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

JENOPTIK

Interim Financial Report of the Jenoptik Group (unaudited)

FOR THE MONTHS JANUARY TO JUNE 2011

AT A GLANCE – JENOPTIK GROUP.

Figures in million euros	Jan. – June 2011 Group**	Jan. – June 2010 Continuing BD	Change in %	April – June 2011 Group**	April – June 2010 Continuing BD	Change in %
Sales	**256.3**	**221.3**	**15.8**	**131.8**	**114.4**	**15.2**
Lasers & Optical Systems	108.8	92.9	17.1	52.7	47.7	10.5
Metrology	62.1	43.4	43.1	34.1	23.4	45.7
Defense & Civil Systems	84.7	84.9	−0.2	44.7	43.3	3.2
Others*	0.7	0.1	600.0	0.3	0	++
EBITDA	**36.6**	**21.2**	**72.6**	**19.0**	**11.8**	**61.0**
Lasers & Optical Systems	23.4	12.4	88.7	10.8	5.9	83.1
Metrology	5.7	0.9	533.3	3.9	1.1	254.5
Defense & Civil Systems	5.9	6.5	−9.2	3.5	4.1	−14.6
Others*	1.6	1.4	14.3	0.8	0.7	14.3
EBIT	**24.0**	**8.9**	**169.7**	**12.2**	**5.5**	**121.8**
Lasers & Optical Systems	17.5	7.2	143.1	7.3	3.3	121.2
Metrology	4.1	−1.0	++	3.1	0	++
Defense & Civil Systems	3.5	4.0	−12.5	2.4	3.0	−20.0
Others*	−1.1	−1.3	++	−0.6	−0.8	++
EBIT margin (EBIT as % of sales)	**9.4 %**	**4.1 %**		**9.3 %**	**4.8 %**	
Lasers & Optical Systems	16.1 %	7.8 %		13.9 %	6.9 %	
Metrology	6.6 %	−2.3 %		9.1 %	0 %	
Defense & Civil Systems	4.1 %	4.7 %		5.4 %	6.9 %	
Earnings before tax	**18.4**	**2.9**	**534.5**	**9.1**	**2.9**	**213.8**
Earnings after tax	**14.5**	**2.0**	**625.0**	**7.0**	**2.3**	**204.3**
Order intake	**346.1**	**266.7**	**29.8**	**173.5**	**140.2**	**23.8**
Lasers & Optical Systems	118.6	106.6	11.3	57.5	50.4	14.1
Metrology	95.3	70.9	34.4	57.3	30.5	87.9
Defense & Civil Systems	133.2	88.3	50.8	59.5	58.6	1.5
Others*	−1.0	0.9	++	−0.8	0.7	++

Figures in million euros	June 30, 2011 Group**	Dec. 31, 2010 Group***	June 2010 Group***
Order backlog	**438.6**	**355.4**	**348.0**
Lasers & Optical Systems	105.4	98.8	72.8
Metrology	75.9	45.1	49.6
Defense & Civil Systems	260.1	212.6	227.5
Others*	−2.8	−1.1	−1.9
Employees (incl. trainees)	**2,975**	**2,951**	**2,945**
Lasers & Optical Systems	1,267	1,234	1,224
Metrology	642	632	635
Defense & Civil Systems	913	931	936
Others*	153	154	150

* Others includes holding, SSC, real-estate, consolidation.
** In 2011 the Group corresponds to the continuing business divisions (BD).
*** As at the balance sheet date the discontinued business division is not included anymore.

SUMMARY OF THE MONTHS JANUARY TO JUNE 2011.

- Positive economic climate led to strong global demand particularly for equipment.
  See Development of the business as a whole and of the individual Jenoptik sectors – Page 5.

- Jenoptik posts a 15.8 percent growth in sales to 256.3 million euros in the 1st half-year 2011.
  See Sales development – Page 6.

- The Group EBIT more than doubled compared with the previous year, to 24.0 million euros, Jenoptik therefore recorded an EBIT margin of 9.4 percent. Earnings after tax totaled 14.5 million euros.
  See Development of earnings – Page 6.

- Jenoptik achieved an order intake of 346.1 million euros in the 1st half-year 2011, exceeding the level of sales in the period covered by the report and showing an increase of nearly 30 percent compared with the same period in 2010.
  See Order situation – Page 7.

- Net debt at the end of the 1st half-year totaled 86.7 million euros. As a result of the increase in the shareholders' equity there was an improvement in the shareholders' equity quota to 47.0 percent. The cash flow from operating activities was again positive in the double-figure million euro range.
  See Financial and asset position – Page 8.

- The three segments in the Jenoptik Group continued their positive development in the 1st half-year. The Lasers & Optical Systems and the Metrology segments in particular achieved high rates of increase both in sales as well as earnings. After winning a number of large orders the Defense & Civil Systems segment significantly increased its order intake.
  See Segment reporting – From page 11.

- The Jenoptik Group reaffirms the forecasts for the full year 2011 and aims to post sales of more than 510 million euros and generate a Group EBIT in the sum of 40 million euros.
  See Forecast report – From page 17.

1. BUSINESS AND FRAMEWORK CONDITIONS.

1.1 Group structure and business activity.

As an integrated optoelectronics group Jenoptik's operational business is divided into the following five divisions
- Lasers & Material Processing
- Optical Systems
- Industrial Metrology
- Traffic Solutions and
- Defense & Civil Systems.

These five divisions are organized into the Lasers & Optical Systems, Metrology and Defense & Civil Systems segments and so meet the requirements for the segment reporting.

Jenoptik is primarily a supplier of capital goods and a partner for industrial companies. In the Traffic Solutions and Defense & Civil Systems divisions we are a supplier to the public sector both directly as well as to a large extent also indirectly through system integrators.

The product portfolio extends from complex systems, industrial facilities and production lines, to modules and subsystems, through to components. The Jenoptik Group also successfully markets comprehensive total solutions and/or operator models comprising the integration of systems and facilities and their corresponding networking, as well as project management, data processing and service.

Our key markets primarily include security and defense technology, metrology and material processing, the civil aviation industry, medical technology, the market for traffic safety as well as the semiconductor and photovoltaic industry.

1.2 Development of the capital market and of the Jenoptik share.

Despite the robust performance by the international economy the German equities market was generally extremely volatile in the 1st half-year 2011. A temporary fall following the events in Japan at the beginning of March, followed by fluctuations caused by increasing debt problems in Europe and the USA, provided for an eventful first half-year on the stock markets. The Dax, the key German equities index, ended the quarter at 7,376.24 points, representing a rise of approx. 5.5 percent. The TecDax opened on January 1, 2011 at 860.05 points and closed on June 30, 2011 at 893.78 points. The headline index for German technology companies therefore rose by nearly 4 percent.

The Jenoptik share clearly outperformed the Dax and TecDax in the 1st half-year 2011. It opened on January 3, 2011 at 5.43 euros and closed on June 30, 2011 at 6.45 euros (closing prices on the Xetra) equating to an increase of nearly 19 percent. During the 1st half-year the Jenoptik share posted its high on May 31, 2011 at 6.58 euros. Its low in the 1st half-year 2011 was on March 15 at 4.98 euros, in line with the general response by equity prices on the world's stock markets to the events in Japan. As a result of plunging global stock markets over the last weeks the Jenoptik share price also fell substantially.

