

Interim Report for the 2<sup>nd</sup> Quarter of the  
Financial Year 2007/2008

January 1, 2008 to March 31, 2008

and

for 6 Months 2007/2008

October 1, 2007 to March 31, 2008



Q II

## Key Figures

for the period from October 1 to March 31, 2008 and 2007

	6 months report		Change
	2007/2008	2006/2007	
<b>Earnings data</b>			
<b>Consolidated revenue</b>	<b>41,671</b>	<b>34,004</b>	<b>22.5%</b>
analytical solutions	20,575	16,748	22.9%
bio solutions	2,048	1,512	35.5%
project solutions	4,491	3,462	29.7%
optical solutions	14,557	12,282	18.5%
Germany	10,098	8,228	22.7%
Europe (excluding Germany)	19,436	16,540	17.5%
America	2,489	1,483	67.8%
Asia	7,547	6,106	23.6%
Rest of world	2,101	1,647	27.6%
<b>Export ratio</b>	<b>75.8%</b>	<b>75.8%</b>	
Gross profit	15,883	13,797	15.1%
<b>Gross margin</b>	<b>38.1%</b>	<b>40.6%</b>	
EBITDA	3,945	3,167	24.6%
<b>EBITDA margin</b>	<b>9.5%</b>	<b>9.3%</b>	
EBIT	2,860	2,075	37.8%
<b>EBIT margin</b>	<b>6.9%</b>	<b>6.1%</b>	
EBT	1,901	1,834	3.7%
<b>EBT margin</b>	<b>4.6%</b>	<b>5.4%</b>	
Consolidated net profit for the period attributable to the shareholders of the parent company	1,309	1,092	19.9%
Basic earnings per share	0.28	0.24	16.7%
Diluted earnings per share	0.28	0.23	21.7%
Weighted average shares outstanding (basic)	4,685,221	4,643,920	
Weighted average shares outstanding (diluted)	4,695,773	4,658,711	
<b>Financial data</b>			
Capital expenditure	1,922	1,961	-2.0%
Depreciation and amortization	1,085	1,092	-0.6%
Personnel costs	9,772	8,802	11.0%
Net cash flow	-240	-4,447	
Cash and cash equivalents	6,717	7,288	-7.8%
<b>Balance sheet data (as at 09/30/07)</b>			
Equity	31,668	29,980	5.6%
Total assets	68,044	63,141	7.8%
<b>Equity ratio</b>	<b>46.5%</b>	<b>47.5%</b>	
<b>Supplementary information</b>			
Research and development expenses (gross)	4,732	4,294	10.2%
Number of employees (at 03/31)	626	562	11.4%
Treasury shares	150,197	175,120	

in EUR thousands, with the exception of amounts per share and employees

## Letter to Shareholders

Ladies and Gentlemen,

Following the outstanding start to the new financial year 2007/2008, Analytik Jena continued its positive business performance in the second quarter as well. Consolidated revenue grew by 22.5% to EUR 41.671 m (previous year: EUR 34.004 m).

In the instrument business, a new record was achieved with operating earnings of EUR 2.952 m (previous year: EUR 2.271 m) in the first half of the year. EBIT in the group increased by 37.8% from EUR 2.075 m to EUR 2.860 m. If one looks only at the instrument area, which will be continued on its own in the future, the EBIT margin came to 10.9%. The performance of all areas in the instrument business contribute to this.

No improvements in earnings were achieved compared with the same quarter of the previous year, despite the increase in sales. This is mainly due to the much weaker dollar (previous year: 1.30 USD/EUR; in the reporting period: > 1.50 USD/EUR) and the resulting pricing pressure on all markets. In addition, notable one-off costs, e.g. for analytica in Munich, which did not occur the previous year were recorded.

Growth in the instrument business is corroborated by a further record for Analytik Jena: for the first time ever, the analytical solutions business unit achieved half year sales of over EUR 20 m. In light of a much weaker dollar, this is a sign that our high-tech products are penetrating the market to a greater and greater degree.

In analytical solutions, evidence of this performance can also be seen in the comparatively high number of device systems which have been sold. Taking the current order volume into consideration, the overall figures here are only slightly below those achieved for device system deliveries last year. We expect this trend to continue throughout the rest of the financial year. The analytica trade fair which took place in Munich at the start of April once again proved popular with visitors this year and led to a doubling of customer contacts.

