JENOPTIK

Interim Financial Report of the Jenoptik Group

FOR THE MONTHS JANUARY TO JUNE 2010

AT A GLANCE – JENOPTIK GROUP.

Figures in million euros	Jan. – June 2010	Jan. – June 2009	Change in %	April – June 2010	April – June 2009	Change in %
Sales	**239.6**	**231.3**	**3.6**	**124.4**	**113.6**	**9.5**
Lasers & Optical Systems	92.9	74.1	25.4	47.7	37.2	28.2
Metrology	43.4	48.0	−9.6	23.4	23.7	−1.3
Defense & Civil Systems	103.2	105.2	−1.9	53.3	50.8	4.9
Others*	0.1	4.0	−97.5	0.0	1.9	−100.0
EBITDA	**23.4**	**15.0**	**56.0**	**13.0**	**7.3**	**78.1**
Lasers & Optical Systems	12.4	1.9	552.6	5.9	0.0	
Metrology	0.9	−1.2	175.0	1.1	−0.1	1.200.0
Defense & Civil Systems	8.7	11.4	−23.7	5.3	4.8	10.4
Others*	1.4	2.9	−51.7	0.7	2.6	−73.1
EBIT before one-off effects	**10.5**	**3.3**	**218.2**	**6.4**	**2.9**	**121.2**
Lasers & Optical Systems	7.2	−3.0	340.0	3.3	−1.1	400.0
Metrology	−1.0	−3.9	74.4	0.0	−1.5	100.0
Defense & Civil Systems	5.5	6.9	−20.3	3.8	2.4	58.3
Others*	−1.2	3.3	−136.4	−0.7	3.1	−122.1
EBIT margin before one-off effects**	**4.4 %**	**1.4 %**		**5.2 %**	**2.6 %**	
Lasers & Optical Systems	7.8 %	−4.0 %		6.9 %	−4.6 %	
Metrology	−2.3 %	−8.1 %		0.0 %	−7.6 %	
Defense & Civil Systems	5.3 %	6.6 %		7.1 %	3.9 %	
One-off effects	**0.0**	**−7.9**		**0.0**	**−7.9**	
EBIT	**10.5**	**−4.6**	**327.2**	**6.4**	**−5.0**	**228.3**
Earnings before tax	**4.4**	**−11.3**	**138.9**	**3.7**	**−8.4**	**144.0**
Earnings after tax	**3.5**	**−11.1**	**131.5**	**3.1**	**−8.4**	**136.9**
Order intake	**300.2**	**218.1**	**37.6**	**154.6**	**108.2**	**42.9**
Lasers & Optical Systems	106.6	80.1	33.1	50.4	38.2	31.9
Metrology	70.9	40.1	76.8	30.5	20.2	51.0
Defense & Civil Systems	121.8	94.3	29.2	73.0	47.9	52.4
Others*	0.9	3.6	−75.0	0.7	1.9	−63.2

Figures in million euros	June 30, 2010	Dec. 31, 2009	June 30, 2009
Order backlog	**398.4**	**339.4**	**374.6**
Lasers & Optical Systems	72.8	59.9	66.9
Metrology	49.6	21.9	27.3
Defense & Civil Systems	277.9	260.2	281.1
Others*	−1.9	−2.6	−0.7
Employees (incl. trainees)	**3,069**	**3,268**	**3,354**
Lasers & Optical Systems	1,224	1,284	1,349
Metrology	635	769	791
Defense & Civil Systems	1,060	1,077	1,079
Others*	150	138	135

* Others includes holding, SSC, real-estate, consolidation.
** EBIT as % of sales
EBIT, EBITDA and EBIT margin cannot be compared with the figures for the previous year (see page 6).

SUMMARY OF THE MONTHS JANUARY TO JUNE 2010.

- Continued improvement in the economic environment. Continuing high demand from the semiconductor industry.
  See Development of the business as a whole and the Jenoptik sectors – Page 5.

- At approx. 300 million euros order intake 37.6 percent higher than in the same period in the previous year. Figure includes major orders from the areas of traffic solutions, medical lasers and defense.
  See Development of orders – Page 7.

- At 239.6 million euros sales report slight increase on the 1st half-year 2009.
  See Earnings and order position – Page 6

- Group EBIT reached 10.5 million euros compared with a loss of 4.6 million euros for the same period in the previous year. The earnings after tax totaled 3.5 million euros (prev. year minus 11.1 million euros). The full effect of cost reduction measures introduced in the previous year is being felt in 2010. In the 2nd quarter 2010 the Metrology segment reached break-even for the first time after five quarters with negative results and expects positive segment EBIT in the 2nd half-year 2010.
  See Development of results – Page 6.

- Further fall in the number of employees as a result of the personnel-related measures taken in the 4th quarter 2009. As at the end of the 1st half-year 2010 Jenoptik had a total of 3,069 employees.
  See Development of the key performance indicators – Page 7.

- Net debt, at 144 million euros, further reduced compared with the end of 2009. Positive cash flow from operating activities in the sum of 6.9 million euros.
  See Financial and asset position – Page 8.

- Due to the positive development of business the Jenoptik Group increased the guidance for the full year. Sales are expected to come in at approx. 500 million euros, the Group EBIT to reach at least 25 million euros. The improvement in the EBIT will also be reflected in the positive net income.
  See Forecast report – Page 16.

1. BUSINESS AND FRAMEWORK CONDITIONS.

1.1 Group structure and business activity.

As an integrated optoelectronics group Jenoptik operates in 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 correspond to 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 also a major supplier to the public sector both directly as well as indirectly through system integrators. We do not focus on consumer markets.

The product portfolio extends from 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 corresponding networks, as well as project management, data processing and after-sales.

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

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

The development of the capital market in the 1st half-year 2010 was shaped by a continuing recovery in the global economy but also by the debt problems in the euro region, a weaker euro as well as increasing concerns about the continuing prospects for economic development, particularly in the 2nd quarter. The Dax, the leading German index of equities, lost around 1.4 percent in the first six months of 2010, falling from 6,048.30 points on January 4, 2010 to 5,965.52 points on June 30, 2010. The TecDax posted an even sharper fall of around 12 percent. It was down from 834.46 points at the start of the year to 734.48 points at the end of the 1st half-year.

The Jenoptik share was also trading 6.2 percent lower as at the end of the first half-year. The first closing price on January 4, 2010 was 4.21 euros. After a rise in the share price up to mid March the share subsequently fell in line with the market, closing on June 30, 2010 at 3.95 euros. Up to August 10, 2010 the Xetra closing price rose to 4.63 euros, an increase of almost 10 percent compared with January 4, 2010.

On March 10, 2010 Jenoptik carried out a 10 percent capital increase. Approx. 5.2 million shares were issued to institutional investors as part of an accelerated placement process, with the shareholders' subscription right excluded. The placement price was 4.25 euros. The proceeds of approx. 22 million euros are to be used not only to finance major orders in the traffic solutions business but also to expand the Group's global presence, particularly in the laser business in Asia and North America, as well as for

EARNINGS PER SHARE

	1st half 2010	1st half 2009
Net profit in TEUR	3,546	−12,565
Weighted average number of outstanding shares	55,272,362	52,034,651
Earnings per share in euros	0.06	−0.24
Dilution effect* in TEUR	–	889
Weighted average number of outstanding shares**	–	55,659,076
Earnings per share in euros**	–	−0.24

Earnings per share are the net profit divided by the weighted average number of shares outstanding. The convertible bond was repaid in fiscal year 2009, therefore earnings per share cannot be diluted.