On June 30, 2011 the firm of Thüringer Industriebeteiligungs GmbH & Co. KG (TIB) acquired 11.0 percent of the shares in JENOPTIK AG from ECE Industriebeteiligungen GmbH. The current shareholder structure of JENOPTIK AG is therefore as follows: ECE Industriebeteiligungen GmbH holds 14.01 percent of the shares, Thüringer Industriebeteiligungs GmbH & Co. KG is now a 11.0 percent share-

EARNINGS PER SHARE

	Group*	Group	
	1.1. to 30.6.2011	Continuing BD 1.1. to 30.6.2010	Discontinued BD 1.1. to 30.6.2010
Net profit in TEUR	14,479	1,998	1,548
Weighted average number of outstanding shares	57,238,115	55,272,362	55,272,362
Earnings per share in euros	0.25	0.04	0.02

Earnings per share are the net profit divided by the weighted average number of shares outstanding.
* In 2011 the Group corresponds to the continuing business divisions (BD).

holder and Zoom Immobilien GmbH currently has a 4.84 percent shareholding in JENOPTIK AG. The remaining 70.15 percent is held in free float.

In the 2nd quarter 2011 the Jenoptik management staged further presentations of the Group at banking conferences and roadshows in Frankfurt, London, Paris and Munich. Analysts and investors visited Jenoptik in Jena. Jenoptik is currently being tracked by 14 analysts. In July 2011 the Baader Bank stared its coverage of the company. The Annual General Meeting of JENOPTIK AG held on June 8, 2011 in Weimar was attended by more than 300 shareholders, representing approx. 53 percent of the capital stock. The shareholders passed all items on the agenda with a large majority.

1.3 Development of the overall economy and the individual Jenoptik sectors.

According to the OECD the global economy has continued to recover and will be increasingly driven by private consumer demand. The continuing risks are the debt crises in some euro countries and the USA, rising oil prices, high inflation rates in the emerging countries and the continuing weakness in the real estate markets.

The upturn in Germany continued in the 2nd quarter, although at a markedly lower pace. The German Institute for Economic Research (DIW) predicts a 0.4 percent rise in the gross domestic product (GDP) compared with the previous quarter which, according to the German Department of Statistics, was characterized by growth of 1.5 percent over the 4th quarter 2010, as a result of one-off effects particularly in the construction industry.

After posting a 9.7 percent increase in the 1st quarter 2011 the GDP in China rose by 9.5 percent in the 2nd quarter compared with the same period in the previous year as the result of government measures aimed at controlling lending and inflation. In Japan the GDP in the 1st quarter 2011 had fallen by 0.9 percent and by 0.7 percent in the 2nd quarter compared with the respective previous quarter. However, Japan will not come out of the recession until the second half of the year at the earliest according to the OECD.

According to information from the sector association Spectaris in May 2011, the German photonics industry increased sector sales by 19 percent to 21.9 billion euros in 2010. In the 1st quarter 2011 the Global Market Index of Optical Technologies fell by 5 percent compared with the previous quarter after record levels had been achieved in 2010.

According to the Semiconductor Industry Association (SIA) the semiconductor industry reported high monthly sales up to May 2011 as the earthquake in Japan did not have such a dramatic impact on semiconductor sales as had been feared. In the 2nd quarter 2011 equipment manufacturers once again posted good sales figures although they have become more cautious for the 2nd half-year as the sector is adjusting its capacities.

The upward trend in the German machine construction sector continued unabated even though the growth rates for new orders are returning to normal levels. In the 1st half-year 2011, according to the Deutsche Maschinen- und Anlagenbau (VDMA) the sector reported a 23 percent growth in orders compared with the previous year's period.

According to information from the "VDMA Photovoltaik – Produktionsmittel", manufacturers in the German photovoltaic machine construction sector almost doubled their sales in the 1st quarter 2011 compared with the same period in the previous year. According to the market researchers at Solarbuzz global expenditure on photovoltaic equipment in the 2nd quarter 2011 fell for the first time since summer 2009, by 3 percent to 3.6 billion US dollars.

The automotive sector weakened around the middle of 2011 as a result of the influence of the sovereign debt crisis. In June 2011 the number of new vehicle registrations in the European Union fell by a total of 8.1 percent according to the Association of European Automobile Manufacturers (ACEA). In the 1st half-year 2011 approx. 2 percent fewer passenger vehicles were registered than in the same period in the previous year, with Germany posting an improved performance over the 1st half-year 2010 with an increase of 10.5 percent thanks to its premium manufacturers.

The major aircraft manufacturers announced good figures after the Paris Air Show. Thanks to the good progress of business Boeing raised its earnings forecast for 2011; Airbus expects more than 1,000 gross orders this year. In the armaments business manufacturers are suffering from the cutbacks in European defense budgets.

2. EARNINGS, FINANCIAL AND ASSET POSITION.

Note: All details for the figures in the previous years were adjusted for Jena-Optronik GmbH which was sold in December 2010 and had already been shown separately in the 2010 Annual Report as a "discontinued business division". The figures for the 1st half 2011 can therefore be compared with those of previous years. For this reason however the figures shown in this report for the 1st half of the previous year differ from the indicators for the 1st half 2010 published a year ago, rounding effects might occur.

2.1 Earnings and order situation.

Development of sales. Jenoptik posted a 15.8 percent increase in sales in the 1st half-year 2011 to 256.3 million euros (prev. year 221.3 million euros). The growth in sales was primarily attributable to the Metrology segment that reported a rise in sales of more than 40 percent in the first six months of 2011 compared with the still low level for the same period in the previous year. The increase in demand from the automotive industry since autumn last year is now being fully reflected in the volume of sales. The Lasers & Optical Systems segment also reported a marked 17 percent rise in sales. The Defense & Civil Systems segment posted half-year sales at the same level as in the previous year.

In the 1st half-year 2011 the Jenoptik Group generated 61.4 percent of its sales abroad. The key sales region was Europe, followed by the NAFTA region and South East Asia. Compared with the same period in the previous year the growth in sales came almost exclusively from abroad: in the European Union sales rose by nearly 40 percent, in South East Asia by 32.2 percent.

Development of earnings. The EBITDA rose by 72.6 percent to 36.6 million euros (prev. year 21.2 million euros). There was a significantly larger increase in the Group operating result (Group EBIT) which was up by 169.7 percent to 24.0 million euros (prev. year 8,9 million euros). Consequently, in the 2nd quarter of the current fiscal year, Jenoptik recorded a Group EBIT of 12.2 million euros which was even slightly higher than in the very good 1st quarter (11.8 million euros). The EBIT margin for the full 1st half-year 2011 was 9.4 percent (prev. year 4.1 percent).

The growth in earnings against the same period in the previous year was the result of improved cost structures and the increase in sales which led to a leap in earnings, particularly in the Metrology segment. The Lasers & Optical Systems segment also posted a sharp rise in the segment EBIT. As a result of a change in the sales mix the EBIT of the Defense & Civil Systems segment remained just below the figure for the previous year.

The net financial result came in at minus 5.7 million euros and therefore showed a slight improvement on the figure in the same period of the previous year (prev. year minus 6.0 million euros). This was mainly due to the net interest result that totaled minus 5.2 million euros (prev. year minus 5.7 million euros). The net investment result was minus 0.5 million euros (prev. year minus 0.3 million euros) and was characterized primarily by JT Optical Engine GmbH & Co. KG.

As a result of the improved Group EBIT earnings before tax totaled 18.4 million euros (prev. year 2.9 million euros), with income taxes reaching 2.5 million euros (prev. year

SALES (in million euros)

	1.1. to 30.6.2011	1.1. to 30.6.2010	Change in %
Total	256.3	221.3	15.8
Lasers & Optical Systems	108.8	92.9	17.1
Metrology	62.1	43.4	43.1
Defense & Civil Systems	84.7	84.9	−0.2
Others	0.7	0.1	600.0

EBIT (in million euros)

	1.1. to 30.6.2011	1.1. to 30.6.2010	Change in %
Total	24.0	8.9	169.7
Lasers & Optical Systems	17.5	7.2	143.1
Metrology	4.1	−1.0	++
Defense & Civil Systems	3.5	4.0	−12.5
Others	−1.1	−1.3	++

0.7 million euros). The Jenoptik Group effective tax quota was therefore 13.6 percent. The non-cash deferred tax expense came to 1.4 million euros (prev. year 0.3 million euros).

