

**Interim report for the 2nd quarter of
the financial year 2005/2006**

January 1, 2006 to March 31, 2006

and

for 6 months 2005/2006

October 1, 2005 to March 31, 2006



Key Figures

for the period from October 1 to March 31, 2006 and 2005

	6 months report		
	2005/2006	2004/2005	
Earnings data			
Total net sales	31,973	37,689	-15.2 %
analytical solutions	15,404	8,456	82.2 %
bio solutions	1,416	2,399	-41.0 %
project solutions	12,385	24,405	-49.3 %
optical solutions	2,768	2,429	14.0 %
Germany	8,676	9,235	-6.1 %
Europe (excluding Germany)	14,648	24,327	-39.8 %
America	988	916	7.9 %
Asia	6,181	2,439	153.4 %
Other countries	1,480	772	91.7 %
Export ratio	72.9 %	75.5 %	
Gross profit	12,026	10,829	11.1 %
Gross margin	37.6 %	28.7 %	
EBITDA	2,650	929	185.3 %
EBITDA to sales ratio	8.3 %	2.5 %	
EBIT	1,728	159	986.8 %
EBIT to sales ratio	5.4 %	0.4 %	
EBT	1,241	-292	
EBT to sales ratio	3.9 %	-0.8 %	
Net income/loss for the period	879	-196	
Basic earnings per share	0.23	-0.05	
Diluted earnings per share	0.23	-0.05	
Average shares outstanding (basic)	3,780,007	3,823,633	
Average shares outstanding (diluted)	3,789,856	3,828,880	
Financial data			
Capital investment	3,531	1,744	102.5 %
Depreciation and amortization	922	770	19.7 %
Personnel expenditure	7,937	7,356	7.9 %
Net cash flow	11,553	-3,507	
Cash and cash equivalents at the end of the period	17,082	6,709	154.6 %
Balance sheet data			
Shareholders' equity	27,890	21,566	29.3 %
Balance sheet total	67,241	42,374	58.7 %
Shareholders' equity ratio	41.5 %	50.9 %	
Supplementary			
Research and development expenses (gross)	3,061	3,365	-9.0 %
Number of employees (at 03/31)	477	407	17.2 %
Treasury stock	105,120	93,801	

In EUR thousand, with the exception of amounts per share and employees

Letter to Shareholders

Ladies and Gentlemen,

Analytik Jena once again successfully continued the positive trend of the previous quarters and increased profitability further in the completed reporting period of the current 2005/2006 financial year.

The quiet course of events in the project segment in the first half of the year continues and the sales of EUR 12.385 m corresponded to around half of those which were generated in this segment in the previous year. However, there was a pleasing increase in sales in the instrument segment, up by 47.5 % to EUR 19.588 m.

The sustained positive development in the instrument segment is based on the steadily increasing market penetration and the high technological standard of the company's product range.

By expanding sales, the Group succeeded in improving the earnings situation considerably. The operating result (EBIT) increased year-on-year from EUR 0.159 m to EUR 1.728 m. There was a considerable increase in net income for the period to EUR 0.879 m (previous year -0.196 m) in the first half of the year.

Operating cash flow played a considerable part in the increase of cash and cash equivalents, which amounted to EUR 17.082 m at the end of the reporting period, corresponding to an increase of 154.6 %.

Overall, the business development of the Group in the last six months shows the focus of operations being shifted in favour of the instrument segment. This development is having a positive impact on the margin situation and the profitability of the Group.

The Group Company AJ Roboscreen, which has been part of the AJ GROUP for exactly one year, generated an extremely positive development. The bird flu test kit that it has developed has become an important sales driver and has generated a high level of interest in the Analytik Jena share.

A particular highlight of the second quarter was the Sixth Annual General Meeting of Analytik Jena AG in Jena. Attendance was announced as 1,640,639 shares. This was 43.6 % of share capital. Votes were passed on the discharge of the Executive and Supervisory Boards, the election of KPMG as the auditor of the financial statements, authorisation to purchase shares of treasury stock, changes to the Articles of Association in line with the German Act Regarding the Integrity of Companies and Modernisation of Stock Corporation Law (UMAG) and the re-election of Mr. von Witzleben, Prof. Grün and Dr. Reinhuber to the Supervisory Board. All resolutions were adopted by a

large majority. On behalf of the Supervisory and Executive Board, I would like to thank all our shareholders for the trust that they place in us.