In the optical solutions business unit, Analytik Jena recorded record levels of incoming orders worth over EUR 2.5 m in the quarter just completed, particularly during the International Trade Fair for Hunting and Sporting Weapons, Outdoor Articles and Accessories (IWA) in Nuremberg. The high level of interest in the Analytik Jena articles can also be seen in the exclusive sales agreement concluded for Germany at this time with Frankonia GmbH und Co. KG, the largest specialist retailer for hunting and shooting equipment. In future, Frankonia will sell the products to end customers as well as to wholesalers and retailers. In optical solutions, sales increased by 29.7% to almost EUR 4.5 m (previous year: EUR 3.4 m), providing impressive evidence of this positive performance.

The largest relative sales increase was achieved in bio solutions. With a 35.5% increase, this business unit exceeded the EUR 2.0 m (previous year: EUR 1.5 m) mark in the first half year. This performance can be regarded as positive as a series of important products will be ready to enter production in the last quarter of the financial year at the earliest.

The first half of the financial year 2007/2008 was also characterised by a major strategic corporate decision. In late-March 2008, we concluded a contract to dispose of the majority (51.0%) of the shares in our previously wholly-owned subsidiary AJZ Engineering GmbH (project solutions) with a MBO company, "LBPS Management + Holding GmbH". The main factor behind the decision to dispose of these holdings was the fact that the business models of the two segments, instrument and project business, are very different: research-intensive high-tech on one hand and highly advanced plant construction with long-term, though volatile major projects, on the other hand.

In the future, Analytik Jena will concentrate on its core business and growth area – the development, production and sale of the traditional analysis systems included in the instrument business segment, bio-instruments, the reagents and consumables business, laboratory data systems as well as optical consumer products. This model also allows the further use of synergies for project business such as the integration of Analytik Jena equipment for analytical or bioanalytical laboratories.

We want to conclude the disposal of AJZ Engineering GmbH in the third quarter of the current financial year. AJZ Engineering GmbH will be included in the 2007/2008 annual accounts on a pro-rata basis.

Of equal importance, the Company's eighth Ordinary Annual General Meeting took place in Jena on April 4, 2008, shortly after the end of the quarter. Attendance figures amounted to 2,021,843 shares or 43.3% of subscribed capital. All resolutions were passed by a large majority, including the discharge of the Executive Board and the election of the Supervisory Board. Now that Alexander v. Witzleben and Nikolaus Reinhuber have left the Company, the Annual General Meeting appointed Andreas Krey and Franz-Ferdinand v. Falkenhausen as their successors. Mr Krey was elected Chairman at the Supervisory Board meeting which was held after the Annual General Meeting.

At this point, I would again like to thank all shareholders for the confidence which they have shown in us and the Company.



