JENOPTIK

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Interim Financial Report of the Jenoptik Group (UNAUDITED)

JANUARY TO JUNE 2015

At a glance – Jenoptik Group

in million euros	Jan. - June 2015	Jan. - June 2014	Change in %	April - June 2015	April - June 2014	Change in %
Revenue	316.1	283.2	11.6	170.4	146.3	16.5
Lasers & Optical Systems	119.2	118.1	0.9	62.9	59.5	5.7
Metrology	97.4	84.6	15.2	50.9	43.8	16.4
Defense & Civil Systems	99.7	80.1	24.4	57.0	42.6	33.7
Others[1]	-0.2	0.4		-0.4	0.4	
EBITDA	38.7	34.2	13.1	22.9	19.5	17.5
Lasers & Optical Systems	15.9	19.6	-18.7	8.8	9.0	-2.7
Metrology	10.1	11.1	-8.6	5.7	6.9	-17.5
Defense & Civil Systems	8.5	3.0	187.5	6.5	2.7	143.9
Others[1]	4.2	0.6		1.9	0.8	
EBIT	26.6	24.0	10.8	17.8	13.4	32.8
Lasers & Optical Systems	11.4	15.4	-26.1	6.5	6.9	-4.9
Metrology	6.4	9.2	-30.1	3.9	5.8	-33.6
Defense & Civil Systems	6.1	0.5	1,182.3	5.3	1.4	271.9
Others[1]	2.7	-1.0		2.2	-0.7	
EBIT margin	8.4%	8.5%		10.5%	9.2%	
Lasers & Optical Systems	9.5%	13.0%		10.4%	11.6%	
Metrology	6.6%	10.8%		7.6%	13.3%	
Defense & Civil Systems	6.1%	0.6%		9.3%	3.3%	
Earnings before tax	24.7	20.7	19.3	14.9	11.7	27.0
Earnings after tax	20.1	17.9	12.6	11.9	10.2	16.6
Earnings per share in euros	0.35	0.31	11.4	0.21	0.18	16.6
Free cash flow	8.4	-24.7	134.2	11.8	-13.9	184.3
Order intake	333.7	314.5	6.1	166.9	154.2	8.2
Lasers & Optical Systems	125.3	125.3	0.0	63.4	60.0	5.7
Metrology	112.7	84.9	32.8	57.2	40.2	42.4
Defense & Civil Systems	97.4	103.1	-5.5	46.7	53.3	-12.4
Others[1]	-1.7	1.3		-0.4	0.8	

in million euros	June 30, 2015	Dec. 31, 2014	June 30, 2014
Order backlog	432.2	422.5	438.3
Lasers & Optical Systems	108.2	100.8	100.0
Metrology	84.0	77.2	70.9
Defense & Civil Systems	242.9	245.9	269.0
Others[1]	-2.8	-1.4	-1.7
Employees (incl. trainees)	3,531	3,553	3,528
Lasers & Optical Systems	1,347	1,377	1,397
Metrology	1,023	1,030	989
Defense & Civil Systems	880	885	894
Others[1]	281	261	248

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

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

Summary of the months January to June 2015

- The Jenoptik Group's revenue reached a record high of 316.1 million euros in the first half-year (prior year 283.2 million euros). The Metrology and Defense & Civil Systems segments both posted significant revenue growth. As expected, demand from the semiconductor equipment industry was weaker than in the prior-year period, but picked up slightly toward the end of the half-year. Revenue increases were seen in Europe and America.
  See Earnings and Order Situation – from page 8.

- EBITDA increased to 38.7 million euros (prior year 34.2 million euros). Income from operations (EBIT) rose to 26.6 million euros (prior year 24.0 million euros). Earnings after tax (EAT) grew to 20.1 million euros, up on the prior-year figure of 17.9 million euros.
  See Earnings and Order Situation – page 8.

- Group financing was reorganized – the syndicated loan was increased and extended, and new debenture loans were issued. The equity ratio rose to 52.8 percent. The free cash flow improved considerably to 8.4 million euros (prior year minus 24.7 million euros).
  See Financial and Asset Position – page 10.

- The positive order situation created good conditions for further revenue recognition in the course of the year: At 333.7 million euros, the order intake was above the prior-year figure of 314.5 million euros. The book-to-bill ratio was 1.06 (prior year 1.11).
  See Earnings and Order Situation – page 8.

- Lasers & Optical Systems segment: Year-on-year revenue remained stable. A lower margin in the product mix resulted in a fall in EBIT.
  Metrology segment: Revenue and order intake showed improvement. The week market in the traffic safety area in the US as well as depreciation effects arising from acquired companies produced a decline in EBIT.
  Defense & Civil Systems segment: Revenue and earnings increased significantly, with positive contributions from the energy and sensor systems business areas.
  See Segment Reporting – page 12.

- The Executive Board reaffirms its 2015 guidance under the current economic conditions. Revenue is expected to come in at between 650 and 690 million euros. An EBIT margin of between 8.5 and 9.5 percent is expected.
  See Forecast Report – page 17.

1 Business and Framework Conditions

1.1 Group Structure and Business Activity

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

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

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

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

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

1.2 Targets and Strategies

To promote sustainable and profitable growth, we continued to make further headway in the Jenoptik Group's core strategic themes of internationalization, innovation and operational excellence in the first half-year of 2015. We are working to implement our growth strategy by
- realinging our segments even more to markets and megatrends,
- extending our excellence program into extended focus,
- continuing to work on our process of internationalization, together with greater vertical integration in the growth regions of Americas and Asia/Pacific, and
- further boosting our financial strength.

We also aim to complement organic growth with acquisitions.

In 2015, we pushed on with work to adapt the Group's organizational structure in line with our objectives. Business operations within the segments are being reorganized and thus better targeted at markets such as the medical technology, automotive and semiconductor equipment sectors. The new structure is due to come into force on January 1, 2016.

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

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

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

1.3 Development of the Capital Market and the Jenoptik Share

The predominantly strong stock markets at the start of the year displayed a sideways trend in the second quarter. Uncertainty regarding the future of Greece in the euro zone was undoubtedly the greatest factor affecting the international stock markets. A slowdown in growth and turbulences on the Chinese market, together with the Ukraine crisis and sanctions against Russia also unsettled capital market participants.

By contrast, favorable financing costs and low energy prices helped to stimulate economic activity in the first half-year of 2015. Major national economies such as Germany, Spain and France also contributed to an economic upswing. The effects of the ECB's monetary policy, involving a bond purchasing program launched in March and valued at

EARNINGS PER SHARE

	1/1/ to 30/6/2015	1/1/ to 30/6/2014
Net profit in thousand euros	19,944	17,897
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.35	0.31

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

60 billion euros a month, were increasingly felt, and the devaluation of the euro impacted strongly on export ratios. The debt crisis in Greece and fears of an escalation in Ukraine, however, pose significant risks to economic recovery.

Over the first six months of 2015, the Dax performed patchily. Following turbulent performance Germany's benchmark index climbed to a new all-time high of 12,391 points on April 10, 2015. Since then, however, its progress has primarily been hampered by the crisis in Greece; at the end of trading on June 30, 2015, the Dax was at 10,945 points, a year-to-date increase of 12.1 percent. The TecDax performed better in the first half-year of 2015, moving from an initial 1,382 points to a new high of 1,737 on May 21, 2015. At the end of trading on June 30, the TecDax was at 1,642 points, a year-to-date increase of 18.8 percent.