* After taking deferred taxes into account.
** Diluted.

smaller acquisitions which will increase the Group's profitability. The intention is to also round off the Group product portfolio resp. the added value chain.

During the 2nd quarter 2010 the Jenoptik Management attended banking conferences in Frankfurt and Paris as well as an investors' conference as part of Optatec and gave presentations of the Group at roadshows in Frankfurt, Zurich, Amsterdam, and Brussels as well as at various locations in the USA and Canada.

The Annual General Meeting of JENOPTIK AG held on June 9, 2010 in Weimar was attended by approx. 300 shareholders, representing approx, 51 percent of the share capital. The shareholders passed the resolutions on all the items on the agenda with a significant majority in each case.

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

The pace of the recovery in the global economy in the first half-year 2010 was faster than had been anticipated: the International Monetary Fund (IMF) consequently raised its forecast for global growth for the current year from 4.2 to 4.6 percent. The main reasons for the recovery were the increase in export demand, particularly from emerging countries in Asia such as China and India, as well as the fall in value of the euro.

The Organization for Economic Cooperation and Development (OECD) forecasts an increase of 1.9 percent in German GDP after the first half-year. That's a rise of 0.5 percentage points over autumn 2009. By contrast, the Federal German Government lowered its forecast slightly from 1.5 to 1.4 percent.

In July 2010 the business climate index of the Institut für Wirtschaftsforschung, Munich, (Ifo) reached its highest level for three years, returning to the pre-crisis level. The Ifo index also currently sees the German economy as the engine driving growth in Europe. According to the economic report of IMF in July 2010 China and India are driving economic growth in global terms with growth rates of 10.5 or 9.4 percent.

By contrast to the losses posted by the German photonics industry in 2009, Spectaris, the sector association of the high tech industry, anticipates a return to growth after the first half-year 2010. In the first quarter 2010 sales by German companies in the global market index for Optical Technologies had already risen by 36 percent compared with the same period in the previous year.

According to the Semiconductor Industry Association (SIA) the semiconductor sector reported a 47.6 percent increase in the worldwide sale of semiconductors in May 2010 compared with the previous year; this is mainly attributable to good sales of PCs and mobile phones.

The automotive sector is recovering thanks to the increase in passenger cars production worldwide. In this context the sector is benefiting from exports to China. According to details from the European Automobile Manufacturers Association (ACEA), all big European markets recorded a plus except for Germany which registered a minus of 28.7 percent compared with the same period in the previous year. By contrast, according to ACEA domestic demand in Europe fell once again in comparison with the same quarter in the previous year, primarily as a result of the ending of government help for sales.

The Verband der Deutschen Maschinen und Anlagenbauer (VDMA) is seeing an unexpected upward trend in the German machine construction industry. In May 2010 the order intake rose by 61 percent compared with the previous year. Export-driven machine construction companies benefited in particular from a high level of orders from China and Brazil. According to the VDMA these almost returned to the level in the boom years of 2005/2006.

According to the International Air Transport Association (IATA) the passenger and freight business of the aviation and aerospace industry rose by 11.7 percent and 34.3 percent respectively compared with the same period in the previous year.after losses as a result of the ash cloud from Iceland.

No significant new reports were published for the other sectors in the second quarter. We therefore refer to the details in the 2009 Annual Report and the report on the 1st quarter 2010.

2. EARNINGS, FINANCIAL AND ASSET POSITION.

Note: The details on the three segments in the result from operating activities (EBIT) and EBITDA cannot be compared with the details in the report on the 1st half-year 2009. In 2010 the Jenoptik Group changed to showing the EBIT and EBITDA of the segments after the Group charge. The results for the year 2009 shown in this report have been adjusted. All other details can be compared in full with the figures published a year ago.

2.1 Earnings and order situation.

Development of sales. Group sales, at 239.6 million euros, rose slightly against the previous year (prev. year 231.3 million euros). Sales in the same period in the previous year still included contributions to sales in the middle single figure million euro range from businesses which were either sold or closed down. The increase in the 1st half-year 2010 was the result of a marked rise in sales by the Lasers & Optical Systems segment due to the continuing high demand from the semiconductor industry. In some areas the cautious investment climate is still continuing, in particular regarding new technologies. In plant engineering and industrial metrology pre-crisis level has not yet been reached. As expected the Metrology segment, which in the 1st quarter 2010 had still been benefiting from good order backlogs from the pre-economic crisis period, posted a reduction in sales. In the Defense & Civil Systems segment sales were slightly below the level in the previous year. Jenoptik generated approx. 61 percent of its six-monthly sales abroad (prev. year 56 percent). On a quarterly comparison for 2010, sales in the 2nd quarter 2010, at 124.4 million euros, were up on those for the 1st quarter (115.2 million euros) primarily as a result of the continuing pickup in the semiconductor industry.

Development of results. The Group EBIT totaled plus 10.5 million euros as against minus 4.6 million euros in the same period for the previous year which included one-off effects in the sum of 7.9 million euros from the termination of a business. The positive development in the EBIT was also dominated by the Lasers & Optical Systems segment. Thanks to improved cost structures, the losses in the Metrology segment were reduced despite the lower sales. The Defense & Civil Systems segment posted a slight reduction in its EBIT compared with the level in the previous year as the figure for the 1st quarter 2009 was characterized by the delivery of a major order in the sensor systems area. Comparing the individual quarters, Jenoptik posted an increase of more than 50 percent in the Group EBIT at 6.5 million euros in the 2nd quarter 2010 over the 1st quarter (4.0 million euros).

Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled 23.4 million euros in the 1st half-year 2010 (prev. year 15.0 million euros).

The financial result showed an improvement to minus 6.0 million euros (prev. year minus 6.7 million euros) as the investment result had been improved to just minus 0.3 million euros (prev. year minus 1.6 million euros). The investment result essentially entails JT Optical Engine GmbH + Co. KG on a pro rata basis. The interest result, at minus 5.7 million euros, was down slightly on the figure for the previous year (prev. year 5.1 million euros). As expected, interest expenses increased compared with the same period in the previous year during which Jenoptik had

SALES (in million euros)

	1.1. to 30.6.2010	1.1. to 30.6.2009	Change in %
Total	239.6	231.3	3.6
Lasers & Optical Systems	92.9	74.1	25.4
Metrology	43.4	48.0	−9.6
Defense & Civil Systems	103.2	105.2	−1.9
Others	0.1	4.0	−97.5

EBIT (in million euros)

	1.1. to 30.6.2010	1.1. to 30.6.2009	Change in %
Total	10.5	−4.6	328.3
Lasers & Optical Systems	7.2	−10.9	166.1
Metrology	−1.0	−3.9	74.4
Defense & Civil Systems	5.5	6.9	−20.3
Others	−1.2	3.3	−136.4

benefited from low short-term interest rates as the maturity of the credits has been extended.

Earnings before tax showed a positive result of 4.4 million euros (prev. year minus 11.3 million euros) thanks to the increase in the Group EBIT. Income taxes in the sum of 0.7 million euros were thus minimal as Jenoptik used its tax losses carried forward of more than 450 million euros in total. Deferred taxes totaled 0.3 million euros. Earnings after tax accordingly totaled 3.5 million euros (prev. year minus 11.1 million euros).

