 30, 2013, the Group had 477 employees abroad (31.12.2012: 433 employees).

At the end of September 2013, the Jenoptik Group had a total of 132 trainees (31.12.2012: 130 trainees).

The Group had 154 agency employees as at September 30, 2013 (prev. year 139 agency employees).

ORDER INTAKE (in million euros)

	1.1. to 30.9.2013	1.1. to 30.9.2012	Change in %
Total	415.4	437.1	−5.0
Lasers & Optical Systems	165.1	167.2	−1.3
Metrology	125.1	158.0	−20.8
Defense & Civil Systems	124.2	109.0	13.9
Others	0.9	2.9	−68.9

ORDER BACKLOG (in million euros)

	30.9.2013	31.12.2012	Change in %
Total	430.2	446.8	−3.7
Lasers & Optical Systems	108.8	105.2	3.4
Metrology	72.8	87.4	−16.7
Defense & Civil Systems	251.9	255.8	−1.5
Others	−3.4	−1.6	−109.2

2.3 Financial and asset position

A shareholders' equity quota of 51.9 percent at September 30, 2013, the debenture loans and the syndicated loan 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 ratio, the ratio between borrowings and shareholders' equity, improved from 1.03 as at the end of 2012 to 0.93 as at September 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 payments for ongoing group development projects led to an increase in net debt, as expected, to 82.0 million euros as at September 30, 2013 (31.12.2012: 74.6 million euros). A reduction in net debt is expected in the 4th quarter 2013 due to a positive free cash flow.

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 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 and optimizing its internal procedures. As at the end of September 2013, the Group had invested 18.3 million euros in tangible and intangible assets (prev. year 17.2 million euros). At 12.6 million euros, the largest share of the resources went into tangible assets (prev. year 14.8 million euros), including manufacturing capacities for the future business with the semiconductor industry. Investments in intangible assets, at 5.7 million euros in the first nine months, exceeded the figure for the same period in the previous year (prev. year 2.4 million euros). Scheduled depreciation in the Jenoptik Group totaled 16.2 million euros (prev. year 16.6 million euros).

Analysis of cash flows. The cash flow from operating activities was, at 15.1 million euros, again in the positive range (prev. year 38.0 million euros). This is in part attributable to a slight reduction in earnings before tax and the change in provisions. Year-on-year, higher payments for the working capital also had an impact on the cash flow from operating activities.

The capital expenditure in tangible and intangible assets, together with the payments for the acquisition of JENOPTIK Australia Pty. Ltd., were reflected in the cash flow from investing activities. Receipts from disposals of financial assets totaled 7.1 million euros and were attributable to the repayment of a loan. The cash flow from investing activities was minus 10.6 million euros in the first nine months of 2013 (prev. year minus 20.5 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 5.2 million euros (prev. year 26.7 million euros).

R+D OUTPUT (in million euros)

	1.1. to 30.9.2013	1.1. to 30.9.2012	Change in %
R+D expenses	29.4	25.6	14.9
Capitalized development costs	0.1	0.7	–81.4
Depreciation and impairment on capitalized development costs	–0.9	–0.6	–37.4
Allocation to customer development orders	7.7	7.2	6.9
Other expenses Customer development orders	1.6	2.9	–45.8
R+D output	37.9	35.8	6.0

Employees (incl. trainees)

	30.9.2013	31.12.2012	Change in %
Total	3,424	3,272	4.6
Lasers & Optical Systems	1,385	1,349	2.7
Metrology	903	814	10.9
Defense & Civil Systems	911	913	–0.3
Others	225	196	14.8

The cash flow from financing activities totaled minus 16.5 million euros. It was affected, in particular, by the dividend payment in the sum of 10.3 million euros and repayment of loans in the sum of 3.3 million euros.

Balance sheet analysis At 671.7 million euros, the balance sheet total for the Jenoptik Group was slightly above the level at the end of 2012 (31.12.2012: 669.6 million euros).

Non-current assets fell marginally to 328.6 million euros as compared with the end of 2012 (31.12.2012: 333.8 million euros). An increase in intangible assets to 75.9 million euros (31.12.2012: 70.6 million euros), in part as the result of investments in the ERP project, were offset by a fall in tangible and financial assets resulting from disinvestment and the repayment of a loan. There were only minor changes in the other items.