Klaus Berka  
Chairman of the Executive Board of Analytik Jena AG

Jena, May 2008

## Consolidated Income Statement

for the period from October 1 to March 31, 2008 and 2007

	6 months report		Quarterly report	
	2007/2008	2006/2007	QII/2008	QII/2007
Revenue	41,671	34,004	18,571	16,052
Cost of sales	25,788	20,207	11,556	9,673
<b>Gross profit</b>	<b>15,883</b>	<b>13,797</b>	<b>7,015</b>	<b>6,379</b>
Selling expenses	7,283	6,334	3,616	3,087
General administrative expenses	2,655	2,661	1,258	1,348
Research and development expenses	2,650	2,908	1,386	1,280
Other income	89	181	23	123
Depreciation according to IFRS 5	524	-	524	-
<b>Operating profit</b>	<b>2,860</b>	<b>2,075</b>	<b>254</b>	<b>787</b>
Financial income	129	185	83	46
Financial expenses	1,088	426	391	171
<b>Earnings before tax</b>	<b>1,901</b>	<b>1,834</b>	<b>(54)</b>	<b>662</b>
Income tax	490	699	(87)	253
<b>Consolidated net profit for the period</b>	<b>1,411</b>	<b>1,135</b>	<b>33</b>	<b>409</b>
Attributable to the shareholders of the parent company	1,309	1,092	64	379
Attributable to minority shareholders	102	43	(31)	30
<b>Consolidated net profit for the period</b>	<b>1,411</b>	<b>1,135</b>	<b>33</b>	<b>409</b>
<b>Basic earnings per share</b>	<b>0.28</b>	<b>0.24</b>	<b>0.01</b>	<b>0.09</b>
<b>Diluted earnings per share</b>	<b>0.28</b>	<b>0.23</b>	<b>0.01</b>	<b>0.08</b>
	<b>2007/2008</b>		<b>2006/2007</b>	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Revenue	27,114	14,557	21,722	12,282
Cost of sales	13,231	12,557	9,845	10,362
<b>Gross profit</b>	<b>13,883</b>	<b>2,000</b>	<b>11,877</b>	<b>1,920</b>
Selling expenses	6,296	987	4,843	1,491
General administrative expenses	2,060	595	2,027	634
Research and development expenses	2,650	-	2,908	-
Other income	75	14	172	9
Depreciation according to IFRS 5	-	524	-	-
<b>Operating profit</b>	<b>2,952</b>	<b>(92)</b>	<b>2,271</b>	<b>(196)</b>
Financial income	121	8	158	27
Financial expenses	733	355	282	144
<b>Earnings before tax</b>	<b>2,340</b>	<b>(439)</b>	<b>2,147</b>	<b>(313)</b>
Income tax	603	(113)	809	(110)
<b>Consolidated net profit for the period</b>	<b>1,737</b>	<b>(326)</b>	<b>1,338</b>	<b>(203)</b>
Attributable to the shareholders of the parent company	1,635	(326)	1,295	(203)
Attributable to minority shareholders	102	-	43	-
<b>Consolidated net profit for the period</b>	<b>1,737</b>	<b>(326)</b>	<b>1,338</b>	<b>(203)</b>
<b>Basic earnings per share</b>	<b>0.35</b>	<b>(0.07)</b>	<b>0.28</b>	<b>(0.04)</b>
<b>Diluted earnings per share</b>	<b>0.35</b>	<b>(0.07)</b>	<b>0.28</b>	<b>(0.05)</b>

in EUR thousands, except amounts per share

## Consolidated Balance Sheet

as at March 31, 2008 and September 30, 2007

	03/31/2008	09/30/2007
<b>Assets</b>		
<b>Noncurrent assets</b>		
Property, plant, and equipment	10,537	10,338
Intangible assets	4,219	4,236
Goodwill	1,558	1,902
Other noncurrent assets	431	856
Deferred tax assets	959	157
<b>Total noncurrent assets</b>	<b>17,704</b>	<b>17,489</b>
<b>Current assets</b>		
Cash and cash equivalents	6,717	6,990
Trade receivables	7,284	10,587
Inventories	13,898	13,975
Gross amount due from customers for construction contracts (PoC)	-	9,694
Other current assets	2,894	4,406
<b>Total current assets</b>	<b>30,793</b>	<b>45,652</b>
<b>Assets classified as held for sale</b>	<b>19,547</b>	<b>-</b>
<b>Total assets</b>	<b>68,044</b>	<b>63,141</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Subscribed capital	4,817	4,817
Capital reserves	19,395	19,395
Retained earnings	7,680	6,391
Treasury shares	(991)	(1,244)
Currency translation differences	294	310
<b>Attributable to the shareholders of the parent company</b>	<b>31,195</b>	<b>29,669</b>
Minority interests	473	311
<b>Total equity</b>	<b>31,668</b>	<b>29,980</b>
<b>Noncurrent liabilities</b>		
Noncurrent financial liabilities less current portion	9,136	9,497
Other noncurrent liabilities	821	787
Cut-off for governmental grants	443	475
<b>Total noncurrent liabilities</b>	<b>10,400</b>	<b>10,759</b>
<b>Current liabilities</b>		
Short-term loans	1,922	3,852
Current portion of noncurrent financial liabilities	588	823
Trade payables	4,278	9,404
Gross amount due to customers for construction contracts (PoC)	-	1,552
Tax liabilities	218	409
Provisions	728	749
Other current liabilities	2,267	5,613
<b>Total current liabilities</b>	<b>10,001</b>	<b>22,402</b>
<b>Total liabilities</b>	<b>20,401</b>	<b>33,161</b>
<b>Liabilities classified as held for sale</b>	<b>15,975</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>68,044</b>	<b>63,141</b>

