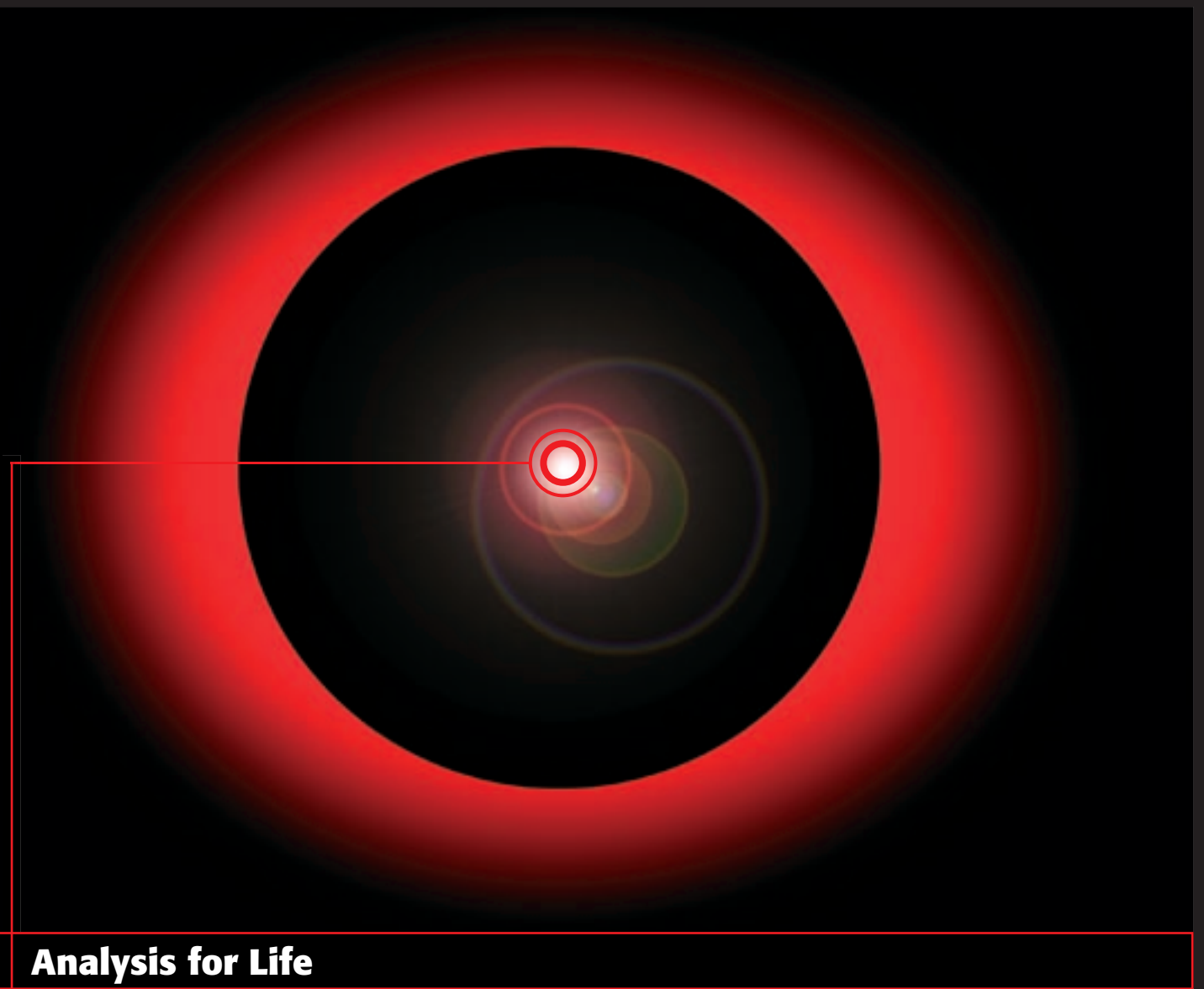
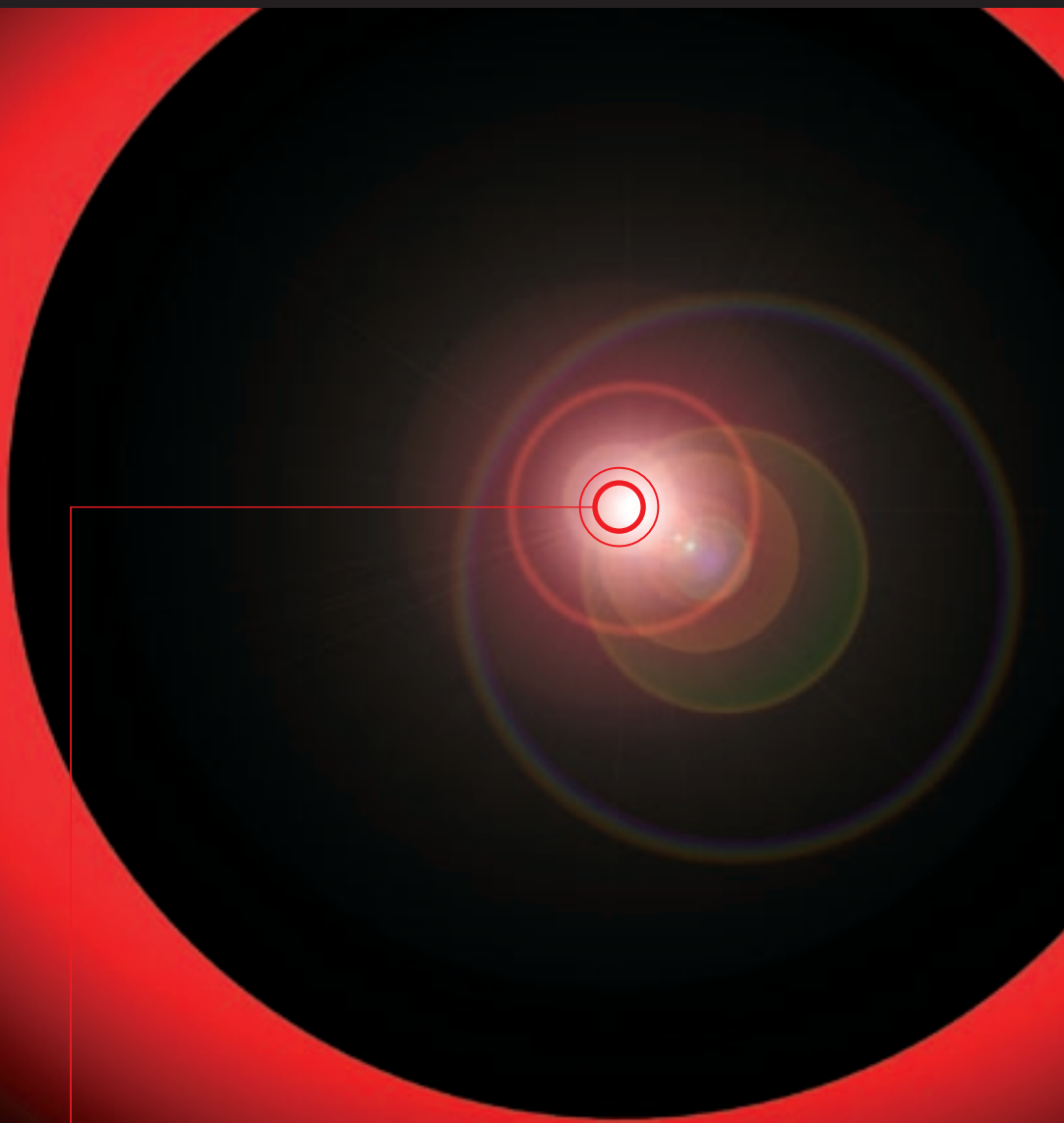


Annual Report 2006/2007



Analysis for Life



Analysis for Life

The Analytik Jena Group develops innovative and economical analysis systems. These systems are instrumental in better conquering global challenges, such as the inspection of foodstuffs, maintaining a healthy environment, and combating diseases.