Compared with the end of 2012, current assets rose to 343.1 million euros (31.12.2012: 335,8 million euros). Inventories increased to 184.8 million euros (31.12.2012: 169.3 million euros). This increase was in part a result of low inventory levels as at December 31, 2012 due to the high level of sales at year-end. The Group was also required to make prepayments for new customer projects for the remaining months of 2013 and for 2014. Accounts receivable and other assets showed a rise to 123.1 million euros (31.12.2012: 120.7 million euros). By contrast, cash reduced mainly as the result of the dividend payment.

Primarily as a result of the increase in inventories, the working capital, at 227.3 million euros as at September 30, 2012, exceeded the figure at the end of 2012 (31.12.2012: 202.8 million euros). The working capital is defined as the total 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 an increase over the end of 2012, to 38.4 percent (31.12.2012: 34.7 percent).

The profit report in the first nine months of 2013 resulted in the shareholders' equity increasing to 348.8 million euros (31.12.2012: 330.3 million euros). At 51.9 percent, the shareholders' equity quota remained above the 50 percent level and the figure for the end of 2012 (31.12.2012: 49.3 percent).

Non-current liabilities, at 178.4 million euros, were almost at the same level as at the end of 2012 (31.12.2012: 177.6 million euros). There were also virtually no changes in the items included, such as 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 5 resp. 7 years.

A reduction of 17.2 million euros to 144.5 million euros as compared with the end of 2012 was reported in the current liabilities (31.12.2012: 161.7 million euros). This is primarily attributable to the reduction in other short-term provisions, which fell in part due to the payment of variable remuneration components for 2012. There were virtually no changes in the individual items included in current liabilities.

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 provider, in January 2013. The company, with annual sales in the mid-single figure million euro range, is now trading as JENOPTIK Australia Pty. Ltd. The acquisition has had no significant consequences for the financial and asset position of the Jenoptik Group.

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

3 SEGMENT REPORTING

3.1 Lasers & Optical Systems segment

The course of business in the Lasers & Optical Systems segment in the first nine months of 2013 was characterized by a continuing reticence to invest in some areas. This was also reflected in the development of the segment result.

At 160.4 million euros, sales in the segment were just below the very high level in the same period of the previous year which was particularly strong in the semiconductor sector (prev. year 161.7 million euros). Weaker demand from the semiconductor industry, especially in the first six months of 2013 and also from China, could not be fully offset. In the following months from July to September 2013, the segment increased sales compared to the same quarter in 2012 by 10.3 percent, to 56.0 million euros (prev. year 50.8 million euros). The segment's share of Group sales was 37.1 percent (prev. year 38.2 percent).

A changed product mix, the planned increase in expenses for research and development and the expansion of international distribution had an impact on earnings from operating activities. The segment EBIT fell from 24.2 million euros in the previous year to 16.8 million euros. The EBIT margin was 10.5 percent compared with 15.0 percent for the same period in the previous year. In a comparison of the individual quarters, the EBIT figure fell 10.5 percent and was thus less than in the 2nd quarter of 2013.

At 165.1 million euros, the order intake of the Lasers & Optical Systems segment was slightly down on the figure of 167.2 million euros for the previous year, but above the level of sales in the period covered by the report. This helped to keep the book-to-bill ratio stable at 1.03 (prev. year 1.03). The Optical Systems division increased its order intake due to the slightly improved demand from the semiconductor industry. The segment is aiming to reduce its dependency on the semiconductor industry by attracting higher numbers of major customers in areas such as medical technology and for inspection and optoelectronic systems for close cooperation.

The order backlog in the Lasers & Optical Systems segment increased thanks to an order intake above the level of sales. As at the end of September 2013 it was 108.8 million euros, a rise of 3.4 percent on the figure for the end of 2012 (31.12.2012: 105.2 million euros).

The number of employees in the segment grew by 36 in the first nine months of 2013, to 1,385 employees (31.12.2012: 1,349 employees).

Key events in the first nine months of 2013. 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).

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 femto-second laser for fast material processing in industry and medical technology.

In October 2013, Jenoptik sold its worldwide 200th JENOPTIK-VOTAN® A laser perforation system to the Chinese company Yanfeng Visteon Automotive Trim Systems Co., Ltd. (YFV).

In the Optical Systems division, Jenoptik presented ultra-precision optics and optical systems for semiconductor manufacturing which excel with their outstanding quality. The division also expanded its range of F-Theta optics and optics to customer specifications, primarily for high-power and pico-second lasers.

