JENOPTIK

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Interim Financial Report of the Jenoptik Group (UNAUDITED)

JANUARY TO MARCH 2015

At a glance – Jenoptik Group

in million euros	Jan. - March 2015	Jan. - March 2014	Change in %
Revenue	145.8	136.9	6.4
Lasers & Optical Systems	56.3	58.6	-3.9
Metrology	46.5	40.8	14.0
Defense & Civil Systems	42.7	37.5	13.9
Others[1]	0.2	0.0	
EBITDA	15.8	14.8	7.2
Lasers & Optical Systems	7.1	10.5	-32.4
Metrology	4.4	4.1	6.4
Defense & Civil Systems	2.0	0.3	564.8
Others[1]	2.3	-0.2	
EBIT	8.7	10.5	-17.2
Lasers & Optical Systems	4.8	8.5	-43.2
Metrology	2.5	3.4	-24.0
Defense & Civil Systems	0.8	-0.9	183.9
Others[1]	0.6	-0.4	
EBIT margin	6.0%	7.7%	
Lasers & Optical Systems	8.6%	14.5%	
Metrology	5.5%	8.2%	
Defense & Civil Systems	1.9%	-2.5%	
Earnings before tax	9.8	9.0	9.2
Earnings after tax	8.3	7.7	7.4
Earnings per share	0.14	0.13	
Free cash flow	-3.3	-10.7	69.1
Order intake	166.8	160.3	4.1
Lasers & Optical Systems	61.9	65.3	-5.2
Metrology	55.5	44.7	24.1
Defense & Civil Systems	50.7	49.8	1.9
Others[1]	-1.3	0.5	

in million euros	March 31, 2015	Dec. 31, 2014	March 31, 2014
Order backlog	447.4	422.5	432.8
Lasers & Optical Systems	108.3	100.8	100.4
Metrology	88.5	77.2	76.1
Defense & Civil Systems	253.5	245.9	258.3
Others[1]	-2.8	-1.4	-2.1
Employees (incl. trainees)	3,570	3,553	3,474
Lasers & Optical Systems	1,361	1,377	1,390
Metrology	1,030	1,030	949
Defense & Civil Systems	900	885	898
Others[1]	279	261	237

[1] Others includes holding, SSC, real estate and consolidation.

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

Summary of the months January to March 2015

- Highest revenue generated by the Group in a first quarter for a number of years. Revenue up on prior year at 145.8 million euros (prior year 136.9 million euros). Metrology and Defense & Civil Systems segments post encouraging revenue growth. Demand from the semiconductor equipment industry remained weak. Revenue boosted in Germany, Europe and Asia.
  See Earnings and Order Situation – from page 7.

- EBITDA increased to 15.8 million euros (prior year 14.8 million euros). Gross margin came to 34.4 percent. As expected, EBIT of 8.7 million euros was down on prior year (prior year 10.5 million euros, incl. one-off effects). Earnings after tax (EAT) boosted to 8.3 million euros, up on the prior-year figure of 7.7 million euros.
  See Earnings and Order Situation – page 7.

- Group financing reorganized. Net debt of 111.2 million euros was as expected above 2014 year-end figure. Equity ratio rose to 51.5 percent.
  See Financial and Asset Situation – page 9.

- Positive order situation creates good conditions for further revenue recognition in the course of the year: at 166.8 million euros, order intake was above prior-year figure (prior year 160.3 million euros). Book-to-bill ratio at 1.14 (prior year 1.17).
  See Earnings and Order Situation – page 7.

- Lasers & Optical Systems segment: Subdued demand, particularly from the semiconductor equipment industry, produced lower revenue and earnings than in prior year.

  Metrology segment: Revenue and order intake were improved. EBIT declined in part due to depreciation effects from acquired companies.

  Defense & Civil Systems segment: Revenue and earnings were increased. Order intake includes major order to equip the Patriot missile defense system received from the US.
  See Segment Reporting – from page 11.

- The Group will in future gear its organizational structure more towards customer and market requirements. The Executive Board reaffirms its 2015 guidance under the current economic conditions. Revenue is expected to come in at between 650 and 690 million euros. An EBIT margin of between 8.5 and 9.5 percent is expected.
  See Forecast Report – page 16.

1 Business and Framework Conditions

1.1 Group Structure and Business Activity

The Jenoptik Group is active in the three segments
- Lasers & Optical Systems
- Metrology
- Defense & Civil Systems.

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

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

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

1.2 Development of the Capital Market and the Jenoptik Share

The first quarter of 2015 was characterized by predominantly buoyant stock markets and geopolitical events at European level. Fears of a deflationary spiral and an escalating situation in Ukraine, together with worries about a Greek withdrawal from the euro zone, still posed a risk to lasting economic recovery, unsettling participants in the capital market. Favorable financing costs, low energy prices and the weak euro all helped to stimulate economic activity in the first quarter of 2015. In March, the ECB launched a bond purchasing program – known as quantitative easing – valued at 60 billion euros a month, marking a new level of financial repression and a concomitant surge in demand for tangible assets and shares. Since the start of the year, the Dax has recorded the best performance in its 26-year history: Germany's benchmark index reached a new all-time high of 12,167 points with no resistance on March 16, 2015. At the end of trading on March 31, 2015, the Dax was at 11,966 points, thus closing the first quarter with a gain of 22.5 percent. The TecDax fared somewhat more modestly, moving from an initial 1,382 points to a new first-quarter high of 1,673 on March 16, 2015. At the end of trading on March 31, the TecDax was at 1,615 points, a year-to-date increase of 16.9 percent.

Up to the end of March, the Jenoptik share price was consistent with the upward trend reflecting the overall development of the market. From the start of the year, the share rose from 10.60 euros to 12.60 euros on March 31, 2015, an increase of 18.9 percent. Over the period covered by the report, the share saw its lowest closing price of 10.22 euros on January 7, 2015; it reached its highest Xetra closing price of 13.43 euros on March 16, 2015. On April 30, the share closed on Xetra trading at 10.85 euros, equating to a slight increase of around 2 percent in the current year.

EARNINGS PER SHARE

	1/1/ to 31/3/2015	1/1/ to 31/3/2014
Net profit in thousand euros	8,084	7,691
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.14	0.13

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

In the first quarter of 2015, Oddo Asset Management reduced its stake in Jenoptik to 2.97 percent. In addition, on March 31, 2015, our longstanding major shareholder, ECE Industriebeteiligungen GmbH, also sold the entirety of its remaining investment holdings in Jenoptik to institutional investors, primarily in other European countries, as part of an accelerated book building process. The company's free float increased from 74.99 to 89.0 percent following the replacement of shares.