in EUR thousands

## Consolidated Cash Flow Statement

for the period from October 1 to March 31, 2008 and 2007

	6 months report	
	2007/2008	2006/2007
<b>Net cash from/(used in) operating activities</b>		
Consolidated net profit for the period	1,411	1,135
<b>Reconciliation of net profit to net cash from/(used in) operating activities</b>		
Amortization of intangible assets and depreciation of property, plant, and equipment	1,085	1,092
Increase in net deferred taxes	589	672
Losses from disposal of noncurrent assets	1	155
Increase/(decrease) in provisions	1	(25)
Assets and liabilities classified as held for sale	2,903	-
Interest income	(129)	(161)
Interest expense	510	411
(Increase)/decrease in trade receivables and other assets	(1,375)	3,144
Increase in inventories	(496)	(1,203)
Increase in net amount due to/from customers for construction contracts (PoC)	(3,786)	(2,642)
Increase/(decrease) in trade payables and other liabilities	1,580	(3,900)
Interest received	129	161
Interest paid	(743)	(614)
Taxes paid	(140)	(27)
<b>Net cash from/(used in) operating activities</b>	<b>1,540</b>	<b>(1,802)</b>
<b>Net cash from/(used in) investing activities</b>		
Payments to acquire intangible assets and property, plant, and equipment	(1,491)	(1,961)
Payments to acquire majority interests (less acquired cash and cash equivalents)	(99)	-
Proceeds from the disposal of intangible assets and property, plant, and equipment	-	96
<b>Net cash used in investing activities</b>	<b>(1,590)</b>	<b>(1,865)</b>
<b>Net cash from/(used in) financing activities</b>		
Increase/(decrease) in short-term loans	339	(1,064)
Proceeds from noncurrent financial liabilities	-	496
Redemptions of noncurrent financial liabilities	(224)	(302)
Cash received from the sale/(cash used for the purchase) of treasury shares	(49)	174
Proceeds from financial leasing	32	100
Redemptions of financial leasing	(288)	(347)
<b>Net cash used in financing activities</b>	<b>(190)</b>	<b>(943)</b>
<b>Cash and cash equivalents</b>		
Net decrease in cash and cash equivalents	(240)	(4,610)
Currency exchange related changes in cash and cash equivalents	(33)	163
Cash and cash equivalents at the beginning of the period	6,990	11,735
<b>Cash and cash equivalents at the end of the period</b>	<b>6,717</b>	<b>7,288</b>

in EUR thousands

## Consolidated Statement of Changes in Equity

as at March 31, 2008 and 2007

	Subscribed capital	Treasury shares	Shares outstanding	Subscribed capital
	no. of shares	no. of shares	no. of shares	in EUR thousands
<b>Balance at October 1, 2006</b>	<b>4,816,897</b>	<b>(220,120)</b>	<b>4,596,777</b>	<b>4,817</b>
Assessment of stock option plans				
Market assessment				
Currency translation differences				
<b>Income and expenses recognized directly in equity</b>				<b>-</b>
Assessment of stock option plans				
Consolidated net profit for the period				
<b>Total income and expenses recognized in equity</b>				<b>-</b>
Sale of treasury shares		150,000		
Purchase of treasury shares		(105,000)		
<b>Balance at March 31, 2007</b>	<b>4,816,897</b>	<b>(175,120)</b>	<b>4,641,777</b>	<b>4,817</b>
<b>Balance at October 1, 2007</b>	<b>4,816,897</b>	<b>(187,620)</b>	<b>4,629,277</b>	<b>4,817</b>
Sale of treasury shares				
Currency translation differences				
<b>Income and expenses recognized directly in equity</b>				<b>-</b>
Consolidated net profit for the period				
<b>Total income and expenses recognized in equity</b>				<b>-</b>
Sale of treasury shares		44,423		
Purchase of treasury shares		(7,000)		
Minority interests				
<b>Balance at March 31, 2008</b>	<b>4,816,897</b>	<b>(150,197)</b>	<b>4,666,700</b>	<b>4,817</b>