Seeing more means understanding more. Analysis for life.

Key figures

for the period from October 1 to September 30, 2007 and 2006

	2006/2007	2005/2006	Change
Earnings data			
Consolidated revenue	69,265	67,251	3.0%
analytical solutions	32,624	28,804	13.3%
bio solutions	3,195	2,908	9.9%
optical solutions	7,306	5,410	35.1%
project solutions	26,140	30,129	- 13.2%
Germany	15,972	15,459	3.3%
Europe (excluding Germany)	32,249	29,413	9.6%
America	3,865	2,124	82.0%
Asia	12,258	11,771	4.1%
Rest of world	4,921	8,484	- 42.0%
Export ratio	76.9%	77.0%	
Gross profit	26,491	24,373	8.7%
Gross margin	38.2%	36.2%	
EBITDA	5,824	4,780	21.8%
EBITDA margin	8.4%	7.1%	
EBIT	3,625	2,776	30.6%
EBIT margin	5.2%	4.1%	
EBT	2,838	1,778	59.6%
EBT margin	4.1%	2.6%	
Consolidated net profit for the year attributable to the shareholders of the parent company	1,876	1,130	66.0%
Basic earnings per share	0.40	0.27	48.1%
Diluted earnings per share	0.40	0.27	48.1%
Weighted average shares outstanding (basic)	4,636,989	4,218,251	
Weighted average shares outstanding (diluted)	4,651,221	4,229,598	
Financial data			
Capital expenditure	3,055	4,804	- 36.4%
Depreciation and amortization	2,199	2,004	9.7%
Personnel costs	18,006	16,649	8.1%
Net cash flow	- 5,009	6,206	
Cash and cash equivalents	6,990	11,735	- 40.4%
Balance sheet data			
Equity	29,980	27,638	8.5%
Total assets	63,141	63,607	- 0.7%
Equity ratio	47.5%	43.5%	
Supplemental information			
Research and development expenses (gross)	8,384	7,886	6.3%
Number of employees (as of September 30)	592	544	8.8%
Treasury shares	187,620	220,120	

in EUR thousands, except per-share and employee data

Highlights of Financial Year 2006/2007

December

AJZ Engineering GmbH receives a follow-up contract for the modernization of a private clinic in Moscow for approximately EUR 20 m. The cooperation agreement is signed in conjunction with a visit by Thuringian Prime Minister Dieter Althaus.

Through a cooperative arrangement with AVISO GmbH, the product portfolio of the bio solutions business unit is expanded by the addition of the CellCelector. This product, which is used for cell research and therapy, was developed in Gera (Thuringia) and provides new vigor to this still new division.

January

The company beteiligungsmanagement thüringen GmbH (bm-t) strengthens the shareholder structure of Analytik Jena AG. Holding more than 3.0% of the voting shares, this subsidiary of Thüringer Aufbaubank is one of the Company's largest shareholders.

February

With an increase in sales of 13.7% in the first quarter of the new financial year, the Company can look forward to the upcoming months with optimism.

March

At the seventh Ordinary General Meeting, Group management reaffirms its forecast for growth in both sales and earnings.

May

The operating result increases by 20.1% in the first half of the year. Development in the high-margin instrument business is especially positive.

June

Analytik Jena receives the innovation prize from the city of Jena for its atomic absorption spectrometer contrAA® 700, the follow-up system to the extremely successful contrAA® 300.

August

Analytik Jena can once again confirm its strong growth trend after the third quarter. Despite the weak project business, the EBIT increases by 15.1% compared to the previous year.

Change in the Supervisory Board: Dr. Franz-Ferdinand von Falkenhausen becomes successor to Dr. Nikolaus Reinhuber.

October

The bio solutions business unit experiences grandiose success in both attracting attention and gaining acceptance at Europe's leading biotechnology trade fair, the BIOTECHNICA in Hanover. A total of four new developments were presented to the market.

Index

	Page
To Our Shareholders	
Letter to the Shareholders	2
Report of the Supervisory Board	4
Analytik Jena's Shares	8
Declaration of Conformity	11
Corporate Governance	12
Management Report of the Analytik Jena Group	
1. Analytik Jena's Macroeconomic Environment	16
2. Sector-specific Situation	16
3. Business Development in the Group	17
4. Cost Trends	21
5. Capital Expenditure	21
6. Human Resources	22
7. Net Assets, Financial Position, and Results of Operations	24
8. Research and Development	27
9. Opportunity and Risk Report	28
10. Other Information	30
11. Supplemental Report	32
12. Outlook	33
Consolidated Financial Statements	
Consolidated Income Statement	35
Consolidated Balance Sheet	36
Consolidated Cash Flow Statement	37
Consolidated Statement of Changes in Equity	38
Notes to the Consolidated Financial Statements	40
Consolidated Statement of Changes in Noncurrent Assets	72
Auditor's Report	74
Further Information	
Glossary	75
Contacts	78
Financial Calendar	U3
Acknowledgements	U3



■ Stefan Döhmen (CFO) ■ Klaus Berka (CEO) ■ Jens Adomat (COO)

Letter to the Shareholders

Dear Shareholders and Friends of Analytik Jena AG,

Financial year 2006/2007 again closed with strong growth in our core area. The figures presented are especially remarkable against the background of the continuing downward trend of the dollar and the situation in the Japanese market, which did not fully meet our expectations. Analytik Jena has been able to expressly confirm that the Company is capable of coping with the many diverse internal and external challenges thanks to its strategic orientation. Nevertheless, we will carefully analyze why we did not reach our goals in some areas despite our overall positive corporate performance. This pertains first and foremost to the price of our shares and the course of business of the project solutions business unit.

With earnings per share of EUR 0.40, we achieved the best results to date since the initial public offering in the year 2000. We were even able to slightly exceed the goal of EUR 3.5 m EBIT set in March 2007, with actual results of EUR 3.6 m. We fell short of our plan for EUR 75.0 m in sales, achieving instead EUR 69.3 m. This can, however, be attributed solely and completely to lower sales in the project business, while the increase in sales of 16% in the instrument business laid the groundwork for above-average earnings within the Group as a whole.