Lasers & Optical Systems segment at a glance
(in million euros)

	30.9.2013	30.9.2012	Change in %
Sales	160.4	161.7	–0.8
EBIT	16.8	24.2	–30.4
Order intake	165.1	167.2	–1.3
Order backlog[1)]	108.8	105.2	3.4
Employees[1)]	1,385	1,349	2.7

[1)] Previous year's figures refer to December 31, 2012

3.2 Metrology segment

The segment again continued to show a positive development in sales and earnings for the first nine months of 2013.

With an increase of 12.6 percent, segment sales rose significantly to 140.8 million euros (prev. year 125.0 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 32.6 percent (prev. year 29.5 percent).

The segment also posted a substantial increase in earnings from operating activities (EBIT), up 27.6 percent on the previous year. The EBIT rose to 17.2 million euros (prev. year 13.5 million euros). This was primarily due to the higher than average increase in gross profit thanks to economies of scale and a favorable traffic safety solutions product mix. The segment's EBIT margin increased from 10.8 percent in the first nine months of 2012 to 12.2 percent.

At 125.1 million euros, the segment order intake was 20.8 percent down on the same period in the previous year (prev. year 158.0 million euros), although this figure had included the major orders for traffic safety systems from Malaysia and Oman. Major projects like these give rise to fluctuations in the order-related indicators on a quarterly basis. In October Jenoptik received a new major order for traffic safety solutions in Australia, valued in the low double-digit million euro range and will operate systems for mobile speed monitoring in the Australian state of New South Wales for at least three years. A further order in the single figure million euro range came from Qatar. Jenoptik will supply stationary traffic monitoring systems.

The order intake was thus below the development of sales, and the book-to-bill ratio was 0.89 (prev. year 1.26).

Metrology segment at a glance (in million euros)

	30.9.2013	30.9.2012	Change in %
Sales	140.8	125.0	12.6
EBIT	17.2	13.5	27.6
Order intake	125.1	158.0	−20.8
Order backlog[1)]	72.8	87.4	−16.7
Employees[1)]	903	814	10.9

[1)] Previous year's figures refer to December 31, 2012

At 72.8 million euros, the segment order backlog was below the figure for the end of 2012 (31.12.2012: 87.4 million euros).

As at September 30, 2013, the segment had 903 employees, 10.9 more than at the end of 2012 (31.12.2012: 814 employees). Alongside the initial consolidation of foreign subsidiaries, employees in the segment were hired in particular abroad in the context of major international projects and the international expansion of sales.

Key events in the first nine months of 2013. The acquisition of the Australian company DCD Systems at the start of the year, now trading as JENOPTIK Australia Pty. Ltd., enabled Jenoptik to strengthen its role as a leading global provider of traffic safety technology and 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.

Also in October 2013, the Physikalisch-Technische Bundesanstalt in Braunschweig granted Jenoptik approval for the use of the TraffiStar S350 laser scanner system in Germany. This makes Jenoptik the world's only supplier to offer all the key sensor technologies for traffic monitoring.

In September, Jenoptik unveiled several new products at the leading trade fair machine tools (EMO) held in Hannover, Germany. These included a special-purpose solution for the automatic control of crankshafts. During the machining process, grinding machines can be readjusted in line with measuring results, allowing the Industrial Metrology division to guarantee the consistent quality of the crankshafts.

3.3 Defense & Civil Systems segment.

The Defense & Civil Systems segment's 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.

In 2013, the segment successfully continued its internationalization strategy, primarily in North America.

In the first nine months the Defense & Civil Systems segment posted sales of 128.6 million euros, slightly below the figure for the previous year (prev. year 133.0 million euros). On a quarterly basis, however, the segment achieved sales at the same level as in the previous year, allowing it to continue gaining ground over the course of the year. The segment's share of Group sales was slightly down on the previous year and is currently 29.7 percent (prev. year 31.4 percent).

The segment EBIT was down by 13.7 percent at 6.6 million euros on the figure for the previous year (prev. year 7.6 million euros). This was due to higher costs for research and development, the expansion of distribution and a lower-margin product mix. At 5.1 percent, the EBIT margin in the segment therefore also remained below the previous year's figure of 5.7 percent.

At 124.2 million euros, the order intake was significantly above the level for the previous year (prev. year 109.0 million euros) and only just below the level of sales for the first nine months of 2013. The segment's book-to-bill ratio consequently improved from 0.82 in the same period of the previous year to 0.97. In September, the segment received an order in the single figure million euro range to supply equipment for the "Leopard 2" to a German systems company. A total of 62 Leopard 2 tanks will be equipped with production units for the mirror head by mid-2016. In addition, the segment received an order to supply energy systems for the ground power supply at the Munich airport. The order is valued in the mid-single figure million euro range, and deliveries will be completed in the second half of 2014.