In the last twelve months (LTM), the liquidity of the Jenoptik share on the German stock exchanges increased sharply on the reference period from April 2013 to March 2014. Through the end of March 2015, an average of 193,101 shares were traded per day, approximately 40 percent more (reference period 133,134). According to the rankings compiled by Deutsche Börse on March 31, 2015, Jenoptik remained in 19th place (prior year 19th place) in terms of free float market capitalization (74.99 percent). With regard to stock turnover, Jenoptik remained unchanged in 22nd place. Market capitalization fell from 753.8 million euros on the last day of trading in the first quarter 2014 to 721.2 million euros on March 31, 2015.

Following its release of the preliminary 2014 business figures in January, in March 2015 the Jenoptik Executive Board presented the finalized results of the past fiscal year and the outlook for 2015 to investors and analysts by conference call and at an analyst conference in Frankfurt/Main. The management also presented the company and its course of business at banking conferences in Warsaw and Frankfurt, and at roadshows in Copenhagen, Hamburg, Helsinki and Vienna.

In the first three months of 2015, 16 research institutes respectively banks regularly reported on Jenoptik. The share analysts recommended either buying or holding the Jenoptik share. The average price target issued by all analysts combined at the time the report was created was 12.41 euros.

JENOPTIK KEY SHARE FIGURES

Closing share price (Xetra) at quarter end in euros	12.60
Highest share price (Xetra) within the first quarter in euros	13.43
Lowest share price (Xetra) within the first quarter in euros	10.22
Market capitalization (Xetra) at quarter end in million euros	721.2
Average daily trading volume[1] (shares)	193,101

[1] Source: Deutsche Börse

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

According to the International Monetary Fund (IMF), the **global economy** showed moderate growth in the first quarter of 2015. The IMF sees the strengthening of the US dollar against other key currencies as generally positive, chiefly benefiting Europe and Japan. It also considers lower oil prices as having a stimulating impact on the global economy.

In the first quarter, the **US economy** grew by an annualized growth rate of only 2 percent and thus much weaker than expected. In the fourth quarter 2014 economic output still increased by 2.2 percent after revision by the US Department of Commerce. Sluggish momentum in the first quarter 2015 was primarily due to the strong US dollar which inhibited exports. Temporary factors such as the long winter also dampened the upswing seen last year.

Following a gross domestic product (GDP) rise of 0.3 percent in the **euro zone** in the final quarter of 2014, the ifo Institute reported a further increase of 0.4 percent in the first quarter of 2015 compared with the prior quarter. This growth was sustained by the drop in oil prices, the weaker euro and the European Central Bank's lowering of interest rates.

Economists report a relatively solid upswing in the **German economy**. The ifo Business Climate index assessed the present situation in the first quarter up until April as positive. However, industrial orders up to February fell against expectations and only rose slightly in March.

China's National Bureau of Statistics reported a 7.0 percent increase in economic output for the first quarter compared with the same quarter in the prior year, the lowest rise in the last six years. Industrial production saw growth toward the end of the quarter, but at 5.6 percent was far behind the forecast figures of 6.9 percent. Imports and exports also declined unexpectedly. The strength of the Chinese currency against the euro had a negative impact on export business with the EU.

In the **Optical Technologies** world market index, the German industry association Spectaris analyzes the development of revenue at 15 international photonics companies, including Jenoptik. In the fourth quarter 2014, revenue rose on the prior quarter by 4.9 percent. More recent figures were not available at the reporting date. Based on a survey of member companies published in March 2015, Spectaris expects the German photonics industry to have generated approximately 29.4 billion euros of revenue in 2014. The year-on-year increase of just over 3 percent was only achieved on the back of foreign business, while domestic business stagnated. For the German medical technology sector, the Spectaris survey reported growth in revenue of 2.3 percent, to 25.2 billion euros.

In mid-March 2015, the Semiconductor Equipment and Material International (SEMI) trade association published its finalized 2014 figures for the **semiconductor equipment industry.** Compared to the prior year, the equipment manufacturers' global revenue rose 18 percent to 37.5 billion US dollars.

According to the **German Engineering Federation** (VDMA), order intake rose by 2 percent in the first quarter compared to the same period in the prior year, with weak domestic figures reflecting a general reluctance to invest in Germany. In the German machine tool industry order intakes in the first three months even fell by by 8 percent compared to the same period in the prior year, according to the VDE industry association. This was attributable in particular to a substantial decline in domestic orders of almost 20 percent.

In April, the German Electrical and Electronic Manufacturers' Association (ZVEI) published its annual figures for the **German automation industry.** Compared to the prior year, 2014 revenues increased just 0.4 percent to 46.7 billion euros; order intake rose by 3.5 percent. China and the US had the greatest share of exports; with excellent export growth of just under 10 percent, South-East Asia was also a key target for German manufacturers.

The German Association of the **Automotive Industry** (VDA) reported significant increases in new registrations in the three major automotive markets of China, the US and Western Europe, the latter slowly continuing its steady recovery. Sales in Russia, Brazil and Japan, by contrast, were far below prior-year figures.

In the area of **traffic safety**, the Federal Statistical Office of Germany published its 2014 traffic safety accident statistics in late February. For the first time in many years, the number of road deaths in Germany crept up again: 3,368 people died on the roads in 2014, almost 1 percent more than in the prior year. The number of injuries also increased again. Averaged across Europe, fatalities fell by around 1 percent.

According to figures from the **German Railway Industry Association** (VDB) in April 2015, German rail engineering manufacturers achieved a new revenue record in the prior year, up almost a quarter on 2013 to 12.5 billion euros. Order intake, however, declined sharply, with a fall in orders of over 36 percent to 9.5 billion euros.

Global spending on **security and defense technology** fell for the third time in succession in 2014, according to the Swedish International Peace Research Institute SIPRI. The 0.4 percent contraction to approximately 1.78 trillion US dollars, however, was only due to cuts in US defense budgets. Against this, spending in Eastern Europe rose considerably, particularly in conflict-ridden Russia and Ukraine, and in the Baltic states. With an increase of 17 percent, Saudi Arabia reported the greatest rise in armaments spending, in part reflecting the ongoing conflicts in the Middle East, according to SIPRI. SIPRI's ranking of arms exporters showed China in third place behind both the US and Russia. Germany was thus no longer one of three largest exporters of armaments (fourth place).

No important new reports were published for other sectors relevant to Jenoptik in the first quarter 2015. We therefore refer to the details from page 64 on in the 2014 Annual Report.

2 Earnings, Financial and Asset Position

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

2.1 Earnings and Order Situation

Development of revenue. In the first three months of 2015, Jenoptik generated revenue of 145.8 million euros (prior year 136.9 million euros), equating to year-on-year growth of 6.4 percent, thereby mitigating its slow start in January. This is also the highest revenue generated by the Group in a first quarter for a number of years. The Metrology as well as Defense & Civil Systems segments reported growth, while revenue in the Lasers & Optical Systems segment remained below the prior-year value due to subdued demand from the semiconductor equipment industry.