The capital increase with subscription rights carried out in March 2006 is one of the most important developments in the recent history of the company. The company's share capital increased by 25 % to 4.813 million shares. The issue price for the new shares, which are expected to be authorised for trading on the German Stock Exchange in August 2006 at the earliest, was EUR 5.50. As announced, we plan to use the income generated from the capital increase to finance our entry to the Japanese market and for the further expansion of the bio solutions business unit.

Yours faithfully,

Klaus Berka

Jena, May 2006



Chairman of the Executive Board of Analytik Jena AG

Consolidated Income Statement

for the period from October 1 to March 31, 2006 and 2005

	Quarterly report		6 months report	
	QII/2006	QII/2005	2005/2006	2004/2005
Total net sales	16,186	18,848	31,973	37,689
Cost of sales	10,103	13,205	19,947	26,860
Gross profit	6,083	5,643	12,026	10,829
Selling expenses	3,098	3,589	5,573	5,892
General administrative expenses	992	991	2,005	2,036
Research and development expenses	971	1,181	1,858	2,040
Depreciation and amortization on property, plant and equipment and intangible assets	482	397	922	770
Other income	30	51	60	68
Operating income/(loss)	570	(464)	1,728	159
Interest income	62	36	102	68
Interest expenses	217	220	589	519
Earnings before taxes	415	(648)	1,241	(292)
Income taxes	130	(237)	392	(96)
Earnings after taxes	285	(411)	849	(196)
Minority interest	(44)	-	(30)	-
Net income/(loss) for the period	329	(411)	879	(196)
Basic earnings per share	0.08	(0.11)	0.23	(0.05)
Diluted earnings per share	0.08	(0.11)	0.23	(0.05)

in EUR thousands, except amounts per share

Consolidated Balance Sheet

as at March 31, 2006 and September 30, 2005

	03/31/06	09/30/05
Assets		
Long-term assets		
Property, plant and equipment	11,053	9,170
Intangible assets	2,853	2,807
Goodwill	1,988	1,967
Other long-term assets	1,664	992
Deferred taxes	2,352	2,295
Total long-term assets	19,910	17,231
Short-term assets		
Cash and cash equivalents	17,082	5,529
Trade accounts receivable	6,406	7,698
Inventories	10,498	11,212
Manufacturing orders with a credit balance	9,195	4,814
Other current assets	4,150	3,027
Total short-term assets	47,331	32,280
Total assets	67,241	49,511
Liabilities and shareholders' equity		
Shareholders' equity		
Common stock	4,813	3,850
Additional paid-in capital	30,169	25,634
Retained earnings	(6,790)	(7,334)
Less cost of treasury stock	(577)	(469)
Currency translation differences	156	158
Minority interest	119	146
Total shareholders' equity	27,890	21,985
Cut-off for governmental grants	360	421
Long-term liabilities		
Long-term financial debt less current maturities	9,690	9,638
Deferred tax liabilities	1,952	1,542
Other liabilities	670	677
Total long-term liabilities	12,312	11,857
Short-term liabilities		
Short-term loans	2,250	2,493
Current portion of long-term debt	807	909
Trade accounts payable	5,807	5,419
Manufacturing orders with a debit balance	9,510	597
Deposits received from customers	128	225
Accrued liabilities	888	726
Other current liabilities	7,289	4,879
Total short-term liabilities	26,679	15,248
Total liabilities	38,991	27,105
Total liabilities and shareholders' equity	67,241	49,511