As expected, the instrument business with its three business units has grown strongly. Development in analytical solutions in particular has been sustained and accelerated. Building upon an expanded product portfolio, the progress being made in internationalization and an impressive technology base, we were able to generate double digit growth. Even though we may not have advanced very quickly in setting up our distribution organization in Japan this year, we continue to see a great deal of potential for our products. We must point out in particular the marketing and sales success we have had with our new HR-CS-AAS (High-Resolution-Continuum-Source-Atomic-Absorption-Spectroscopy). This technology, which is the only one of its kind in the world, provides the Group with a noticeable market edge, helps improve the profit margin, and helps bring other products into the spotlight.

Progress in the bio solutions business unit cannot yet be directly measured by the sales figures. However, some slight increases were achieved in this area as well. We used financial year 2006/2007 to complete our own technology platform. At the trade fair which took place in Hanover just after the end of the financial year, BIOTECHNICA 2007, this business unit was able to present its entire portfolio in an outstanding way. The more than 700 potentially interested parties bear witness to the fact that the company attracted a great deal of attention. A total of four new equipment systems were introduced. The "top runners" turned out to be our combination PCR equipment, which combines super-fast rapid PCR technology and classic PCR in one product, and our SNP tower, which couples rapid PCR with speedy endpoint detection. The other systems, too, for example the Chip Fotometer ScanDrop, the flexible robotic stations, and our large range of reagent kits for DNA purification and special applications were also met with a great deal of interest.

The optical solutions business unit proved again in the reporting year that outstanding results can be achieved in the field of high-performance consumer optics. With an increase in sales of over 30%, this business unit was the internal front-runner within the Group. This can be traced back mainly to government agency orders from the USA for our unique laser dot sight system DOCTER[®]sight. At the same time, we were able to find an additional sales partner in the USA for the hunting and sporting area. Group management believes that the current sales level can be still further expanded by working with this partner.

The project solutions business unit was unable to meet expectations for brisk project advancement in financial year 2006/2007. A portion of the sales potential from incoming orders had to be postponed until the new financial year. While it is true that a positive result was achieved in September in a superb final spurt, the sales amounting to EUR 26.1 m were at their lowest level of the last several years. We now see imminent increases again for the current year. The high volatility of the project business is also a regular topic of discussion at the strategy meetings, in which the Supervisory Board also participates. In particular, when we stop to consider that you, our esteemed shareholders, expect a better plan of action for our business, we think about some alternatives for continuing to use the business unit and its synergies for the entire Group, while still being able to direct our clear focus on the instrument business in the future.

In summary, I would like to emphasize that Analytik Jena has just completed a highly successful financial year 2006/2007. Progress can clearly be seen, particularly on the earnings side, and this progress is based on an extraordinary increase in sales in the instrument business. The long-term strategy adopted by Analytik Jena seems to be bearing fruit. We want to continue this positive trend in the financial year which is now underway and hope that this healthy business trend will also be reflected in the company shares.

Yours truly,



Klaus Berka

Chairman of the Executive Board (CEO)

Report of the Supervisory Board

Dear Shareholders,

In financial year 2006/2007, the Supervisory Board of Analytik Jena AG was heavily involved in the position of the Company and worked closely with the Executive Board on all important transactions and strategic decisions. We advised the Executive Board and monitored the Company's management. The Executive Board reported to us regularly and in a comprehensive, timely manner.

Supervisory Board Meetings and Content

In the four meetings held in financial year 2006/2007, the Supervisory Board was informed about the current situation and the economic development of the Company and the Group and discussed these items in detail with the Executive Board. Where it was deemed necessary to improve the evaluation process, employees responsible for specific areas were invited to the meetings to report on individual agenda items. The Supervisory Board meetings took place on December 14, 2006, March 21, 2007, June 13, 2007, and September 14, 2007, in Jena. The Executive Board and the entire Supervisory Board were personally in attendance at every meeting. In addition to the information in the ordinary meetings, the Supervisory Board members received detailed reports on the position of the Company and of the Group. The Chairman of the Supervisory Board was also informed about significant actions resulting from the Executive Board and Group management meetings. The Chairman and the other members of the Supervisory Board also obtained information about significant business transactions outside of the regular Supervisory Board meetings through discussions with the Executive Board. This ensures that the Supervisory Board is always advised in a timely manner and can follow and support business operations by giving advice and recommendations.

Important Advisory Items within the Supervisory Board

The main areas of focus of the Supervisory Board meetings during the reporting period included the development of the instrument business and the strategy regarding the individual subsidiaries. Within the context of the development of the instrument business, the long-standing positive results were evaluated in particular. These results can be traced back to, among other things, the high quality of production which takes place mainly here in Germany. The products in the DOCTER® range, which are manufactured in Eisfeld, showed outstanding results. The Chairman of the Supervisory Board learned more about the products and operating procedures from a personal visit to the production site in Eisfeld and a visit to a trade fair in Erfurt. Special significance was attributed to the newly set up business unit bio solutions. This unit is also developing positively within the group of companies.

Another focal point of the regular meetings was the development of the project solutions business unit. The management of AJZ Engineering GmbH gave a detailed report on the placement of the subsidiary, the course of current projects, and the objectives for the financial year. The overall complexity of the project business was discussed in great detail. Individual large projects were discussed regularly. The Supervisory Board gave advice on several occasions and reports about the implementation of these suggestions were also provided. Beyond the scope of the individual projects, the possible restructuring of AJZ Engineering GmbH was also considered.

The Supervisory Board granted its approval to transactions requiring regulation. Included here in particular was the sale of all of the shares in Perichrom s.a.r.l. in France and the acquisition of shares in eBiochip Systems GmbH. In the meetings in September and December 2007, the Executive Board presented its operating plans and the financial planning for financial year 2007/2008. The Supervisory Board approved the plans.

Corporate Governance

The Supervisory Board turned its attention to the further development of Corporate Governance within the Company and in so doing took into account the changes to the German Corporate Governance Code (GCGC) of June 2007. The Executive Board and the Supervisory Board have submitted a new Declaration of Conformity in December.

The deviations from the GCGC are explained in the Annual Report under the Corporate Governance section. The Supervisory Board is also in agreement with the Executive Board that these are justified and reasonable with respect to the design of stock option plans and the formation of committees. Regarding the structure of the Supervisory Board remuneration, the current provision in the Articles of Association should be revised and in the future comply with the Code.

In conjunction with good corporate governance, the Supervisory Board has also been engaged in checking on its own efficiency with overall positive results.

Risk Management

The requirements for efficient risk management specified by the KonTraG have been discussed in detail with the Executive Board. The Supervisory Board continues to be convinced that insurable risks are sufficiently insured and that the operational, financial, and contractual risks are monitored by organizational procedures and approval processes. A detailed reporting system is in place for the Company and the Group, which is continuously being maintained and further developed. All employees in the operating units are sensitized as to potential risks and required to provide respective reports.

Annual Audit

In accordance with the decision of the General Meeting of March 21, 2007, KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft (KPMG) in Leipzig was commissioned to audit the annual financial statements and the consolidated financial statements of the Company prepared according to IFRS as well as those of the subsidiaries where legally prescribed. The audit concentrated, among other things, on the process of preparing the consolidated financial statements, the definition of the group of consolidated companies, the truth and fairness of the annual financial statements included in the consolidated financial statements, the reporting and valuation of certain balance sheet items, the development of the project business, the plausibility of the projected figures in the Group management report, and the application of new accounting standards in accordance with IFRS.