Up to the end of June, the Jenoptik share price was consistent with the unsettled development of the overall market. From the start of the year, the share price rose from 10.60 euros to 10.82 euros on June 30, 2015, an increase of 2.1 percent. The total shareholder return was 4.0 percent in the period covered by the report (prior year minus 0.7 percent). The share hit its lowest closing price in the reporting period, 10.22 euros, on January 7, 2015. It achieved its highest Xetra closing price of 13.43 euros on March 16, 2015. On July 31, the share closed at 11.91 euros on the Xetra, equating to an increase of around 12.4 percent in the current year.

By the end of July 2015, Jenoptik had received notification of voting rights from Dimensional Fund Advisors LP, that increased its existing stake in Jenoptik to 3.01 percent in May. Oddo Asset Management increased its holdings in Jenoptik to 3.02 percent in July, while Norges Bank reduced its stake in the company to 2.63 percent in July. On March 31, 2015, our longstanding major shareholder, ECE Industriebeteiligungen GmbH, sold the entirety of its remaining investment holdings in Jenoptik, amounting to a 10.48 percent stake, to institutional investors primarily located in other European countries, as part of an accelerated book building process. The free float increased from 74.99 to 89.0 percent following the replacement of shares. With an 11 percent stake, Thüringer Industriebeteiligungen GmbH & Co. KG is our largest shareholder.

In the last twelve months (LTM), the liquidity of the Jenoptik share on the German stock exchanges increased sharply on the equivalent prior period. Through the end of June 2015, an average of 231,865 shares were traded per day, an increase of 80 percent (prior year 126,277). According to the stock exchange turnover ranking by Deutsche Börse on June 30, 2015, Jenoptik was in 20th place (prior year 22nd), and 19th (prior year 18th) in terms of free float market capitalization. Market capitalization reduced to 619.3 million euros on June 30, 2015 (prior year 681.4 million euros).

At the 17th Annual General Meeting, held in Weimar on June 3, 2015, the Executive Board reported on the 2014 fiscal year, the first quarter of 2015 and the Group's ongoing strategic development. The shareholders agreed to pay out a dividend of 0.20 euros per share (prior year 0.20 euros). On the basis of the total dividend paid in the sum of 11.4 million euros the payout ratio rose to 27.5 percent of the Group's earnings after tax (EAT) (prior year 24.3 percent). Based on the closing price of 11.27 euros on the date of the Annual General Meeting, the dividend yield was 1.77 percent.

In the first half-year of 2015, the Jenoptik management presented the company to investors and analysts at banking conferences in Berlin, Frankfurt/Main, Boston, New York and Warsaw, and at roadshows in Copenhagen, Hamburg, Helsinki, Lugano and Vienna.

Seventeen research institutes and banks regularly reported on Jenoptik in the first half-year of 2015. Metzler Capital Markets started to cover the share for the first time in June. The analysts recommended either buying or holding the Jenoptik share. The average price target issued by all analysts combined at the time the report was prepared was 12.69 euros..

JENOPTIK KEY SHARE FIGURES

	1/1/ to 30/6/2015	1/1/ to 30/6/2014
Closing share price (Xetra) at half-year end in euros	10.82	11.91
Highest share price (Xetra) in euros	13.43	13.61
Lowest share price (Xetra) in euros	10.22	11.72
Market capitalization (Xetra) at half-year end in million euros	619.3	681.4
Average daily trading volume in shares (LTM)[1]	231,865	119,041

[1] Source: Deutsche Börse

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

As the International Monetary Fund (IMF) had expected, the **global economy** showed moderate growth in the first half-year of 2015. Except in the US, the economies of the industrialized nations and emerging economies remained on course.

The American Department of Commerce corrected its first-quarter growth figures for the **US economy** several times: on an annualized basis, gross domestic product (GDP) rose 0.6 percent. In the second quarter the economy grew by 2.3 percent. A high level of private consumption and higher government spending as well as rising exports – in spite of the strong dollar – had positive effects on this development.

The **German economy** got off to a poorer start than previously reported in 2015, with the Federal Office of Statistics correcting its growth rate figure for the first quarter to 0.3 percent. In the second quarter, exports grew for four months in succession up to May, chiefly due to strong demand from Europe. Industrial production and orders remained generally stable. The ifo Business Climate Index fell slightly at the end of the second quarter; companies overwhelmingly assessed the present situation and outlook as worse than was recently the case.

The **Chinese economy** grew in the second quarter of 2015 by 7.0 percent compared to the same quarter in the prior year. As a whole, the economy remains in good shape, even with slackening domestic demand and relatively weak business capital spending. Industrial production rose just under 7 percent on the prior year in June. According to analysts, the stock market volatility seen at the end of the second quarter has not yet had any significant impact on growth.

In June 2015, the Spectaris, VDMA and ZVEI industry associations published their joint sector report on the **German photonics industry** for the past fiscal year. Compared to 2013, German manufacturers' production volumes grew 4 percent to 30 billion euros in 2014. The industrial sectors of laser processing systems and laser sources, image processing, metrology and lithography primarily contributed to this growth. Other core areas of German photonic productions, such as medical technology, optical components and systems and the lighting industry, however, also reported substantial growth. Based on revenues at 15 international photonics companies, Spectaris calculates the World Market Index for Optical Technologies to determine the current state of business development. In the first quarter of 2015, this index fell almost 6 percent on the prior quarter, but at 129 points was still the best first-quarter figure since 2011. More recent figures were not yet available at the time the report was drawn up.

In the World Market Index for **medical technology,** Spectaris analyzes the development of revenue at 13 international companies in the sector. In the first quarter of 2015, this index rose 7 percent on the prior-year period and at 111.4 points reached a new record high for a first quarter. Here too, however, the figure was well below that of the prior quarter (minus 6.4 percent).

The VDMA's **lasers and laser systems** working committee published its 2014 figures for laser machine production in May. Germany alone manufactured laser-based production systems worth some 852 million euros, 11 percent more than in 2013. On a global scale, the working committee's member companies for the first time achieved a production volume of more than 1 billion euros in 2014, around 10 percent up on the prior year.

VDMA **Machine Vision** published its 2014 figures in July 2015: over the past fiscal year, revenue at European manufacturers rose 16 percent. The industry benefited from strong international demand from the automotive industry, which accounted for 21 percent of total revenue. Asia and North America remained the drivers of export growth. German manufacturers boosted their revenues by 16 percent in 2014 to a record 1.9 billion euros.

The SEMI industry association published its 2015 first-quarter figures for the **semiconductor equipment industry** in June. At 9.5 billion US dollars, global revenue in the industry was 7 percent above that for the prior quarter, but 6 percent below the figure in the prior-year quarter. For the second quarter, major semiconductor equipment manufacturers reported a marginal increase in revenue on the prior quarter.

Figures released by the **German Engineering** Federation (VDMA) show that, compared to the prior year, order intakes fell by 3 percent in the second quarter of 2015, and in total by 1 percent in the first half-year. The latter also applies to domestic orders. Foreign orders stagnated during that period. German exports to Russia, in particular, were much weaker. According to VDMA the drop by almost 30 percent up to May was not directly attributable to export restrictions, even though these still burden exports of dual use goods. The main reasons for the weakness were the decline of the ruble, the oil price and the poor economic situation in Russia.

The **machine tool industry** reported a balanced development. According to the Association of German Machine Tool Manufacturers (VDW) order intake in the second quarter rose by 10 percent compared with the prior year period. The main growth drivers were the non-euro region, in particular Asia, whereas orders from the USA disappointed. In the first half-year revenue and order intake stagnated as the 1st quarter showed a decline.

German metrology and process automation companies closed the 2014 fiscal year with revenues of 19.4 billion euros, a 2.2 percent increase on 2013. This was reported by the Automation Division of the ZVEI industry association in June. The order intake grew by 4.3 percent.