	Capital reserves	Retained earnings	Treasury shares	Currency translation	Attributable to shareholders of the parent company	Minorities	Total equity
	in EUR thousands	in EUR thousands	in EUR thousands	in EUR thousands	in EUR thousands	in EUR thousands	in EUR thousands
	<b>30,296</b>	<b>(6,503)</b>	<b>(1,329)</b>	<b>195</b>	<b>27,476</b>	<b>162</b>	<b>27,638</b>
		142			142		
		(28)			(28)		
				39	39		
	<b>–</b>	<b>114</b>	<b>–</b>	<b>39</b>	<b>153</b>	<b>–</b>	
	2				2		
		1,092			1,092	43	
	<b>2</b>	<b>1,206</b>	<b>–</b>	<b>39</b>	<b>1,247</b>	<b>43</b>	
			907		907		
			(733)		(733)		
	<b>30,298</b>	<b>(5,297)</b>	<b>(1,155)</b>	<b>234</b>	<b>28,897</b>	<b>205</b>	<b>29,102</b>
	<b>19,395</b>	<b>6,391</b>	<b>(1,244)</b>	<b>310</b>	<b>29,669</b>	<b>311</b>	<b>29,980</b>
		(20)			(20)		
				(16)	(16)		
	<b>–</b>	<b>(20)</b>	<b>–</b>	<b>(16)</b>	<b>(36)</b>	<b>–</b>	
		1,309			1,309	102	
	<b>–</b>	<b>1,289</b>	<b>–</b>	<b>(16)</b>	<b>1,273</b>	<b>102</b>	
			302		302		
			(49)		(49)		
						60	
	<b>19,395</b>	<b>7,680</b>	<b>(991)</b>	<b>294</b>	<b>31,195</b>	<b>473</b>	<b>31,668</b>

## Report on the First Six Months of the Financial Year 2007/2008

for the period from October 1, 2007 to March 31, 2008

### Operating and Financial Review as well as Notes on the Structured Quarterly Report (SQR)

#### Basis for Consolidated Financial Statements

These quarterly financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) of the International Accounting Standards Board (IASB) as well as the guidelines for structured quarterly reporting (SQR) issued by the German Stock Exchange (Deutsche Börse). These unaudited financial statements must be regarded in connection with the audited consolidated financial statements as at September 30, 2007 and are in accordance with the Company's accounting principles described therein. All the amounts in the consolidated financial statements – with the exception of information relating to employees or shares – are stated in thousands of euro ("EUR thousands") or millions of euro ("EUR m").

The financial year of Analytik Jena AG deviates from the calendar year and runs from October 1 to September 30.

#### Scope of Consolidation

Besides Analytik Jena AG as the parent company, the Group of fully consolidated companies includes the subsidiaries in which Analytik Jena AG is directly or indirectly entitled to the majority of voting rights. Year-on-year, there have been some changes in the number of subsidiaries included in the scope of consolidation.

In November 2007, Analytik Jena AG has acquired on the basis of a Cash/Share-Deal a 70.0% interest in eBiochip Systems GmbH, Itzehoe, with retrospective effect to the start of the financial year 2007/2008. In a notarised purchase and transfer agreement dated September 20, 2007, Analytik Jena AG acquired an additional 10.0% of business shares in AJ Innuscreen GmbH. Analytik Jena holds now 65.0% in AJ Innuscreen GmbH.

## Accounting Information on IFRS 5

At the end of March 2008, Analytik Jena AG signed a contract to dispose of 51.0% of its share in AJZ Engineering GmbH to the MBO company LBPS Management & Holding GmbH. The Company expects control of the company to pass to the purchasers in the third quarter of the financial year. The company will then leave the scope of consolidation of Analytik Jena AG. In this interim report, the assets and liabilities affected by the disposal are shown separately in the balance sheet in the "classified as held for sale" rows. In the income statement, they are shown as "Discontinued operations" in a separate column. The previous year's figures have also been adjusted accordingly for the purposes of comparison.

In the run-up to the reclassification as held for sale a valuation of assets and liabilities of project solutions according to the relevant standards did not lead to any impairment losses.

However, an impairment loss of EUR 0.524 m resulted from the impairment test after deduction of selling expensive according to IFRS 5. Preference by Analytik Jena AG for the MBO option in selling its interest in the project company was considered in the sales price.

## GROUP MANAGEMENT REPORT

### Development of Group Sales

#### Consolidated Revenue in EUR m

	6 months			Quarter II		+/-
	10/01/07 – 03/31/08	10/01/06 – 03/31/07	+/-	01/01/08 – 03/31/08	01/01/07 – 03/31/07	
Germany	10.098	8.228	22.7 %	4.260	3.360	26.8 %
Abroad	31.573	25.776	22.5 %	14.311	12.692	12.8 %
<b>Total</b>	<b>41.671</b>	<b>34.004</b>	<b>22.5 %</b>	<b>18.571</b>	<b>16.052</b>	<b>15.7 %</b>

In the first six months of financial year 2007/2008, the Group generated sales of EUR 41.671 m (previous year: EUR 34.004 m). This means that total sales of the Analytik Jena Group, including the project business continued until March 31, 2008, are 22.5 % above the previous year.