in EUR thousands

Consolidated Cash Flow Statement

for the period from October 1 to March 31, 2006 and 2005

	6 months report	
	2005/2006	2004/2005
Net cash provided by/(used in) operating activities		
Net income/(loss) for the period	879	(196)
Reconciliation of net income to net cash provided by/(used in) operating activities		
Amortization of intangible assets and depreciation of property, plant and equipment	922	770
Increase/(decrease) in bad debt allowances	1	(14)
Increase/(decrease) in net deferred taxes	353	(96)
Gains from disposal of fixed assets	7	17
Losses/(gains) from deconsolidation of majority interests (less cash and cash equivalents)	143	-
Increase/(decrease) in accrued liabilities	162	(46)
Foreign currency losses relating to non-current assets	-	13
Interest income	(103)	(68)
Interest expense	481	119
(Increase) in trade accounts receivable and other assets	(69)	(980)
Decrease/(increase) in inventories	691	(1,607)
Decrease/(increase) in manufacturing orders for customers	4,532	(5,056)
Increase/(decrease) in trade accounts payable and other liabilities	3,101	(1,502)
Interest received	78	68
Interest paid	(489)	(121)
Net cash provided by/(used in) operating activities	10,689	(8,699)
Net cash provided by/(used in) investing activities		
Purchase of other non-current assets	(672)	(440)
Purchase of intangible assets, property, plant and equipment	(2,859)	(1,304)
Acquisition of majority interests less acquired cash and cash equivalents	(130)	-
Net cash (used in) investing activities	(3,661)	(1,744)
Net cash provided by/(used in) financing activities		
(Decrease)/increase in short-term loans	(202)	498
Proceeds from long-term financial debt	550	7,000
Redemptions of long-term financial debt	(630)	(188)
Cash received from issue of new shares	5,054	-
Cash used for the purchase of own shares	(116)	(263)
Redemptions of financial leasing	(131)	(111)
Net cash provided by financing activities	4,525	6,936
Cash and cash equivalents		
Net increase/(decrease) in cash and cash equivalents	11,553	(3,507)
Cash and cash equivalents at the beginning of the period	5,529	10,216
Cash and cash equivalents at the end of the period	17,082	6,709

in EUR thousands

Consolidated Statement of Changes in Shareholders' Equity

as at March 31, 2006 and 2005

	Common stock number of shares	Treasury stock number of shares	Issued capital number of shares	Common stock in EUR thousand	Additional paid-in capital in EUR thousand	Retained earnings in EUR thousand	Treasury stock in EUR thousand	Currency translation differences in EUR thousand	Minority interest in EUR thousand	Comprehensive income in EUR thousand	Total shareholders' equity in EUR thousand
Balance at September 30, 2004	3,849,999	(33,334)	3,816,665	3,850	25,634	(7,393)	(296)	163	-	964	21,958
Purchase of treasury stock		(60,467)					(263)				
Net loss for the period						(196)					
Currency translation differences								67			
Balance at March 31, 2005	3,849,999	(93,801)	3,756,198	3,850	25,634	(7,589)	(559)	230	-	(392)	21,566
Balance at September 30, 2005	3,849,999	(84,096)	3,765,903	3,850	25,634	(7,334)	(469)	158	146	27	21,985
Purchase of treasury stock		(21,024)					(116)				
Valuation of treasury stock						(8)	8				
Valuation of stock option plan					444	(327)					
Net income for the period						879					
Currency translation differences								(2)			
Minority interest									(27)		
Share capital increase	962,501			963	4,091						
Balance at March 31, 2006	4,812,500	(105,120)	4,707,380	4,813	30,169	(6,790)	(577)	156	119	5,905	27,890

Report on the First Six Months of the Financial Year 2005/2006

For the period from October 1, 2005 to March 31, 2006

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

BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS

These quarterly statements were prepared in line with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) of the International Accounting Standards Board (IASB) as well as the guidelines for structured quarterly reporting (SQB) promulgated by Deutsche Börse. These unaudited financial statements are to be read in connection with the audited consolidated financial statements as of September 30, 2005 and comply with the Company's accounting policies described therein. All amounts in the consolidated financial statements – with the exception of information relating to employees or shares – are stated in thousands of euro (EUR thousand) or millions of euro (EUR m).

The financial year of Analytik Jena AG is not the calendar year and runs from October 1 to September 30.

Scope of Consolidation

In addition to the parent company Analytik Jena, the scope of fully consolidated companies includes subsidiaries in which Analytik Jena holds a direct or indirect majority of voting rights. In comparison to the previous year, there have been two changes in the number of subsidiaries included in the scope of consolidation. The 51 % subsidiary AJ Roboscreen GmbH, headquartered in Leipzig, has been fully consolidated since April 1, 2005. AJ Italia srl., headquartered in Milan, is no longer consolidated as of October 1, 2005.