In the first half-year of 2015, the **European Automobile Manufacturers'** Association (ACEA) reported 8.2 percent more new registrations in Europe than in the same period of the prior year. This continues the gradual recovery seen over the past two years, but is still below the pre-crisis level of 2007. The German Association of the Automotive Industry (VDA) sees the major automotive markets of Western Europe, the US and China as still on course for growth; this is despite waning momentum in China, where, among other things, car sales have been restricted due to high air pollution in many cities.

The **international aviation industry** convened at the sector's leading event, the Paris Air Show, in July, where aircraft manufacturers reported their half-year figures: Airbus received 348 orders in the first half-year, Boeing 281 orders.

The German Federal Ministry for Economic Affairs and Energy published its 2014 Armaments Export Report for the **German security and defense technology industry** in May. The overall value of individual and collective export licenses for armaments fell dramatically in the past year: deliveries worth 6.5 billion euros were approved, 22 percent down on 2013. 100 export licenses were rejected (prior year 71). The value of individual licenses fell around 1.8 billion euros to just under 4 billion euros, with the majority being granted for ships and submarines.

No important new reports were published for other sectors relevant to Jenoptik in the first half-year of 2015. We therefore refer to the details on pages 64 ff. of the 2014 Annual Report and from page 5 on of the first Interim Report 2014.

2 Earnings, Financial and Asset Position

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

2.1 Earnings and Order Situation

Development of revenue. In the first half-year of 2015, Jenoptik achieved record revenue of 316.1 million euros (prior year 283.2 million euros), equating to growth of 11.6 percent on the prior year. With 170.4 million euros this is also the highest level of revenue generated by the Group in a single quarter for a number of years. The Metrology and Defense & Civil Systems reported growth, while revenue in the Lasers & Optical Systems segment remained at the prior-year level.

At the end of the first half-year 2015, the share of revenue generated abroad had risen to 68.5 percent (prior year 64.7 percent). Compared to the first half-year of 2014, revenue in Europe (excluding Germany) grew strongly by approximately 20 percent to 95.3 million euros (prior year 79.4 million euros), primarily due to acquisitions in the traffic safety technology sector. The Metrology segment increased its total revenue here by around 70 percent. In Americas, too, Group revenue showed a marked improvement of 43 percent. This was attributable to an increase in demand from the automotive industry, project-related settlements in the Lasers & Optical Systems and Defense & Civil Systems segments as well as currency effects.

Development of earnings. In the first half-year of 2015, the Group reported an increase in EBITDA of 13.1 percent to 38.7 million euros, it thus rose at a stronger rate than revenue (prior year 34.2 million euros).

On the back of increased revenue, income from operations (EBIT) also grew by more than 10 percent to 26.6 million euros (prior year 24.0 million euros). The Group thus achieved the first half-year and at 17.8 million euros the quarter with the highest earnings in the company’s recent history. Earnings in the period covered by the report were in part influenced by a changed revenue mix and the settlement of a major project in the Defense & Civil Systems segment. The EBIT margin of 8.4 percent was not far off the prior-year level (prior year 8.5 percent). The particularly strong EBIT margin of 10.5 percent in the second quarter worked to compensate for the slow start to the year.

The financial result increased to minus 1.9 million euros (prior year minus 3.2 million euros), mainly influenced by positive currency effects and an improved investment result.

This growth in EBIT and the improved financial result allowed the Group to achieve higher earnings before tax than in the prior year of 24.7 million euros (prior year 20.7 million euros). Income taxes came to 4.0 million euros (prior year 2.5 million euros). The cash effective tax rate was thus 16.0 percent (prior year 11.9 percent). Earnings after tax grew to 20.1 million euros, up on the prior-year figure of 17.9 million euros. Earnings per share rose to 0.35 euros (prior year 0.31 euros).

Order situation. At 333.7 million euros, the order intake of the Jenoptik Group in the first half-year 2015 was up 6.1 percent (prior year 314.5 million euros). The Metrology segment reported considerable growth due to the acquisition of Vysionics and a higher order intake in the Industrial Metrology sector; the order intake in the Defense & Civil Systems segment remained slightly below the prior-year level, while the Lasers & Optical Systems segment showed no change on 2014.

REVENUE

in million euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	Change in %
Total	316.1	283.2	11.6
Lasers & Optical Systems	119.2	118.1	0.9
Metrology	97.4	84.6	15.2
Defense & Civil Systems	99.7	80.1	24.4
Others	-0.2	0.4	

EBIT

in million euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	Change in %
Total	26.6	24.0	10.8
Lasers & Optical Systems	11.4	15.4	-26.1
Metrology	6.4	9.2	-30.1
Defense & Civil Systems	6.1	0.5	1,182.3
Others	2.7	-1.0	

The book-to-bill ratio, that of order intake to revenue, was 1.06 and thus below the level of the first quarter 2014 due to the stronger growth in revenue (prior year 1.11).

The higher order intake resulted in an increase in the Group order backlog, which at 432.2 million euros exceeded the comparative value at the end of 2014 by 2.3 percent (31/12/2014: 422.5 million euros; 30/06/2014: 438.3 million euros). Of this order backlog, 54.2 percent will be converted into revenue in the present fiscal year (prior year 48.3 percent). This has created good conditions for growth in the second half-year.

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

2.2 Explanation of Key Items in the Statement of Comprehensive Income

The **cost of sales** rose by 12.6 percent to 206.8 million euros (prior year 183.6 million euros), and was in part influenced by the changed revenue mix. The gross margin consequently fell slightly to 34.6 percent (prior year 35.2 percent).

Research and development expenditure, key indicators of the Group's future performance and competitiveness, remained at a high level. The **R+D total output** came to 25.8 million euros following 24.1 million euros in the comparable period of the prior year, equating to 8.2 percent of revenue (prior year 8.5 percent). The indicator includes the R+D expenses, development costs on behalf of customers and amortization of the capitalized development costs that are included in assets. The costs are apportioned according to the contract structure and are thus dependent upon individual orders or projects. Development costs on behalf of customers in the period covered by the report totaled 5.1 million euros (prior year 5.4 million euros). Group R+D expenses came to 21.2 million euros at the end of the first half-year 2015 and were thus considerably higher than the figure for the prior year (prior year 19.0 million euros).

Jenoptik pushed on with its expansion of international activities in the first half-year of 2015, which was also reflected in its **selling expenses.** The latter increased to 38.1 million euros (prior year 34.0 million euros); the selling expenses ratio, at 12.0 percent, remained unchanged on the prior year (prior year 12.1 percent). The **administrative expenses** increased as scheduled to 28.1 million euros (prior year 24.9 million euros) due to first-time consolidations in 2014 and current costs in connection with the Jenoptik One ERP project. At 8.9 percent, the administrative expenses ratio also remained stable (prior year 8.8 percent).

Both other operating income and other operating expenses increased in comparison with the prior year. Due partly to reversals of impairment costs in connection with a pending real estate sale and positive currency effects, the account balance from both items showed a year-on-year improvement to 4.6 million euros (prior year 2.3 million euros.

Employees & management. As of June 30, 2015, the number of employees in the Jenoptik Group fell marginally by 0.6 percent to 3,531 compared with the year end 2014 (31/12/2014: 3,553 employees; 30/06/2014: 3,528 employees). Due to the expansion of foreign companies, the number of employees abroad increased slightly by approximately 1 percent. At the end of June 2015, 623 people were employed at the foreign locations (31/12/2014: 617 employees; 30/06/2014: 566 employees).