At the end of the first quarter 2015, the share of revenue generated abroad was 64.3 percent (prior year 64.5 percent) and thus at the same level as in the prior year. Compared to the first three months of 2014, revenue in Europe (excluding Germany) grew strongly by approximately 21 percent to 43.5 million euros (prior year 35.8 million euros), primarily due to acquisitions in the traffic safety technology sector. The Metrology segment more than doubled its revenue figures in this region. Jenoptik also saw growth in Germany and the Asia/Pacific region.

Development of earnings. In the first three months of 2015, the Group reported an increase in EBITDA of 7.2 percent to 15.8 million euros, compared with 14.8 in the same prior-year period. Despite a marginal rise in revenue, income from operations (EBIT) of 8.7 million euros did not, as expected, reach the prior-year level (prior year 10.5 million euros). Earnings in the period covered by the report were influenced by both a changed revenue mix and depreciation effects, in part from the acquisition of Vysionics in November 2014. EBIT in the first quarter of 2014 also included positive one-off effects from the disposal of a systems technology no longer part of the core business and in connection with a real estate sale. The EBIT margin was down from 7.7 percent to 6.0 percent.

Primarily bolstered by exchange rate gains, the financial result increased to 1.1 million euros (prior year minus 1,5 million euros).

This improved financial result allowed the Group to achieve higher earnings before tax (EBT) than in the prior year of 9.8 million euros (prior year 9.0 million euros). Income taxes totaled 1.6 million euros (prior year 1.1 million euros). The cash-effective tax rate was thus 16.0 percent (prior year 11.9 percent). Earnings after tax (EAT) boosted to 8.3 million euros, up on the prior-year figure of 7.7 million euros.

Order situation. At 166.8 million euros, the order intake of the Jenoptik Group in the first three months of 2015 was 4.1 percent higher than the prior-year figure (prior year 160.3 million euros). The Metrology segment reported a sharp increase, while the order intake in the Lasers & Optical Systems segment was below the prior-year figure. The order intake includes the expected major order to equip the Patriot missile defense system received by Jenoptik from the US company Raytheon.

The book-to-bill ratio, that of order intake to revenue, was 1.14 and slightly below the level of the first quarter 2014 due to the stronger growth in revenue (prior year 1.17).

REVENUE

in million euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014	Change in %
Total	145.8	136.9	6.4
Lasers & Optical Systems	56.3	58.6	-3.9
Metrology	46.5	40.8	14.0
Defense & Civil Systems	42.7	37.5	13.9
Others	0.2	0.0	

INCOME FROM OPERATIONS (EBIT)

in million euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014	Change in %
Total	8.7	10.5	-17.2
Lasers & Optical Systems	4.8	8.5	-43.2
Metrology	2.5	3.4	-24.0
Defense & Civil Systems	0.8	-0.9	183.9
Others	0.6	-0.4	

The higher order intake resulted in an increase in the Group order backlog, which at 447.4 million euros exceeded the comparative figure by 5.9 percent (31/12/2014: 422.5 million euros; 31/03/2014: 432.8 million euros). Of this order backlog, 64.3 percent will be converted into revenue in the present fiscal year. This has created good conditions for growth in subsequent quarters.

Detailed information on the development of the segments can be found in the Segment Reporting from page 11 on.

2.2 Explanation of Key Items in the Statement of Comprehensive Income

The **cost of sales** rose by 7.4 percent to 95.6 million euros (prior year 89.0 million euros), and was in particular influenced by the changed revenue mix and the acquisitions completed in 2014. The gross margin consequently fell to 34.4 percent (prior year 35.0 percent).

Research and development expenditure, key indicator of the Group's future performance and competitiveness, remained at a high level. The **R+D total output** came to 13.4 million euros following 13.1 million euros in the comparable period of the prior year, equating to 9.2 percent of revenue (prior year 9.5 percent). The indicator includes the R+D expenses, development costs on behalf of customers and amortization of the capitalized development costs which are included in assets. The costs are apportioned according to the contract structure and are thus dependent upon individual orders or projects. The development costs on behalf of customers in the period covered by the report totaled 2.4 million euros (prior year 3.5 million euros) and are included in the cost of sales. Group R+D expenses came to 11.2 million euros at the end of the first quarter 2015 and were thus considerably higher than the figure for the prior year (prior year 9.7 million euros).

Jenoptik pushed on with its expansion of international activities in the first quarter of 2015, which was also reflected in its selling expenses. The latter increased to 19.3 million euros (prior year 15.7 million euros); the selling expenses ratio rose from 11.6 percent to 12.0 percent. Administrative expenses increased as scheduled to 13.3 million euros (prior year 12.1 million euros) with the expansion of key Group functions in the course of further internationalization as well as due to first-time consolidations in the course of 2014.

Both other operating income and other operating expenses increased in comparison with the prior year. Due partly to positive currency effects, the balance of both items showed a year-on-year improvement to 2.3 million euros (prior year 0.0 million euros).

Employees & management. As of March 31, 2015, the number of employees in the Jenoptik Group remained almost constant at 3,570 (31/12/2014: 3,553 employees; 31/3/2014: 3,474 employees). Due to the expansion of foreign companies, the number of employees abroad increased by approximately 2 percent. At the end of March 2015, 629 people were employed at the foreign locations (31/12/2014: 617 employees; 31/3/2014: 518 employees).

The Jenoptik Group had a total of 110 trainees as of March 31, 2015 (31/12/2014: 136 trainees). The Group had 146 agency employees in Germany (prior year 141 agency employees).

ORDER INTAKE

in million euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014	Change in %
Total	166.8	160.3	4.1
Lasers & Optical Systems	61.9	65.3	-5.2
Metrology	55.5	44.7	24.1
Defense & Civil Systems	50.7	49.8	1.9
Others	-1.3	0.5	

ORDER BACKLOG

in million euros	31/3/2015	31/12/2014	Change in %
Total	447.4	422.5	5.9
Lasers & Optical Systems	108.3	100.8	7.4
Metrology	88.5	77.2	14.7
Defense & Civil Systems	253.5	245.9	3.1
Others	-2.8	-1.4	

2.3 Financial and Asset Position

A robust equity ratio in conjunction with the issued debenture loans and the syndicated loan agreement newly concluded in March 2015 and increased from 120 to 230 million euros all give Jenoptik a viable financing structure and sufficient room for maneuver to finance future growth. In April 2015, Jenoptik further boosted its financing power and liquidity supply by successfully placing new debenture loans. Further information on these can be found in the Report on Post-Balance Sheet Events on page 14.

The better equity position resulted in the debt ratio, that of borrowings to equity, improving from 1.00 as at the end of 2014 to 0.94 on March 31, 2015.