With foreign sales of EUR 31.573 m (previous year: EUR 25.776 m), the Group recorded an export rate of 75.8%. Analytik Jena achieved double-digit growth in sales in all markets.

With a 17.5% increase, Europe remains the market with the highest sales volume. In this region, Analytik Jena achieved sales of EUR 19.436 m (previous year: EUR 16.540 m).

The largest growth was achieved on the American market, where the group increased its sales by 67.8% to EUR 2.489 m (previous year: EUR 1.483 m).

The ongoing sales growth in Asia is particularly pleasing. In Asia, sales increased by 23.6% after the first six months to EUR 7.547 m (previous year: EUR 6.106 m). Analytik Jena benefits from the rising sales generated by the Japanese distribution company. AJ Japan achieved sales of EUR 1.030 m (previous year: EUR 0.203 m).

In its domestic market in Germany, Analytik Jena increased sales by 22.7% to EUR 10.098 m (previous year: EUR 8.228 m).

## Sales by Business Unit

## Consolidated Revenue in EUR m

Business Unit	6 months		+/-	Quarter II		+/-
	10/01/07-03/31/08	10/01/06-03/31/07		01/01/08-03/31/08	01/01/07-03/31/07	
analytical solutions	20.575	16.748	22.9%	9.885	7.935	24.6%
bio solutions	2.048	1.512	35.5%	0.937	0.656	42.8%
optical solutions	4.491	3.462	29.7%	1.667	1.595	4.5%
project solutions	14.557	12.282	18.5%	6.082	5.866	3.7%

Following the sensational start to the new financial year, the second quarter was quieter – as expected. This was due to seasonal factors. In percentage terms, however, the growth rate in the second quarter remains above the 20% mark.

In the instrument segment, the Group increased sales by 24.8% to EUR 27.114 m (previous year: EUR 21.722 m) during the first six months of the financial year.

For the first time ever, the analytical solutions business unit broke through the EUR 20 m mark after the first six months. This represents a 22.9% increase to EUR 20.575 m (previous year: EUR 16.748 m). In absolute terms therefore, analytical solutions still accounts for the largest share of sales in the instrument business. The bio solutions business unit increased its sales by 35.5%. Bio-products achieved sales of EUR 2.048 m (previous year: EUR 1.512 m). In optical solutions, sales increased by 29.7% from EUR 3.462 m to EUR 4.491 m.

In the project solutions business unit, which has been earmarked for disposal, sales of EUR 14.557 m (previous year: EUR 12,282 m) were achieved.

## Segment Reporting in EUR m\*

	Instrument business		Project business	
	10/01/07-03/31/08	10/01/06-03/31/07	10/01/07-03/31/08	10/01/06-03/31/07
Revenue	27.114	21.722	14.557	12.282
Cost of sales	13.231	9.845	12.557	10.362
Gross profit	13.883	11.877	2.000	1.920
Operating result	2.952	2.271	-0.092	-0.196
Financial result	-0.612	-0.124	-0.347	-0.117
Net income/loss	1.737	1.295	-0.326	-0.203
Assets	48.497	43.436	19.547	20.015
Liabilities	20.401	17.830	15.975	16.519
Investments	1.897	1.921	0.025	0.040
Depreciation	1.015	1.022	0.070	0.070
Employees	510	423	116	104

\*except for information relating to employees

## Development of Gross margin

The strong exchange rate pressure, particularly on the US dollar, negatively impacted the gross margin. Between the start and end of the second quarter alone, the US dollar weakened by 7.0% against the euro (from 1.47 to 1.58). The Group gross margin of 38.1% was 2.5%-points below the previous year's figure of 40.6%. Accordingly, the Company is strengthening its efforts to improve the margin, in particular through purchasing activities in the USD based regions and measures to reduce manufacturing costs. Cost of goods sold increased from EUR 20.207 m to EUR 25.788 m. Gross profit increase by 15.1% to EUR 15.883 m (previous year: EUR 13.797 m).