ORDER INTAKE

in million euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	Change in %
Total	333.7	314.5	6.1
Lasers & Optical Systems	125.3	125.3	0.0
Metrology	112.7	84.9	32.8
Defense & Civil Systems	97.4	103.1	-5.5
Others	-1.7	1.3	

ORDER BACKLOG

in million euros	30/6/2015	31/12/2014	Change in %
Total	432.2	422.5	2.3
Lasers & Optical Systems	108.2	100.8	7.3
Metrology	84.0	77.2	8.7
Defense & Civil Systems	242.9	245.9	-1.2
Others	-2.8	-1.4	

The Jenoptik Group had a total of 109 trainees as of June 30, 2015 (31/12/2014: 136 trainees). The Group had 125 agency employees in Germany (31/12/2014: 141 agency employees).

Jenoptik has had a new Chief Financial Officer since April 1, 2015. Hans-Dieter Schumacher succeeded Rüdiger Andreas Günther, who left the company at the end of March, and in his new role has since been responsible for the areas of accounting & controlling, treasury, taxes, mergers & acquisitions, investor relations, strategic management of the real estate portfolio and, since July, the IT department. He was appointed for three years. The Executive Board of JENOPTIK AG thus still comprises two members. Dr. Michael Mertin is President & CEO and was appointed for a further period of office (starting in July 2012) as President & CEO and Human Resources Director of JENOPTIK AG in September 2011.

2.3 Financial and Asset Position

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

Increased equity coupled with a reduction in borrowings resulted in the debt ratio, that of borrowings to equity, improving from 1.00 as at the end of 2014 to 0.90 on June 30, 2015.

Working capital was built up as a result of the operating business being expanded and in preparation for future customer projects in the first half-year of 2015. The second quarter also saw the distribution of dividend worth 11.4 million euros and the payment of variable salary components for employees. Together with the payment made to the last remaining silent investor in a Jenoptik real estate fund in January, this, as expected, resulted in a rise in **net debt** as of June 30, 2015, to 115.9 million euros (31/12/2014: 92.1 million euros).

Capital expenditure. In the first quarter of 2015, the Group invested 10.0 million euros in property, plant and equipment and intangible assets (prior year 14.5 million euros). Property, plant and equipment accounted for the largest share of capital expenditure at 8.7 million euros, including new technical equipment and an expansion of production capacities (prior year 11.4 million euros). Investments in intangible assets, at 1.2 million euros in the first six months, fell below the figure for the same period in the prior year (prior year 3.1 million euros, mainly due to the Jenoptik One ERP project). Scheduled depreciation and amortization in the Jenoptik Group totaled 14.1 million euros (prior year 11.5 million euros) and also includes depreciation effects from acquisitions of companies in the past fiscal year.

As of June 30, 2015, the Jenoptik Group's **balance sheet total** fell marginally compared to year-end 2014, to 761.8 million euros (31/12/2014: 771.7 million euros), in particular due to the repayment of financial liabilities from cash and cash equivalents.

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

R+D OUTPUT

in million euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	Change in %
R+D output	25.8	24.1	7.3
R+D expenses	21.2	19.0	11.2
Capitalized development costs	0.1	0.1	50.4
Depreciation and impairment on capitalized development costs	-0.6	-0.4	-32.0
Developments on behalf of customers	5.1	5.4	-4.8

EMPLOYEES (INCL. TRAINEES)

	30/6/2015	31/12/2014	Change in %
Total	3,531	3,553	-0.6
Lasers & Optical Systems	1,347	1,377	-2.2
Metrology	1,023	1,030	-0.7
Defense & Civil Systems	880	885	-0.6
Others	281	261	7.7

Within the balance sheet, investment property was transferred to current assets in preparation for a sale. This was chiefly responsible for a reduction in **non-current assets** to 387.1 million euros (31/12/2014: 389.5 million euros). By contrast, the intangible and financial assets also included in the non-current assets increased slightly, mainly due to currency effects.

Compared to year-end 2014, **current assets** fell to 374.7 million euros (31/12/2014: 382.2 million euros). Inventories rose to 190.5 million euros (31/12/2014: 179.0 million euros), due to prefabrications for future revenues in the first half-year made just as in prior years. However cash and cash equivalents fell more significantly to 32.8 million euros (31/12/2014: 69.5 million euros). This drop is due primarily to the dividend payment, the payment of variable salary components of employees, financing of working capital and the payment of 12.4 million euros made to the silent real estate investor in January 2015. There are now no more silent investments or claims. The above items previously held as investment property were transferred to the "Assets held for sale" item that is now included in the current assets.

Despite lower trade accounts payable, increased inventories and trade accounts receivable resulted in a rise of the **working capital** to 239.0 million euros (31/12/2014: 217.5 million euros; 30/06/2014: 230.5 million euros). On June 30, 2015 the working capital ratio, that of working capital to revenue based on the last twelve months, was above the figure at year-end 2014, at 38.4 percent (31/12/2014: 36.9 percent). Compared to the prior year, however, the working capital ratio remained unchanged (30/06/2014: 38.4 percent).

The earnings after tax posted at the end of June 2015, together with exchange rate effects reported in equity outside of profit and loss, resulted in **equity** increasing to 401.9 million euros despite the dividend payment (31/12/2014: 386.6 million euros). The equity ratio thereby improved to 52.8 percent (31/12/2014: 50.1 percent).

Compared to the end of December 2014, **non-current liabilities** fell slightly by 10.1 million euros to 206.5 million euros (31/12/2014: 216.6 million euros). This was primarily due to a reduction in non-current financial liabilities effected by the repayment of the partially utilized syndicated loan, with a contribution from the greater volume of the debenture loans. The debenture loans placed in the spring of 2015, totaling 125 million euros and with terms of five and seven years, are included in the non-current liabilities.

Current liabilities reduced to 153.4 million euros and were thus 15.1 million euros below the figure at the end of 2014 (31/12/2014: 168.5 million euros). This was primarily due to lower trade accounts payable, which fell from 53.6 million euros to 46.6 million euros, and a reduction in the other current liabilities following the payment made to the silent real estate investor. Other current provisions also fell, particularly due to the periodic reduction in personnel provisions for variable salary components of the employees. There were virtually no changes to the other items included in current liabilities.

Cash flows from operating activities were mainly influenced by payments for the working capital, and at 12.3 million euros as of June 30, 2015 were considerably above the prior year's figure of minus 13.5 million euros.

Primarily lower capital expenditure in property, plant and equipment and intangible assets compared to the same period in the prior year was reflected in the **cash flow from investing activities,** which at minus 10.4 million euros in the first half-year 2015 was above the prior-year figure (prior year minus 15.8 million euros).

In the period covered by the report, the **free cash flow** (cash flow from operating activities before interest and tax, minus payment for operating investing activities) was primarily influenced by high earnings in the second quarter and reduced capital expenditure. Despite the increase in working capital, it came to 8.4 million euros and was thus well above the prior-year figure of minus 24.7 million euros.

The **cash flows from financing activities** amounted to minus 41.6 million euros (prior year minus 14.4 million euros), and were particularly influenced by the dividend payment, proceeds from issuing bonds and loans following the placement of the debenture loans in April 2015 and repayments of bonds and loans. Beyond this, changes in the group financing, primarily due to the above-mentioned payment to the silent real estate investor, also influenced cash flows from financing activities.

Purchases and sales of companies. There were no purchases or sales of companies in the first half-year 2015.