Annual Financial Statements

The annual financial statements and the management report prepared by the Executive Board as well as the consolidated financial statements and the Group management report for financial year 2006/2007, including the bookkeeping and risk early warning system, were audited by KPMG. The auditor issued an unqualified audit opinion. The consolidated financial statements of Analytik Jena AG were prepared in accordance with the International Financial Reporting Standards (IFRS).

The annual financial statements, the management reports, and audit reports were all presented to the Supervisory Board members in good time. The Supervisory Board reviewed the annual financial statements and consolidated financial statements of Analytik Jena AG as well as the management reports of the Company and of the Group including the information in accordance with sections 289 (4), 315 (4) of the German Commercial Code (HGB) in the balance sheet meeting of December 11, 2007. In this meeting, the auditors reported the significant results of their audit and were available for further information and any other questions by the Supervisory Board.

Based on its own examination, the Supervisory Board agreed with the results of the auditor's examination. In its meeting on December 11, 2007, the Supervisory Board approved the annual financial statements and the consolidated financial statements; the annual financial statements are thus adopted. The Supervisory Board discussed with the Executive Board the suggestion on how to use the net profit for the year and agreed with the proposal put forth by the Executive Board.

Notes on the Information in Accordance with Sections 289 (4), 315 (4) of the German Commercial Code

In accordance with section 171 (2) of the AktG, we herewith explain the information in the Group management report in section 10.2 required in accordance with sections 289 (4), 315 (4) of the Handelsgesetzbuch (HGB – German Commercial Code) as follows:

- The formation of the share capital is laid down in the Articles of Association. Analytik Jena AG has only issued ordinary shares; there are no preferred shares or special rights of individual shareholders.
- The authority of the Executive Board to increase the share capital from approved and contingent capital, to issue convertible and option bonds, and to acquire treasury shares enables Analytik Jena AG to respond to the respective capital needs in an appropriate and timely manner.

- The equity interests which reach more than 10.0% of the voting rights are recorded under section 10.3 of the management report in the form of a table and require no further explanation.
- The appointment and dismissal of Executive Board members follow the legal and statutory provisions. In accordance with section 6 of the Articles of Association, the Executive Board shall consist of at least two members and the Supervisory Board shall determine the number of Executive Board members. Changes to the Articles of Association were simplified within the scope legally permitted.
- There are no agreements with the Executive Board members in the event of a change of control at Analytik Jena AG. The employment contracts of the employees also contain no such provisions.
- The Company has not entered into any agreements for the event of a takeover proposal.

Appointment to the Supervisory Board and Executive Board

All of the Supervisory Board members were reappointed by the General Meeting on March 28, 2006. The appointment is in effect for the period up to the end of the Ordinary General Meeting, which will make decisions regarding their discharge for the fourth financial year after the commencement of the new period of office.

Effective June 30, 2007, Dr. Nikolaus Reinhuber has resigned from his Supervisory Board membership. In his place, in accordance with section 104 (1) of the AktG by means of a resolution of the Local Court of Jena dated August 27, 2007, Dr. Franz-Ferdinand von Falkenhau- sen was appointed to the Supervisory Board. In accordance with the recommendation in Item 5.4.3 sentence 2 of the German Corporate Governance Code, a vote by the General Meeting 2008 should take the place of the court appointment. The Supervisory Board thanks its resigning member for his many years of dedicated work in the interests of the Company.

At the same time, the Supervisory Board sincerely thanks all the members of the Executive Board and all the employees of the Analytik Jena Group for their commitment and achievements in the past financial year, as well as the shareholders for the trust they have shown in the Company.

Jena, December 2007

For the Supervisory Board



Alexander von Witzleben

Chairman of the Supervisory Board

Analytik Jena's Shares

Analytik Jena's shares developed contrary to TecDAX in the Xetra trading on the German stock exchange during the course of financial year 2006/2007. While the TecDAX increased by 45.7% from 663 to 966 points, the Analytik Jena shares edged downward by about 12.5%.

The share opened in early October at a price of EUR 6.59 in financial year 2006/2007. The share then stabilized at this price level in the months that followed. When the annual results were announced at the German Equity Forum 2006 in Frankfurt am Main, the Analytik Jena shares began to show a slight increase in price. The stock therefore reached its previous high at the end of February with prices of up to EUR 8.39 during the course of the day.

Following this, the stock experienced a somewhat negative trend despite the Company's overall stable and positive key figures, but nevertheless continued to find support above the EUR 7 mark. At the end of July, this important support line was breached and in mid-August, the stock fell to its lowest level of EUR 5.21 during the course of the day.

At the end of the financial year, Analytik Jena's share price was EUR 5.70. Market capitalization was at EUR 27.5 m at this time. The stock was therefore about 8.3% below the Company's equity. At the same time during the previous financial year, the stock was still 13.1% above the balance sheet equity. The average trading volume at the end of the financial year was 11,257 shares (September 30, 2006: 13,206 shares). A total of 2.8 m shares (previous year: 3.5 m shares) of Analytik Jena stock were traded. Based on a total number of shares of about 4.8 m, this corresponds to an annual volume of about 0.6 (previous year: 0.7).

Within the framework road shows and conferences, the members of the Executive Board of Analytik Jena AG presented the Company primarily to investors from Switzerland and Germany.

The Executive Board presented the business model in individual meetings and elucidated on the results, opportunities, and risks of the Company as well as its prospects for growth. Numerous company visits and regular conference calls with analysts and investors attest to the close contact with the capital market.

Stock Market Data on Analytik Jena's Shares

ISIN	DE 000 521 3508
WKN (securities identification number)	521350
Stock market symbol	AJA
Reuters symbol	AJA.DE
Free float	70.3%
Membership of Deutsche Börse indices	CDAX, NMDP, CXPB, PXAP, IINA
Admission segment	Prime Standard/Regulated market
Prime sector	Industrial
Stock markets	Frankfurt am Main, Stuttgart, Munich, Hanover, Düsseldorf, Berlin/Bremen, Hamburg, and Xetra

Development of Analytik Jena's Share Price 2006/2007

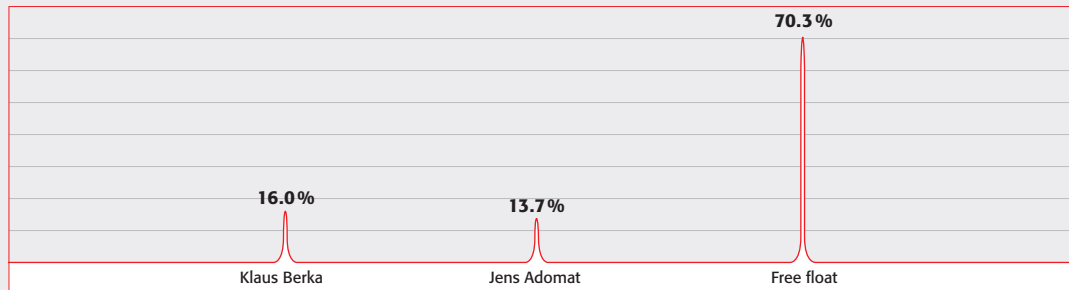


Key Data on Analytik Jena's Shares

		09/30/2007	09/30/2006	in %
Closing price for financial year*	in EUR	5.70	6.49	- 12.2
High for financial year*	in EUR	8.19	8.90	- 8.0
Low for financial year*	in EUR	5.52	5.10	8.2
Price/earnings ratio		14	24	
Earnings per share (EPS)	in EUR	0.40	0.27	48.2
Cash flow per share	in EUR	- 0.81	1.33	
Book value per share	in EUR	6.22	5.74	8.4
Number of shares		4,816,897	4,816,897	-
Market capitalization	in EUR m	27.5	31.3	- 12.1
Average trading volume	number of shares	11,257	13,206	- 14.8