Analytik Jena AG also acquired additional shares in both AJ Blomesystem GmbH and AJ Cybertron GmbH. Analytik Jena now holds 100 % of shares in both companies.

GROUP MANAGEMENT REPORT

Development of Group Sales

The Group generated sales of EUR 31.973 m (previous year: 37.689 m) in the first half of 2005/2006. Total sales revenue was 15.2 % down due to the quiet course of events in the project segment. With foreign sales of EUR 23.297 m (previous year: 28.454 m), the Group posted an export rate of 72.9 % (previous year: 75.5 %).

Consolidated Sales in EUR m

	Quarter II		+/-	6 months		+/-
	01/01/06 - 03/31/06	01/01/05 - 03/31/05		10/01/05 - 03/31/06	10/01/04 - 03/31/05	
Germany	3.774	2.409	56.7 %	8.676	9.235	-6.1 %
Abroad	12.412	16.439	-24.5 %	23.297	28.454	-18.1 %
Total	16.186	18.848	-14.1 %	31.973	37.689	-15.2 %

Sales by Business Unit

Consolidated Sales by Business Unit in EUR m

	Quarter II		+/-	6 months		+/-
Business Unit	01/01/06 - 03/31/06	01/01/05 - 03/31/05		10/01/05 - 03/31/06	10/01/04 - 03/31/05	
Analytical solutions	8.319	4.226	96.9 %	15.404	8.456	82.2 %
Bio solutions	0.664	1.000	-33.6 %	1.416	2.399	-41.0 %
Optical solutions	1.192	1.073	11.1 %	2.768	2.429	14.0 %
Project solutions	6.011	12.549	-52.1 %	12.385	24.405	-49.3 %

The Group successfully continued the positive development of the previous quarter in the instrument segment. The stronger international presence and the growing demand for new products were fundamental factors contributing to the 47.5 % sales increase to EUR 19.588 m (previous year: EUR 13.284 m). Products in the analytical solutions business unit made the largest contribution to sales in the segment. Sales in the bio solutions business unit totalled EUR 1.416 m (previous year: EUR 2.399 m). This includes thermocyclers for rapid PCR, automated solutions for the preparation and handling of tests by AJ Cybertron and reagent kits from AJ Roboscreen and AJ Innuscreen.

Business in Docter® products was expanded during the reporting period. The Group increased sales in the optical solutions business unit by 14.0 % to EUR 2.768 m (previous year: EUR 2.429 m).

The Group posted a 49.3 % decrease in sales in the project solutions segment compared to the previous year at EUR 12.385 m (previous year: EUR 24.405 m). The unusually long winter made it difficult to implement our plans in Russia. Crucial projects in this segment, such as the transplant and dialysis centre in Volgograd with a total order value of over EUR 90.0 m and the university clinic in Moscow worth over EUR 30.0 m, are thus currently around two months behind schedule.

Segment Reporting

Segment Reporting in EUR m*

	Instrument business		Project business	
	10/01/05 - 03/31/06	10/01/04 - 03/31/05	10/01/05 - 03/31/06	10/01/04 - 03/31/05
Sales	19.588	13.284	12.385	24.405
Cost of sales	9.826	6.099	10.121	20.761
Gross profit	9.762	7.185	2.264	3.644
Operating result	1.729	0.008	-0.001	0.151
Financial result	-0.359	-0.427	-0.128	-0.024
Net income/loss	0.931	-0.275	-0.052	0.079
Assets	41.969	32.804	25.272	9.570
Liabilities	18.997	15.495	21.205	5.313
Investments	3.233	1.510	0.298	0.234
Depreciation	0.871	0.722	0.051	0.048
Employees	382	335	95	72

*except for information relating to employees

The Group's gross profit margin has improved by almost nine percentage points to 37.6 % (previous year: 28.7 %) following the change in the sales mix in favour of the instrument business.