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

3 Segment Reporting

3.1 Lasers & Optical Systems Segment

With **revenue** of 119.2 million euros in the first six months of 2015, the Lasers & Optical Systems segment matched the prior-year level (prior year 118.1 million euros), compensating for a restrained start to the first quarter with an improved second quarter. Business with laser processing systems and optoelectronic modules developed well, but demand from the semiconductor equipment sector fell behind that in the same period of the prior year. A slight improvement, however, was seen toward the end of the first half-year. At 37.7 percent, the segment enjoyed the greatest share of Group revenue (prior year 41.7 percent). Revenue in Europe (including Germany) fell from 67.1 million euros to 59.5 million euros, while in America, business saw a rise in revenue from 21.8 million euros to 28.9 million euros.

The moderate development of revenue in the first six months in conjunction with a lower margin product mix resulted in **EBITDA** falling 18.7 percent to 15.9 million euros (prior year 19.6 million euros). **Income from operations (EBIT)** also declined 26.1 percent in the first half-year of 2015 and was 11.4 million euros, compared to 15.4 million euros in the prior year. The prior year's operating result, however, was influenced by the positive one-off effect of the sale of a system technology. Compared to the same period in the prior year, the EBIT margin in the first six months fell to 9.5 percent (prior year 13.0 percent), but was up on the first quarter of 2015 (Q1 2015: 8.6 percent).

The segment **order intake,** at 125.3 million euros, was at exactly the same level as in the prior year (prior year 125.3 million euros) and higher than revenue in the period covered by the report. This, in part, was due to continuing good demand for laser processing systems. The ratio of order intake to revenue results in a book-to-bill ratio of 1.05 (prior year 1.06).

The **order backlog** in the Lasers & Optical Systems segment continued to grow. It came to 108.2 million euros at the end of June 2015, 7.3 percent higher than at the end of 2014 (31/12/2014: 100.8 million euros).

In the first half-year of 2015, the **number of employees** was just below the level as at year-end 2014, with 1,347 employees (31/12/2014: 1,377 employees).

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

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

THE SEGMENT AT A GLANCE

in million euros	30/6/2015	30/6/2014	Change in %
Revenue	119.2	118.1	0.9
EBITDA	15.9	19.6	-18.7
EBIT	11.4	15.4	-26.1
EBIT margin	9.5%	13.0%	
Order intake	125.3	125.3	0.0
Order backlog[1]	108.2	100.8	7.3
Employees[1]	1,347	1,377	-2.2

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

3.2 Metrology Segment

The slight upswing in investment seen in the automotive industry from the end of 2014, particularly in Europe, produced a further pick-up in demand in the Metrology segment in recent months. The segment's revenue and earnings are in part influenced by the settlement of larger traffic safety orders, with the result that individual quarters may show considerable fluctuation.

The Metrology segment further continued its good **development of revenue** in the second quarter. In the first six months of 2015, revenue in the segment rose 15.2 percent on the same prior-year period to 97.4 million euros (prior year 84.6 million euros). Both Industrial Metrology and Traffic Solutions contributed to its growth, with acquisitions in the latter area particularly boosting revenue in Europe (including Germany) by 34.8 percent. In the US, the moderate rise in revenue was generated by improved industrial metrology business with the automotive industry. This also offset difficulties with traffic safety technology on the American market. On the back of a good development of revenue, the segment's share of Group revenue came to 30.8 percent (prior year 29.9 percent).

The segment's **income from operations (EBIT)** fell by 30.1 percent to 6.4 million euros (prior year 9.2 million euros). At 6.6 percent, the EBIT margin was down on the prior year level of 10.8 percent. The decline was, among other things, attributable to the weak market in the area of traffic safety technology in the US as well as a rise in functional costs, particularly in sales, among other things due to the acquisitions. In addition, depreciation effects resulting from the purchase price allocation had an impact on the EBIT. **Earnings before interest, taxes, depreciation and amortization (EBITDA)** fell by 8.6 percent to 10.1 million euros (prior year 11.1 million euros). In the period covered by the report the decline in EBITDA was lower than in EBIT as it does not include the depreciation effects.

The **order intake** in the Metrology segment grew significantly to 112.7 million euros (prior year 84.9 million euros). This growth is due both to a higher industrial metrology order intake following an upswing in the market and the newly consolidated companies in the area of traffic safety technology. Compared to recognized revenue, the order intake in the first six months of 2015 was considerably higher; the book-to-bill ratio thus also improved to 1.16 (prior year 1.00).

At 84.0 million euros, the **order backlog** in the segment was also above the figure at the end of 2014 (31/12/2014: 77.2 million euros).

As of June 30, 2015, the segment had 1.023 **employees** (31/12/2014: 1,030 employees).

Key events in the first six months of 2015.
At the start of the year, Jenoptik's Traffic Solutions division won a competitive tender for a nationwide pilot project to provide what are known as "average speed control" or "section control" services in Lower Saxony, Germany. Jenoptik is supporting the project initiated by the interior ministry of Lower Saxony as a technical service provider and supplying the technology to record average speeds over defined stretches of road. The first systems were installed in the second quarter of 2015. Technical acceptance of the new traffic monitoring system, which is already successfully in use in Austria and Switzerland, followed in June 2015.

THE SEGMENT AT A GLANCE

in million euros	30/6/2015	30/6/2014	Change in %
Revenue	97.4	84.6	15.2
EBITDA	10.1	11.1	-8.6
EBIT	6.4	9.2	-30.1
EBIT margin	6.6%	10.8%	
Order intake	112.7	84.9	32.8
Order backlog[1]	84.0	77.2	8.7
Employees[1]	1,023	1,030	-0.7

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

3.3 Defense & Civil Systems Segment.

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

In the first half-year 2015, **revenue** in the Defense & Civil Systems segment came to 99.7 million euros, 24.4 percent above the prior-year figure (prior year 80.1 million euros). In the April to June period, the segment also generated its highest quarterly revenue (57.0 million euros) in recent years, thanks to a good course of business in the field of energy and sensor systems. In addition, one part of the major order to equip the Patriot missile defense system was settled in the second quarter. The segment's share of Group revenue, at 31.5 percent, increased slightly compared to the same quarter in the prior year (prior year 28.3 percent).

In the first half-year 2015, the segment more than doubled its **EBITDA** to 8.5 million euros (prior year 3.0 million euros) compared to the same period in the prior year. The **segment EBIT** improved from 0.5 million euros in the prior year to 6.1 million euros, primarily due to considerable higher revenue and higher margins in the product mix.

In the period covered by the report, the **order intake** totaled 97.4 million euros, 5.5 percent below the figure for the prior year (prior year 103.1 million euros). The segment received an order to supply mobile power generating units for the Patriot missile defense system in the first six months of 2015. In the past year, it received two major orders to supply systems for military ground vehicles. The order intake in the first half-year 2015 was slightly below revenue in the current period. The segment's book-to-bill ratio of 0.98 was thus below the prior-year figure of 1.29.

By contrast, the **order backlog** in the segment showed only a slight fall to 242.9 million euros (31/12/2014: 245.9 million euros).

As of June 30, 2015 the Defense & Civil Systems segment had 880 **employees** (31/12/2014: 885 employees).

Key events in the first six months of 2015.
The Defense & Civil Systems segment received an order from the US company Raytheon to supply mobile power generating units for the Patriot missile defense system in the first half-year 2015. In addition to these units, Jenoptik is also supplying related spare parts packages and test equipment for the Patriot Advanced Capability-3 (PAC-3) systems. One part of the major order was already settled in the second quarter of 2015.

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

THE SEGMENT AT A GLANCE

in million euros	30/6/2015	30/6/2014	Change in %
Revenue	99.7	80.1	24.4
EBITDA	8.5	3.0	187.5
EBIT	6.1	0.5	1,182.3
EBIT margin	6.1%	0.6%	
Order intake	97.4	103.1	-5.5
Order backlog[1]	242.9	245.9	-1.2
Employees[1]	880	885	-0.6

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

4 Report on Post-Balance Sheet Events

At the extraordinary meeting of the Supervisory Board on July 15, 2015, Matthias Wierlacher was appointed Chairman of the Supervisory Board of JENOPTIK AG.