Order book situation. The order intake grew by 37.6 percent to 300.2 million euros (prev. year 218.1 million euros). This was attributable to a general improvement in the economic environment, the continuing high demand from the semiconductor industry and the recovery in demand from the automotive industry which was better than expected as well as a number of major orders, among others from the defense area. The areas of traffic safety and medical lasers received the biggest individual orders in history. All three segments succeeded in increasing their order intakes, with the Lasers & Optical Systems segment in particular reporting a 33.1 percent growth thanks to the continuing high demand from the semiconductor industry. The Metrology segment actually posted an increase of 76.8 percent in its order intake. This was attributable to the major orders in the Traffic Solutions division as well as the continuing pickup in demand from the automotive industry in the Industrial Metrology division.

The order intake exceeded the level of sales by approx. 60 million euros overall, representing a book-to-bill rate of 1.3 (prev. year 0.9). The Jenoptik Group order backlog increased accordingly by 59 million euros to just under 398.4 million euros (31.12.2009: 339.4 million euros).

2.2 Development of the key performance factors.

Cost of sales at 169.8 million euros, remained at the same level as in the previous year (prev. year 169.1 million euros) despite the growth in sales. The gross margin rose accordingly from 26.9 to 29.1 percent. The measures of the Jenoptik Excellence Program had a positive impact, particularly in the area of purchasing, through optimization of processes and locations, the lower number of employees as well as the change in the sales and product mix.

The cost of sales includes development costs on behalf of customers in the sum of 11.1 million euros (prev. year 11.3 million euros). The allocation to cost of sales or R+D expenses is partially dependent upon the contract structure of customer orders. The level of cost of sales (gross margin) and R+D expenses (R+D ratio) can therefore fluctuate without affecting the overall R+D costs.

Research and development costs of the Jenoptik Group in the 1st half-year 2010 totaled 24.9 million euros (prev. year 26.5 million euros), representing 10 percent of sales. These expenses comprise the development costs on behalf of customers, the capitalized development costs and depreciation on these as well as the R+D expenses.

R+D expenses totaled 13.8 million euros and were therefore 1.9 million euros lower compared with the same period in 2009 (prev. year 15.7 million euros). The reduc-

ORDER INTAKE (in million euros)

	1.1. to 30.6.2010	1.1. to 30.6.2009	Change in %
Total	300.2	218.1	37.6
Lasers & Optical Systems	106.6	80.1	33.1
Metrology	70.9	40.1	76.8
Defense & Civil Systems	121.8	94.3	29.2
Others	0.9	3.6	−75.0

ORDER BACKLOG (in million euros)

	30.6.2010	30.6.2009	Change in %
Total	398.4	374.6	6.4
Lasers & Optical Systems	72.8	66.9	8.8
Metrology	49.6	27.3	81.7
Defense & Civil Systems	277.9	281.1	−1.1
Others	−1.9	−0.7	−171.4

tion is essentially attributable to the discontinuation of themes which offer no future prospects, such as e.g. the withdrawal from the mid-format camera business in the fiscal year just past, as well as to focused R+D road mapping. The costs for the development of optical engines for fiber lasers are included in the investment result on a pro rata basis through the joint venture JT Optical Engine GmbH & Co. KG.

Employees & management. In the 2nd quarter there was a further reduction in the number of employees in the Jenoptik Group to a total of 3,069 as at June 30, 2010 (31.12.2009: 3,268). The reduction is due to the personnel-related measures introduced in the 4th quarter 2009 and which took effect in the first months of the current year. The main reduction in the number of employees was in the Lasers & Optical Systems segment and the Industrial Metrology division. As at June 30, 2010 approx. 50 employees were on short-time working, the majority of these in the Industrial Metrology division. As at June 30, 2010 Jenoptik had a total of 109 trainees. This was increased at the beginning of August by 34 trainees and students from the career academies who were starting their training at Jenoptik in Germany.

New appointments were made to the Group Works Council of Jenoptik in June 2010. The new Chairman of the Group Works Council is Thomas Klippstein who replaced Günther Reißmann who had held this post since 1994.

2.3 Financial and asset position.

Financing structure. Jenoptik continued to show a sound financing structure in the 2nd quarter 2010.

Since the beginning of the year the Group's non-current liabilities reduced to 196.4 million euros (31.12.2009: 205.8 million euros). Current liabilities fell to 152.4 million euros (31.12.2009: 161.3 million euros). As a result, there was a further improvement in the debt to equity ratio, as a proportion of borrowings (348.9 million euros) to shareholders' equity (265.6 million euros) in the 2nd quarter 2010, to 1.31 (Dec. 31, 2009: 1.53).

After achieving a significant reduction in net debt in the 2009 fiscal year from 191.6 million euros to 159.5 million euros and a further reduction in the 1st quarter 2010 (31.03.2010: 145.7 million euros), net debt of the Jenoptik Group remained almost unchanged at 144.0 million euros as at the end of the 2nd quarter 2010. The figures does not yet include the net cash inflow in the upper single figure million euro range connected with the completion of the sale of the shares in caverion, which is expected in the 2nd half-year and will have a positive impact on net debt.

Analysis of capital expenditure. Capital expenditure on intangible and tangible assets in the total of 6.8 million euros was down on the previous year's level (prev. year 7.8 million euros). The largest share, 5.5 million euros, was invested in tangible assets, mainly in technical equipment and machines as well as factory and office equipment. At 1.2 million euros, capital expenditure on intangible assets was lower compared with the previous year (prev. year 2.5 million euros).

R+D COSTS (in million euros)

	1.1. to 30.6.2010	1.1. to 30.6.2009	Change in %
Total	24.9	26.5	−6.0
Lasers & Optical Systems	9.5	10.5	−9.5
Metrology	5.8	5.5	5.5
Defense & Civil Systems	9.5	10.8	−12.0
Others	0.1	−0.3	133.3

EMPLOYEES (incl. trainees)

	30.6.2010	30.6.2009	Change in %
Total	3,069	3,354	−8.5
Lasers & Optical Systems	1,224	1,349	−9.3
Metrology	635	791	−19.7
Defense & Civil Systems	1,060	1,079	−1.8
Others	150	135	11.1

Capital expenditure was offset by regular depreciation in the sum of 13.0 million euros (prev. year: 19.6 million euros).

In the analysis of cash flows the cash flows in the 1st half-year 2010 can be compared in full with those of the previous year.

At 6.9 million euros, cash flow from operating activities was below the figure in the same period in the previous year (prev. year 12.5 million euros). The reduction is due mainly to the increase in the working capital resulting from the recovery in the operating business as well as to payments made in connection with the personnel-related measures. On the other side, earnings before tax had a positive effect.

Cash flow from investing activities, at minus 10.1 million euros, was also down on the level for the previous year (prev. year minus 6.7 million euros). This included payments for capital expenditure on tangible assets in the sum of 5.5 million euros, with capital expenditure on intangible assets totaling 1.2 million euros. However, in the 1st quarter 2010 the cash flow from investing activities was primarily influenced by the payments in connection with the acquisition of the outstanding shares in the laser diode business from the previous minority shareholder which is now consequently 100 percent back in Jenoptik hands.

At 7.5 million euros, cash flow from financing activities showed a rise on the level for the previous year (prev. year minus 4.1 million euros). The main contributory factor here was the proceeds raised by the 10 percent capital increase in March 2010 totaling approx. 22 million euros which are included under receipts from allocations to equity. At 20.1 million euros receipts from the issue of bonds and loans were lower than in the same period in the previous year.

Balance sheet analysis. The balance sheet total of the Jenoptik Group increased slightly to 614.5 million euros by comparison with the end of 2009 (31.12.2009: 607.1 million euros).

Non-current assets remained virtually unchanged at 333.1 million euros (31.12.2009: 336.9 million euros). There was a slight reduction in tangible assets to 147.6 million euros (31.12.2009: 152.1 million euros), since depreciation, in particular on real estate, exceeded investments. By contrast, financial assets including shares in associated companies at 19.9 million euros were virtually unchanged (31.12.2009: 19.2 million euros).