Jenoptik reported its best set of half-year results for a several years with earnings after tax in the sum of 14.5 million euros (prev. year 2.0 million euros).

Order situation. The high order intake generated in the first business months continued in the 2nd quarter 2011. In the 1st half-year 2011 Jenoptik's total order intake was 346.1 million euros (prev. year 266.7 million euros), equating to an increase of nearly 30 percent. The order volume therefore exceeded sales by approx. 90 million euros, with a 1.35 book-to-bill ratio, the ratio between order intake and sales. The Jenoptik Group order backlog as at June 30, 2011 accordingly totaled 438.6 million euros, exceeding the order backlog as at the end of 2010 (31.12.2010: 355.4 million euros).

All three segments contributed to the increase in the order intake. The Metrology segment posted a sharp rise of 34.4 percent and the Defense & Civil Systems segment a 50.8 percent increase. The Lasers & Optical Systems segment also exceeded the very high order intake level by 11.3 percent.

In addition to a generally high level of demand as the result of a positive economic development, large orders were once again the characteristic feature of the order intake in all segments: in the Metrology segment the Traffic Solutions division was awarded a major order from Saudi Arabia worth more than 20 million euros in the 2nd quarter; the figure for the Defense & Civil Systems segment includes the large partial order in the sum of approx. 40 million euros for the PUMA armored fighting vehicle awarded at the beginning of 2011.

More detailed information on the development of the key indicators of the segments can be found in the segment reporting starting from page 11 of this report.

2.2 Development of the key performance factors.

As a result of the growth in sales cost of sales rose by 7.4 percent to 166.6 million euros (prev. year 155.1 million euros) and therefore increased at a significantly lower rate in proportion to the 15.8 percent growth in sales. The gross margin on sales showed a corresponding strong rise to 35 percent (prev. year 30 percent). Improved cost structures and increased capacity utilization in the Lasers & Optical Systems and Metrology segments as well as a change in the sales mix between the segments contributed to the increase in the gross margin.

Cost of sales include those development costs, at 4.5 million euros, which are incurred directly on behalf of customers (prev. year 6.2 million euros). These costs are allocated in accordance with the contract structure and are therefore dependent upon individual orders or projects. Therefore both the cost of sales as well as R+D expenses and the corresponding quotas can fluctuate without affecting the overall R+D output.

ORDER INTAKE (in million euros)

	1.1. to 30.6.2011	1.1. to 30.6.2010	Change in %
Total	346.1	266.7	29.8
Lasers & Optical Systems	118.6	106.6	11.3
Metrology	95.3	70.9	34.4
Defense & Civil Systems	133.2	88.3	50.8
Others	− 1.0	0.9	++

ORDER BACKLOG (in million euros)

	30.6.2011	31.12.2010	Change in %
Total	438.6	355.4	23.4
Lasers & Optical Systems	105.4	98.8	6.7
Metrology	75.9	45.1	68.3
Defense & Civil Systems	260.1	212.6	22.3
Others	− 2.8	− 1.1	++

At 19.3 million euros the total R+D output was at the same level as in the previous year. It therefore accounted for approx. 8 percent of sales and includes the development costs on behalf of customers, as well as the R+D expenses after adjustment for capitalizations and write-downs. The figure does not include the costs for developments in the area of fiber lasers which are included at equity in the net investment result through the associated company JT Optical Engine GmbH & Co. KG.

In the the 1st half-year 2011 the R+D expenses of the Jenoptik Group totaled 14.9 million euros, representing a rise of 1.8 million euros or 13.7 percent on the same period in the previous year (prev. year 13.1 million euros).

Employees & management. As at the end of the 1st half-year 2011 the Jenoptik Group had 2,975 employees (31.12. 2010: 2,951). The number of employees in the Jenoptik Group therefore increased slightly by 24 or 0.8 percent compared with the end of 2010 and therefore rose at a markedly lower rate in proportion to the growth in sales. Sales per employee consequently increased compared with the same period in the previous year.

As at the end of the 1st half-year 2011 the Jenoptik Group had a total of 99 trainees. In February this year 24 trainees successfully passed their final examinations. In mid August of this year the German sites will be taking on a total of 24 new trainees, increasing the number of trainees to 123.

In the 2nd quarter 2011 the Executive Board and IG Metall agreed on a new Jenoptik collective wage agreement for approx. 750 of the Jenoptik Group's employees and trainees. The new agreement will continue up to September 30, 2012 and provides for a two-stage increase in the salary components. These will rise by 3.0 percentage points from July 1, 2011 and by a further 0.95 percentage points on March 1, 2012. In addition, the Career Academy students will be treated the same with regard to the payment as the trainees for the corresponding training year.

2.3 Financial and asset position.

Jenoptik's financing structure in the 2nd quarter 2011 remained sound, primarily geared towards the medium term.

Since the start of the year non-current group liabilities have been reduced by nearly 26 percent to 122.4 million euros as a result of lower non-current financial liabilities (31.12. 2010: 165.3 million euros). In addition to regular repayments this change is essentially attributable to the reclassification of non-current as current financial liabilities. Current liabilities increased to 212.5 million euros as the result of repayment installments becoming due in 2011 having been reclassified as current financial liabilities (31.12.2010: 181.1 million euros).

The debt to equity ratio, as the ratio between borrowings (335.0 million euros) and shareholders' equity (296.5 million euros), showed a marked improvement as at June 30, 2011 to 1.13 (31.12.2010: 1.23). This is attributable both to the increase in shareholders' equity, thanks to the positive net profit in the 1st half-year 2011, as well as to the reduction in borrowings.

Following a significant reduction in net debt in the 4th quarter 2010 (31.12.2010: 79.3 million euros) and a

R+D OUTPUT (in million euros)

	1.1. to 30.6.2011	1.1. to 30.6.2010	Change in %
R+D expenses	14.9	13.1	13.7
Capitalized development costs	0.4	0.6	−33.4
Write down on capitalized development costs	−0.6	−0.6	0
Allocation to customer development orders	3.0	4.9	−38.6
Other expenses Customer development orders	1.6	1.3	19.7
R+D output	19.3	19.3	0

EMPLOYEES (incl. trainees)

	30.6.2011	31.12.2010	Change in %
Total	2,975	2,951	0.8
Lasers & Optical Systems	1,267	1,234	2.7
Metrology	642	632	1.6
Defense & Civil Systems	913	931	−1.9
Others	153	154	−0.6

further reduction in the 1st quarter 2011 (31.03.2011: 73.5 million euros), as at the end of the 2nd quarter 2011 net debt increased to 86.7 million euros. The rise of 7.4 million euros in net debt is attributable to the previously announced payments to one silent real estate investor, as well as to increased capital expenditure and working capital requirements resulting from the expansion of business.

Analysis of capital expenditure. Investments in intangible and tangible assets, at 12.6 million euros, were sharply higher than in the previous year (prev. year 6.4 million euros). Tangible assets, at 11.4 million euros, accounted for the largest share of the total, with investments in, amongst other things, efficiency measures and the expansion of the production capacities in the energy systems area of the Defense & Civil Systems division. At 1.3 million euros, investments in intangible assets remained at roughly the same level as in the previous year (in prev. year 1.2 million euros).

Investments were offset by scheduled depreciation in the sum of 12.6 million euros (prev. year 12.3 million euros).

Cash flow from operating activities, at 24.5 million euros, was significantly up on the level for the same period in the previous year (prev. year 6.9 million euros). On the operational side the increase is due mainly to a significant improvement in earnings before tax. The working capital rose as a result of the growth in sales. In addition, the cash flow from operating activities was characterized by the liquidation of a cash investment included in other assets which had been made in 2010 as a cash flow reserve for the anticipated exit by the silent investor.