With the increased order intake and in preparation for future customer projects, working capital was also built up in the first three months of 2015. Together with the payment made to the last remaining silent investor in a Jenoptik real estate fund in January 2015, this, as expected, resulted in a rise in **net debt** as of March 31, 2015, to 111.2 million euros (31/12/2014: 92.1 million euros).

Capital expenditure. In the first quarter of 2015, the Group invested 5.9 million euros in property, plant and equipment and intangible assets (prior year 5.4 million euros). Property, plant and equipment accounted for the largest share of capital expenditure, at 5.2 million euros, including new technical equipment and an expansion in production capacities (prior year 4.1 million euros). Investments in intangible assets, at 0.7 million euros in the first three months, fell below the figure for the same period in the prior year (prior year 1.2 million euros). Scheduled depreciation and amortization in the Jenoptik Group totaled 7.1 million euros (prior year 5.5 million euros) and also includes depreciation effects from acquisitions in the last fiscal year.

At 779.8 million euros, the **balance sheet total** of the Jenoptik Group as of March 31, 2015 marginally exceeded the figure at the end of 2014 (31/12/2014: 771.7 million euros).

The increase in intangible assets, property, plant and equipment and financial assets resulted in a rise in **non-current assets** to 397.8 million euros (31/12/2014: 389.5 million euros).

Compared to year-end 2014, **current assets** remained virtually unchanged at 382.0 million euros (31/12/2014: 382.2 million euros). Inventories rose to 194.8 million euros (31/12/2014: 179.0 million euros), as in prior years due to prefabrications for future revenues in the first quarter, while cash and cash equivalents fell to 51.0 million euros (31/12/2014: 69.5 million euros). This drop is primarily a result of the payment of 12.4 million euros to the silent real estate investor made in January 2015. There are now no further silent investments or claims.

Primarily on the back of increased inventories and lower trade payables, the **working capital** saw a sharp rise to 237.3 million euros at the end of the first quarter 2015 (31/12/2014: 217.5 million euros). The working capital ratio, that of working capital to revenue based on the last twelve months, was above the figure at year-end 2014, at 39.6 percent (31/12/2014: 36.9 percent).

R+D OUTPUT

in million euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014	Change in %
R+D output	13.4	13.1	2.2
R+D expenses	11.2	9.7	14.8
Capitalized development costs	0.1	0.1	54.6
Depreciation and impairment on capitalized development costs	-0.3	-0.2	-16.4
Developments on behalf of customers	2.4	3.5	-32.5

EMPLOYEES (INCL. TRAINEES)

	31/3/2015	31/12/2014	Change in %
Total	3,570	3,553	0.5
Lasers & Optical Systems	1,361	1,377	-1.2
Metrology	1,030	1,030	0.0
Defense & Civil Systems	900	885	1.7
Others	279	261	6.9

The earnings after tax (EAT) posted at the end of March, together with exchange rate effects, resulted in **equity** increasing to 401.9 million euros (31/12/2014: 386.6 million euros). The equity ratio thereby improved to 51.5 percent (31/12/2014: 50.1 percent).

Compared to the end of December 2014, **non-current liabilities** were virtually unchanged at 219.3 million euros (31/12/2014: 216.6 million euros). There were also no significant changes in the items included, such as non-current financial liabilities and pension provisions. As at the end of March 2015, non-current liabilities include debenture loans placed in the 2011 fiscal year, totaling 90 million euros and with terms of five and seven years.

Current liabilities reduced to 158.7 million euros and were thus 9.9 million euros below the figure at the end of 2014 (31/12/2014: 168.5 million euros). This was primarily due to lower trade payables, which fell from 53.6 million euros to 42.1 million euros, and a reduction in the other current liabilities following the payment made to the silent real estate investor. By contrast, other current provisions saw a rise, chiefly attributable to the periodic build-up of personnel provisions. There were virtually no changes to the other items included in current liabilities.

Cash flows from operating activities were mainly influenced by payments for the working capital, and at minus 0.8 million euros as of March 31, 2015 were still considerably above the prior year's figure of minus 7.1 million euros.

Higher capital expenditure in property, plant and equipment and intangible assets was primarily reflected in the **cash flows from investing activities**. In the first quarter 2015, Jenoptik's capital expenditure, at 6.1 million euros, was higher than in the same period of 2014 (prior year 5.0 million euros).

The **free cash flow** (cash flows from operating activities before interest and tax minus payments for operating investing activities) was mainly influenced by the increase in working capital in the period covered by the report. At minus 3.3 million euros it was higher than the prior-year figure of minus 10.7 million euros.

The **cash flows from financing activities** amounted to minus 15.8 million euros (prior year minus 2.4 million euros), and were particularly influenced by changes in group financing resulting from the above-mentioned payment to the silent real estate investor.

Purchases and sales of companies. There were no purchases or sales of companies in the first quarter 2015.

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

3 Segment reporting

3.1 Lasers & Optical Systems segment

The Lasers & Optical Systems segment reported a slow start of business in the first three months of 2015: the segment generated 56.3 million euros of **revenue**, 3.9 percent less than in the prior year (prior year 58.6 million euros). One reason for this was the demand in the semiconductor equipment sector which was considerably lower than in the strong prior-year quarter. By contrast, business with laser systems and optoelectronic modules, for example for medical technology applications, got off to a good start in 2015.

At 38.6 percent, the segment enjoyed the greatest share of group revenue (prior year 42.8 percent). Revenue in Europe (including Germany) fell from 33.1 million euros to 28.7 million euros, while revenue in Asia/Pacific increased from 10.9 million euros in the prior year to 11.9 million euros. In America, business saw a slight rise in revenue from 11.8 million euros to 12.2 million euros.

The moderate development of revenue at the start of the year in conjunction with a lower margin in the product mix and increased development expenses in the segment resulted in **earnings before interest, taxes, depreciation and amortization (EBITDA)** falling 32.4 percent to 7.1 million euros (prior year 10.5 million euros). **Income from operations (EBIT)** accordingly declined 43.2 percent and over the three-month period was 4.8 million euros, compared to 8.5 million euros in the prior year. The prior year's operating result, however, was influenced by the positive one-off effect of the sale of a systems technology. The EBIT margin fell to 8.6 percent (prior year 14.5 percent).

The segment **order intake**, at 61.9 million euros, was 5.2 percent below the figure for the prior year (prior year 65.3 million euros) but higher than revenue in the period covered by the report. Set against revenue, this results in a book-to-bill ratio of 1.10 (prior year 1.11).

The **order backlog** in the Lasers & Optical Systems segment continued to grow. It came to 108.3 million euros at the end of March 2015, 7.4 percent higher than at the end of 2014 (31/12/2014: 100.8 million euros).

In the first three months of 2015, the number of **employees** was just below the level as at year-end 2014, with 1,361 employees (31/12/2014: 1,377 employees).