At 281.3 million euros current assets rose compared with the end of 2009 (31.12.2009: 270.2 million euros), since in particular inventories at 162.3 million euros were higher as a result of the growth in sales (31.12.2009: 154.7 million euros). As a result of the capital increase in March 2010 cash and cash equivalents increased to 16.1 million euros compared with the figure as at end December 2009 (31.12.2009: 11.2 million euros).

Working capital is defined as total receivables from operating business activities and inventories, less trade accounts payable, liabilities from PoC (Percentage of Completion) and on-account payments received. Compared with June 30, 2009, the working capital showed a marked reduction to 177.2 million euros in the 1st half-year 2010 (30.06.2009: 195.7 million euros). However, as a result of the pickup in the operating business and the processing of major orders

NET DEBT (in million euros)

	30.6.2010	31.12.2009	30.6.2009
Total	– 144.0	– 159.5	– 188.5
Securities	1.0	1.1	1.5
Cash and cash equivalents	16.1	11.2	13.8
Non-current financial liabilities	132.4	158.2	109.9
Current financial liabilities	28.7	13.6	93.9

the figure was higher compared with the end of 2009 (31.12.2009: 166.4 million euros). The working capital quota, the ratio between working capital and sales, therefore remained virtually unchanged at 35.8 percent (31.12.2009: 35.1 percent).

At the beginning of March this year the Jenoptik Group carried out a 10 percent capital increase raising approx. 22 million euros which is to be used, among other things, for growth in the core business and the continuing process of internationalization. Together with the profit reported in the 1st half-year 2010, this led to an increase in the Group shareholders' equity to 265.6 million euros (31.12.2009: 240.0 million euros). Despite the slight increase in the balance sheet total there was therefore also an improvement in the shareholders' equity quota, the ratio between shareholders' equity and balance sheet total, from 39.5 percent at the end of 2009 to the new figure of 43.2 percent.

Non-current liabilities totaled 196.4 million euros as at June 30, 2010 (31.12.2009: 205.8 million euros). The reduction is mainly attributable to lower non-current financial liabilities resulting from the installments due within nine to twelve months being reclassified to current financial liabilities. The other items included in non-current liabilities, such as e.g. pension liabilities, other non-current provisions as well as other non-current liabilities, remained virtually unchanged.

Current liabilities reduced by approx. 9.0 million euros to 152.4 million euros (31.12.2009: 161.3 million euros). This was primarily due to the reduction in other current provisions as the result of the payments which have now been made in connection with the personnel-related measures. There was also a slight fall in other items included in current liabilities.

Purchases and sales of companies. At the end of the 2nd quarter 2010 signing was made for the sale of the 15.1 percent minority stake in caverion GmbH to the Finnish stock-listed construction and technology group YIT. Among other things, the transaction is still subject to the suspensive condition of approval from the corresponding antitrust authorities conditions. Jenoptik has been consistently implementing the Group strategy and continuing to focus on its core business with this sale.

After the successful conclusion of the transaction Jenoptik not only anticipates the elimination of existing inter-company receivables and liabilities but also a net cash inflow in the upper single figure million euro range. The Group also anticipates a small, non-operating income in the 2nd half-year. In addition, with the closing Jenoptik will be released from all existing guarantees provided for caverion, both directly or through a Group countersecurity by YIT, as well as from other financing liabilities.

For details on assets and liabilities not included in the balance sheet we refer to the information contained in the 2009 Annual Report on Page 73, the information on guarantees in the Risk Report from Page 85 as well as the corresponding updating on P. 15 of this report.

Note. The details on the three segments regarding the results from operating activities (EBIT) and EBITDA cannot be compared with the details in the report for the 1st half-year 2009. In 2010 the Jenoptik Group changed over to showing the segment EBIT and EBITDA after the Group charge. The figures on the results for the year 2009 stated in this report have been adjusted. All other details can be compared in full with the figures published a year ago.

3. SEGMENT REPORTING.

3.1 Lasers & Optical Systems segment.

There was a further improvement in the business climate as a result of the continuing recovery in the semiconductor industry.

Sales of the Lasers & Optical Systems segment rose by 25.4 percent compared with the previous year to a total 92.9 million euros (prev. year 74.1 million euros). The Optical Systems division reported growth primarily as a result of the continuing high demand from the semiconductor industry. The Lasers & Material Processing division also posted a marked rise in sales, mainly attributable to the Lasers business unit.

The segment EBIT was 7.2 million euros compared with minus 3.0 million euros for the same period in the previous year. In addition, negative one-off effects of 7.9 million euros from the termination of a business had a negative impact on the segment EBIT in the previous year. In addition to the growth in sales the significant improvement in EBIT was also helped by the comprehensive cost-saving measures introduced in the previous year. In addition to the withdrawal from the loss-making mid-format camera business, amongst other things, the Optical Systems division optimized its locations, restructured production and adjusted capacities in line with the increased efficiency.

Order book situation. The segment reported a 33.1 percent increase in its order intake to 106.6 million euros (prev. year 80.1 million euros) beating the rise in sales for the period covered by the report. Since sales were also higher the segment's book-to-bill rate remained at 1.1 (prev. year 1.1). The Optical Systems division posted a significant rise in its order intake thanks to the recovery in the semiconductor industry. In the 1st quarter the Lasers & Material Processing division received the biggest individual order in history for medical lasers from the USA.

Employees. As at June 30, 2010 the Lasers & Optical Systems segment had a total of 1,224 employees (31.12. 2009: 1,284). The reduction of 60 in the number of employees was due to the personnel-related measures in the 4th quarter 2009, the majority of which were implemented during the course of the 1st half-year 2010.

Internationalization continued. The division's international presence was expanded at the beginning of 2010. The new Laser Application Center in South Korea opened in March. Customers and potential customers from Asia can use the Center for testing lasers and laser applications and continue to develop their processes in conjunction with Jenoptik's engineers. Essentially in 2009 the Jenoptik Group invested a total of around 3.4 million euros in this Center. Mass production of the new compact JenLas® D2.mini medical laser started in June 2010. Its miniaturized design opens up potential new applications particularly in the areas of medicine and entertainment. With an improvement in beam quality the laser has been made more than 3 times smaller. The mini-laser therefore offers the required laser power in a much more compact form. Other benefits include efficient mass production and easy integration of the laser into existing equipment.

New development and award. The Digital Imaging business unit of the Optical Systems division was awarded preferred supplier status by Leica Camera AG in July. Jenoptik received this recognition as a result of the superb collaboration on the LEICA M9 range finder camera. Both partners

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

	30.6.2010	30.6.2009	Change in %
Sales	92.9	74.1	25.4
EBIT	7.2	−10.9	166.1
Order intake	106.6	80.1	33.1
Order backlog	72.8	59.9*	21.5
Employees	1,224	1,284*	−4.7

* Figures as at December 31, 2009.

- Sales at 92.9 million euros and order intake at 106.6 million euros significantly higher than in the previous year.
- Continuing high demand from semiconductor industry with positive impact on Jenoptik's sectors.

will be extending their successful cooperation to new products and projects. The business unit also launched a new microscopy camera, the ProgRes® *SpeedXT* *core*, for recording surface inspections. It offers a markedly improved CCD live image speed, combined with high resolution.