Cash flow from investing activities, at minus 9.0 million euros, improved slightly over the previous year (prev. year minus 10.1 million euros) despite the payments for investments in tangible assets.

At minus 26.7 million euros cash flow from financing activities was significantly below the level in the previous year (prev. year 7.5 million euros). While receipts from the issue of bonds and loans were significantly lower compared with the same period in the previous year, there was an increase in repayments of bonds and loans. In addition, the previously announced payment to a silent shareholder in connection with his departure from a real estate company, had an impact on the cash flow from financing activities in the 1st half-year 2011. A key feature of the 1st half-year 2010 were the proceeds from the 10 percent capital increase in the sum of around 22 million euros which was included under receipts from allocations to equity.

Balance sheet analysis. The balance sheet total of the Jenoptik Group only increased slightly over the year-end 2010 to 631.5 million euros despite the expansion of business (31.12.2010: 628.9 million euros).

Non-current assets showed a slight reduction to 306.3 million euros (31.12.2010: 310.7 million euros). In this context intangible assets reduced to 69.7 million euros (31.12.2010: 72.4 million euros) primarily as a result of depreciation / amortization. Investment properties also fell slightly to 20.2 million euros (31.12.2010: 22.1 million euros) as a result of partial sales of real estate not required for operating purposes. There were virtually no changes in the other items of non-current assets.

NET DEBT (in million euros)

	30.6.2011	31.12.2010	30.6.2010*
Net debt total	86.7	79.3	144.0
Securities	0.9	0.8	1.0
Cash and cash equivalents	53.7	65.3	16.1
Non-current financial liabilities	83.2	125.9	132.4
Current financial liabilities	58.2	19.5	28.7

* incl. discontinued business division

Current assets, at 325.2 million euros, increased by comparison with the figure at the year-end 2010 (31.12.2010: 318.2 million euros). The main contributory factors in the increase were inventories which rose to 170.0 million euros (31.12.2010: 148.8 million euros) as a result of the improved order situation. Cash and cash equivalents reduced to 53.7 million euros (31.12.2010: 65.3 million euros) as a result of investments made, loan repayments and payments to a silent real estate investor.

As at June 30, 2011 the working capital was 184.3 million euros and increased compared with the figure at the 2010 year-end (31.12.2010: 164.6 million euros) as a result of the continuing recovery in business in the 1st half-year. The working capital is defined as the total trade accounts receivable and inventories, less trade accounts payable, liabilities arising from PoC (Percentage of Completion) and on-accounts payments received. The working capital quota, the ratio between working capital and sales, was 35.0 percent (31.12.2010: 34.4 percent).

The profit reported in the 1st half-year 2011 led to a rise in the shareholders' equity to 296.5 million euros (31.12. 2010: 282.5 million euros). Despite the increase in the balance sheet total the shareholders' equity quota, the ratio between shareholders' equity and balance sheet total, therefore also improved from 44.9 percent as at the end of 2010, to the new figure of 47.0 percent.

As at June 30, 2011 non-current liabilities totaled 122.4 million euros (31.12.2010: 165.3 million euros). These reduced primarily as a result of the lower non-current financial liabilities since those liabilities to banks due in less than 12 months were reclassified as current financial liabilities. There were virtually no changes in other non-current liabilities, such as e.g. pension commitments, other non-current provisions as well as other non-current liabilities.

Current liabilities increased to 212.5 million euros (31.12.2010: 181.0 million euros). In addition to the abovementioned reclassification, another contributory factor were the increased liabilities arising from operating activities as a result of the expansion of business, these being included in other current liabilities. Other current provisions reduced sharply to 46.7 million euros (31.12.2010: 61.9 million euros) as a result of utilization.

Purchases and sales of companies. There were no purchases or sales of companies in the 1st half-year 2011.

For details of assets and liabilities not included in the balance sheet we refer to the information on page 77 in the 2010 Annual Report and the information from page 89 on guarantees in the risk report.

3. SEGMENT REPORTING.

Note. As a result of the sale of Jena-Optronik GmbH which had been included in the Defense & Civil Systems segment, the previous year's figures for this segment were adjusted. The key indicators for the 1st half-year 2011 can therefore be compared with those of the previous year. However, the figures for the previous year shown in this report for the Defense & Civil Systems segment differ from the key indicators published in the previous year.

3.1 Lasers & Optical Systems segment.

The Lasers & Optical Systems segment continued its positive development in the 1st half-year 2011. A positive performance by the semiconductor market as well as a continuing high level of demand for laser systems used in medical technology, as well as for laser processing systems, all contributed to the increase in the key indicators over the same period in the previous year. Improved production and therefore cost structures, as well as a high level of capacity utilization led to a higher increase in earnings in proportion to sales.

Sales of the segment totaled 108.8 million euros (prev. year 92.9 million euros), equating to an increase of 17.1 percent. Both divisions contributed to the rise in sales. The Optical Systems division continued to benefit from good sales with the semiconductor industry, in the Lasers & Material Processing division especially the medical and diode laser area as well as particularly in the 2nd quarter 2011 the Laser Processing Systems business unit, reported a positive performance.

Earnings from operating activities (segment EBIT) totaled 17.5 million euros and were therefore sharply up on the figure for the previous year (prev. year 7.2 million euros). The significant leap in earnings is primarily attributable to the high level of sales generated by the Optical Systems division with the semiconductor industry. In addition, the improvement in the efficiency of the production structures in both divisions was reflected in the improved cost structures. The Lasers & Material Processing division also made a positive EBIT contribution and slightly exceeded the figure of the previous year.

The Lasers & Optical Systems segment continued to show a positive performance in its order situation. The segment's order intake in the 1st half-year 2011 increased by 11.3 percent to 118.6 million euros compared with the same period in the previous year (prev. year 106.6 million euros). The order intake was therefore once again above the high sales volume, the book-to-bill ratio was 1.09. The segment accordingly increased its order backlog slightly from 98.8 million euros as at the end of 2010, to 105.4 million euros as at the end of the 1st half-year 2011.

In addition to a good level of orders from the semiconductor industry in the Optical Systems division, the Lasers & Material Processing division also increased its order intake. This was due, amongst other things, to increased demand for laser systems for medical technology and for diode lasers as well as for laser processing systems.

Participation at the sector's two key fairs in the 1st half-year 2011, Photonics West in San Francisco in January and Laser World of Photonics 2011 in Munich in May provided

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

	30.6.2011	30.6.2010	Change in %
Sales	108.8	92.9	17.1
EBIT	17.5	7.2	143.1
Order intake	118.6	106.6	11.3
Order backlog	105.4	98.8*	6.7
Employees	1,267	1,234*	2.7

* Figures as at December 31, 2010.

- Sales, earnings and order intake clearly above previous year's figure.
- Optical Systems division profits by good climate in semiconductor industry.
- Higher demand for laser systems for medical technology and diode lasers and for laser processing systems.

an additional basis for order intakes. At the laser trade fair in May, for example, the foundation was laid for the order worth 2.7 million US dollars for diode lasers used in medical technology that Jenoptik was awarded in July this year and which is consequently not yet included in the order intake for the 1st half-year. In the 2nd quarter 2011 the Lasers & Material Processing division had also already received another larger order worth 3.0 million euros for medical lasers.

At the end of June 2011 the number of employees in the Lasers & Optical Systems segment was 1,267 (31.12. 2010: 1,234) and therefore increased slightly by 33 employees.