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

5 Risk Report

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

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

6 Forecast Report

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

Due to weak growth in the US, the International Monetary Fund (IMF) made a minor downward adjustment to its forecast for the **global economy** issued in April 2015. Overall, the economies in industrialized nations and emerging economies remain on course. The unresolved crisis in Greece remains a major risk. The US Federal Reserve is set to further increase the key interest rate this year and begin to normalize its monetary policy on the condition that there are no unexpected developments.

Following slow economic growth in the first half-year, the **US government** corrected its forecast for the next two years: the economy will grow by just 2 percent this year, and by 2.9 percent in 2016, lower than the 3.0 percent that had previously been expected for both these years. According to the IMF, the decline at the start of the year was only temporary; drivers of growth such as consumer spending and capital expenditure remain intact.

On the back of good results in 2014, the **photonics industry** associations see the sector as in line with long-term growth forecasts. By 2020, the key enabling technology of photonics is due to reach a global market volume of 615 billion euros, compared to a market volume of 350 billion euros in 2011. This represents an average nominal growth rate of 6.5 percent. Stable growth at the same level as the prior year is expected for 2015, equating to a 4 percent rise in production in Germany.

According to a study by "Research and Markets", the global market for **laser materials processing** will grow to 17.4 billion US dollars by the year 2020, with an average

GROWTH FORECAST OF GROSS DOMESTIC PRODUCT

in %	2015	Change to forecast of January 2015	2016
World	3.3	-0.2	3.8
US	2.5	-0.6	3.0
Euro zone	1.5	0.0	1.7
Germany	1.6	0.3	1.7
China	6.8	0.0	6.3
Emerging economies	4.2	-0.1	4.7

Source: International Monetary Fund, July 2015 annual growth rate of 6.2 percent. The comparative value in 2013 was 11.2 billion US dollars. This forecast is based on high demand in the automotive, defense and aerospace, medical technology and machine tool building markets.

VDMA Machine Vision anticipates that the European **image processing industry** will generate 11 percent more revenue in 2015 than in the prior year. For German manufacturers overall, growth in revenue of 10 percent, to over 2 billion euros, is expected.

Following only a moderate development of business in the first half-year 2015, the major **semiconductor equipment manufacturers** are forecasting stronger growth in the second half of the year. The global market will grow in the coming three years, according to the SEMI industry association: by 7.1 percent to 40.2 billion US dollars in 2015, and by 4.1 percent to 41.8 billion US dollars in 2016. The Korean market will see a sharp increase, while revenue in North America this year is expected to shrink by around a fifth compared to 2014. IT Analyst Gartner is a bit more cautious than SEMI due to the weakness of Euro and Yen, and therefore reduced its forecast for 2015 but still expects moderate growth.

Market research company Gartner has downgraded its forecast for the **global semiconductor industry:** it previously expected revenue to grow 4.0 percent but is now anticipating an increase of just 2.2 percent on 2014, to 348 billion US dollars. Reasons include weaker demand for PCs, smartphones and tablets and the influence of the strong dollar on demand in key markets.

The **German Engineering Federation** (VDMA) has revised its 2015 production forecast. The previous figure of plus 2 percent is no longer a viable indicator because production has not yet reached the prior-year level. The VDMA is, however, expecting moderate growth in production for the second half of the year that could help to balance out these figures.

A study conducted by consultants AlixPartners concludes that the **international automotive industry** will need to adapt to a slowdown in market growth over the next five years. In view of the necessary additional investment that some high-volume manufacturers cannot make, the analysts are expecting a clear wave of consolidation and new partnerships in both the automotive and supplier industries. The study also found that the car boom seen in recent years in North America is likely to hold until 2016 and then decline. Of the BRIC countries, only China and India are seen as offering potential. The German Association of the Automotive Industry (VDA) is sticking to its long-term forecast: by 2020, the global automotive market will grow to almost 89 million vehicles annually. In the current year, key drivers of growth are China (plus 6 percent), Western Europe (plus 4 percent) and the US (plus 2 percent).

In view of strong demand from budget airlines and in the emerging economies, **aircraft manufacturer** Boeing has raised its long-term forecast and is now estimating that just under 38,100 passenger and transport aircrafts, worth a total of 5.6 trillion US dollars, will be sold across the industry by 2034. Boeing had previously issued a figure of 36,800 aircraft.

According to a study by consultants Roland Berger, the **security and defense technology industry:** is expecting defense budgets in Europe rising again, primarily for the purpose of addressing the crises in Ukraine and the Middle East. In early July, the German government issued a strategy paper that aims to boost the defense industry in Germany. As a policy framework, it centers on international armaments cooperation and the retention of key national defense technologies and jobs. In view of considerable industry fragmentation in Europe, it encourages greater "Europeanization", meaning more consolidation and cooperation, and the possibility, while respecting national interests, of mergers in individual EU countries. New procurement programs should in future increasingly be conducted with EU partners. Key technologies defined for Germany include sensor systems, encryption and protection technologies, armored vehicles and submarines, where more needs to be invested in research, development and innovation. Beyond this, the German government plans to widen its controls of armaments exports and their final destinations following sales with on-site inspections.

No new major forecasts have been issued for the other sectors. We therefore refer to the details on pages 100 ff. of the 2014 Annual Report and page 15 f. of the first Interim Report.

6.2 Long-term Forecasts and Targets

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

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

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

6.3 Future Development of Business

The details are given on the assumption that the economic situation develops in line with the economic and sector forecasts stated in this report, the report on the first quarter of 2015 and in the 2014 Annual Report from page 100 on. All statements on the future development of the business situation have been made on the basis of current information.

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

On the back of good results in the first half-year 2015, a solid order and project pipeline and positive effects from the traffic safety acquisitions, the Executive Board is anticipating profitable growth for 2015. This presupposes that political and economic conditions do not worsen. At present, these particularly include export restrictions, regulations at European level, the Russia/Ukraine conflict and other disruptions in the euro zone.

With this half-year report, the Jenoptik Executive Board reaffirms its guidance and is expecting Group revenue in the 2015 fiscal year of between 650 and 690 million euros (prior year 590.2 million euros) and an EBIT margin of between 8.5 and 9.5 percent (prior year 8.7 percent). It further anticipates an exceptional rise in EBITDA compared to the prior year. The results published for the first half-year of 2015 show that Jenoptik is firmly on course to achieve its business and financial targets for the full year.