THE SEGMENT AT A GLANCE

in million euros	31/3/2015	31/3/2014	Change in %
Revenue	56.3	58.6	-3.9
EBITDA	7.1	10.5	-32.4
EBIT	4.8	8.5	-43.2
EBIT margin	8.6%	14.5%	
Order intake	61.9	65.3	-5.2
Order backlog[1]	108.3	100.8	7.4
Employees[1]	1,361	1,377	-1.2

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

3.2 Metrology Segment

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

In the first three months of 2015, **revenue** in the segment therefore rose 14.0 percent on the same prior-year period to 46.5 million euros (prior year 40.8 million euros). Revenue in Europe (including Germany) grew sharply, by 57.3 percent, in particular as a result of the acquisitions in the traffic safety technology area. Revenue in America fell by 16.4 percent which is attributable to the traffic safety technology market in the US which has become more difficult for private companies. In Asia / Pacific, metrology revenues reduced by 5.8 percent. On the back of a good development of business, the segment's share of group revenue increased from 29.8 percent in the prior year to 31.9 percent.

In the period covered by the report, **earnings before interest, taxes, depreciation and amortization (EBITDA)** increased 6.4 percent to 4.4 million euros (prior year 4.1 million euros). The segment's **income from operations (EBIT)**, by contrast, fell 24.0 percent to 2.5 million euros (prior year 3.4 million euros). This development is in part due to depreciation effects arising from acquisitions made in the last fiscal year. At 5.5 percent, the EBIT margin was down on the prior year level of 8.2 percent.

THE SEGMENT AT A GLANCE

in million euros	31/3/2015	31/3/2014	Change in %
Revenue	46.5	40.8	14.0
EBITDA	4.4	4.1	6.4
EBIT	2.5	3.4	-24.0
EBIT margin	5.5%	8.2%	
Order intake	55.5	44.7	24.1
Order backlog[1]	88.5	77.2	14.7
Employees[1]	1,030	1,030	0.0

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

The **order intake** in the Metrology segment grew significantly to 55.5 million euros (prior year 44.7 million euros). This growth is primarily attributable to a higher order intake in the industrial metrology sector and the newly consolidated companies.

Compared to recognized revenue, the order intake in the first three months of 2015 was considerably higher; the book-to-bill ratio thus also improved to 1.19 (prior year 1.10).

At 88.5 million euros, the **order backlog** in the segment was also well above the figure at the end of 2014 (31/12/2014: 77.2 million euros).

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

Key events in the first three months of 2015.
At the start of the year, Jenoptik's Traffic Solutions divisions won a competitive tender for a nationwide pilot project to provide "section control" services. Jenoptik is supporting the project as a technical service provider and supplying the technology to record average speeds over defined sections of road. The first systems were installed in Lower Saxony in the first quarter 2015. The test phase for the new traffic monitoring systems was launched in April.

3.3 Defense & Civil Systems segment

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

In the first three months, **revenue** in the Defense & Civil Systems segment came to 42.7 million euros, 13.9 percent above the prior-year figure (prior year 37.5 million euros). This welcome development was predominantly due to a good start in the area of energy and sensor systems. The segment's share of group revenue, at 29.3 percent, remained largely stable compared to the same quarter in the prior year (prior year 27.4 percent).

A good development of business in the first three months of 2015 produced an **EBITDA** of 2.0 million euros (prior year 0.3 million euros). The segment **EBIT** improved from minus 0.9 million euros in the prior year to 0.8 million euros, chiefly due to higher revenue in absolute terms and higher margins in the product mix.

In the period covered by the report, the **order intake** increased by 1.9 percent, and at 50.7 million euros exceeded revenue in the current period and the order intake in the prior year (prior year 49.8 million euros). The book-to-bill ratio of 1.19 in the segment was below the prior-year figure of 1.33.

The segment's **order backlog** increased by a total of 7.6 million euros to 253.5 million euros (31/12/2014: 245.9 million euros).

As of March 31, 2015, the Defense & Civil Systems segment had 900 **employees**, 15 more than at the end of the 2014 fiscal year (31/12/2014: 885 employees).

Key events in the first three months of 2015.
The Defense & Civil Systems segment received an order from the US company Raytheon to supply mobile power generating units for the Patriot missile defense system in the first quarter 2015. In addition to these units, Jenoptik is also supplying related spare parts packages and test equipment for the Patriot Advanced Capability-3 (PAC-3) systems. The project should probably be completed in the current 2015 fiscal year.

THE SEGMENT AT A GLANCE

in million euros	31/3/2015	31/3/2014	Change in %
Revenue	42.7	37.5	13.9
EBITDA	2.0	0.3	564.8
EBIT	0.8	-0.9	183.9
EBIT margin	1.9%	-2.5%	
Order intake	50.7	49.8	1.9
Order backlog[1]	253.5	245.9	3.1
Employees[1]	900	885	1.7

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

4 Report on Post-Balance Sheet Events

Jenoptik has had a new Chief Financial Officer since April 1, 2015. Hans-Dieter Schumacher succeeds Rüdiger Andreas Günther, whose contract expired on March 31, 2015. He has been appointed for three years and is presently responsible for the areas of accounting and controlling, treasury, taxes, risk management and compliance, mergers and acquisitions, investor relations and strategic real estate management.

Jenoptik took advantage of favorable conditions on the capital markets to secure further financial room for maneuver and boost its long-term financing by exploiting new capital instruments. New debenture loans were successfully placed in April 2015. Including existing loans from the transaction in 2011, their value increased from 90 to 125 million euros.

5 Risk Report

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

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

6 Forecast report

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

The International Monetary Fund (IMF) has updated its forecast issued in January 2015 to reflect fears of an ongoing growth crisis in the **global economy**. Growth potential in industrialized nations and emerging economies is shrinking due to low investment. Economic development is also being jeopardized by the crises in Ukraine and the Middle East. The IMF additionally sees Greece as presenting a risk. A further revaluation of the US dollar could negatively impact emerging economies. Overall, it is forecasting growth of 3.5 percent for the global economy in 2015.

Following a weaker-than-expected first quarter, the IMF cut back its 2015 forecast for the **US economy** to 3.1 percent (prior forecast: 3.6 percent). It believes growth will continue to be aided by low energy prices, low inflation and a recovery of the real estate market.

In the **euro zone**, the IMF is anticipating a minor economic upswing in 2015 due to lower oil prices and the weaker euro. The ifo Institute comes to a similar conclusion: these two factors will produce robust growth in consumer spending and stronger exports. In the long run, however, the euro zone will see weak economic growth, according to the IMF, this being due to the debt crisis affecting many European countries.

In **Germany**, the Federal Government is expecting a rise in GDP of 1.8 percent in 2015 and 2016, sustained by strong domestic demand and a sound increase in exports due to the weak euro. Leading economic institutes are forecasting growth as high as 2.1 percent.