Selling and
Administrative**Selling and Administrative Expenses in EUR m**

	Quarter II		+/-	6 months		+/-
	01/01/06 - 03/31/06	01/01/05 - 03/31/05		10/01/05 - 03/31/06	10/01/04 - 03/31/05	
Selling	3.098	3.589	-13.7 %	5.573	5.892	-5.4 %
Administrative	0.992	0.991	0.1 %	2.005	2.036	-1.5 %

Total expenditure for sales and marketing amounted to EUR 5.573 m (previous year: EUR 5.892 m) after the first six months. The cost reductions in sales correspond to sales development in the project solutions business unit.

Administration expenditure was maintained at a stable level compared to the previous year.

Research and
Development**Research and Development Expenses in EUR m**

	Quarter II		+/-	6 months		+/-
	01/01/06 - 03/31/06	01/01/05 - 03/31/05		10/01/05 - 03/31/06	10/01/04 - 03/31/05	
R&D	0.971	1.181	-17.8 %	1.858	2.040	-8.9 %

Analytik Jena used 9.5 % (previous year: 15.4 %) of sales in the instrument segment for research and development purposes. Spending on research and development totalled EUR 1.858 m (previous year: EUR 2.040 m) in the first six months of 2005/2006, thus representing a year-on-year decrease of 8.9 %. Total expenditure for research and development also fell slightly, totalling EUR 3.061 m (previous year: EUR 3.365 m) as at March 31, 2006. The Group's research and development unit had 82 employees (previous year: 75 employees) as at the reporting date.

Earnings Performance

Consolidated Earnings in EUR m (EPS in EUR)

	Quarter II		+/-	6 months		+/-
	01/01/06 - 03/31/06	01/01/05 - 03/31/05		10/01/05 - 03/31/06	10/01/04 - 03/31/05	
EBITDA	1.052	-0.067		2.650	0.929	185.3%
EBIT	0.570	-0.464		1.728	0.159	986.8%
EBT	0.415	-0.648		1.241	-0.292	
EAT	0.329	-0.411		0.879	-0.196	
EPS	0.08	-0.11		0.23	-0.05	

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased year-on-year by 185.3 % to EUR 2.650 m (previous year: EUR 0.929 m). EBITDA includes depreciation and amortisation amounting to EUR 0.922 m (previous year: EUR 0.770 m).

Operating profit, earnings before interest and taxes (EBIT), also improved considerably compared to the previous year. EBIT totalled EUR 1.728 m (previous year: EUR 0.159 m) as at March 31, 2006. The EBIT margin generated by the Group totalled 5.4 % (previous year: 0.4 %).

Expenditure for interest resulting from bank liabilities was significantly reflected in the financial earnings. The balance from interest income and expenditure was EUR -0.487 m (previous year: EUR -0.451 m) in the first six months of 2005/2006.

With a tax rate of 31.6 % and net income of EUR 0.879 m (previous year: -0.196 m) in the first six months, earnings per share improved significantly compared to the previous year, rising from minus EUR 0.05 per share to EUR 0.23 per share. The improved earnings situation was largely the result of increased sales in the instrument segment.

Expenditure from the valuation of the ongoing share option program was reported for the first time in the first two quarters of the current financial year in accordance with IFRS 2 (Share-based Payment), totalling EUR 0.117 m.

Balance Sheet Trend

Total assets for the Group as at March 31, 2006 increased to EUR 67.241 m (as at September 30, 2005: EUR 49.511 m) compared to the previous reporting date of September 30, 2005.

Due to investments in the new production shop premises at Eisfeld and Langewiesen in Thuringia, Germany, investments in property, plant and equipment rose from EUR 9.170 m to EUR 11.053 m.

Whilst trade accounts payable decreased by 16.8 % to EUR 6.406 m

and inventories by 6.4 % to EUR 10.498 m for the quarter compared to September 30, 2005, the Group posted the biggest changes in short-term assets for cash and cash equivalents and the long-term manufacturing orders with credit balance. The item resulting from the percentage of completion in projects which have already begun, amounted to EUR 9.195 m as at March 31, 2006 (as at September 30, 2005: EUR 4.814 m).

The Group's short-term loans increased to EUR 2.250 m (as at September 30, 2005: EUR 2.493 m).