The segment reported a slight fall in its order backlog to 251.9 million euros (31.12.2012: 255.8 million euros).

As at September 30, 2013, the Defense & Civil Systems segment had 911 employees (31.12.2012: 913 employees).

Key events in the first nine months of 2013. In spring, Jenoptik's Defense & Civil Systems segment acquired an order from Rheinmetall with a total value of 5.5 million euros. The order is for the supply of 62 thermal imaging reconnaissance devices of the NYXUS BIRD series and more than 300 laser rangefinders over a period of three years.

Defense & Civil Systems segment at a glance (in million euros)

	30.9.2013	30.9.2012	Change in %
Sales	128.6	133.0	−3.3
EBIT	6.6	7.6	−13.7
Order intake	124.2	109.0	13.9
Order backlog[1)]	251.9	255.8	−1.5
Employees[1)]	911	913	−0.3

[1)] Figures as at December 31, 2012.

4 REPORT ON POST BALANCE SHEET EVENTS

There were no events of special importance occurring after the reporting date of September 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 September 2013. For the year as a whole, it now expects the global economy to grow by just 2.9 percent (previous forecast: 3.2 percent). The IMF sees the ongoing budget crisis in the US, uncertainty surrounding the consequences of a stricter US monetary policy, high unemployment in Europe and poor momentum in emerging economies as factors stifling growth. For 2014, the IMF is projecting year-on-year economic growth of 3.6 percent compared with the previous year.

According to the IMF, the US economy will grow by 1.6 percent in 2013 compared with 2012 (previous forecast: 1.7 percent). Despite the upswing in consumer demand, the real estate market and the financial sector creating good conditions for growth, however, huge national spending cutbacks are negatively affecting the economy. The IMF expects an increase in economic output of 2.6 percent in 2014 (previously: 2.7 percent).

The IMF believes that the recession in the euro zone will be less severe than had previously been expected. In contrast to its July forecast, the IMF now assumes that gross domestic product (GDP) in 2013 will shrink by just 0.4 percent. In 2014, it could grow by 1.0 percent compared with the previous year.

For Germany, the IMF has raised its GDP forecast for 2013 by 0.2 percentage points to 0.5 percent, and believes GDP could increase by 1.4 percent in 2014. The German Federal Government shares the assessment of growth potential for 2014 and is projecting an increase of 1.7 percent for 2014.

Economic growth in emerging economies such as India, Mexico, Brazil and Russia has been weaker than expected. The IMF consequently reduced its 2013 forecast by 0.5 percentage points to just 4.5 percent. Only in China economic growth of over 7 percent is considered likely (2013: 7.6 percent, 2014: 7.3 percent). In the view of the IMF, the greatest risk for the emerging economies is an outflow of capital from these countries if interest rates will rise again in the US.

SEMI, the sector association for the semiconductor equipment industry, is sticking to its forecast: global expenditure for semiconductor equipment may remain stable in 2013 at 36.3 billion US dollars (USD) (2012: 36.9 billion USD), before a potential rise of 21 percent to almost 44 billion USD in 2014. By contrast, IT analyst Gartner expects a drop in global expenditure of 8.5 percent to 34.6 billion USD (2012: 37.8 billion USD), due to the weak 1st quarter of 2013, but rising sales toward the end of 2013. Gartner forecasts a cyclical downturn of minus 2.8 percent no earlier than 2016.

For the German machinery and plant manufacturers, the German Engineering Federation (VDMA) is holding to its forecast of a drop in production of 1.0 percent compared with 2012. The momentum in key markets has been too low, especially in the 1st quarter of 2013, although the economic environment has since brightened. The VDMA expects German manufacturers to increase production by 3 percent in 2014. It also anticipates expansion impulses in the key export markets of China and the US, as well as from Europe.

According to the Association of German Machine Tool Manufacturers (VDW), the machine tool building industry will see a renewed surge in growth in 2014. Demand for machine tools may rise from 68.1 billion euros in 2013 to 75 billion euros in 2014, according to a study by Oxford Economics cited by the VDW. China will remain a stable growth market in the next five years, with at least 5 percent annual growth. Other key regions are Mexico and Russia, where automotive manufacturers are expanding their production sites, and the US, which is undergoing reindustrialization.