GROWTH FORECAST OF GROSS DOMESTIC PRODUCT

in %	2015	Change to forecast of January 2015	2016
World	3.5	0.0	3.8
US	3.1	-0.5	3.1
Euro zone	1.5	0.3	1.6
Germany	1.6	0.3	1.7
China	6.8	0.0	6.3
Emerging economies	4.3	0.0	4.7

Source: International Monetary Fund, April 2015

According to the Chinese government, **China's economy** will grow by around just 7 percent and thus more slowly than in the prior year. The IMF is expecting a year-on-year rise in GDP of 6.8 percent. It has raised its forecast for India by 1.2 percentage points to 7.2 percent, with growth underpinned by reforms, increasing capital expenditure and lower oil prices. **Russia's** economic output will contract 3.8 percent in 2015, according to the IMF, a result of low oil prices, international sanctions and the devaluation of the ruble.

For the **German photonics sector**, the Spectaris industry association anticipates a 4.5 percent increase in revenue to approximately 30.7 billion euros in 2015.

Semiconductor equipment manufacturers are expecting revenue in the second quarter 2015 to stagnate or change only slightly compared with the first quarter. However, the first half year 2015 in total is forecast to be better than the second half-year of 2014.

At the Hannover Messe, the VDMA confirmed its production forecast for the **German machine construction industry** of plus 2 percent in the current year. Although the lower external value of the euro is promoting exports, the association is warning of issues relating to the pressures Europe is facing and a general reluctance to invest.

For the strongly export-oriented **automation industry**, the ZVEI association is optimistic for 2015 in the light of order intakes in the prior year and is expecting a slight rise in revenue growth. Stimulus will come from the increasing networking and digitization of industrial value creation ("Industry 4.0").

According to a study by Boston Consulting, the pressure on **automotive suppliers** is growing due to cost saving measures and the increasing international reach of automotive manufacturers. Over the next five years, the number of main German plants could therefore shrink from 46 to 39, while the number of factories in China rises by 15 to 25. The key to success for car manufacturers and suppliers, say analysts from McKinsey, are luxury-class vehicles and the Chinese and US sales markets.

In the US the market for **traffic safety technology** is becoming increasingly difficult for private companies in this sector. Already 16 US states have prohibited or abstain from using speed and red light monitoring. In some states new contracts for traffic monitoring may not be concluded; in some cases extensions of contracts are only possible until the middle of the year. The only exception is speed monitoring in front of schools and school buses as well as on double bend roads.

Many companies are trying to make up for budget cuts in **security and defense technology** with restructuring processes and exports abroad. As a result, the international markets are becoming increasingly contested. In response to the Ukraine crisis, the German armed forces are planning to increase their stock of Leopard 2 tanks by 100 to a total of 320 by 2017. In this context, used tanks will be bought back from industry and modernized. This revokes the original plan to reduce numbers to 225 Leopard 2 tanks adopted in the course of the reform of the armed forces. In addition, the armed forces budget is due to increase from 2017. China also plans to spend around 10 percent more on its armed forces in the future.

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

6.2 Long-term Forecasts and Targets

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

The German government's tightening of restrictions on export licenses for armaments and dual-use products already seen in the past fiscal year and in part due to the conflict between Russia and Ukraine remains unchanged. This could impact on Jenoptik's mid to long-term growth prospects.

The Jenoptik Group will consistently pursue the targets it has set and implement the next stages of its growth strategy. In the future, the Group will gear its organizational structure even more toward customer and market requirements. At present, it is reviewing the extent to which activities at business unit level within the individual segments can be reorganized and thus better targeted at markets such as the medical technology, automotive and semiconductor equipment sectors. In the medium term, Jenoptik anticipates annual revenue of around 800 million euros with an average EBIT margin of 9 to 10 percent over the market cycles, and including smaller corporate acquisitions, to be achieved by the end of 2018. More than 40 percent of the revenue is expected to be generated in the target regions Americas as well as Asia/Pacific.

6.3 Future Development of Business

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

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

On the back of a solid order and project pipeline in conjunction with positive effects from the traffic safety acquisition, the Executive Board is anticipating profitable growth in all segments for 2015. This presupposes that the political and economic conditions do not worsen. In particular, these include export restrictions, regulations at European level, the Russia/Ukraine conflict and other disruptions in the euro zone.

The Jenoptik Executive Board reaffirms its guidance published in March and is expecting Group revenue in 2015 of between 650 and 690 million euros (prior year 590.2 million euros) and an EBIT margin of between 8.5 and 9.5 percent (prior year 8.7 percent). It further anticipates an above average rise in the EBITDA compared to the prior year.

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

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014
Revenue	145,777	136,947
Cost of sales	95,600	88,994
Gross profit	50,177	47,953
Research and development expenses	11,156	9,717
Selling expenses	19,274	15,656
General and administrative expenses	13,346	12,058
Other operating income	8,713	5,669
Other operating expenses	6,379	5,645
EBIT	8,735	10,546
Investment result	-57	-38
Financial income	5,795	133
Financial expenses	4,628	1,625
Financial result	1,111	-1,530
Earnings before tax	9,845	9,016
Income taxes	-1,594	-1,334
Earnings after tax	8,251	7,682
Results from non-controlling interests	168	-9
Earnings attributable to shareholders	8,084	7,691
Earnings per share in euros (undiluted = diluted)	0.14	0.13

Other Comprehensive Income

in thousand euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014
Earnings after tax	8,251	7,682
Items that will never be reclassified to profit or loss	269	-50
Remeasurements	174	-50
Deferred taxes	96	0
Items that are or may be reclassified to profit or loss	6,789	201
Available-for-sale financial assets	647	474
Cash flow hedges	-335	-437
Foreign currency exchange differences	6,377	43
Deferred taxes	100	121
Other comprehensive income	7,058	151
Total comprehensive income	15,309	7,833
Thereof attributable to:		
Non-controlling interests	97	-9
Shareholders	15,213	7,842

Consolidated Statement of Financial Position

Assets in thousand euros	31/3/2015	31/12/2014	Change	31/3/2014
Non-current assets	397,780	389,509	8,272	331,258
Intangible assets	126,071	123,262	2,809	75,546
Property, plant and equipment	152,625	150,747	1,878	140,219
Investment property	16,337	16,358	-21	20,270
Financial assets	23,553	21,064	2,489	21,096
Other non-current assets	2,107	1,755	351	4,192
Deferred tax assets	77,087	76,322	765	69,935
Current assets	382,044	382,221	-177	361,992
Inventories	194,850	179,018	15,832	175,698
Trade and other receivables	135,827	133,396	2,431	128,625
Securities	357	312	45	590
Cash and cash equivalents	51,010	69,495	-18,485	57,079
Total assets	779,824	771,730	8,094	693,250