Key events in the 1st half-year. Photonics West, staged in January 2011, and Laser World of Photonics in May 2011 were the two most important, major sector events of the year for the segment. At the two trade fairs the segment showcased in particular its systems' expertise and presented numerous new products and technology solutions. In addition to laser bars with new wavelengths specially designed for applications e.g. in the print industry, the Lasers & Material Processing division showcased a new diode laser module specially developed for applications in the industrial, military and medical fields for which an initial major order has already been received. In addition, the division presented a new and more powerful infrared thin-disk laser for photovoltaics and micro-material processing. The JenLas® *disk IR70* specifically meets the requirements of the new photovoltaic technologies which increase the efficiency of the solar cells by positioning the contacts on the reverse side of the cells. Deliveries of the first fiber lasers in the kilowatt range were also made to international customers.

As part of the continued expansion of its own range of fiber laser products, Trumpf and Jenoptik will both be continuing the development of a scalable platform for kW fiber laser systems and transferring these to mass production. Both partners have been working together on innovative laser components for around ten years. With one of the current projects, the so-called optical engine for fiber lasers, the two companies have already had a successful market presence with fiber lasers based on their joint development since 2009. The main objective of JT Optical Engine formed in 2007 was therefore achieved; and its operations ceased as of July 1, 2011. In future, Trumpf Lasertechnik and Jenoptik's Lasers & Material Processing division will continue to work together on the theme of fiber lasers as well as other technology themes and conduct joint projects.

At the laser trade fair in Munich in May the Lasers & Material Processing division presented the compact green thin-disk laser JenLas® *D2.mini*, the more powerful version with an output capacity of up to 8 Watts. This will be used for additional applications in medicine as well as for shows and entertainment. The new femto second laser for laser material processing in industrial environments was also showcased for the first time, as was the expanded product family of Jenoptik thin-disk lasers for micro-material processing.

The Optical Systems division also presented its range of services and numerous new developments at this trade fair. Amongst other things, it showcased new F-Theta lenses for high-power laser applications, new options for generating non-rotating, symmetrical, optical surfaces in the sub-micrometer range, as well as the new generation of LED dot beam chips.

In March this year the Optical Systems division, with Photonic Sense GmbH, was presented with the Supplier of the Year Award 2010 by Flir Systems, a leading provider of thermographic systems. Amongst other things, Jenoptik supplies lenses made of germanium which are used for night sight equipment and thermal imaging cameras.

3.2 Metrology segment.

The Metrology segment continued to post a very positive performance and in the 1st half-year 2011 recorded the highest growth rates of the three Jenoptik segments. In the Industrial Metrology division the rapid recovery in the demand from the automotive industry was clearly reflected in the sales and segment EBIT. The Traffic Solutions division won an important large international order.

The Metrology segment increased sales by 43.1 percent to 62.1 million euros (prev. year 43.4 million euros). The growth was attributable primarily to the sales of the Industrial Metrology division which once again reached on a quarterly basis the pre-crisis level at the beginning of 2008 supported by the positive performance of the automotive industry. The Traffic Solutions division operated in a stable environment in which large projects are increasingly becoming a characteristic feature on the international level. In the 2nd quarter the division won a major order, which will be settled partially already in the 4th quarter 2011 and, for the most part, in 2012.

The Metrology segment increased earnings from operating activities (segment EBIT) to 4.1 million euros compared with minus 1.0 million euros for the same period in the previous year. Both the growth in sales as well as the optimized cost structures in the Industrial Metrology division contributed to the strong rise in earnings. In the Traffic Solutions division contributions to sales and earnings are increasingly being influenced by the settlement of large projects and can therefore fluctuate on a quarterly basis. No major projects were settled in the 1st half-year 2011 just past.

At 95.3 million euros the order intake of the Metrology segment increased by 34.4 percent over the same period in the previous year (prev. year 70.9 million euros). The order intake was therefore significantly above the level of sales for the segment, representing a book-to-bill ratio of 1.53. The segment's order backlog thus increased in net terms by 30.8 million euros to 75.9 million euros (31.12.2010: 45.1 million euros).

The order intake of the segment includes the large order for the Traffic Solutions division which will supply the Kingdom of Saudi Arabia with systems and equipment for traffic monitoring in the sum of more than 20 million euros. The order intake for the same period in the previous year included a major international contract worth more than 12 million euros which had already been settled in full in the 2nd half-year 2010.

The Industrial Metrology division posted a record order intake and in the 2nd quarter exceeded the level of order intake which has been high since the 2nd half-year 2010, achieving the highest order intake within 13 quarters. The division benefited in particular from its international presence at the key centers for the automotive industry, e.g. in North America as a partner for a major, local automobile manufacturer which is carrying out a modernization program for engines in conjunction with the North American location. As part of this program the Industrial Metrology division has won orders together totaling more than 15 million US dollars since summer 2010. The latest order within the framework of this program from the 2nd quarter 2011 alone totaled 6.5 million US dollars.

METROLOGY SEGMENT AT A GLANCE (in million euros)

	30.6.2011	30.6.2010	Change in %
Sales	62.1	43.4	43.1
EBIT	4.1	− 1.0	++
Order intake	95.3	70.9	34.4
Order backlog	75.9	45.1*	68.3
Employees	642	632*	1.6

* Figures as at December 31, 2010.

- Sales, EBIT and order intake significantly improved compared with the previous year.
- Industrial Metrology division benefits from being present at all major locations of the automotive industry.
- Major international orders.

The number of employees in the Metrology segment increased slightly from 632 at the end of 2010 to a total of 642 at the end of the 1st half-year 2011.

Key events in the 1st half-year. The Industrial Metrology division completed numerous product developments that were showcased at Control, the key trade fair for the sector held in Stuttgart in May 2011. These developments included the new HOMMEL-ETAMIC W5 roughness tester which is lighter and easier to operate than the predecessor model. The innovations that were premiered included new software applications, a new digital-electronic converter as well as improved optical shaft measuring systems. In the 1st half-year 2011 the focus in the Traffic Solutions division was on the continued standardization of the product portfolio as well as the acquisition and processing of major international projects.

3.3 Defense & Civil Systems segment.

The Defense & Civil Systems segment continued its stable course of development, with the business oriented towards the long term. This was clearly illustrated in the 1st half-year by the large partial order for the new PUMA armored fighting vehicle for the German Army, as well as other large and long-term orders for systems and components for both military and civil applications.

At 84.7 million euros, sales of the segment as at the end of the 1st half-year 2011 came in at the same level as in the previous year (prev. year 84.9 million euros).

By contrast, earnings from operating activities (segment EBIT), at 3.5 million euros, were down slightly on the figure for the same period in the previous year as a result of a change in the sales mix (prev. year 4.0 million euros).

The high order intake generated by the segment, at 133.2 million euros, was influenced by several large orders, including the PUMA partial order worth nearly 40 million euros (prev. year 88.3 million euros). As a result of this large individual order that will extend up to the year 2020, the book-to-bill ratio was 1.57. The segment accordingly increased its order backlog to 260.1 million euros (31.12.2010: 212.6 million euros).

The number of employees in the Defense & Civil Systems segment fell slightly to 913 (31.12.2010: 931).

Key events in the 1st half-year. The segment won its first international order for the laser-based cloud height measurement device from the Sensor Systems business unit. The so-called ceilometers, that can reliably measure cloud and aerosol layers up to a height of 15 kilometers, have already been supplied to the UK's Meteorological Office.

As a supplier of deicing systems the division was also presented with a Performance Excellence Award for civil aviation by the aircraft manufacturer Boeing in February 2011.

The work on the optimization of production at the Altenstadt site is also going well, also as result of the high demand for energy systems.

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

	30.6.2011	30.6.2010	Change in %
Sales	84.7	84.9	−0.2
EBIT	3.5	4.0	−12.5
Order intake	133.2	88.3	50.8
Order backlog	260.1	212.6*	22.3
Employees	913	931*	−1.9

* Figures as at December 31, 2010.