## Sales and Administration

### Selling and Administrative Expenses in EUR m

	6 months		+/-	Quarter II		+/-
	10/01/07-03/31/08	10/01/06-03/31/07		01/01/08-03/31/08	01/01/07-03/31/07	
Selling	7.283	6.334	15.0%	3.616	3.087	17.2%
Administrative	2.655	2.661	-0.2%	1.258	1.348	-6.7%

Selling expenses come to EUR 7.283 m (previous year: EUR 6.334 m) at the end of the first half year, representing a 15.0% increase. While sales expenses in the instrument business increased from EUR 4.843 m to EUR 6.296 m, these costs in the project business earmarked for disposal are below the previous year's figures of EUR 1.491 m at EUR 0.987 m. Administrative expenses came to EUR 2.655 m in the reporting period, and thus remained almost unchanged from the previous year (EUR 2.661 m).

## Research and Development

### Research and Development Expenses in EUR m

	6 months		+/-	Quarter II		+/-
	10/01/07-03/31/08	10/01/06-03/31/07		01/01/08-03/31/08	01/01/07-03/31/07	
R&D	2.650	2.908	-8.9%	1.386	1.280	8.3%

In the first half of 2007/2008, gross research and development expenses came to EUR 4.732 m. This is 10.2% higher than the previous year's figure of EUR 4.294 m. Net R&D expenses reduced by 8.9% to EUR 2.650 m due to the higher R&D grants for the development of products with a particularly promising future as well as capitalization which amount to EUR 2.082 m (previous year: EUR 1.386 m).

## Earnings Performance

In the instrument business, the Group achieved a new record with operating earnings of EUR 2.952 m (previous year: EUR 2.271 m) in the first half year. The project business, which has been earmarked for disposal, recorded a result of EUR –0.092 m (previous year: EUR –0.196 m). This figure contains one-off expenses of EUR 0.524 m from the disposal of the stake and depreciation on the value of the remaining 49.0% shares in AJZ Engineering GmbH in accordance with IFRS 5. Nevertheless, EBIT in the Group increased by 37.8% from EUR 2.075 m to EUR 2.860 m. The EBIT margin increased from 6.1% to 6.9%. If one only looks at the instrument area, which will be continued on its own in the future, the EBIT margin came to 10.9%.

The balance of financial income and financial expenses increased in the first half year from EUR 0.241 m to EUR 0.959 m, mainly due to increased expenses from currency differences. The strength of the euro against nearly all other currencies in recent months also has a negative impact here. Nevertheless, earnings before tax increased to EUR 1.901 m (previous year: EUR 1.834 m). If the continued business unit is viewed on its own, Analytik Jena can actually claim a figure of EUR 2.340 m for earnings before tax. All in all, the Group achieved net profit of EUR 1.411 m (previous year: EUR 1.135 m) in the first half of 2007/2008. This represents a 24.3% increase in earnings, despite the above-mentioned one-off burden from the disposal of the stake in AJZ Engineering GmbH.

### Consolidated Earnings in EUR m (EPS in EUR)

	6 months		+/-	Quarter II		+/-
	10/01/07–03/31/08	10/01/06–03/31/07		01/01/08–03/31/08	01/01/07–03/31/07	
EBITDA	3.945	3.167	24.6%	0.800	1.362	–41.3%
EBIT	2.860	2.075	37.8%	0.254	0.787	–67.7%
EBT	1.901	1.834	3.7%	–0.054	0.662	–
Net profit for the period*	1.411	1.135	24.3%	0.033	0.409	–91.8%
EPS	0.28	0.24	16.7%	0.01	0.09	–88.9%

\*before deduction of minority interest

## Balance Sheet Trend

In the assets section of the balance sheet, trade receivables decreased from EUR 10.587 m to EUR 7.284 m.

Trade payables decreased from EUR 9.404 m to EUR 4.278 m by the end of the period under review. The Group's short-term loans fell by around 50.0% from EUR 3.852 m to their current level of EUR 1.922 m.

The change in balance sheet items is mainly due to the reclassification of the assets and liabilities items from the business unit intended for disposal in accordance with IFRS 5.

Total assets for both segments in the Group increased to EUR 68.044 m (September 30, 2007: EUR 63.141 m) by the end of the period under review. The display of the assets situation shows that, on the basis of the "Assets classified as held for sale" and "Liabilities classified as held for sale" the balance sheet will be shortened considerably following conclusion of the disposal contract.

In absolute terms, equity increased by EUR 1.688 m to EUR 31.668 m. Taking the increase in total assets into consideration, the equity ratio fell from 47.5% as at September 30, 2007, to 46.5% at the end of the reporting period.

## Cash Flow Statement

Discontinued operations account for the following net cash flows.