Equity and liabilities in thousand euros	31/3/2015	31/12/2014	Change	31/3/2014
Equity	401,902	386,593	15,309	374,890
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	60,030	44,817	15,213	31,545
Non-controlling interests	-1,233	-1,329	97	241
Non-current liabilities	219,252	216,612	2,640	172,940
Pension provisions	40,637	41,043	-406	28,127
Other non-current provisions	10,036	9,958	78	10,777
Non-current financial liabilities	156,936	156,825	111	115,242
Other non-current liabilities	10,131	7,043	3,088	17,194
Deferred tax liabilities	1,512	1,742	-230	1,600
Current liabilities	158,671	168,526	-9,855	145,420
Tax provisions	4,403	5,731	-1,328	3,322
Other current provisions	42,331	37,714	4,617	40,799
Current financial liabilities	5,582	5,077	506	1,150
Other current liabilities	106,355	120,004	-13,649	100,149
Total equity and liabilities	779,824	771,730	8,094	693,250

Statement of Changes in Equity

in thousand euros	Share capital	Capital reserve	Cumulative profit	Available-for-sale financial assets
Balance at 1/1/2014	148,819	194,286	47,674	470
Remeasurement of financial instruments				477
Remeasurement loss				
Foreign currency exchange differences				-16
Earnings after tax			7,691	
Balance at 31/3/2014	148,819	194,286	55,365	931
Balance at 1/1/2015	148,819	194,286	73,442	600
Remeasurement of financial instruments				647
Remeasurement profit				
Foreign currency exchange differences				
Earnings after tax			8,084	
Balance at 31/3/2015	148,819	194,286	81,526	1,247

Cash flow hedges	Cumulative exchange differences	Remeasurements	Non-controlling interests	Total	in thousand euros
-42	-1,663	-22,737	249	367,056	Balance at 1/1/2014
-318				159	Remeasurement of financial instruments
		-50		-50	Remeasurement loss
	58			42	Foreign currency exchange differences
			-9	7,682	Earnings after tax
-360	-1,605	-22,787	241	374,890	Balance at 31/3/2014
-945	4,042	-32,322	-1,329	386,593	Balance at 1/1/2015
-235				412	Remeasurement of financial instruments
		786		786	Remeasurement profit
	6,448	-517	-71	5,860	Foreign currency exchange differences
			168	8,251	Earnings after tax
-1,180	10,489	-32,052	-1,233	401,902	Balance at 31/3/2015

Consolidated Statement of Cash Flows

in thousand euros	1/1/ to 31/3/2015	1/1/ to 31/3/2014
Earnings before tax	9,845	9,016
Financial income and financial expenses	-1,167	1,492
Depreciation and amortization	7,112	5,520
Impairment losses and reversals of impairment losses	65	-1,220
Profit/loss from asset disposals	38	3
Other non-cash income/expenses	-1,812	31
Operating profit before adjusting working capital	14,082	14,842
Change in provisions	3,694	1,888
Change in working capital	-16,231	-20,580
Change in other assets and liabilities	986	-1,815
Cash flows from operating activities before income tax	2,531	-5,664
Income tax payments	-3,292	-1,411
Cash flows from operating activities	-761	-7,075
Proceeds from sale of intangible assets	0	101
Capital expenditure for intangible assets	-700	-1,250
Proceeds from sale of property, plant and equipment	31	211
Capital expenditure for property, plant and equipment	-5,182	-4,133
Proceeds from sale of financial assets	0	39
Capital expenditure for financial assets	-75	-72
Acquisition of consolidated entities	-411	0
Interest received	211	133
Cash flows from investing activities	-6,127	-4,970
Repayments of bonds and loans	-49	-15
Payments for finance leases	-16	-9
Change in Group financing	-14,261	-2,099
Interest paid	-1,450	-311
Cash flows from financing activities	-15,776	-2,434
Change in cash and cash equivalents	-22,663	-14,479
Effects of movements in exchange rate on cash held	4,178	-7
Cash and cash equivalents at the beginning of the period	69,495	71,565
Cash and cash equivalents at the end of the period	51,010	57,079

Segment Reporting

January 1 – March 31, 2015

in thousand euros	Lasers & Optical Systems	Metrology	Defense & Civil Systems	Others	Consolidation	Group
Revenue	56,305	46,531	42,742	7,856	-7,657	145,777
	(58,579)	(40,823)	(37,529)	(7,411)	(-7,395)	(136,947)
Germany	12,345	11,775	27,641	7,200	-6,984	51,977
	(15,765)	(11,657)	(21,030)	(7,068)	(-6,943)	(48,577)
Europe	16,378	16,834	10,263	27	-27	43,475
	(17,339)	(6,533)	(11,964)	(22)	(-21)	(35,836)
Americas	12,190	9,736	3,419	493	-505	25,333
	(11,849)	(11,640)	(3,727)	(235)	(-360)	(27,091)
Middle East and Africa	3,462	2,519	856	0	0	6,836
	(2,766)	(4,976)	(444)	(0)	(0)	(8,186)
Asia/Pacific	11,930	5,667	563	136	-141	18,155
	(10,860)	(6,018)	(365)	(86)	(-71)	(17,258)
EBIT	4,823	2,546	794	598	-25	8,735
	(8,496)	(3,351)	(-946)	(-263)	(-92)	(10,546)
EBITDA	7,119	4,388	2,041	2,325	-25	15,848
	(10,533)	(4,124)	(307)	(-87)	(-92)	(14,785)
Investment result	-63	0	0	935	-929	-57
	(-45)	(0)	(0)	(7)	(0)	(-38)
Research and development expenses	4,397	4,836	1,855	150	-82	11,156
	(3,841)	(4,578)	(1,388)	(99)	(-189)	(9,717)
Free cash flow (before income taxes)	-1,179	1,757	1,640	-1,860	-3,679	-3,321
	(1,435)	(-1,557)	(-3,526)	(-7,018)	(-68)	(-10,734)
Working capital[1]	69,273	66,388	105,994	-4,306	-31	237,318
	(59,223)	(60,738)	(103,381)	(-5,794)	(-30)	(217,518)
Order intake	61,889	55,495	50,706	7,856	-9,159	166,786
	(65,312)	(44,713)	(49,780)	(7,415)	(-6,928)	(160,292)
Total assets[1]	215,010	209,283	189,145	361,586	-195,200	779,824
	(206,377)	(198,500)	(188,371)	(378,970)	(-200,488)	(771,730)
Total liabilities[1]	73,865	154,909	148,876	195,457	-195,185	377,922
	(72,357)	(148,092)	(147,587)	(217,627)	(-200,526)	(385,137)
Capital expenditure	1,629	1,036	1,842	1,451	0	5,957
	(1,516)	(2,052)	(398)	(1,416)	(0)	(5,382)
Depreciation and amortization	2,296	1,841	1,248	1,727	0	7,112
	(2,038)	(773)	(1,253)	(1,457)	(0)	(5,520)
Number of employees on average	1,329	1,002	842	267	0	3,439
without trainees	(1,345)	(899)	(854)	(229)	(0)	(3,326)

Prior year figures are in parentheses

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

Notes to the interim consolidated financial statements for the first three months of 2015

Parent Company

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

Accounting in accordance with International Financial Reporting Standards (IFRS)

The accounting policies applied in preparing the 2014 consolidated financial statements were also applied in preparing the interim consolidated financial statements as at March 31, 2015, which were prepared on the basis of the International Accounting Standard (IAS) 34 “Interim Financial Reporting”. These interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These policies were published and individually described in detail in the Notes to the 2014 Annual Report. The Annual Report is available on the internet under www.jenoptik.com using the path Investors/Reports and Presentations/Annual Reports.