In the global automotive industry, growth remains focused on the so-called BRIC countries of Brazil, Russia, China and India, as well as on the US. A study released by ratings agency Standard & Poor’s forecasts that this concentration, in particular on Asia-Pacific and China, will lead to far-reaching changes for the major manufacturers. Alongside capital investment in new plants, vehicles will also have to be adapted to the specific demand in the target countries. At the same time, a study by consultants Ernst & Young reveals that expanding Chinese automakers are increasingly planning to invest in Europe to gain rapid access to expertise and markets.

French analyst Yole Développement has released a study on the future of infrared technology (IR) relevant to the security and defense technology industry, which sees the trend from military applications to civil use as continuing. This is considered an attempt by manufacturers to offset huge spending cutbacks in the armaments market. According to the study, the number of IR devices sold worldwide to 2018 will rise by an average of 20 percent a year, driven by key commercial markets such as automotive and surveillance. The downward trend in prices on the IR market could be stabilized with technological innovations, e.g. in sensors and image resolution.

In the aviation sector, the aircraft manufacturer Airbus, which is supplied with equipment by Jenoptik, expects a significant increase in global air traffic over the coming 20 years, especially due to rising demand in China and India. Airbus projects an additional demand of 29,000 aircraft to 2032 with a total order value of 4.4 billion US dollars. Because business has to date been weaker than expected in the emerging economies, the IATA industry association revised its profit forecast for the international aviation industry by 1 billion US to 11.7 billion USD in 2013. According to IATA, profits may rise by 40 percent to 16.4 billion USD in 2014; this would be more than a two-fold increase compared to 2012 (2012: 7.4 billion USD) but increase profitability by just 5.2 percent.

No new forecasts have been issued for the other sectors. We therefore refer to the details on pages 114ff of the 2012 Annual Report and the interim reports for 2013.

6.2 Long-term forecasts and objectives

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

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. Sales of approx. 800 million euros are expected to be generated in 2017. On the regional side we see America and Asia as offering the greatest potential for growth. The aim here is increase the share of sales to a total of 40 percent by 2016. In addition to the sales growth and internationalization, economies of scale, cost discipline and increased margins from the growing systems business should help to grow profits.

As "enablers" for many growth sectors and with a comprehensive and innovative portfolio of technologies, products and services, we create forward-looking megatrends together with our customers in attractive markets and support them in their future development. 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 sales growth in the mid-single figure percentage range in 2013. Depending upon the development of the semiconductor industry, particularly in the final weeks of 2013, earnings should remain stable.

After posting a leap in sales and earnings in the 2012 fiscal year, the Metrology segment expects a stable 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 well in the double digit percentage range. This is attributable in part to cost-savings initiatives and increases in efficiency.

As previously announced, Jenoptik is investing in the expansion of its sales structures and in innovative products in 2013, and optimizing its 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 changes aim to further boost profitability and better leverage potential synergies.

The Executive Board reaffirms its forecasts for 2013. In what remain challenging economic conditions, it anticipates a small increase in sales of up to 5 percent compared with 2012 (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 final weeks of 2013, the operating EBIT should come in at between 50 and 55 million euros, prior to costs in the mid-single digit million euro range for Group development projects 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, from page 119, published in March 2013.

Consolidated statement of comprehensive income

Consolidated statement of income

in KEUR	1.1. to 30.9.2013	1.1. to 30.9.2012[1)]	1.7. to 30.9.2013	1.7. to 30.9.2012[1)]
Sales	432,503	423,090	148,876	139,287
Cost of sales	282,773	275,902	96,451	87,853
Gross profit	149,730	147,189	52,426	51,434
Research and development expenses	29,394	25,587	9,607	8,824
Selling expenses	50,165	47,596	16,623	14,875
General administrative expenses	33,857	30,470	10,723	9,854
Other operating income	9,670	11,665	2,789	3,174
Other operating expenses	8,459	16,603	4,235	8,453
EBIT – continuing operations	37,525	38,598	14,028	12,603
EBIT – discontinued operations	0	3,529	0	3,529
EBIT – Group	37,525	42,127	14,028	16,132
Result from investments	249	235	701	–30
Interest income	694	798	212	208
Interest expenses	4,828	5,452	1,617	1,610
Financial result	-3,885	–4,418	–704	–1,432
Earnings before tax – continuing operations	33,641	34,180	13,324	11,170
Earnings before tax – discontinued operations	0	3,529	0	3,529
Earnings before tax – Group	33,641	37,709	13,324	14,699
Income taxes	–4,321	–5,865	–1,546	–2,572
Deferred taxes	–214	–481	–194	-353
Earnings after tax – continuing operations	29,106	27,834	11,584	8,245
Earnings after tax – discontinued operations	0	3,529	0	3,529
Earnings after tax – Group	29,106	31,363	11,584	11,774
Non-controlling interest in profit / loss	–19	–22	–1	–11
Net profit of shareholders	29,125	31,384	11,585	11,784
Earnings per share in euros – continuing operations	0.51	0.49	0.20	0.14
Earnings per share in euros – Group (diluted = undiluted)	0.51	0.55	0.20	0.21