*on Xetra

Shareholder Structure of Analytik Jena AG



as of September 30, 2007

Thus, in November 2006, the Executive Board of the Company once again used the German Equity Forum in Frankfurt am Main as well as the third Munich Capital Market Conference in May 2007 and the Erfurt Stock Exchange Days in September 2007 as a welcome platform for the presentation of the Company before numerous analysts, investors, and representatives of the financial press.

The stock is serviced by two analysts. The latest recommendations are to "Buy" (First Berlin/Commerzbank, October 31, 2007) and "Buy" (Midas Research, August 21, 2007). Current studies can be found on the Internet or requested from the Investor Relations Team.

Broad Acceptance at the Annual General Meeting

The Company's seventh Ordinary Annual General Meeting took place on March 21, 2007 in Jena. The Executive Board and Supervisory Board welcomed more than 120 shareholders and guests to the meeting, representing over 44.0% of the share capital with 2,043,538 represented voting shares for a voting share capital of 4,641,777 shares. All items on the agenda – the approval of the activities of the Executive Board and the Supervisory Board for financial year 2005/2006 and the election of the auditors and the amendments to the Articles of Association – were approved with clear majorities.

The majority of the Analytik Jena shares are in free float. With the exception of the strategic investment of bm-t beteiligungsmanagement thüringen GmbH amounting to 3.0%, the shareholder structure has not changed significantly compared to the previous year according to the Company's own findings.

Declaration of Conformity

Declaration of Conformity with the German Corporate Governance Code

Joint declaration by the Executive Board and the Supervisory Board of Analytik Jena AG on conformity with the recommendations of the German Corporate Governance Code (CGGC) in accordance with section 161 of the Aktiengesetz (AktG – German Public Companies Act):

Since its last declaration of conformity dated December 14, 2006, Analytik Jena AG has conformed with the recommendations of the Government Commission on the German Corporate Governance Code regarding the management and supervision of companies as amended on June 12, 2006, subject to the deviations mentioned therein.

In the future, Analytik Jena AG will conform with the recommendations of the Government Commission on the German Corporate Governance Code as amended on June 14, 2007, with the following exceptions:

- a) The stock option plan is not related to comparison parameters and the Supervisory Board has not passed a resolution covering extraordinary unforeseen developments (section 4.2.3 of the Code).
- b) As the Supervisory Board is composed of only three members, no committees have been formed (section 5.3 of the Code).
- c) The compensation of the Supervisory Board members currently is comprised of a fixed component only. In the upcoming General Meeting, however, a decision is expected to be made on a results-oriented component as well (section 5.4.7 of the Code).

Analytik Jena AG
Jena, December 11, 2007

For the Executive Board



Klaus Berka

For the Supervisory Board



Alexander von Witzleben

Corporate Governance

Analytik Jena places a great deal of value on corporate governance. Through its own self-instilled obligation, the Company's Executive Board and Supervisory Board put forward a clear set of rules, which encompasses the entire system of a responsible corporate management and control, oriented toward an increase in value.

Analytik Jena places particular value on its relations with shareholders. By being aligned with the Corporate Governance Code, it is easier for the investors to assess and influence the Company. The principle is therefore given a great deal of significance within the organization, corresponding to the equal treatment of all investors and financial analysts as required by the applicable rules.

Analytik Jena is very much aware of its responsibility toward its customers, investors, and the public. Sound corporate governance is thus a highly important basis for the Company's approach to conducting business.

Remuneration of the Executive Board

The remuneration of the Executive Board is performance-based. Specifically, the remuneration is made up of the following components: (i) a fixed remuneration, (ii) a variable bonus, (iii) a stock-based remuneration, and (iv) an employer's pension commitment.

The total remuneration of the Executive Board Members is composed of a fixed component, a fixed base salary paid out monthly, and a variable, performance-related component, which corresponds to an annual share in profit. The variable component of the remuneration is dependent on reaching specific financial goals. The annually recurring, performance-related component of the remuneration is calculated based on the EBIT of the Group, with minimum objectives and a maximum limit.

Another variable component of the remuneration with a long-term incentive effect and risk character consists of a stock-based remuneration determined by the Supervisory Board. This is issued from stock options under the conditions of the stock option plans 2000 and 2004 resolved by the General Meeting of Analytik Jena AG (for more detailed information about the stock option plans, please see Section 5.12 in the Notes to the Consolidated Financial Statements of the Annual Report).

In the arrangements made on December 1, 1992, the Company granted Mr. Berka and Mr. Adomat specific pension benefits. The employer's pension commitments, which are reinsured in each case by a life insurance policy, were continued unchanged within the scope of the Executive Board contracts of employment presented above. In addition, a company direct insurance policy was taken out for Executive Board members Adomat and Berka. In the event of a premature termination of employment status, the Executive Board agreements do not include any express severance guarantees. Severance may result from an individually arranged cancellation agreement, however.

For financial year 2006/2007, the fixed remuneration amounted to EUR 421 thousand (previous year: EUR 374 thousand) and the total remuneration to EUR 485 thousand (previous year: 434 thousand). The fixed remunerations of the Executive Board members shown in the table below include the taxable portion of the company cars used for personal use as well as the direct insurance premiums. EUR 54 thousand (previous year: EUR 54 thousand) was paid for the pension commitments during the financial year.

Stock Option Plan

The Company aims to do business in a manner that is geared toward the interests of the shareholders and that actively helps

Executive Board Remuneration for Financial Years 2006/2007 and 2005/2006

Executive Board	Financial Year	Components of the Remuneration			Total Remuneration
		Fixed	Variable performance-related components	Variable Component with long-term incentive (value of assigned stock options)	
Klaus Berka	2006/2007	171,157	36,246	–	207,403
	2005/2006	171,014	27,760	8,141	206,915
Jens Adomat	2006/2007	142,001	18,124	–	160,125
	2005/2006	153,884	13,880	8,141	175,905
Stefan Döhmen	2006/2007	107,798	10,000	–	117,798
	2005/2006	27,212	–	–	27,212
Jürg Briner	2006/2007	–	–	–	–
	2005/2006	21,700	–	2,374	24,074
Total	2006/2007	420,956	64,370	–	485,326
	2005/2006	373,810	41,640	18,656	434,106

in EUR

increase the Company's long-term stock market value. To this end, the Company set up stock option plans in both 2000 and 2004, which provided for the issuing of stock options to employees and managers in the form of market value-oriented incentive systems. Based on the development of the Analytik Jena shares and after consideration of the motivation potential and shareholder interest, no further stock option plans were decided upon since 2004.