- Sales at previous year's level, earnings slightly below due to different sales mix.
- High order intake characterized by partial order for PUMA.

4. POST BALANCE SHEET REPORT.

There were no events of special importance occurring after the qualifying date of June 30, 2011.

5. RISK REPORT.

Within the framework of the risk report we refer to the information on pages 89 to 102 in the 2010 Annual Report published at the end of March 2011. During the course of the first six business months of 2011 there were no significant changes in the risks described in the report up to the closing editorial date, with the exception of those specified below.

As a result of the earthquake disaster in Japan plus the current developments in the finance policy situation of the euro region, in particular the latest information on the sovereign debt levels of Greece and Portugal, amongst others, as well as the escalating debt crisis in the USA, a new situation has arisen regarding the risks of the economy as a whole which could have consequences for the development of the overall economy. It is impossible at this point in time to provide a sufficiently accurate forecast of the type of and extent to which these events will impact on the development of the global economy. However, in view of these events we see an increased risk for the development of the economy as a whole.

This led to a sharp fall in the value of the US dollar against the euro in the 1st half-year 2011. Even if part of the added value for the Jenoptik products sold in the USA is generated in the dollar region, this does increase the pressure on prices and margins there for direct exports. In addition, US competitors are able to offer their products more cheaply in the euro region. Jenoptik hedges contractually fixed transactions in good time through forward exchange contracts; new orders and blanket orders from framework agreements, for which time and volume have not yet been fixed, are however subject to currency pressure. This might result in a deterioration of profit contributions and margins.

Procurement risks: The disaster in Japan is not having any significant impact on the Group’s procurement and supplier relationships at present. However, it is impossible to currently assess the knock-on effects in full so a risk management system was set up to regularly review the security of supplies from Japan.

With regard to the risks arising from put options within Jenoptik's real estate area the respective silent shareholder for three real estate funds established in 1998 and 2001 has a put option, as described in the 2010 Annual Report and the 1st quarter 2011 report, whereby the earliest date for exercising this option is 2011 although some of it cannot be exercised until later.

In the 3rd quarter 2010 the silent shareholder in the first fund announced his withdrawal from the real estate company as of March 31, 2011. Jenoptik has an indirect obligation to refinance this amount and made a provisional payment in the 2nd quarter 2011. Whether and to what amount a further sum will have to be paid is now the subject of legal proceedings and has currently not yet been fixed. However, the risk of a deterioration in the balance sheet ratios can be further limited and, if applicable, the amount to be refinanced can be reduced, through planned sales of real estate not required for operational purposes. A smaller property has already been sold.

Regarding the second fund, the earliest exit date for the second silent shareholder has in the meantime been deferred by one year to December 31, 2012. The put option of the silent shareholder in the third fund allows for an earliest exit date of the end of 2014. The effect of the above-mentioned put options, affecting cash flow, has not yet been definitively determined for Jenoptik and, as described in the 2010 Annual Report and the 1st quarter 2011 Report, will at maximum be in the low, double figure million euro range.

6. FORECAST REPORT.

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

The OECD anticipates global economic growth of 4.2 percent in 2011, similar to the 4.4 percent forecast by the International Monetary Fund (IMF).

According to the German Institute for Economic Research (DIW) Germany will remain on a stable growth path up to the end of 2012 with quarterly growth fluctuating between 0.4 and 0.6 percent. The IMF has increased its forecast for 2011 from 2.5 to 3.2 percent. The OECD anticipates growth of 3.4 percent in 2011 and 2.5 percent in 2012.

Economists expect a slight weakening of economic activity for China and India, albeit at the high forecast rate of 9.3 percent and 7.9 percent respectively in 2011.

The global economic recovery clearly lost momentum in July as the debt crises in the USA and Europe unsettled the economy and, in addition, economic stimulus package expired in many countries. Economic prospects in the strong-growth emerging countries are also less optimistic than still at the beginning of the year.

The sector association Spectaris expects optical technologies to increase sales in 2011 by approx. 8 percent compared with the previous year, to 23.8 billion euros. The importance of optical technologies in medical technology will increase over the long term; however, Spectaris only anticipates an 8 percent increase in sales in 2011 compared with 9.4 percent in the previous year.

In summer 2011 normalization began in the semiconductor industry which was expected for the 2nd half-year 2011: according to Semiconductor Industry Association (SIA) global sales in the 2nd quarter 2011 fell by 2 percent compared with the previous quarter. The IT market research company Gartner has reduced its full year forecast as a result of the earthquake in Japan. Instead of growing by 6.2 percent analysts now anticipate a global increase in sales for 2011 of just 5.1 percent to 315 billion US dollars. By contrast, IHS iSuppli predicts a 7.2 percent growth in sales to 325.9 billion US dollars. In the latest "SEMI Capital Equipment Forecast" the SEMI Association forecasts semiconductor equipment sales to rise by 12 percent to 44.3 billion euros in 2011. There might be a brief interval of lower equipment sales, as some device manufacturers temporarily postpone orders due to worldwide financial uncertainty. In 2012 spending is expected to reduce by 1 percent to 43.8 billion euros.

The photovoltaic industry is facing a turning point: in their latest “PV Equipment Quarterly” report the analysts of Solarbuzz predict a halving of expenditure on photovoltaic equipment for 2012, to 7.6 billion US dollars. This would have a particularly effect on the silicon module segment, with the decline expected to start already in the 4th quarter 2011. A fall of 12 and 37 percent respectively is anticipated for the first two quarters of 2012. According to Solarbuzz there will be a similar downward trend in expenditure on thin-film technology. In the long-term however, according to Spectaris, the market for thin-film photovoltaic systems will increase to 19.4 billion US dollars by 2015.

However, the overall solar market will remain a growth market though with focus on the Asian-Pacific region, which is expected to grow rapidly – from today 10 to around 25 percent by 2015 – according to statements of Solarbuzz.

According to information from the Verband Deutscher Maschinen- und Anlagenbau (VDMA) [Association of German Machine and Plant Manufacturers] sales in the machine construction sector will increase globally by 12 percent in 2011. However, the pre-crisis level could only be reached in 2012. According to VDMA there are first signs that the demand for capital goods in Germany and the EU partner countries is loosing momentum. In June 2011, domestic order intakes were down on the level in the previous month for the first time. Nevertheless, the VDMA sticks to its forecast: the German engineering production will grow by 14 percent in 2011.

In the automation industry the Verband VDMA Robotik + Automation forecasts a 20 percent growth in sales in Germany for 2011, to approx. 9 billion euros, almost reaching the level achieved in the record year of 2008 (9.3 billion euros).

The International Air Transport Association (IATA) reduced its profit forecasts for the aviation industry in June 2011: instead of the 8.6 billion US dollars predicted in March 2011 the IATA now only expects sales to reach 4 billion US dollars. In 2010 sales totaled 18 billion US dollars. High oil prices, the unrest in the Middle East and North Africa as well as the earthquake in Japan are now dampening down expectations. From January 2012 the aviation industry will be incurring additional costs as a result of the EU climate protection duty. The aircraft manufacturer Boeing predicts nearly twice as many commercial aircraft in the long term: approx. 39,500 in the year 2030 compared with around 14,900 aircraft today.

6.2 Long-term forecasts and targets.

For the long-term forecasts and targets we refer to the 2010 Annual Report published in March 2011, with the comprehensive information starting from page 106 of the report. Jenoptik generally sees good sales conditions in the long term for its products and services – irrespective of developments in the economy over the medium term.

The primary objective of Jenoptik is to increase its earnings power. With a comprehensive portfolio of technologies, products and services in attractive sectors as well as the further development of the Group along the five value levers, the EBIT margin is expected to rise to 9 to 10 percent. With an EBIT margin of 9.4 percent in the 1st half-year 2011 Jenoptik has once again demonstrated its fundamental capability of achieving this target.