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

Other comprehensive income

in KEUR	1.1. to 30.9.2013	1.1. to 30.9.2012[1)]	1.7. to 30.9.2013	1.7. to 30.9.2012[1)]
Earnings after tax	29,106	31,363	11,584	11,774
Items that will not be reclassified to the statement of profit or loss	–186	–486	–7	–37
Revaluation	–186	–486	–7	–37
Items that may be reclassified to the statement of profit or loss	–1,259	1,100	–1,366	–97
Financial assets available for sale	379	72	–146	32
Cash flow hedge	167	998	356	893
Difference arising on foreign currency translation	–1,805	30	–1,576	–1,022
Total income and expense recognized in shareholders' equity	–1,445	614	–1,373	–134
Total comprehensive income	27,661	31,977	10,211	11,640
of which attributable to:				
Non-controlling interest	–19	–22	–1	–11
Shareholders	27,680	31,998	10,212	11,650

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

Consolidated balance sheet

Assets in KEUR	30.9.2013	31.12.2012	Change	30.9.2012
Non-current assets	328,608	333,778	−5,171	316,487
Intangible assets	75,853	70,622	5,231	68,359
Tangible assets	140,503	143,240	−2,737	138,816
Investment properties	19,226	19,580	-354	19,679
Financial assets	19,409	27,205	−7,795	29,269
Other non-current assets	5,529	4,781	748	4,692
Deferred tax assets	68,087	68,351	−264	55,673
Current assets	343,108	335,846	7,262	336,300
Inventories	184,767	169,270	15,497	193,945
Current account receivable and other assets	123,051	120,659	2,392	98,028
Securities held as current investments	530	561	−31	555
Cash and cash equivalents	34,760	45,355	−10,595	43,772
Total assets	671,716	669,624	2,092	652,788

Shareholders' equity and liabilities in KEUR	30.9.2013	31.12.2012	Change	30.9.2012
Shareholders' equity	348,763	330,325	18,437	322,447
Subscribed capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	5,404	−13,053	18,457	−20,928
Non-controlling interests	254	273	−19	271
Non-current liabilities	178,417	177,567	850	167,713
Pension provisions	30,904	31,238	−334	18,203
Other non-current provisions	11,511	12,064	−552	10,909
Non-current financial liabilities	115,832	115,776	56	117,946
Other non-current liabilities	17,143	15,417	1,726	17,102
Deferred tax liabilities	3,027	3,072	−45	3,552
Current liabilities	144,536	161,732	−17,195	162,628
Tax provisions	4,937	6,059	−1,121	7,320
Other current provisions	41,130	52,053	−10,923	49,465
Current financial liabilities	1,434	4,692	−3,258	5,008
Other current liabilities	97,034	98,927	−1,893	100,836
Total shareholders' equity and liabilities	671,716	669,624	2,092	652,788

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			20
Earnings after tax			31,384
Other changes			612
Balance as at 30.9.2012[1)]	148,819	194,286	−4,368
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			−1,368
Earnings after tax			29,125
Other changes			1,080
Balance as at 30.9.2013	148,819	194,286	30,168

[1)] Changed 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
72	998				1,070
			−486		−486
		10			30
				−22	31,363
					612
280	-605	780	−17,016	271	322,447
119	-22	663	−25,448	273	330,325
					−10,303
379	167				546
			−186		−186
21		−458			−1,805
				−19	29,106
					1,080
519	145	205	-25,634	254	348,763

