JENOPTIK AG
Results of the 1st half-year and outlook

August 12, 2014

Dr. Michael Mertin, CEO
Rüdiger Andreas Günther, CFO
- Jenoptik – 1st half of 2014
- Segment reporting
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- Appendix
Challenging environment: framework conditions become more difficult

Impacts on future business development

- Increasing export regulation on national and European level
- Challenging economic framework conditions
  - Positive trend in the medical technology market continues; semiconductor equipment market stable
  - Demand from automotive and machine construction industry remains subdued
  - Decline in orders for investment goods in Germany and Europe
- Political developments in the Ukraine and Russia as well as in the Middle East with adverse effects

Further strategic steps successfully implemented

- Internationalization / customers
  - Revenue growth in Asia; transfer of projects from America to Asia
  - Winning of new key accounts, successful progress of projects in the area of medical technology / life sciences
- Operational excellence
  - Launched projects for the development of the Group continued according to plan, go-live of JOE in three divisions in Germany until now
64.7 percent of revenue generated abroad
Strongest growth in the Asia/Pacific region

Revenue by region
(as at 30.06.2014 / prior year figures in brackets)

**Middle East/Africa:** development depends on individual projects

**Asia/Pacific:** strong increase by approx. 70%

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

**Germany:** good domestic demand

**Europe:** slight rise
Operationally on track: profitability slightly improved
Development of revenue and earnings as in prior year

- Revenue in 2nd quarter exceeds 1st quarter figure
- Rise in revenue of the Lasers & Optical Systems segment compensated for the reduction in the other two segments
- Group EBIT exceeds prior year level and is substantially higher than in prior quarter
- EBIT affected by:
  - Changed revenue mix and improved gross margin
  - Costs for projects (e.g. JOE) and upfront expenses within the significantly increased order intake
Income statement H1/2014:
EBIT margin rose to 8.5 percent

- Gross margin rose to 35.2% due to changed revenue mix and improved operational excellence (JEP program)
- Functional costs almost stable
  - Small rise in selling expenses attributable to expansion of international activities
  - Administrative costs increased slightly (expansion of key group functions, implementation of JOE, new international structures)
- EBIT margin in 2\textsuperscript{nd} quarter rose to 9.2% (Q1/2014: 7.7%)
- Financial result stable at last year’s level
- Cash-effective tax rate of 11.9 percent (prior year: 13.7 percent)

<table>
<thead>
<tr>
<th>In million euros</th>
<th>H1/2014</th>
<th>H1/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>283.2</td>
<td>283.6</td>
</tr>
<tr>
<td>Gross margin</td>
<td>35.2%</td>
<td>34.3%</td>
</tr>
<tr>
<td>Functional costs</td>
<td>78.0</td>
<td>76.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>24.0</td>
<td>23.5</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>8.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Financial result</td>
<td>- 3.2</td>
<td>- 3.2</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>20.7</td>
<td>20.3</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>17.9</td>
<td>17.5</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.31</td>
<td>0.31</td>
</tr>
</tbody>
</table>
Substantial rise in order intake

- First six months with good order intake
- Increase in the Lasers & Optical Systems as well as Defense & Civil Systems segments
- Order intake exceeds revenue, Book-to-bill ratio: 1.11 (prior year 1.00)

- Order backlog rises by almost 27 million euros compared with the end of 2013
- Approx. 80 percent of revenue planned for 2014 is secured by orders on hand
Cash flow statement: Increase in working capital and higher investments affect free cash flow

<table>
<thead>
<tr>
<th>In million euros</th>
<th>H1/14</th>
<th>H1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before working capital changes</td>
<td>33.3</td>
<td>34.0</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>- 44.4</td>
<td>- 22.5</td>
</tr>
<tr>
<td>Cash flow from operating activities before taxes</td>
<td>- 11.1</td>
<td>11.5</td>
</tr>
<tr>
<td>Cash flow from operative investing activities (tang. + intang. assets)</td>
<td>- 13.6</td>
<td>- 10.2</td>
</tr>
<tr>
<td>Free cash flow (before interests and taxes)</td>
<td>- 24.7</td>
<td>1.2</td>
</tr>
</tbody>
</table>

- Working capital rose to 230.5 million euros (31.12.2013: 195.6 million euros)
- Inventories higher as a result of upfront expenses for revenue in subsequent periods; receivables increased
- Reduction in trade payables
- Working capital ratio came to 36.9% and was only slightly higher than in the past year (prior year: 36.4%)
- Free cash flow was affected in particular by changes in working capital and higher investments
Target remains to further reduce net debt in the mid to long term

- Higher net debt as a result of reduction in liquid funds
- Payment of dividend
- Use of resources for working capital
- Payment of variable salary components
- Planned exit of the last silent real estate investor at the beginning of 2015
Continuous improvement in equity base

Equity ratio has continuously risen as a result of the positive earnings development.