6.3 Future development of the business situation.

The information is provided subject to the economic situation developing in line with the economic and sector forecasts given under point 6.1 and from page 103 in the 2010 Annual Report and there being no significant deterioration in the situation. All statements relating to the future development of the business situation were made on the basis of the latest information.

In the current fiscal year sales are expected to exceed 510 million euros (prev. year 479 million euros excluding the discontinued business division). The Group therefore expects to more than compensate for the loss of sales from Jena-Optronik GmbH which was sold in December 2010. All three segments are expected to contribute towards the Group's growth.

Jenoptik anticipates a continuation of the positive development of business in 2011, particularly in the automotive and semiconductor industries. Jenoptik remains at a good level in the semiconductor cycle for deliveries to the semiconductor industry. Thanks to the very good result in the 1st half-year 2011 the Group expects to post a Group EBIT of 40 million euros for 2011 as a whole. The comparison basis for the 2010 fiscal year is the Group EBIT excluding the discontinued business division in the sum of 29.0 million euros. As a result of a very good 1st quarter 2011, in May 2011 Jenoptik had raised its original forecast earnings announced in March 2011. All three segments are expected to contribute towards the improvement in the results.

The renewed very good Group EBIT for the 2nd quarter in the sum of 12.2 million euros and the accumulated Group EBIT for the 1st half-year 2011 in the sum of 24.0 million euros cannot be projected for the full year 2011, i.e. carried over to the 2nd half-year 2011. Jenoptik anticipates a normalization of this during the course of the year, particularly in the Lasers & Optical Systems segment.

For its financing Jenoptik has a free liquidity framework at its disposal in the form of credit lines and loans not yet taken up in the sum of 80.9 million euros.

With regard to the outlook for additional key indicators for the business development in 2011 we refer to the 2010 Annual Report published in March 2011, starting from page 109.

Consolidated statement of comprehensive income

Consolidated statement of income

in KEUR	Group* 1.1. – 30.6.2011	Group Continuing BD 1.1. – 30.6.2010	Group Discontinued BD 1.1. – 30.6.2010
Sales	256,257	221,246	18,325
Cost of sales	166,573	155,111	14,705
Gross profit	**89,684**	**66,135**	**3,620**
Research and development expenses	14,879	13,075	741
Selling expenses	28,540	24,277	431
General administrative expenses	19,556	17,430	842
Other operating income	7,354	7,873	154
Other operating expenses	10,029	10,287	249
EBIT	**24,034**	**8,939**	**1,511**
Result from investments in associated and jointly controlled companies	–684	–308	0
Result from other investments	192	–4	0
Interest income	1,254	918	18
Interest expenses	6,426	6,618	11
Financial result	**–5,664**	**–6,012**	**7**
Earnings before tax	**18,370**	**2,927**	**1,518**
Income taxes	2,529	660	0
Deferred taxes	1,351	307	–30
Earnings after tax	**14,490**	**1,960**	**1,548**
Minority interests' share of profit/loss	11	–38	0
Net profit	14,479	1,998	1,548
Earnings per share in euros	0.25	0.04	0.02
Earnings per share (diluted) in euros	0.25	0.04	0.02

Consolidated statement of recognized income and expense

in KEUR	Group* 1.1. – 30.6.2011	Group Continuing BD 1.1. – 30.6.2010	Group Discontinued BD 1.1. – 30.6.2010
Earnings after tax	**14,490**	**1,960**	**1,548**
Difference arising on foreign currency translation	–1,779	3,881	–
Financial assets available for sale	–34	–127	–
Cash flow hedge	1,872	–3,207	–616
Deferred taxes	–550	334	176
Total income and expense recognized in shareholders' equity	**–491**	**881**	**–440**
of which attributable to:			
Minority interest	0	0	0
Shareholders	–491	881	–440

* In 2011 the Group corresponds to the continuing business divisions (BD).

Consolidated balance sheet.

Assets in KEUR	June 30, 2011	Dec. 31, 2010	Change
Non-current assets	306,272	310,665	−4,393
Intangible assets	69,733	72,380	−2,647
Tangible assets	140,786	139,405	1,381
Investment properties	20,238	22,080	−1,842
Shares in associated companies	0	246	−246
Financial assets	17,514	16,579	935
Other non-current assets	9,097	9,080	17
Deferred tax assets	48,904	50,895	−1,991
Current assets	325,184	318,190	6,994
Inventories	169,951	148,797	21,154
Current accounts receivable and other assets	100,554	103,308	−2,754
Securities held as current investments	938	750	188
Cash and cash equivalents	53,741	65,335	−11,594
Total assets	631,456	628,855	2,601

Shareholders' equity and liabilities in KEUR	June 30, 2011	Dec. 31, 2010	Change
Shareholders' equity	296,486	282,487	13,999
Subscribed capital	148,819	148,819	0
Capital reserve	194,286	194,286	0
Other reserves	−46,948	−60,936	13,988
Minority interests	329	318	11
Non-current liabilities	122,448	165,315	−42,867
Pension provisions	6,414	6,443	−29
Other non-current provisions	17,882	17,631	251
Non-current financial liabilities	83,178	125,856	−42,678
Other non-current liabilities	11,375	11,681	−306
Deferred tax liabilities	3,599	3,704	−105
Current liabilities	212,522	181,053	31,469
Tax provisions	4,144	2.361	1,783
Other current provisions	46,669	61,895	−15,226
Current financial liabilities	58,174	19,486	38,688
Other current liabilities	103,535	97,311	6,224
Total shareholders' equity and liabilities	631,456	628,855	2,601

Consolidated statement of movements in shareholders' equity.

in KEUR	Subscribed Capital	Capital reserve
Balance as at 1.1.2010	**135,290**	**186,137**
Valuation of financial instruments		
Currency differences		
Earnings after tax		
Capital increase	13,529	8,149
Balance as at 30.6.2010	**148,819**	**194,286**
Balance as at 1.1.2011	**148,819**	**194,286**
Valuation of financial instruments		
Currency differences		
Earnings after tax		
Balance as at 30.6.2011	**148,819**	**194,286**

Cumulated profit	Financial assets available for sale	Cash flow hedge	Cumulative currency differences	Minority interests	Total
−82,527	−1,790	4,409	−1,987	457	239,989
	127	−3,313			−3,440
−1,425			5,306		3,881
3,546				−38	3,508
					21,678
−80,406	−1,917	1,096	3,319	419	265,616
−61,845	416	271	222	318	282,487
	−34	1,322			1,288
			−1,779		−1,779
14,479				11	14,490
−47,366	382	1,593	−1,557	329	296,486

Consolidated statement of cash flows.

in KEUR	1.1. to 30.6.2011	1.1. to 30.6.2010*
Earnings before tax	18,370	4,445
Interest	5,172	5,693
Depreciation / write up	11,509	12,998
Impairment	1,233	42
Profit on disposal of fixed assets	−446	−21
Other non-cash expenses / income	531	334
Operating profit / loss before working capital changes	36,369	23,491
Increase / decrease in provisions	−600	−7,120
Increase / decrease in working capital	−20,332	−9,638
Increase / decrease in other assets and liablities	9,872	1,639
Cash flow from / used in operating activities before income taxes	**25,309**	**8,372**
Income taxes paid	−803	−1,475
Cash flow from / used in operating activities	**24,506**	**6,897**
Receipts from disposal of intangible assets	218	34
Payments for investments in intangible assets	−1,260	−1,246
Receipts from disposal of tangible assets	2,449	1,356
Payments for investments in tangible assets	−11,384	−5,464
Receipts from disposal of financial assets	0	351
Payments for investments in financial assets	−217	−2,111
Payments for acquisition of consolidated companies	0	−4,000
Interest received	1,230	936
Cash flow from / used in investing activities	**−8,964**	**−10,144**
Receipts from allocations to equity	0	21,678
Receipts from issue of bonds and loans	5,314	20,098
Repayments of bonds and loans	−8,568	−30,194
Repayments for finance leases	−577	−721
Change in group financing	−18,312	601
Interest paid	−4,577	−3,925
Cash flow from / used in financing activities	**−26,720**	**7,537**
Change in cash and cash equivalents	**−11,178**	**4,290**
Foreign currency translation changes in cash and cash equivalents	−416	661
Cash and cash equivalents at the beginning of the period	65,335	11,201
Cash and cash equivalents at the end of the period	**53,741**	**16,152**

* incl. dicontinued business division

Key figures by business divisions and other areas.