Consolidated statement of cash flows

in KEUR	1.1. to 30.9.2013	1.1. to 30.9.2012[1]	1.7. to 30.9.2013	1.7. to 30.9.2012[1]
Earnings before tax	33,641	37,709	13,324	14,699
Interest	4,134	4,653	1,405	1,402
Depreciation / write up	16,211	16,622	5,426	5,360
Impairment	−20	1,129	−665	113
Profit / loss on disposal of fixed assets	−320	−158	−80	−139
Other non-cash expenses / income	143	280	332	282
Operating profit / loss before working capital changes	53,789	60,235	19,743	21,718
Increase / decrease in provisions	−12,069	−2,590	381	868
Increase / decrease in working capital	−23,051	−17,908	−12,387	2,636
Increase / decrease in other assets and liabilities	1,881	3,592	1,268	−447
Cash flow from / used in operating activities before income taxes	20,549	43,329	9,004	24,776
Income taxes paid	−5,414	−5,335	−4,044	−1,269
Cash flow from / used in operating activities	15,135	37,994	4,960	23,507
Receipts from disposal of intangible assets	19	144	7	132
Payments for investments in intangible assets	−5,668	−2,418	−2,253	−963
Receipts from disposal of tangible assets	2,970	412	697	167
Payments for investments in tangible assets	−12,646	−14,803	−3,474	−5,811
Receipts from disposal of investment properties	0	567	0	149
Receipts from disposal of financial assets	7,119	2,367	574	1,041
Payments for investments in financial assets	−223	−8,110	−71	−63
Payments for the purchase of consolidated companies	−2,876	0	−27	0
Interest received	695	1,381	212	398
Cash flow from / used in investing activities	−10,610	−20,460	−4,335	−4,950
Dividend paid	−10,303	−8,585	0	0
Receipts from issue of bonds and loans	3	701	1	104
Repayments of bonds and loans	−3,332	−2,176	−317	−718
Repayments for finance leases	−71	−2,077	−27	−108
Change in group financing	−1,448	−7,666	−937	−758
Interest paid	−1,338	−2,802	−326	−269
Cash flow from / used in financing activities	−16,489	−22,605	−1,607	−1,749
Change in cash and cash equivalents	−11,965	−5,071	-982	16,808
Foreign currency translation changes in cash and cash equivalents	−420	15	-390	−144
Change in cash and cash equivalents due to first time consolidation	1,790	0	0	0
Cash and cash equivalents at the beginning of the period	45,355	48,828	36,132	27,108
Cash and cash equivalents at the end of the period	34,760	43,772	34,760	43,772

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

Key figures by business divisions and other areas

January 1 to September 30, 2013

in KEUR	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Other	Consolidation	Group
Sales	160,406 (161,660)	140,787 (124,993)	128,644 (133,048)	21,768 (20,817)	−19,101 (−17,427)	432,503 (423,090)
of which Germany	48,688 (49,848)	36,934 (34,109)	68,944 (62,747)	21,517 (20,694)	−18,813 (−17,306)	157,269 (150,091)
Europe	44,956 (49,160)	23,389 (24,252)	44,567 (40,330)	69 (46)	−69 (−46)	112,912 (113,742)
America	36,595 (31,374)	39,339 (31,478)	11,166 (22,999)	142 (61)	−181 (−61)	87,061 (85,851)
Middle East and Africa	12,503 (8,915)	18,843 (12,684)	2,572 (5,962)	0 (0)	0 (0)	33,918 (27,562)
Asia / Pacific	17,664 (22,362)	22,282 (22,470)	1,396 (1,011)	40 (16)	−38 (−14)	41,344 (45,844)
EBIT (Earnings before interest and taxes)	16,828 (24,172)	17,227 (13,503)	6,578 (7,622)	−3,099 (−3,205)	−9 (35)	37,525 (42,127)
EBITDA (Earnings before interest, taxes, depreciation and amortization)	23,838 (31,211)	19,043 (15,879)	10,390 (11,114)	472 (609)	−9 (35)	53,734 (58,849)
Result from investments	−128 (−87)	199 (148)	192 (175)	−14 (−1)	0 (0)	249 (235)
Research and development expenses	12,144 (10,958)	11,840 (10,110)	5,270 (4,424)	304 (267)	−164 (−171)	29,394 (25,587)
Free cash flow (before income taxes)	2,159 (13,443)	14,617 (15,699)	−2,288 (3,912)	−9,303 (−6,352)	38 (−20)	5,223 (26,682)
Working capital[1]	64,974 (51,095)	65,341 (63,171)	101,905 (98,114)	−4,823 (−9,489)	−49 (−53)	227,347 (202,837)
Order intake	165,113 (167,232)	125,106 (157,967)	124,231 (109,047)	21,768 (20,819)	−20,866 (−17,916)	415,353 (437,149)
Tangible assets, investment properties and intangible assets[1]	84,956 (87,182)	18,873 (15,305)	35,797 (36,322)	95,957 (94,633)	0 (0)	235,582 (233,442)
Investments excluding company acquisitions	6,892 (8,732)	2,519 (1,993)	3,270 (4,625)	5,634 (1,873)	0 (0)	18,315 (17,223)
Depreciation, amortization and impairment	7,010 (7,039)	1,815 (2,377)	3,813 (3,492)	3,571 (3,814)	0 (0)	16,209 (16,722)
Employees on annual average (without trainees)	1,322 (1,264)	835 (734)	857 (872)	204 (178)	0 (0)	3,217 (3,047)