More detailed information on the stock option plans can be found in Section 5.12 in the Notes to the Consolidated Financial Statements of the Annual Report.

When designing the stock option plans in the year 2000 and in 2004, the Company decided to forego the obstacle of a comparison index, since it was relatively difficult for the Group to

define a suitable measure for this purpose. In light of the market capitalization of Analytik Jena AG, there was at that time no index on the market that could be used directly to adequately cover the complete analytical measuring devices and investment projects industry. Even the independent compilation of an "industry basket" failed to make the grade due to the fact that there were not enough competitors listed on the stock exchange in Germany and/or Europe which were suitable for comparison purposes.

Formation of Committees

Due to the fact that the Supervisory Board consists of only three members, the formation of professionally qualified committees as recommended in the Code does not apply for Analytik Jena. The members of the Supervisory Board shall jointly dedicate their energies to all topics which according to the Code should be transferred to special committees, and thereby comply with the

Granted Options

	Executive Board	Managing Directors	Employees	Total
Opening balance 10/01/2006	24,000	30,300	179,103	233,403
Exercised options	–	–	–	–
Expired options	–	–	–	–
Ending balance 09/30/2007	24,000	30,300	179,103	233,403

no. of options

objectives of the Code. This also applies to the ruling regarding the formation of nominating committees which was newly adopted in the Code.

Remuneration of the Supervisory Board

The currently valid rules for remuneration of the Supervisory Board were passed by the Annual General Meeting on March 8, 2001. They can be found in section 14 of the Articles of Association of Analytik Jena AG. The remuneration is based on fixed components and takes into account the position of Chairman and Deputy Chairman as well as membership in the Executive Committee of the Supervisory Board. Currently, no performance-related factors are included in the overall remuneration of the Supervisory Board. A list of the individual Supervisory Board remunerations can be found in Section 7.2 in the Notes to the Consolidated Financial Statements of the Annual Report.

Security Transactions That Must Be Reported (Directors' Dealings)

Section 15a of the Securities Trading Act (WpHG) makes it mandatory for the members of the Executive Board and the Supervisory Board of Analytik Jena AG to report the acquisition

or sale of Analytik Jena shares to the Company and to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). In addition to the purchase and sale transaction of Analytik Jena shares, security transactions related to the Analytik Jena stock (e.g. the acquisition or sale of options) must also be reported. The acquisition or granting of options on an employment contract basis or as a component of remuneration and the exercising of such options are not subject to the duty to report. Security transactions by individual or legal persons who are in a close relationship with the persons described are also subject to the duty to report. Since the introduction of the duty to report, Analytik Jena has been voluntarily publishing all transactions even beyond the legally prescribed period of one month.

In September 2007, Executive Board Chairman Klaus Berka acquired 10,000 shares of the Company over the counter at a total purchase price of EUR 61,600.

Shareholdings of the Executive Board and the Supervisory Board (Directors' Holdings)

	Shares		Options	
	09/30/2007	09/30/2006	09/30/2007	09/30/2006
Issuer	187,620	220,120	-	-
Executive Board				
Klaus Berka	760,000	750,000	12,000	12,000
Jens Adomat	650,000	650,000	12,000	12,000
Stefan Döhmen	-	-	-	-
Supervisory Board				
Alexander von Witzleben	2,083	2,083	-	-
Prof. Dr. Manfred Grün	2,272	2,272	-	-
Dr. Nikolaus Reinhuber (until 06/30/2007)	2,083	2,083	-	-
Dr. Franz-Ferdinand von Falkenhausen (from 08/27/2007)	-	-	-	-

no. of shares

Analytik Jena AG

Jena, December 11, 2007

For the Executive Board



Klaus Berka

For the Supervisory Board



Alexander von Witzleben

Management Report of the Analytik Jena Group

for financial year 2006/2007

1 Analytik Jena's Macroeconomic Environment

The positive economic development of the previous year continued into the first half of 2007. Thus, while the dynamics in the developing and newly industrialized countries continued to be noticeably high, the economic activities in the industrial countries continued to drop off. Triggering this slower tempo of increase in productivity was the deceleration of economic development in the United States. Economic development remained strong in Japan and Europe until spring. However, in the second quarter of 2007, the situation went into reverse once again. While production in the United States expanded considerably until the housing crisis struck, the upswing in Japan and in the eurozone dropped off slightly.¹

Driven by the fast-paced economic growth, the developing countries which are trying to catch up – predominantly China – are now investing. The surplus in China's trade balance has increased at a fast pace again this year.² Exports and investments continue to be the driving force. While it is true that private consumption is also expanding in light of the sharply increasing real wages, this is occurring at a distinctly slower pace than the macroeconomic production.³

Following the highly robust increases that were recorded during the six months of the winter season, the real gross domestic product in Japan lost ground during the spring quarter.

The upturn also took a break in the eurozone in the second quarter of this year, following a first quarter that had been quite robust despite the negative impact of the value-added tax increase in Germany.

One factor that was instrumental in the slowdown of the economic tempo was the fact that exports, which experienced an extremely sharp rise in 2006, barely increased after that time. Another factor was domestic demand – and in particular private consumer spending – dampened by the restrictive financial policy.⁴

Added to this is the fact that the euro had never before been so expensive since it was introduced, with prices upwards of USD 1.43 per euro. This development was reflected in the export activities of many internationally operating companies and therefore decisively impeded the economic dynamics in the eurozone.⁵

2 Sector-specific Situation

The challenge of trying to save money while simultaneously increasing performance stimulates development in the laboratory and analysis technology. First and foremost is the trend toward simplification, acceleration, and automation of measuring processes, from sample drawing to sample preparation to the evaluation of measurement results.

¹EUROFRAME – European Forecasting Network, September 2007.

²FAZ dated October 12, 2007.

³BMBF (German Federal Ministry of Education and Research): Report on Germany's Technological Performance in 2007.

⁴Kiel Institute for the World Economy, September 2007; see also Kiel Discussion Paper 445/446.

⁵Börsenmonitor der Landesbank Baden-Württemberg (Stock Exchange Monitor of the Landesbank Baden-Württemberg), September 2007; see also www.oanda.com.

The demand in this sector is determined mainly by the trend toward the system solutions aimed at the requirements of the end users. An important role in the analysis and life science growth segments is therefore played by capable technologies on one hand (“best in class”) and efficient standards systems for routine operation (“fit for function”) on the other hand. Dominating the operation of equipment systems on the consumer side are economic aspects such as profitability, costs per analysis, expenses for consumer goods, and the offer of additional services pertaining to the product after the sale.⁶

The overall global market volume for analytical, bioanalytical, and laboratory equipment technology is estimated at about USD 40.0 billion with annual growth of about 5.0%. The instruments, the automation devices, and their peripherals alone make up approximately 50.0% of this total volume. General services and consumer goods make up the remainder. Within analytical instruments, 45.0% of the market volume (USD 6.6 billion) can be attributed to industry. About 15.0% (USD 2.5 billion) to 20.0% (USD 3.4 billion) of the market share accrues to the biotechnology, pharmacy, and science application areas within the sub-market of consumer goods and peripherals.⁷

Following an overall positive 2006, the manufacturers of analytical, bioanalytical, and laboratory equipment also reported an increase in sales at the beginning of the current year. The most important markets for the analytical, bioanalytical, and laboratory technology products were the chemical industry, the public

sector, and the industrial trades. Most of the companies therefore reported increases in all of the major regions, such as the USA, Germany, China, and Japan. The Chinese market continues to have the highest growth rates for analytical equipment, making it one of the largest sales areas for the manufacturers of these technologies aside from the American and European regions.