Organizational development. The company structure of the segment was comprehensively streamlined and adapted to the Group divisional structure in the 1st half-year 2010. In order to make better use of synergies in the USA in the future all US optics companies were amalgamated within JENOPTIK Optical Systems Inc. with effect from January 1, 2010. Since May this year the limited company structures in Germany have been operating fully in line with the divisional structure. The Laser Technology business unit of JENOPTIK Laser, Optik, Systeme GmbH and JENOPTIK Laserdiode GmbH merged and now form JENOPTIK Laser GmbH. The previous JENOPTIK Laser, Optik, Systeme GmbH therefore now operates exclusively in the optics and optoelectronics areas and now trades under the name JENOPTIK Optical Systems GmbH.

3.2 Metrology segment.

In the segment the pickup in demand from the automotive industry was stronger than expected in the 2nd quarter 2010. In addition, significant major orders for traffic safety technology were received.

Sales of the Metrology segment were down compared with the 1st half-year 2009, totaling 43.4 million euros (prev. year 48.0 million euros). The reason for this was a relatively good 1st quarter 2009, on the sales side, in the Industrial Metrology division which had at that time still been benefiting from order backlogs from the period prior to the crisis in the automotive industry. The Traffic Solutions division posted a small rise in sales.

Although the segment EBIT showed a negative result at minus 1.0 million euros in the 1st half-year 2010 (prev. year minus 3.9 million euros), losses were sharply reduced despite the reduction in sales. This is attributable to the cost reduction measures of the previous year which were implemented at the end of 2009 and in the 1st half-year 2010. On a quarter-by-quarter comparison, after posting a loss of approx. 1 million euros in the 1st quarter 2010 the segment achieved break-even already in the 2nd quarter.

The Metrology segment posted a significant 76.8 percent increase in its order intake to 70.9 million euros (prev. year 40.1 million euros). This figure includes the biggest individual order for traffic safety technology in the history in the total sum of more than 12 million euros which will affect sales and earnings still in 2010. Major international projects are becoming an increasingly important feature in the Traffic Solutions division so its order intake can fluctuate significantly during the course of the year. In the Industrial

METROLOGY SEGMENT AT A GLANCE (in million euros)

	30.6.2010	30.6.2009	Change in %
Sales	43.4	48.0	−9.6
EBIT	−1.0	−3.9	74.4
Order intake	70.9	40.1	76.8
Order backlog	49.6	21.9*	126.5
Employees	635	769*	−17.4

* Figures as at December 31, 2009.

- Losses substantially reduced compared with the previous year despite slight reduction in sales.
- Order intake increased by more than 75 percent.
- Jenoptik's activities in China have been combined at a new location.

Metrology division increasing demand from the automotive industry led to a marked growth in orders. The recovery in demand thus started earlier than had originally been expected. However, this does not represent a return to the pre-crisis period. The division was able to benefit from its global presence.

The segment recorded a book-to-bill rate of 1.6 (prev. year 0.8). The order backlog increased from 21.9 million euros as at end 2009 to 49.6 million euros as at June 30, 2010.

Employees. As at June 30, 2010 the Metrology segment had a total of 635 employees (31.12.2009: 769 employees). The reduction was almost entirely due to the Industrial Metrology division as the severe crisis in the automotive industry necessitated personnel-related measures being taken at home and abroad in 2009. The number of employees in the Traffic Solutions division remained virtually constant despite the increase in sales.

Implementation of the umbrella brand strategy continued. Since February 1, 2010 ROBOT Visual Systems GmbH has been trading as JENOPTIK Robot GmbH and with this completed the switchover to a group-wide, uniform umbrella brand. For the first time the Traffic Solutions division appeared with a changed external presence under the Jenoptik brand at Intertraffic in Amsterdam in March 2010. Here the division showcased the new 3D Tracking Radar which is able to simultaneously track several vehicles and offers optimum analysis speeds thanks to high precision lane assignment. At the beginning of 2010 the division launched the new TraffiSection traffic monitoring system in three countries. This system monitors average speeds over a defined section of road. The total order value is in excess of 4 million euros.

Internationalization continued. The new location in China was officially opened, combining all Jenoptik's activities in the new premises and making its services available to all divisions. For the customers of the Industrial Metrology division project planning, production, sales as well as the Application and Training Center are now housed under one roof. Approx. 50 customers from all over China attended the official opening in May. In addition, international orders were delivered in the 1st quarter 2010. State-of-the-art metrology was supplied amongst others to General Motors in Thailand, India and Uzbekistan. At "Control 2010", the leading trade fair for metrology in Stuttgart in May, the Industrial Metrology division presented its tactile, optical and pneumatic measurement systems.

3.3 Defense & Civil Systems segment.

In the Defense & Civil Systems segment the solid development of business recorded in the previous year continued within market conditions which remained stable. Sales and results for the 1st half-year 2009 were influenced by the delivery of a major order in the Sensor Systems business unit.

This is the reason for the slight reduction in the segment's sales to 103.2 million euros in the 1st half-year 2010, compared with the same period in the previous year (prev. year 105.2 million euros). The Optronics business unit successfully increased sales thanks, amongst other things, to its role as a market leader in attitude and orbit control sensors as well as docking sensors.

Reflecting the reduction in sales and change in the product mix, the segment EBIT was unable to repeat the level

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

	30.6.2010	30.6.2009	Change in %
Sales	103.2	105.2	−1.9
EBIT	5.5	6.9	−20.3
Order intake	121.8	94.3	29.2
Order backlog	277.9	260.2*	6.8
Employees	1,060	1,077*	−1.6

* Figures as at December 31, 2009.

- Sales and result slightly below the level in the previous year.
- Highest segment order intake of the last nine quarters.
- Sensor Systems business unit launched new thermographic camera on the market.

achieved in the previous year, coming in at 5.5 million euros in the 1st half-year 2010 compared with 6.9 million euros for the same period in the previous year when the result had been influenced by the delivery of a major order in the Sensor Systems business unit in the 1st quarter 2009. At 3.8 million euros the segment EBIT in the 2nd quarter 2010 was substantially higher compared with both the same quarter in the previous year (2.4 million euros) and the 1st quarter 2010 (1.7 million euros).

Order book situation. The segment's order intake increased by 29.2 percent compared with the 1st half-year 2009, totaling 121.8 million euros in the 1st half-year 2010 (prev. year 94.3 million euros). The increase is attributable to an order for Eurofighter radomes valued at more than 20 million euros awarded to the Mechatronics business unit in the 2nd quarter. In the 2nd quarter 2010 the segment received at 73.0 million euros the highest order intake for an individual quarter within the past two-and-a-half years. The segment posted a book-to-bill rate of 1.2 (prev. year 0.9), with the order backlog accordingly increasing to 277.9 million euros by comparison with the end of December 2009, (31.12.2009: 260.2 million euros).

The number of employees in the segment reduced slightly as at the end of the 1st half-year 2010 to 1,060 (31.12. 2009: 1,077).

In the Sensor Systems business unit Jenoptik launched a new thermographic camera at the beginning of April, the VarioTHERM® InSb, designed specially for use in industry and research institutes. The camera covers a temperature range from minus 40 to plus 2,000 degrees and also operates on a spectral-selective basis, i.e. by using special filters the camera can carry out readings through specific materials, e.g. glass or plastic, and disregard them in the measurement. The camera, which had already recorded its first successes in the Japanese market, was premiered at the SPIE Defense & Security Symposium trade fair in the USA at the beginning of April. At the Interschutz trade fair at the beginning of June in Leipzig Dräger and Jenoptik showcased the first thermal imaging cameras which has been developed by the two companies within the framework of a cooperation agreement. The cameras were designed for use by fire fighters and rescue teams and are based on an innovative infrared camera module from Jenoptik.