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

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	1/4/ to 30/6/2015	1/4/ to 30/6/2014
Revenue	316,139	283,201	170,363	146,254
Cost of sales	206,783	183,566	111,184	94,572
Gross profit	109,356	99,635	59,179	51,682
Research and development expenses	21,159	19,036	10,003	9,319
Selling expenses	38,136	34,017	18,862	18,361
General and administrative expenses	28,063	24,907	14,717	12,849
Other operating income	15,428	10,827	6,715	5,158
Other operating expenses	10,848	8,521	4,469	2,877
EBIT	26,579	23,981	17,844	13,435
Investment result	305	-90	362	-52
Financial income	5,457	262	-338	129
Financial expenses	7,614	3,418	2,986	1,793
Financial result	-1,852	-3,246	-2,962	-1,716
Earnings before tax	24,727	20,735	14,882	11,719
Income taxes	-4,592	-2,861	-2,997	-1,527
Earnings after tax	20,135	17,874	11,884	10,192
Results from non-controlling interests	191	-23	24	-14
Earnings attributable to shareholders	19,944	17,897	11,860	10,206
Earnings per share in euros (undiluted = diluted)	0.35	0.31	0.21	0.18

Other Comprehensive Income

in thousand euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	1/4/ to 30/6/2015	1/4/ to 30/6/2014
Earnings after tax	20,135	17,874	11,884	10,192
Items that will never be reclassified to profit or loss	-2	-468	-271	-418
Remeasurements	-101	-468	-275	-418
Deferred taxes	99	0	3	0
Items that are or may be reclassified to profit or loss	6,622	549	-167	348
Available-for-sale financial assets	787	491	140	14
Cash flow hedges	1,274	-505	1,609	-187
Foreign currency exchange differences	4,942	563	-1,435	521
Deferred taxes	-381	0	-481	0
Other comprehensive income	6,621	81	-437	-70
Total comprehensive income	26,756	17,956	11,447	10,122
Thereof attributable to:				
Non-controlling interests	49	-23	-48	-14
Shareholders	26,707	17,978	11,494	10,136

Consolidated Statement of Financial Position

Assets in thousand euros	30/6/2015	31/12/2014	Change	30/6/2014
Non-current assets	387,085	389,509	-2,423	335,950
Intangible assets	125,848	123,262	2,585	78,242
Property, plant and equipment	150,222	150,747	-525	142,771
Investment property	10,041	16,358	-6,317	20,143
Financial assets	23,231	21,064	2,168	20,529
Other non-current assets	1,989	1,755	233	3,847
Deferred tax assets	75,754	76,322	-568	70,418
Current assets	374,731	382,221	-7,490	344,889
Inventories	190,525	179,018	11,508	177,409
Trade and other receivables	142,729	133,396	9,333	135,534
Securities	338	312	26	570
Cash and cash equivalents	32,787	69,495	-36,708	31,376
Assets held for sale	8,352	0	8,352	0
Total assets	761,817	771,730	-9,913	680,839

Equity and liabilities in thousand euros	30/6/2015	31/12/2014	Change	30/6/2014
Equity	401,901	386,593	15,308	372,977
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	60,076	44,817	15,259	29,645
Non-controlling interests	-1,280	-1,329	49	227
Non-current liabilities	206,523	216,612	-10,089	174,857
Pension provisions	40,846	41,043	-196	28,374
Other non-current provisions	10,224	9,958	265	10,809
Non-current financial liabilities	143,655	156,825	-13,170	115,624
Other non-current liabilities	10,161	7,043	3,117	17,879
Deferred tax liabilities	1,637	1,742	-105	2,172
Current liabilities	153,393	168,526	-15,133	133,005
Tax provisions	5,174	5,731	-557	3,732
Other current provisions	33,788	37,714	-3,926	33,942
Current financial liabilities	5,354	5,077	277	748
Other current liabilities	109,077	120,004	-10,928	94,583
Total equity and liabilities	761,817	771,730	-9,913	680,839

Statement of Changes in Equity

in thousand euros	Share capital	Capital reserve	Cumulative profit	Available-for-sale financial assets
Balance at 1/1/2014	148,819	194,286	47,674	470
Dividends			-11,447	
Remeasurement of financial instruments				491
Remeasurement loss				
Foreign currency exchange differences				-22
Earnings after tax			17,897	
Other adjustments			-587	
Balance at 30/6/2014	148,819	194,286	53,537	939
Balance at 1/1/2015	148,819	194,286	73,442	600
Dividends			-11,447	
Remeasurement of financial instruments				787
Remeasurement profit				
Foreign currency exchange differences				
Earnings after tax			19,944	
Balance at 30/6/2015	148,819	194,286	81,939	1,387

Cash flow hedges	Cumulative exchange differences	Remeasurements	Non-controlling interests	Total	in thousand euros
-42	-1,663	-22,737	249	367,056	Balance at 1/1/2014
				-11,447	Dividends
-505				-14	Remeasurement of financial instruments
		-468		-468	Remeasurement loss
	585			563	Foreign currency exchange differences
			-23	17,874	Earnings after tax
				-587	Other adjustments
-547	-1,078	-23,205	226	372,977	Balance at 30/6/2014
-945	4,042	-32,322	-1,329	386,593	Balance at 1/1/2015
				-11,447	Dividends
893				1,680	Remeasurement of financial instruments
		534		534	Remeasurement profit
	5,085	-536	-142	4,407	Foreign currency exchange differences
			191	20,135	Earnings after tax
-52	9,126	-32,324	-1,280	401,901	Balance at 30/6/2015

Consolidated Statement of Cash Flows

in thousand euros	1/1/ to 30/6/2015	1/1/ to 30/6/2014	1/4/ to 30/6/2015	1/4/ to 30/6/2014
Earnings before tax	24,727	20,735	14,882	11,719
Financial income and financial expenses	2,157	3,156	3,324	1,664
Depreciation and amortization	14,120	11,541	7,008	6,021
Impairment losses and reversals of impairment losses	-1,854	-1,153	-1,919	67
Profit/loss from asset disposals	87	-35	49	-39
Other non-cash income/expenses	-1,080	-980	732	-1,010
Operating profit before adjusting working capital	38,157	33,264	24,076	18,422
Change in provisions	-4,674	-6,415	-8,368	-8,303
Change in working capital	-18,947	-35,104	-2,716	-14,524
Change in other assets and liabilities	3,714	-2,836	2,728	-1,021
Cash flows from operating activities before income tax	18,250	-11,090	15,720	-5,425
Income tax payments	-5,958	-2,450	-2,667	-1,039
Cash flows from operating activities	12,292	-13,540	13,053	-6,465
Proceeds from sale of intangible assets	22	198	22	97
Capital expenditure for intangible assets	-1,250	-3,071	-549	-1,821
Proceeds from sale of property, plant and equipment	149	724	118	513
Capital expenditure for property, plant and equipment	-8,732	-11,444	-3,550	-7,311
Proceeds from sale of financial assets	0	87	0	48
Capital expenditure for financial assets	-156	-148	-81	-76
Acquisition of consolidated entities	-644	-2,400	-232	-2,400
Interest received	227	252	16	119
Cash flows from investing activities	-10,384	-15,802	-4,257	-10,832
Dividends paid	-11,447	-11,447	-11,447	-11,447
Proceeds from issuing bonds and loans	103,000	1	103,000	1
Repayments of bonds and loans	-114,091	-439	-114,042	-424
Payments for finance leases	-33	-19	-17	-10
Change in Group financing	-13,748	-1,360	513	739
Interest paid	-5,328	-1,134	-3,879	-823
Cash flows from financing activities	-41,647	-14,399	-25,871	-11,964
Change in cash and cash equivalents	-39,739	-43,740	-17,075	-29,261
Effects of movements in exchange rate on cash held	3,030	165	-1,148	171
Change in cash and cash equivalents due to changes in the scope of consolidation	0	3,387	0	3,387
Cash and cash equivalents at the beginning of the period	69,495	71,565	51,010	57,079
Cash and cash equivalents at the end of the period	32,787	31,376	32,787	31,376