January 1 – June 30, 2011
(previous year's figures in brackets)

in KEUR	Lasers & Optical Systems	Metrology	Defense & Civil Systems**	Other, Consolidation	Group**
Sales	108,802 (92,906)	62,061 (43,421)	84,740 (84,822)	654 (97)	256,257 (221,246)
of which Germany	31,989 (27,470)	19,504 (16,034)	46,463 (47,832)	891 (415)	98,847 (91,751)
European Union	35,407 (26,553)	11,382 (7,778)	27,443 (18,810)	0 (0)	74,232 (53,141)
Other Europe	2,528 (2,238)	5,213 (1,853)	3,704 (10,502)	4 (0)	11,449 (14,593)
NAFTA	21,023 (20,193)	9,583 (8,249)	4,649 (5,374)	−241 (−318)	35,014 (33,498)
South East/Pacific	10,675 (10,308)	11,868 (6,787)	2,000 (1,471)	0 (0)	24,543 (18,566)
Others	7,180 (6,144)	4,511 (2,720)	481 (833)	0 (0)	12,172 (9,697)
EBIT	17,543 (7,168)	4,120 (−1,030)	3,452 (3,959)	−1,081 (−1,158)	24,034 (8,939)
EBITDA	23,394 (12,433)	5,726 (871)	5,914 (6,497)	1,620 (1,395)	36,654 (21,196)
Earnings from investments in associated and jointly controlled companies	−684 (−308)	0 (0)	0 (0)	0 (0)	−684 (−308)
Result from other investments	−55 (8)	249 (0)	3 (2)	−5 (−14)	192 (−4)
Research and development expenses	6,512 (6,003)	4,448 (3,909)	3,968 (3,139)	−49 (24)	14,879 (13,075)
Free cash flow (before income taxes)	9,438 (9,694)	411 (−6,712)	−1,330 (2,798)	5,268 (−2,642)	13,787 (3,138)
Working capital*	52,344 (43,287)	39,737 (35,812)	94,792 (91,030)	−2,577 (−5,497)	184,296 (164,632)
Order intake	118,638 (106,616)	95,258 (70,912)	133,167 (88,311)	−920 (883)	346,143 (266,722)
Tangible assets, investments properties and intangible assets*	88,875 (88,540)	14,329 (15,490)	33,214 (32,226)	94,339 (97,609)	230,757 (233,865)
Investments excluding company acquisitions	7,777 (2,594)	827 (773)	3,564 (2,151)	477 (891)	12,645 (6,409)
Depreciation, amortization and impairment	5,851 (5,265)	1,606 (1,901)	2,462 (2,538)	2,701 (2,553)	12,620 (12,257)
Employees on annual average (without trainees)	1,213 (1,182)	625 (630)	876 (887)	152 (147)	2,866 (2,846)

* Previous year's figures as at December 31, 2010.
** Previous year's figures adjusted for the discontinued business division

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS 2011.

Accounting in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the interpretation of these standards by the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements of JENOPTIK AG have been prepared in accordance with § 315a HGB (German Commercial Code) in line with the rules of the IASB with an exemption from preparation of consolidated financial statements under HGB. At the same time the consolidated financial statements and group management report are in line with the European Union Directive on Consolidated Accounting.

Accounting and valuation methods.

In the consolidated interim report ("half-year financial report") as at June 30, 2011, prepared on the basis of the International Accounting Standard (IAS) 34 "Interim Reporting", the same accounting methods were used as in the consolidated financial statements for the fiscal year 2010. These were prepared in accordance with the International Financial Reporting Standards (IFRS) which have to be applied for reasons of comparison within the European Union. These methods are published individually and described in detail in the Notes to the Annual Report 2010. The Annual Report can be called up on the Internet at www.jenoptik.com, on the Investors page under the heading Investors/Accounts & Presentations.

The interim report was prepared in the group currency of the Euro and the figures are stated in KEUR unless specified otherwise.

In the opinion of the management, this consolidated interim report includes all standard adjustments to be applied on an ongoing basis that are required to give a true and fair view of the development of the company's business in the periods under report.

Companies included in consolidation.

The consolidated financial statements include 15 (prev. year 15) domestic and 8 (prev. year 8) foreign companies fully consolidated. 1 (prev. year 1) joint venture company is included in the consolidation proportionally and 1 (prev. year 1) associated company at equity.

Itemization of key items in the financial statements.

TANGIBLE ASSETS in KEUR	30.6.2011	31.12.2010
Land and buildings	82,840	84,695
Technical equipment and machines	31,093	34,536
Other equipment, factory and office equipment	16,462	17,014
On-account payments and assets under construction	10,391	3,160
	140,786	139,405

INVENTORIES in KEUR	30.6.2011	31.12.2010
Raw materials and supplies	59,079	52,267
Work in progress	96,421	83,858
Finished goods and merchandise	14,451	12,672
	169,951	148,797

ACCOUNTS RECEIVABLE AND OTHER ASSETS in KEUR	30.6.2011	31.12.2010
Trade accounts receivable	77,913	75,119
Receivables from non-consolidated affiliated companies	6,328	4,893
Receivables from participating interests	1,387	998
Other assets	14,926	22,298
	100,554	103,308

NON-CURRENT FINANCIAL LIABILITIES in KEUR	30.6.2011	31.12.2010
Non-current bank liabilities	80,828	123,169
Non-current liabilities from finance leases	2,350	2,687
	83,178	125,856

CURRENT FINANCIAL LIABILITIES in KEUR	30.6.2011	31.12.2010
Bank liabilities	57,443	18,515
Liabilities from finance leases	731	971
	58,174	19,486

OTHER CURRENT LIABILITIES in KEUR	30.6.2011	31.12.2010
Liabilities from on-account payments received	29,145	27,652
Trade accounts payable	34,423	31,632
Liabilities to affiliated companies	832	1,722
Liabilities to participating interests	1,542	596
Other current liabilities	37,593	35,709
	103,535	97,311

Related party disclosures.

All business transactions with non-consolidated subsidiaries, joint ventures and associated companies are conducted on an arm's length basis. In the period under report no major transactions were made with related parties.

German Corporate Governance Code.

The current declarations under § 161 AktG (German Stock Corporation Act) by the Executive Board and Supervisory Board relating to the German Corporate Governance Code have been made available to the shareholders at all times via the JENOPTIK AG Internet site. The declaration can also be viewed at JENOPTIK AG.

Legal disputes.

JENOPTIK AG and the one or the other of its group companies are involved in several legal or arbitration proceedings. If these could have a substantial effect on the Group's economic situation, these are described in the consolidated financial statements of Jenoptik for the year 2010.

Post balance sheet events.

There were no events of special importance occurring after the period covered by the interim report.

Responsibility statement by management.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Jena, August 9, 2011

Dr. Michael Mertin
Chairman of the Executive Board

Frank Einhellinger
Executive Board Member

DATES 2011

AUGUST 11, 2011

Publication of the Interim Report
1st half-year 2011

NOVEMBER 9, 2011

Publication of the Interim Report
3th quarter 2011

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