4. POST BALANCE SHEET REPORT.

There were no events of special importance occurring after the end of the period under review. Details of any individual developments in the current 3rd quarter have been dealt with within the framework of this report.

5. RISK REPORT.

Within the framework of the risk report we refer to the details on Pages 85 to 97 of the 2009 Annual Report published at the end of March 2010. Up to the closing editorial date for this report there have been no significant changes in the risks described in the Annual Report during the course of the 1st half-year 2010, with the exception of those specified below.

The economic environment improved during the course of the 1st half-year 2010. Whilst this does slightly alleviate the general economic risk and risk to the sectors it does not entirely dispel the doubts about whether the recovery in the economic environment represents a sustainable trend. There is continuing uncertainty and varying opinions about developments in the international currency and financial markets.

In terms of the sector-related risks the pickup in demand from the semiconductor industry in the period covered by the report as well as the recovery in demand from the automotive industry since spring 2010 have continued and as such reduced the risk arising from the development of these sectors.

The capital increase in March 2010 and the further reduction in net debt have reduced the liquidity risks for the Jenoptik Group. As at the end of June 2010 the Group had free liquidity at its disposal in the form of credit lines and loans not yet utilized totaling 91.2 million euros (31.12. 2009: 68.9 million euros).

The sale of the minority stake in caverion GmbH will significantly reduce the risks arising from guarantees and sureties of the Jenoptik Group. The sale is subject to several suspensive conditions, amongst other things to the approval by the competent anti-trust authorities. Over the course of the sale the financing agreement between Jenoptik and caverion in particular will be terminated and Jenoptik released from all existing guarantee commitments either directly or via a Group counter indemnity of the purchaser. Approx. 90 percent of the Group guarantees and cash facilities issued in favor of third parties will therefore no longer apply.

6. FORECAST REPORT.

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

The OECD forecasts that the global economy will grow by 2.7 percent in 2010 compared with the previous year, with the gross domestic products in China and India, at 11.1 percent and 8.3 percent respectively, far exceeding the growth rates in the USA and the euro zone.

However, according to the Ifo economic forecasts, the growth dynamic will slow down in the 2nd half of 2010. The reasons for this according to the Ifo report "Eurozone Economic Outlook" are said to be the loss of the impetus from fiscal policies, consolidation measures, the continuing restrictive approach to lending and the increased uncertainty in the financial markets as a result of the European debt crisis.

In the semiconductor industry according to information from the SIA, the monthly increase in sales compared with the previous year will continually reduce. The Zentralverband Elektrotechnik- und Elektronikindustrie (ZVEI) also forecasts weakening semiconductor sales. The market research company iSuppli generally expects to see the highest individual growth in the semiconductor market since the boom year of 2000, with a global sales volume of 300.3 billion US dollars. That corresponds to a 15.4 percent increase by comparison with the pre-crisis year of 2008. However, there are as yet still no indications as to whether the current orders are being used purely to restock warehouses or whether there is actually increasing demand coming from end users. According to the firm of analysts Gartner factory suppliers can expect to post orders in excess of 30 billion euros.

The sector association Spectaris forecasts that the German photovoltaics sector will see sales grow by 15 percent to 21.2 billion euros in 2010, with the domestic market accounting for 13 percent and exports 16 percent. There were no forecasts for the overall market of the German optical, medical and mechatronical industries at the time of the editorial deadline.

Following a 25 percent fall in laser sales in 2009 the laser sector anticipates a recovery for 2010, during which the rate of recovery in the material processing sector will be slower according to the "Laser 2010" report. The market for laser applications is anticipated to grow by an average of 9 percent per annum up to 2014, to 8.8 billion US dollars. Fiber lasers in particular are expected to offer significant potential.

The sector association VDMA adjusted its forecast for 2010 for the machine and plant construction sector. Instead of stagnation the association believes that there is the possibility of a 3 percent rise in production.

Despite the export boom the automotive sector is unable to give the all-clear. Although according to a report of the consulting company PriceWaterhouseCoopers the number of vehicles sold worldwide is expected to increase by approx. 7 percent to approx. 68 million in 2010, this growth is being increasingly unevenly distributed. Whilst we are seeing enormously increased demand in China, Western Europe and Japan are struggling to reach the pre-crisis levels.

The German automation industry is cautiously optimistic about 2010. The Fachverband Robotik + Automation predicts a 5 percent growth in sales to approx. 6.5 billion euros. However, according to the sector association ZVEI the high level of sales achieved in 2008 will not be repeated until 2011 at the earliest. There is also continuing uncertainty as to whether the strong development at the start of 2010 will be maintained for the whole year. The largest consumer markets are in China, India, Brazil and Russia.

In the aviation and aerospace industry the Bundesverband der Deutschen Luft- und Raumfahrtindustrie (BDLI) expects to see a repeat of the sales level of 23.9 billion euros achieved in 2009. However, whilst the current high level of economic activity in China, India and Brazil may be able to soften the fall in demand in Europe and North America, it will be unable to compensate for it in full.

In the defense area reductions in military spending within the framework of the cost cutting measures are being discussed, particularly in Europe.

6.2 Long-term forecasts and targets.

Jenoptik sees the conditions for the sale of its products and services as good in the long term - irrespective of the economic development over the next two years. The technology group operates in attractive sectors with a comprehensive portfolio of technologies, products and services. Optoelectronics, our core area of expertise, is a cross-sectional technology that facilitates new applications in a wide range of sectors.

Jenoptik operates through its innovative technologies and products in the following areas which offer long-term growth:

Resource efficiency

- Diode lasers, with efficiency levels of up to 70 percent, are amongst the most efficient artificial light sources in the world.
- With the help of various laser applications Jenoptik facilitates new efficient and durable production processes in various sectors, e.g. in the automotive, photovoltaics and packaging industries.
- Thermographic cameras and modules provide support for the thermal optimization of buildings.
- LEDs with new beam guidance and color control concepts permanently reduce energy and maintenance costs for lighting systems.
- High-precision Metrology for enhanced combustion engines reduces fuel consumption and harmful emissions.
- Electric energy and drive systems for vehicles and trains provide for optimized energy management.

Infrastructure

- The worldwide increasing need for mobility requires comprehensive concepts and systems for road traffic safety. Traffic metrology from Jenoptik prevents accidents and therefore consequential costs from the economic and environmental aspects.
- Instruments and sensors for use in space travel provide for the precise positioning of satellites, earth observation and new knowledge from space.

Security
- Observation sensors and systems ensure secure borders and industrial processes.
- Precision metrology makes a contribution to quality assurance in various sectors.

Health
- Lasers provide for new, gentle medical and aesthetic procedures, e.g. in ophthalmology, dermatology and surgery.
- Fast, efficient and low cost diagnostic methods simplify home and quick diagnoses, e.g. blood sugar testing.
- Metrology ensures the quality of medical devices.

Digital world
- Optical systems are used in the manufacture of the new generations of chips and for new semiconductor production processes.
- Digital microscopy cameras are used in industry, medicine and science.
- Leading camera manufacturers utilize Jenoptik's digital imaging modules.
- Camera components and systems, as well as analysis software, are all used in earth monitoring.

Our predictions for the future development in the segments are based on the assumption that there will be a general continuing recovery in the markets which have been affected to differing degrees by the crisis. At this point in time it is impossible to predict to what extent the economic crisis will have a lasting effect on general market trends.