Segment Reporting

January 1 – June 30, 2015

in thousand euros	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Others	Consolidation	Group
Revenue	119,161	97,450	99,697	16,063	-16,232	316,139
	(118,054)	(84,586)	(80,114)	(15,045)	(-14,597)	(283,201)
Germany	25,561	21,496	52,690	14,748	-14,878	99,617
	(33,232)	(21,219)	(45,034)	(14,358)	(-13,776)	(100,066)
Europe	33,902	34,666	26,736	55	-50	95,309
	(33,874)	(20,459)	(25,100)	(44)	(-45)	(79,431)
Americas	28,857	20,747	17,491	990	-1,001	67,084
	(21,818)	(19,465)	(5,743)	(471)	(-631)	(46,866)
Middle East and Africa	7,224	7,016	1,787	0	-0	16,027
	(5,713)	(7,590)	(2,820)	(0)	(0)	(16,123)
Asia/Pacific	23,616	13,524	994	270	-303	38,101
	(23,417)	(15,853)	(1,418)	(172)	(-145)	(40,715)
EBIT	11,365	6,404	6,073	2,781	-45	26,579
	(15,378)	(9,157)	(474)	(-1,015)	(-13)	(23,981)
EBITDA	15,921	10,123	8,513	4,203	-45	38,714
	(19,583)	(11,073)	(2,961)	(638)	(-13)	(34,241)
Investment result	-105	51	351	902	-894	305
	(-94)	(0)	(0)	(4)	(0)	(-90)
Research and development expenses	8,552	9,535	2,961	268	-158	21,159
	(7,940)	(8,616)	(2,665)	(242)	(-428)	(19,036)
Free cash flow (before income taxes)	6,278	7,712	276	-1,325	-4,501	8,440
	(3,257)	(-9,353)	(-8,202)	(-10,376)	(-9)	(-24,682)
Working capital[1]	63,900	65,934	112,279	-3,080	-34	238,999
	(59,223)	(60,738)	(103,381)	(-5,794)	(-30)	(217,518)
Order intake	125,274	112,739	97,378	16,063	-17,786	333,667
	(125,268)	(84,905)	(103,071)	(15,045)	(-13,765)	(314,524)
Total assets[1]	216,920	207,446	192,606	332,532	-187,688	761,817
	(206,377)	(198,500)	(188,371)	(378,970)	(-200,488)	(771,730)
Total liabilities[1]	70,432	150,925	146,580	179,667	-187,689	359,916
	(72,357)	(148,092)	(147,587)	(217,627)	(-200,526)	(385,137)
Capital expenditure	3,312	2,431	2,480	1,834	0	10,057
	(4,996)	(3,402)	(2,667)	(3,449)	(0)	(14,514)
Depreciation and amortization	4,555	3,718	2,439	3,407	0	14,120
	(4,205)	(1,916)	(2,487)	(2,934)	(0)	(11,541)
Number of employees on average without trainees	1,323	1,000	839	271	0	3,433
	(1,348)	(920)	(852)	(234)	(0)	(3,354)

Prior year figures are in parentheses

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

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

Parent Company

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

Accounting in accordance with International Financial Reporting Standards (IFRS)

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

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

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

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

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

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

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

The Group of Entities Consolidated

The consolidated financial statements of JENOPTIK AG contain 35 fully consolidated subsidiaries (31/12/2014: 35). Thereof 14 (31/12/2014: 14) have their legal seat in Germany and 21 (31/12/2014: 21) abroad. The companies to be consolidated within the Jenoptik Group still contain one joint operation (prior year: 1).

The existing organizational structure will be adapted to be in line with our objectives. Business operations within the segments are being reorganized and thus better targeted at markets such as the medical technology, automotive and semiconductor equipment sectors. The new structure is due to come into force on January 1, 2016.

Material Transactions

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

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

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

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

In the current fiscal year, two items of investment property were subject to reversal of impairment losses amounting to EUR 1,986 thousand, as the reasons for the impairment had ceased to apply.

Beyond this, transactions with significant influence on the interim consolidated financial statements of Jenoptik in the second quarter or cumulative in the first half-year of 2015 did not occur.

Assets held for sale

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

The sale of these assets is due to go ahead in the course of the fiscal year 2015. The assets held for sale are included in the segment Others.

Classifications of Material Financial Statement Items

PROPERTY, PLANT AND EQUIPMENT

in thousand euros	30/6/2015	31/12/2014
Land and buildings	81,110	82,215
Technical equipment and machines	40,194	36,653
Other equipment, operating and office equipment	23,103	23,204
Payments on-account and assets under construction	5,817	8,676
Total	150,222	150,747

INVENTORIES

in thousand euros	30/6/2015	31/12/2014
Raw materials, consumables and supplies	67,066	59,968
Work in progress	95,958	91,667
Finished goods and merchandise	24,089	23,408
Payments on-account made	3,412	3,974
Total	190,525	179,018

TRADE RECEIVABLES AND OTHER ASSETS

in thousand euros	30/6/2015	31/12/2014
Trade receivables	122,964	115,690
Receivables from construction contracts	865	233
Receivables from unconsolidated associates	2,526	2,356
Receivables from entities in which investments are held	327	640
Other assets	16,047	14,478
Total	142,729	133,396

NON-CURRENT FINANCIAL LIABILITIES

in thousand euros	30/6/2015	31/12/2014
Non-current bank liabilities	143,552	156,779
Non-current liabilities from finance leases	103	46
Total	143,655	156,825

CURRENT FINANCIAL LIABILITIES

in thousand euros	30/6/2015	31/12/2014
Bank liabilities	5,319	5,028
Liabilities from finance leases	35	49
Total	5,354	5,077

OTHER CURRENT LIABILITIES

in thousand euros	30/6/2015	31/12/2014
Trade payables	46,620	53,599
Liabilities from advanced payments received	28,711	23,820
Liabilities from construction contracts	25	3
Liabilities to unconsolidated associates	2,174	3,163
Liabilities to entities in which investments are held	23	178
Other current liabilities	31,524	39,241
Total	109,077	120,004

Financial Instruments

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

in thousand euros	Carrying amount 30/6/2015	Carrying amount 31/12/2014
Financial assets	172,647	201,434
Cash and cash equivalents	32,787	69,495
Available for sale	3,143	2,330
Finance lease receivables	2,288	2,332
Loans granted and receivables	133,801	127,092
Hedged derivatives	628	185
Financial liabilities	227,455	256,399
Trade payables	46,620	53,599
Liabilities to banks and other financial liabilities	148,871	161,807
Finance lease liabilities	138	94
Other non-derivative financial liabilities		
Contingent liabilities	2,127	2,230
Other	24,032	35,583
Hedged derivatives	5,666	3,085

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

in thousand euros	Carrying amount 30/6/2015	Level 1	Level 2	Level 3
Available for sale	3,143	2,872	0	271
	(2,330)	(2,085)	(0)	(245)
Hedged derivatives (assets)	628	0	628	0
	(185)	(0)	(185)	(0)
Contingent liabilities	2,127	0	0	2,127
	(2,230)	(0)	(0)	(2,230)
Hedged derivatives (liabilities)	5,666	0	5,666	0
	(3,085)	(0)	(3,085)	(0)

Prior year figures are in parentheses

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

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

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

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

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

in thousand euros	Available for sale	Contingent liabilities
Balance at 1/1/2015	245	2,230
Additions	156	0
Disposals	0	-329
Gains and losses recognized in financial result	-130	10
Foreign currency exchange effects	0	217
Balance at 30/6/2015	271	2,127

Related Party Disclosures

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

German Corporate Governance Code

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

Litigations

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

Events after the reporting period

At the extraordinary meeting of the Supervisory Board on July 15, 2015, Matthias Wierlacher was appointed Chairman of the Supervisory Board of JENOPTIK AG.

Beyond this, no other significant events occurred after the interim reporting period ending on June 30, 2015.

Responsibility statement by the legal representatives

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

Jena, August 5, 2015

Dr. Michael Mertin
President & CEO

Hans-Dieter Schumacher
Chief Financial Officer

Dates

November 11, 2015
Publication of the interim report
January to September 2015

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

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