Following advance payments in the project segment, Analytik Jena posted an increase in manufacturing orders with a debit balance from EUR 8.913 m as at September 30, 2005 to EUR 9.510 m. There was a significant increase in short-term liabilities from EUR 4.879 m to EUR 7.289 m due to provisions for outstanding invoices in the project segment.

Equity in the Group increased to EUR 27.890 m (as at September 30, 2005: EUR 21.985 m) due to the capital increase carried out in March. Despite the increase in equity, the equity ratio fell to 41.5 % (as at September 30, 2005: 44.4 %). This was due to the above average, reporting-date related increase in the total assets.

ADDITIONAL INFORMATION

Cash and Cash Equivalents

The level of cash and cash equivalents increased further in the second quarter and totalled EUR 17.082 m (as at September 30, 2005: EUR 5.529 m) at the end of the reporting period. This increase in cash and cash equivalents is largely due to advance payments received in the project segment and the capital increase with subscription rights.

Human Resources

The Group had a total of 477 employees and 31 trainees as at the reporting date of March 31, 2006 (previous year: 407 employees and 32 trainees). 382 were employed in the instrument segment (previous year: 335) and 95 in the project segment (previous year: 72).

Human resources costs amounted to EUR 7.937 m (previous year: EUR 7.356 m) in the first six months of the new financial year. For the first time, this includes expenditure resulting from the application of IFRS 2 (Share-based Payment).

Treasury Stock

As at the balance sheet date of March 31, 2006, Analytik Jena holds 105,120 shares of treasury stock (as at September 30, 2005: 84,096 shares).

Events on or after the Balance Sheet Date

Analytik Jena plans to accelerate sales activities on the Japanese market. The newly established wholly-owned subsidiary Analytik Jena Japan Co., Ltd., headquartered in Yokohama, commenced business operations at the end of April. Analytik Jena Japan will focus on sales and after sales service for analytical systems in the analytical solutions business unit.

Directors' Holdings

Shares and stock options held by the Executive Board and the Supervisory Board as at March 31, 2006:

	Shares		Options	
	03/31/06	03/31/05	03/31/06	03/31/05
Executive Board				
Klaus Berka	750,000	742,250	16,500	16,500
Jens Adomat	650,000	721,250	16,000	16,000
Jürg Briner	5,000	---	5,000	5,000
Supervisory Board				
Alexander von Witzleben	2,083	2,083	---	---
Prof Manfred Grün	2,272	1,666	---	---
Dr Nikolaus Reinhuber	2,083	2,083	---	---

BUSINESS DEVELOPMENT AND OUTLOOK

Analytik Jena has laid the foundations for a successful financial year with the results for the completed six months. The company has successfully expanded the instrument segment and improved the earnings situation. We believe that we will be able to stabilise this development in the second half of the year. The instrument segment's portfolio with its analytical systems, automated solutions and reagent kits results in a well-rounded product range and a stable basis for further growth. This is complemented by the steadily growing after sales business and the product pipeline, which continues to be well filled for the next few years. Sales and income will be lower in the project segment than we anticipated. The situation will improve considerably during the next financial year based on the current order book, which totals over EUR 40.0 m.

We are continuing to implement our growth strategy in the instrument segment with our investments in Japan, the third largest market in the world.

The third quarter will be somewhat quieter due to the season. We anticipate the usual strong business at the end of the year in all areas of the company in the final quarter.

We are anticipating further recovery in the analytical and bio solutions business units with the two most important exhibitions for the instrument segment, Analytica in Munich (April 25 to April 28) andACHEMA in Frankfurt am Main (May 15 to May 19).

We anticipate consolidated sales of EUR 66.0 to 70.0 m depending on the level of implementation in the project segment and an operating result (EBIT) of around EUR 3.0 m in the 2005/2006 financial year.

Financial Calendar 2006

Date	Event	Location
May 12	Publication of interim report for 6 months	Jena
August 14	Publication of interim report for 9 months	Jena
December 11	Publication of annual financial statements 2005/2006	Jena

* These dates are subject to changes at short notice. Please refer to the company website for an updated version of the financial calendar.

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