With sector sales of approximately EUR 5.3 billion, Germany assumes a leading position within Europe. At the same time, foreign sales for German manufacturers increased by 15.1% to EUR 2.8 billion.⁸

In addition to the organic growth of the sector, a number of acquisitions by international conglomerates took place in 2007. Small and medium-sized companies also caught the attention of the large distributors who are attempting to provide consumables and equipment technology from a single source.

3 Business Development in the Group

Overall, Analytik Jena can look back on a good financial year. As expected, business in the analysis equipment and after-sales segments (consumables, reagents, and maintenance and service agreements) developed highly positively, while sales in the project business lagged behind the goals we had set. This resulted in the Group sales mix being shifted further in favor of the instrument business.

⁶Instruments Business Outlook, 2007.

⁷Deutsche Bank: Overview of Life Science Tools Marketplace. The total market volume was projected based on the market volume in 2005 and the annual growth rates of the years 2003–2005.

⁸German Industrial Association for Optical, Medical, and Mechatronical Technologies Inc. (SPECTARIS); press release dated 04/19/2007.

In financial year 2006/2007, Analytik Jena achieved Group sales of EUR 69,265 thousand. This was an increase of 3.0% compared to the previous year.

With an export rate of 76.9% (previous year: 77.0%), Europe continues to be the largest sales region. Goods valued at EUR 32,249 thousand were exported there, which was 9.6% more than in the previous year. Despite the large order realized last year in the People's Republic of China (about EUR 1,200 thousand), growth in Asia remains at 4.1% in a year-on-year comparison with sales of EUR 12,258 thousand. The sales revenue of our subsidiary AJ Japan Co., Ltd. remained significantly below our expectations. In spite of this, the highest sales of the Group to date were achieved on the Japanese market with sales totaling approximately EUR 900 thousand. Revenue in North America reached a total of EUR 3,865 thousand, which represents an increase of 82.0% compared to the previous year. The stagnation reported the previous year on the home market was offset by the attractive domestic economy. Sales in America and Asia were achieved exclusively in the instrument business.

3.1 Instrument Business

Thanks to the highly pleasing sales record in the analytical and optical solutions business units, new record results were achieved in the instrument business. In the financial year under review, sales in this segment amounted to EUR 43,125 thousand, thus increasing by 16.2% compared to the previous year's revenue of EUR 37,122 thousand. The high-performance products, clear orientation, and a good image in the eyes of the customer were again reflected positively in the sales figures.

Growth in the core area of analytical solutions to EUR 32,624 thousand can be attributed largely to the acceptance of the newly introduced products and the successful marketing by our own sales organizations and trading partners. The increase of 13.3% compared to the previous year's value of EUR 28,804 thousand was achieved solely through organic growth.

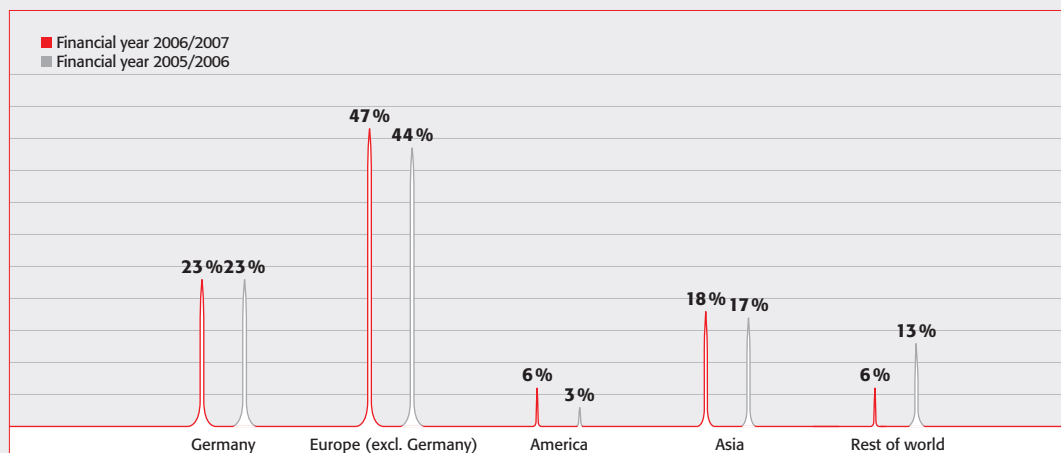
As in the previous financial year, the products of the optical solutions business unit are in the vanguard of this sales dynamic. The record figure of EUR 7,306 thousand in sales represents an increase of 35.1% compared to the previous year and is based on the US business commenced in the public authorities sector.

Revenue of the Analytik Jena Group



as of September 30, in EUR thousands

Percentage Breakdown of Revenue by Region



as of September 30

Revenue by Region

	2006/2007	2005/2006	2004/2005	2003/2004	2002/2003	Change 06/07 to 05/06
Germany	15,972	15,459	16,902	39,138	35,047	+ 3.3%
Europe (excl. Germany)	32,249	29,413	37,207	37,706	39,928	+9.6%
America	3,865	2,124	1,610	1,353	1,845	+ 82.0%
Asia	12,258	11,771	6,677	6,452	5,188	+ 4.1%
Rest of world	4,921	8,484	1,974	4,528	2,459	- 42.0%
Total	69,265	67,251	64,370	89,177	84,467	+ 3.0%

as of September 30, in EUR thousands

A great deal of this business depends on an individual customer, however, with whom the Company wishes to effectively comply by means of expanding the distribution channels begun in the summer of 2007.

Long-standing construction work was also characteristic of the bio solutions business unit in financial year 2006/2007. Intense

efforts were made both in the development of new products and in setting up the distribution channels. Overall, management envisions a positive trend in this business, even if the absolute sales figures do not yet reflect this. Analytik Jena achieved sales of EUR 3,195 thousand in this business unit. Compared to the previous year, in which sales of EUR 2,908 thousand were achieved, this result represents an increase of 9.9%.