Very stable equity ratio underlines the development towards self-financing and opens up potential for higher investments.
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Lasers & Optical Systems with highest contributions to revenue and earnings also in the 2\textsuperscript{nd} quarter

<table>
<thead>
<tr>
<th>Jenoptik Group</th>
<th>Lasers &amp; Optical Systems</th>
<th>Metrology</th>
<th>Defense &amp; Civil Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lasers &amp; Material Processing</td>
<td>41.7% of revenue</td>
<td>29.9% of revenue</td>
<td>28.3% of revenue</td>
</tr>
</tbody>
</table>

Revenue: 283.2m euros
EBIT: 24.0m euros

Technology competence in optoelectronics, joint use of distribution networks and shared services
Strategic Group development prioritizes growth markets of the future

- Revenue share of Lasers & Optical Systems as well as Metrology has constantly grown
- Strategic focus of growth on future markets of optoelectronics
Segments showed revenue growth during the year

**Lasers & Optical Systems**: marked rise in revenue, in part due to good project starts in the area of medical technology & life sciences and stronger demand for laser processing systems (plastics process.)

**Metrology**: decline in revenue as a result of restrained investments in the area of industrial metrology; increase in revenue e.g. in the Asian region

**Defense & Civil Systems**: postponement and expansion of time frames of projects in the area of energy systems
Lasers & Optical Systems showed substantial earnings growth

Lasers & Optical Systems: as a result of the good development of revenue and the improved product mix EBIT could be increased significantly

Metrology: restrained revenue development in industrial metrology resulted in EBIT decline; however, improvement compared to Q1

Defense & Civil Systems: product mix with weaker margins; H1/2013 positive one-off effect
Good order position forms basis for future development

Order intake (in million euros)

- **Lasers & Optical Systems**: order intake rose by almost 10 percent, book-to-bill ratio at 1.06
- **Metrology**: several orders for stationary and mobile traffic monitoring received (among other things from Kuwait, Singapore, Netherlands); book-to-bill ratio increased to 1.00
- **Defense & Civil Systems**: orders for military stabilization systems received; book-to-bill ratio climbed to 1.29
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2014: Forecast firmed up at lower end of range

- Growth targets for 2014 are ambitious, due to:
  - Increasing export restrictions on national and European level
  - Challenging economic environment, downturn in the real economy, possibly with tangible impact on willingness of companies to invest
  - In the 2nd half-year development is expected to be more dynamic than in the first six months

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<thead>
<tr>
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<th>2013</th>
<th>2014e</th>
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<tbody>
<tr>
<td>Group revenue</td>
<td>600.3 million euros</td>
<td>Revenue growth of approx. 5 percent</td>
</tr>
<tr>
<td>Group EBIT</td>
<td>52.7 million euros</td>
<td>Approx. 55 million euros</td>
</tr>
</tbody>
</table>
2014: Positive development in all segments expected

Lasers & Optical Systems
- Demand from semiconductor equipment industry remains stable
- Rising sales with other industries, e.g. life sciences / medical technology / automotive industry
- Further expansion of systems business

Revenue growth of approx. 10 percent

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

Revenue at prior year’s level

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

Slight revenue growth
Our target: to continue profitable growth

Our mid-term targets

- Continuation of growth, from 2015 at approx. 10 percent per year over the cycle
- Revenue of 800 million euros by 2017 (without larger acquisitions), of which more than 40 percent in Asia and America
- EBIT margin of 9 -10 percent over the cycle

External factors may affect development:

- Uncertainty regarding the developments in Ukraine / Russia and Middle East continues
- Export discussions in Germany

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

- August 12, 2014
- August 13, 2014
- August 27/28, 2014
- September 8, 2014
- September 10, 2014
- September 11, 2014

Half-year results 2014, conference call
Analysts’ Meeting and roadshow Frankfurt/Main
Roadshow London / Edinburgh
UBS Best of Germany Conference, New York
Commerzbank Sector Conference, Frankfurt/Main
Bankhaus Lampe German Technology Seminar

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