In the Lasers & Optical Systems segment the duration and extent of the current recovery in the semiconductor industry and the development of its associated industries will significantly influence the course of business, particularly in the Optical Systems division. In the Lasers & Material Processing division the Laser Processing Systems business unit will continue to focus on the expansion of its photovoltaic activities. In the lasers business the range will be expanded by the addition of attractively-priced products for mass applications. The aim is to massively press ahead with the process of internationalization in this division, particularly in Asia and North America.

In the Metrology segment we are seeing the recovery in demand from the automotive industry which is stronger than expected, with the Industrial Metrology division being well placed in this respect as a result of its improved cost structures and international presence. Major projects are increasingly becoming a characteristic feature of business in the Traffic Solutions division. Thanks to our position as a market leader and our entry into new service models, together with the major order received in March 2010, we are seeing signs of a positive development in this area.

The Defense & Civil Systems segment operates in what is essentially a stable market environment and is benefiting from the trend towards increased investment in security.

6.3 Future development of the business situation.

The details are given on the proviso that the economic situation develops in line with the economic forecasts stated under 6.1 and does not significantly deteriorate. All statements relating to the future development of the business situation have been made on the basis of current information.

In the 1st half-year 2010 and the past weeks of the current quarter the recovery of the semiconductor industry continued. In the Metrology segment there was a recovery in the demand from the automotive industry which started earlier than we had been expected. The areas of medical technology, traffic safety with significant major orders as well as the stable business of the Defense & Civil Systems segment remain the driving forces behind an improvement in the development of business. In addition, Jenoptik benefits from the measures taken in 2009 to create permanent cost savings in all areas

The forecasts for the current fiscal year have been increased. Sales of the Jenoptik Group in 2010 are expected to come in at approx. 500 million euros (previously 475 to 500 million euros). Increases in sales are anticipated in the Lasers & Optical Systems segment as a result of the continuing high demand from the semiconductor industry and medical technology. In the Defense & Civil Systems segment we anticipate a continuation of the stable development at the level in previous years. Sales in the Metrology segment are expected to increase slightly. The segment reached break-even already in the 2nd quarter 2010. We expect a positive EBIT of the Metrology segment in the 2nd half of the year.

The Group expects a Group EBIT of at least 25 million euros (previously between 15 and 25 million euros). The EBIT improvement will also be reflected in the positive net income. In 2009 we countered the continuing downward pressure on prices resulting from the economic crisis by introducing cost saving measures which will take comprehensive effect throughout 2010 and consequently enable us to achieve a higher level of savings than in 2009. We do not anticipate any negative one-off effects in 2010. Based on current assessments 2011 is expected to show a further improvement in sales and results.

Following the successful closing of the sale of the minority stake in caverion GmbH, in the 2nd half-year Jenoptik not only expects to eliminate existing inter-company receivables and liabilities but to also generate a net cash inflow in the higher single figure million euro range which will have a positive effect on net debt. The Group also anticipates a smaller, non-operating income in the 2nd half-year.

On the financing side the Group has a free framework of liquidity at its disposal in the form of credit lines and loans not yet utilized totaling 91.2 million euros, including the proceeds from the capital increase that was successfully placed in March. Amongst other things these funds are to be invested in the continuing process of internationalization.

We will maintain the focus on positive cash flows which will essentially be achieved through active working capital management; these are again expected to be in the clear double figure million euro range. Amongst other things these cash flows are to be used in 2010 to fully compensate for the cash outflows resulting from the personnel-related measures.

Consolidated statement of comprehensive income

Consolidated statement of income

in TEUR	1.1. – 30.6.2010	1.1. – 30.6.2009
Sales	239,571	231,326
Cost of sales	169,816	169,088
Gross profit	69,755	62,238
Research and development expenses	13,816	15,714
Selling expenses	24,708	26,608
General administrative expenses	18,272	17,961
Other operating income	8,027	8,162
Other operating expenses	10,536	14,723
of which expenses for reorganization and restructuring	0	7,892
EBIT	10,450	– 4,606
of which EBIT before reorganization and restructuring	10,450	3,286
Result from investments in associated and jointly controlled companies	– 308	– 898
Result from other investments	– 4	– 724
Interest income	936	854
Interest expenses	6,629	5,972
Financial result	– 6,005	– 6,740
Earnings before tax	4,445	– 11,346
Income taxes	660	62
Deferred taxes	277	– 344
Earnings after tax	3,508	– 11,064
Minority interests' share of profit/loss	– 38	1,501
Net profit	3,546	– 12,565
Earnings per share in euros	0.06	– 0.24
Earnings per share (diluted) in euros	–	– 0.24

Consolidated statement of recognized income and expense

in TEUR	1.1. – 30.6.2010	1.1. – 30.6.2009
Earnings after tax	3,508	– 11,064
Difference arising on foreign currency translation	3,881	– 302
Financial assets available for sale	– 127	97
Cash flow hedge	– 3,823	– 2,255
Deferred taxes	510	602
Total income and expense recognized in shareholders' equity	441	– 1,858
Total result	3,949	– 12,922
of which attributable to:		
Minority interests	– 38	1,501
Shareholders	3,987	– 14,423

Consolidated balance sheet.

Assets in TEUR	June 30, 2010	Dec. 31, 2009	Change
Non-current assets	333,143	336,874	−3,731
Intangible assets	78,068	77,949	119
Tangible assets	147,581	152,143	−4,562
Investment properties	23,855	24,450	−595
Shares in associated companies	1,363	261	1,102
Financial assets	18,537	18,938	−401
Other non-current assets	10,812	11,037	−225
Deferred tax assets	52,927	52,096	831
Current assets	281,339	270,216	11,123
Inventories	162,259	154,665	7,594
Current accounts receivable and other assets	101,922	103,240	−1,318
Securities held as current investments	1,006	1,110	−104
Cash and cash equivalents	16,152	11,201	4,951
Total assets	614,482	607,090	7,392

Shareholders' equity and liabilities in TEUR	June 30, 2010	Dec. 31, 2009	Change
Shareholders' equity	265,616	239,989	25,627
Subscribed capital	148,819	135,290	13,529
Capital reserve	190,284	186,137	4,147
Other reserves	−73,906	−81,895	7,989
Minority interests	419	457	−38
Non-current liabilities	196,417	205,760	−9,343
Pension provisions	6,415	6,417	−2
Other non-current provisions	19,093	18,544	549
Non-current financial liabilities	148,386	158,218	−9,832
Other non-current liabilities	20,547	20,116	431
Deferred tax liabilities	1,976	2,465	−489
Current liabilities	152,449	161,341	−8,892
Tax provisions	1,360	2,587	−1,227
Other current provisions	34,359	40,592	−6,233
Current financial liabilities	12,742	13,532	−790
Other current liabilities	103,988	104,630	−642
Total shareholders' equity and liabilities	614,482	607,090	7,392

Consolidated statement of cash flows.