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

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

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

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

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

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

The Group of Entities Consolidated

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

The existing organizational structure will be more focused on customer needs and markets in the future. The details of the reorganization of our business units within the segments are currently being specified.

Material Transactions

The existing syndicated loan was extended and increased from 120 million to 230 million euros. This allows the Jenoptik Group to secure a line of credit at attractive conditions for the next five years. Besides, Jenoptik improved its access to the international banking network by extending the group of syndicated banks. Hereby, the cash flow from financing activities was affected by minus EUR 705 thousand.

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

Beyond this, transactions with a significant influence on the interim consolidated financial statements of Jenoptik as at March 31, 2015 did not occur.

Classifications of Material Financial Statement Items

PROPERTY, PLANT AND EQUIPMENT

in thousand euros	31/3/2015	31/12/2014
Land and buildings	82,037	82,215
Investment properties	16,337	16,358
Technical equipment and machines	37,664	36,653
Other equipment, operating and office equipment	23,925	23,204
Payments on-account and assets under construction	8,998	8,676
Total	168,962	167,105

INVENTORIES

in thousand euros	31/3/2015	31/12/2014
Raw materials, consumables and supplies	66,352	59,968
Work in progress	99,968	91,667
Finished goods and merchandise	24,385	23,408
Payments on-account made	4,146	3,974
Total	194,850	179,018

TRADE RECEIVABLES AND OTHER ASSETS

in thousand euros	31/3/2015	31/12/2014
Trade receivables	115,583	115,690
Receivables from unconsolidated associates	2,658	2,356
Receivables from entities in which investments are held	718	640
Other assets	16,308	14,478
Receivables from construction contracts	561	233
Total	135,827	133,396

NON-CURRENT FINANCIAL LIABILITIES

in thousand euros	31/3/2015	31/12/2014
Non-current bank liabilities	156,821	156,779
Non-current liabilities from finance leases	115	46
Total	156,936	156,825

CURRENT FINANCIAL LIABILITIES

in thousand euros	31/3/2015	31/12/2014
Bank liabilities	5,539	5,028
Liabilities from finance leases	44	49
Total	5,582	5,077

OTHER CURRENT LIABILITIES

in thousand euros	31/3/2015	31/12/2014
Trade payables	42,088	53,599
Liabilities from advanced payments received	31,501	23,820
Liabilities from construction contracts	87	3
Liabilities to unconsolidated associates	2,202	3,163
Liabilities to entities in which investments are held	33	178
Other current liabilities	30,443	39,241
Total	106,355	120,004

Financial Instruments

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

in thousand euros	Carrying amount 31/3/2015	Carrying amount 31/12/2014
Financial assets	186,043	201,434
Cash and cash equivalents	51,010	69,495
Available for sale	2,989	2,330
Finance lease receivables	2,317	2,332
Loans granted and receivables	129,363	127,092
Hedged derivatives	364	185
Financial liabilities	238,798	256,399
Trade payables	42,088	53,599
Liabilities to banks and other financial liabilities	162,359	161,807
Finance lease liabilities	159	94
Other non-derivative financial liabilities		
Contingent liabilities	1,950	2,230
Other	25,146	35,583
Hedged derivatives	7,095	3,085

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

in thousand euros	Carrying amount 31/3/2015	Level 1	Level 2	Level 3
Available for sale	2,989	2,732	0	257
	(2,330)	(2,085)	(0)	(245)
Hedged derivatives (assets)	364	0	364	0
	(185)	(0)	(185)	(0)
Contingent liabilities	1,950	0	0	1,950
	(2,230)	(0)	(0)	(2,230)
Hedged derivatives (liabilities)	7,095	0	7,095	0
	(3,085)	(0)	(3,085)	(0)

Prior year figures are in parentheses

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

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

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

The fair value of contingent liabilities was measured by taking the expected and discounted payment outflows at the reporting date into consideration. The put option, agreed upon in conjunction with the acquisition of the British Vysionics Group, for the purchase of the remaining non-controlling interests in the amount of EUR 1,697 thousand was recognized at the present value of the expected exercise price, discounted in consideration of the term with interest rates between 1.07 and 1.23 percent. The contingent liabilities also comprised the purchase price liability, which was recognized in connection with the acquisition of the Australian entity, DCD Systems Pty Ltd., in the fiscal year 2013. Since the due date is expected to be very soon, no discounting took place in the current fiscal year.

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

in thousand euros	Available for sale	Contingent liabilities
Balance at 1/1/2015	245	2,230
Additions	75	0
Disposals	0	-336
Gains and losses recognized in financial result	-63	10
Foreign currency exchange effects	0	46
Balance at 31/3/2015	257	1,950

Related Party Disclosures

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

German Corporate Governance Code

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

Litigations

JENOPTIK AG and its Group entities are involved in several court or arbitration proceedings. In the case that these may have any substantial influence on the Group's economic situation, these proceedings were described in the 2014 consolidated financial statements. As at March 31, 2015 no further litigation arose that could have a material effect on the financial position of the Group.

Events after the Reporting Period

Hans-Dieter Schumacher was appointed as new Chief Financial Officer effective April 1, 2015.

In April 2015 new debenture loans were placed and existing debenture loans were adjusted. The volume increased from EUR 90 million to EUR 125 million, including the already existing debenture loans that remained unchanged from the transaction in 2011. The newly issued loans have a term of five and seven years and have variable and fixed interest rates.

Beyond this, no other significant events occurred after the interim reporting period ending on March 31, 2015.

Responsibility statement by the legal representatives

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

Jena, May 7, 2015

Dr. Michael Mertin
President & CEO

Hans-Dieter Schumacher
Chief Financial Officer

Dates

June 3, 2015
Annual General Meeting
of JENOPTIK AG 2015

August 11, 2015
Publication of the interim report
January to June 2015

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

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

Contact

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