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 NINE 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 consolidated interim statements as at September 30, 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 in 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 September 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 of the Jenoptik Group.

As at March 31, 2013, DCD Systems Pty. Ltd., Sydney, Australia, which 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 which is now operating under the name of JENOPTIK Advanced Systems LLC, West Milford (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	4,048
Current assets	7,010
Non-current liabilities	52
Current liabilities	2,738

In connection with purchasing the shares in JO Australia, goodwill amounting to KEUR 2,243 was capitalized for gaining an advantage in having an easier market entry. This goodwill is not tax deductible.

The consolidated interim financial statements include the sales of the newly consolidated entities amounting to KEUR 6,211 and earnings after tax of KEUR – 303.

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 18 cents 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 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	30.9.2013	31.12.2012
Land and buildings	78,867	81,505
Investment properties	19,226	19,580
Technical equipment and machines	27,277	28,880
Other equipment, operating and office equipment	20,444	19,487
Payments on-account and assets under construction	13,915	13,369
	159,729	162,820

INVENTORIES in KEUR	30.9.2013	31.12.2012
Raw materials, consumables and supplies	59,170	56,625
Work in progress	100,900	87,857
Finished goods and merchandise	18,340	16,972
Payments on-account made	6,357	7,817
	184,767	169,270

ACCOUNTS RECEIVABLE AND OTHER ASSETS in KEUR	30.9.2013	31.12.2012
Trade accounts receivable	105,409	100,110
Receivables from non-consolidated affiliated companies	4,718	4,413
Receivables from invest. companies	1,069	1,959
Other assets	9,031	11,160
Receivables from construction contracts less payments on-account	2,824	3,018
	123,051	120,659

NON-CURRENT FINANCIAL LIABILITIES in KEUR	30.9.2013	31.12.2012
Non-current bank liabilities	115,804	115,776
Non-current liabilities from finance leases	28	0
	115,832	115,776

CURRENT FINANCIAL LIABILITIES in KEUR	30.9.2013	31.12.2012
Bank liabilities	1,357	4,650
Liabilities from finance leases	77	42
	1,434	4,692

OTHER CURRENT LIABILITIES in KEUR	30.9.2013	31.12.2012
Liabilities from on-account payments received	26,626	28,693
Trade account payables	39,027	40,868
Liabilities to affiliated non-consolidated companies	3,627	3,797
Liabilities to participating interests	16	37
Other current liabilities	27,737	25,533
	97,033	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 30.9.2013	Carrying amount 31.12.2012
Financial assets	155,540	165,555
Cash and cash equivalents	34,760	45,355
Financial assets available for sale	2,291	1,914
Receivables from finance lease	2,205	2,223
Loans and receivables	115,299	115,181
Derivatives with hedging relationships	985	882
Financial liabilities	193,041	193,162
Trade accounts payable	38,957	40,868
Liabilities to banks and other financial liabilities	117,161	120,426
Liabilities from finance lease	105	42
Other non-derivative financial liabilities	36,270	30,886
Derivatives with hedging relationships	548	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 30.9.2013	Level 1	Level 3
Financial assets available for sale	2,291	2,102	189
	(1,914)	(1,755)	(159)
Hedges derivatives (assets)	985	985	0
	(882)	(882)	(0)
Hedges derivatives (liabilities)	548	548	0
	(940)	(940)	(0)

Previous year's figures in brackets

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	211
Disposals	–1
Losses recognized in the financial result	–180
Balance as at September 30	189

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. As at September 30, 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 September 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 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 11, 2013

Dr. Michael Mertin

Chairman of the Executive Board

Rüdiger Andreas Günther

Executive Board Member

Dates 2014

January 28, 2014

Publication of the Preliminary Figures for fiscal year 2013

March 25, 2014

Publication of the Annual Report for 2013

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