in TEUR	1.1. to 30.6.2010	1.1. to 30.6.2009
Earnings before tax	4,445	−11,346
Interest	5,693	5,118
Depreciation / write up	12,998	14,299
Impairment	42	6,289
Loss / profit on disposal of fixed assets	−21	41
Other non-cash expenses / income	334	1,008
Operating profit / loss before working capital changes	23,491	15,409
Increase / decrease in provisions	−7,120	−7,073
Increase / decrease in working capital	−9,638	6,114
Increase / decrease in other assets and liablities	1,639	−1,547
Cash flow from / used in operating activities before income taxes	8,372	12,903
Income taxes paid	−1,475	−377
Cash flow from / used in operating activities	6,897	12,526
Receipts from disposal of intangible assets	34	36
Payments for investments in intangible assets	−1,246	−2,533
Receipts from disposal of tangible assets	1,356	395
Payments for investments in tangible assets	−5,464	−5,236
Receipts from disposal of financial assets	351	1,253
Payments for investments in financial assets	−2,111	−1,550
Payments for acquisition of consolidated companies	−4,000	47
Interest received	936	856
Cash flow from / used in investing activities	−10,144	−6,732
Receipts from allocations to equity	21,678	0
Receipts from issue of bonds and loans	20,098	27,420
Repayments of bonds and loans	−30,194	−30,017
Repayments for finance leases	−721	−403
Change in group financing	601	749
Interest paid	−3,925	−1,885
Cash flow from / used in financing activities	7,537	−4,136
Change in cash and cash equivalents	4,290	1,658
Foreign currency translation changes in cash and cash equivalents	661	−393
Cash and cash equivalents at the beginning of the period	11,201	12,523
Cash and cash equivalents at the end of the period	16,152	13,788

Consolidated statement of movements in shareholders' equity.

in TEUR	Subscribed capital	Capital reserve
Balance as at 1.1.2009	135,290	186,137
Valuation of financial instruments		
Currency differences		
Earnings after tax		
Balance as at 30.6.2009	135,290	186,137
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

Cumulated profit	Financial assets available for sale	Cash flow hedge	Cumulative currency differences	Minority interests	Total
−53,776	−1,888	6,552	−1,395	21,917	292,837
	101	−1,653		−4	−1,556
124			−426		−302
−12,565				1,501	−11,064
−66,217	−1,787	4,899	−1,821	23,414	279,915
−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

Key figures by business divisions and other areas.

January 1 – June 30, 2010 (previous year's figures in brackets)

in TEUR	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Other, Consolidation	Group
Sales	92,906 (74,075)	43,421 (47,994)	103,147 (105,182)	97 (4,075)	239,571 (231,326)
of which Germany	27,470 (22,526)	16,034 (18,576)	50,583 (55,199)	415 (4,238)	94,502 (100,539)
European Union	26,553 (21,796)	7,778 (10,717)	27,399 (31,005)	0 (0)	61,730 (63,518)
Other Europe	2,238 (3,245)	1,853 (2,921)	10,502 (9,355)	0 (0)	14,593 (15,521)
NAFTA	20,193 (19,050)	8,249 (8,796)	8,370 (3,598)	–318 (–163)	36,494 (31,281)
South East/Pacific	10,308 (5,154)	6,787 (3,567)	5,460 (5,777)	0 (0)	22,555 (14,498)
Others	6,144 (2,304)	2,720 (3,417)	833 (248)	0 (0)	9,697 (5,969)
EBIT EBIT of prev. year before one-off effects EBIT of prev. year after one-off effects	7,168 (–3,052) (–10,944)	–1,030 (–3,932) (–3,932)	5,470 (6,950) (6,950)	–1,158 (3,320) (3,320)	10,450 (3,286) (–4,606)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	12,433 (1,924)	871 (–1,252)	8,729 (11,379)	1,395 (2,901)	23,428 (14,952)
Earnings from investments in associated and jointly controlled companies	–308 (–898)	0 (0)	0 (0)	0 (0)	–308 (–898)
Result from other investments	8 (–958)	0 (107)	2 (124)	–14 (3)	–4 (–724)
Research and development expenses	6,003 (7,119)	3,909 (4,389)	3,880 (4,515)	24 (–309)	13,816 (15,714)
Free cash flow (before income taxes)	9,525 (10,479)	5,808 (5,473)	9,534 (10,836)	24 (–310)	24,891 (26,478)
Working capital*	9,694 (398)	–6,712 (1,936)	2,712 (4,639)	–2,642 (–1,408)	3,052 (5,565)
Order intake	44,806 (44,394)	33,867 (31,612)	102,867 (96,301)	–4,332 (–5,867)	177,208 (166,440)
Tangible assets, investments properties and intangible assets*	106,616 (80,124)	70,912 (40,108)	121,778 (94,267)	883 (3,623)	300,189 (218,122)
Investments excluding company acquisitions	91,284 (92,590)	16,361 (17,040)	37,359 (38,066)	104,500 (106,846)	249,504 (254,542)
Depreciation and amortization	2,594 (2,669)	773 (1,195)	2,519 (2,674)	891 (1,231)	6,777 (7,769)
Employees on annual average (without trainees)	5,265 (11,600)	1,901 (1,942)	3,259 (3,361)	2,553 (2,655)	12,978 (19,558)
	1,182 (1,321)	630 (773)	1,015 (1,035)	147 (132)	2,974 (3,261)

* Previous year's figures as at December 31, 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS 2010.

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 ("interim report") as at June 30, 2010, 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 2009. 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 2009. The Annual Report can be called up on the Internet at www.jenoptik.com, on the Investors page under the heading Reports & Presentations.

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

In the opinion of the management, the 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 business of the company in the periods under report.

Companies included in consolidation.

The consolidated financial statements include 17 (prev. year 18) domestic and 8 (prev. year 10) foreign companies fully consolidated. 2 (prev. year 2) joint venture companies are included in the consolidation at equity or proportionally and 1 (prev. year 1) domestic associated company is shown at equity.

Itemization of key items in the financial statements.

TANGIBLE ASSETS in TEUR	30.6.2010	31.12.2009
Land and buildings	87,984	89,753
Technical equipment and machines	36,692	38,303
Other equipment, factory and office equipment	19,221	21,119
On-account payments and assets under construction	3,684	2,968
	147,581	152,143

INVENTORIES in TEUR	30.6.2010	31.12.2009
Raw materials and supplies	60,687	56,809
Work in progress	87,943	81,822
Finished goods and merchandise	13,629	16,034
	162,259	154,665

ACCOUNTS RECEIVABLE AND OTHER ASSETS in TEUR	30.6.2010	31.12.2009
Trade accounts receivable	72,275	70,873
Receivables from construction contracts	10,579	9,925
Receivables from non-consolidated affiliated companies	3,892	4,195
Receivables from participating interests	1,292	1,869
Other assets	13,884	16,378
	101,922	103,240

NON-CURRENT FINANCIAL LIABILITIES in TEUR	30.6.2010	31.12.2009
Non-current bank liabilities	145,258	154,396
Non-current liabilities from finance leases	3,128	3,822
	148,386	158,218

CURRENT FINANCIAL LIABILITIES in TEUR	30.6.2010	31.12.2009
Bank liabilities	11,715	12,478
Liabilities from finance leases	1,027	1,054
	12,742	13,532

OTHER CURRENT LIABILITIES in TEUR	30.6.2010	31.12.2009
Liabilities from on-account payments received	22,687	23,848
Trade accounts payable	39,303	38,541
Liabilities from construction contracts	5,915	6,634
Liabilities to affiliated companies	1,995	2,136
Liabilities to participating interests	3,472	3,271
Other current liabilities	30,616	30,200
	103,988	104,630

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 2009.

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 11, 2010

Dr. Michael Mertin
Chairman of the
Executive Board

Frank Einhellinger
Executive Board Member

DATES 2010

AUGUST 12, 2010
Publication of the Interim Report
1st half-year 2010

NOVEMBER 11, 2010
Publication of the Interim Report
3th quarter 2010

INVESTOR RELATIONS

Steffen Schneider
Phone + 49 3641 65-2244
Fax + 49 3641 65-2804
E-mail: ir@jenoptik.com

PUBLIC RELATIONS

Katrin Lauterbach
Phone + 49 3641 65-2255
Fax + 49 3641 65-2484
E-mail: pr@jenoptik.com

www.jenoptik.com