	2007/2008	2006/2007
From operating activities	(3,317)	(3,277)
From investing activities	(25)	(40)
From financing activities	968	(850)
<b>Total net cash flow</b>	<b>(2,374)</b>	<b>(4,167)</b>

in EUR thousands

## ADDITIONAL INFORMATION

### Cash and Cash Equivalents

The level of cash and cash equivalents come to EUR 6.717 m (as at September 30, 2007: EUR 6.990 m) at the end of the reporting period.

### Human Resources

The Group had a workforce of 626 as at the balance sheet date. Of this figure, 510 employees are involved in the instrument business to be continued in the future (previous year: 453). 116 (previous year: 109) employees can be assigned to the discontinued project solutions business unit. Personnel costs amounted to EUR 9.772 m (previous year: EUR 8.802 m) in the first six months of the new financial year.

### Treasury Shares

As at the balance sheet date of March 31, 2008, Analytik Jena holds 150,197 shares of treasury stock (previous year: 175,120 shares).

### Events after the Balance Sheet Date

The Executive Board of Analytik Jena AG is not aware of any events after the balance sheet date which are likely to have a sustained impact on the net assets, financial position and results of operations or which might substantially impact on the opportunities and risks of the Company. The changes resulting from the disposal of the project business stake have already been recorded in the main points in this interim report.

### Directors' Holdings

#### Shares and stock options held by the Executive Board and the Supervisory Board as at March 31, 2008:

	Shares		Options	
	03/31/2008	03/31/2007	03/31/2008	03/31/2007
<b>Executive Board</b>				
Klaus Berka	760,000	750,000	12,000	16,500
Jens Adomat	650,000	650,000	12,000	16,000
Stefan Döhmen	---	---	---	---
<b>Supervisory Board</b>				
Alexander von Witzleben	---	2,083	---	---
Prof. Dr. Manfred Grün	3,082	2,272	---	---
Dr. Franz-Ferdinand von Falkenhausen	---	---	---	---
Dr. Nikolaus Reinhuber	---	2,083	---	---

## BUSINESS TREND AND OUTLOOK

The course of the first half year makes us very bullish for the outlook of the financial year. We expect the Company's positive performance to continue in the third quarter. While we are not expecting a repeat of the dynamism shown by previous quarters, we do foresee an improvement in earnings in all units overall.

On the basis of our half year figures and the current business performance, we confirm the sales and earnings forecast which has been published for the financial year 2007/2008. In the instrument business area which will be continued, we expect consolidated revenue to increase by around 20% to over EUR 51.0 m. With regard to earnings, we expect to be able to maintain the positive trend of the recent quarters, and expect EBIT to increase by more than 40% to between EUR 4.7 m and EUR 5.2 m (previous year: EUR 3.3 m) by the end of the financial year.

We regard the current performance of the dollar as critical for us. We are recording increasing pricing pressure on the market and are directing our efforts towards reducing manufacturing costs further. At the same time, we are cautiously optimistic that there will be no further slumps above the USD/EUR 1.60 mark throughout the remainder of the financial year. As a result, the negative impact on the financial result is unlikely to re-appear to the same extent as in the second quarter, and the pricing pressure at least should not increase even further.

New opportunities for selling our products arising from conversations at the analytica trade fair give us hope for the future. We expect to conclude further agreements with new, reputable sales partners in the third quarter.

Ultimately, we intend to conclude the disposal of the majority stakes held in AJZ Engineering GmbH once all contractual requirements have been met, and to no longer consolidate the company at the end of the third quarter but to record it at equity in the reports.

The decision to dispose of the stake will lead to growth, concentration on core business and much higher transparency of the Analytik Jena business model. The innovative strength, combined with the high market potential of the instrument business was and is the basis for the current and future development of the company. We will concentrate on the core business and create clarity for investors.

On the basis of the greater transparency and the consistently successful business performance, we will set out to win institutional investors as well as new, interested shareholders. The 3.35% increase in the stake held by DWS Investment GmbH makes us confident that further institutional investors will support the concept and the very good future prospects of Analytik Jena.

Kind regards,



Klaus Berka

## Financial Calendar

Date	Event	Location
May 15	Publication of Interim Report for 6 months	Jena
August 14	Publication of Interim Report for 9 months	Jena

\* These dates may be subject to short-term rescheduling. The current version of the financial calendar can be accessed via the Company's website.

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