3.2 Project Business

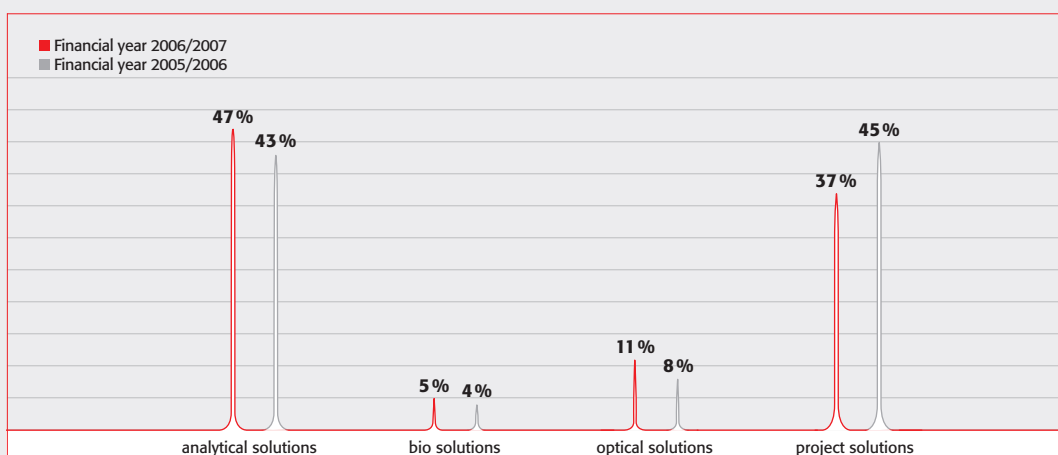
The Group continues to be highly dependent upon individual large projects in the project business. This is expected to change by means of the newly implemented orientation toward medical planning services.

The medium-term trends in this segment continue to be intact. In the project business, approximately 30 material projects are already being implemented and many new projects are in the acquisition stage. A significant portion of the expected sales re-

sults in the financial year just ended was, however, shifted to the upcoming quarters since there are further delays in the progress of some major construction projects for AJZ Engineering, which supplies the medical equipment.

In the financial year just ended, sales in this segment amounted to EUR 26,140 thousand, putting them 13.2% below sales of the previous year of EUR 30,129 thousand.

Percentage Breakdown of Revenue by Business Unit



as of September 30

Revenue by Business Unit

	2006/2007	2005/2006	2004/2005	2003/2004	2002/2003	Change 06/07 to 05/06
analytical solutions	32,624	28,804	18,275	17,738	18,269	+ 13.3%
bio solutions	3,195	2,908	5,014	4,727	4,555	+ 9.9%
optical solutions	7,306	5,410	4,761	4,689	4,435	+ 35.1%
project solutions	26,140	30,129	36,320	62,023	57,208	- 13.2%
Total	69,265	67,251	64,370	89,177	84,467	+ 3.0%

as of September 30, in EUR thousands

The project solutions segment made a contribution of 37.7% to the total sales of the Group in financial year 2006/2007 (previous year: 44.8%). In this business unit, sales are concentrated very heavily on Europe and a few Arabic countries. Russia continues to be the mainstay of sales for the project solutions business unit. In financial year 2006/2007, a total of EUR 20,530 thousand in sales was achieved there alone (previous year: EUR 20,721 thousand). The Arabic region, which is reported under rest of world, contributed EUR 3,915 thousand to total revenue (previous year: EUR 7,879 thousand).

4 Cost Trends

Costs within the Company increased in accordance with the normal course of business. Of considerable consequence here were the additional expenses incurred by the subsidiary in Japan as well as the overall higher expenditure for research and development and the buildup of personnel in virtually all functional areas which was necessary as a result of growth.

The overall gross margin improved by 200 basis points to 38.2%, due to the higher share of the instrument business in relation to Group sales. With the figures presented, the Analytik Jena Group has impressively proven that it has not only kept pace with the enormous "dollar pressure" through optimal material, purchasing, and manufacturing processes and increasingly more effective effects of scale, but was also able to slightly improve the gross margin.

The gross operating result from sales increased at an above-average rate of 8.7% in relation to revenue to EUR 26,491 thousand.

Selling expenses represent a significant expenditure item with an increase of 5.6% to EUR 13,070 thousand or 19.8% of all operating expenses, which increased across the board by 2.1% to EUR 66,071 thousand. The selling expenses ratio within the Group

therefore increased by 50 basis points to 18.9% compared to the values of the previous year. The R&D expenditure increased to EUR 5,495 thousand or by 4.4%. General administrative expenses increased in comparison to the other departments by an average of 12.6% from EUR 4,204 thousand to EUR 4,732 thousand. The administrative expenses of the Japanese subsidiary, which was completely included in the financial statements for the first time, constituted a significant reason for this increase.

4.1 Instrument Business

In the instrument business, the gross margin improved by 70 basis points compared to the previous year with an increase from 53.1% to 53.8%. The cost of sales in this segment amounted to EUR 19,916 thousand (previous year: EUR 17,423 thousand).

The selling expenses in the instrument business increased compared to the previous year by 21.2% and amounted to EUR 11,176 thousand. This development is the result of the significantly increased marketing activities, primarily by the new sales & distribution company in Japan.

4.2 Project Business

The gross operating result declined in the project business due to the decline in sales of 29.8% to EUR 3,282 thousand. The margin was therefore reduced by 290 basis points in financial year 2006/2007 to 12.6% (previous year: 15.5%).

The selling expenses were scaled back by 39.9% during the reporting period and amounted to EUR 1,894 thousand (previous year: EUR 3,154 thousand).

5 Capital Expenditure

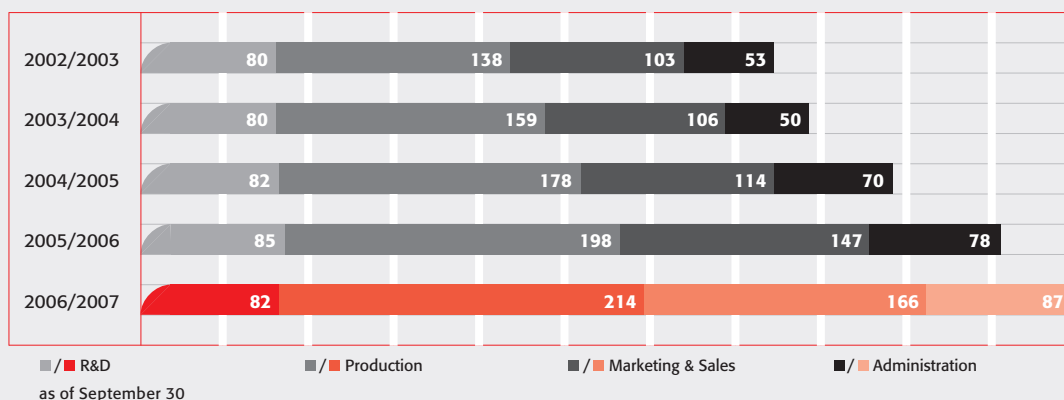
The Company invested a total of EUR 3,017 thousand in property, plant, and equipment and intangible assets in its operating areas in the past financial year (previous year: EUR 4,511 thousand).

Property, plant, and equipment accounted for the major portion with EUR 1,966 thousand (previous year: EUR 3,269 thousand), accruing mainly to the procurement of technical plants and equipment for modernizing the production technology and to the capitalized prototypes for research and development tasks. The Group invested EUR 1,051 thousand (previous year: EUR 1,242 thousand) in intangible assets. Of this, EUR 395 thousand (previous year: EUR 435 thousand) accrued to the acquisition of additional patents, licenses, industrial property rights, and trademarks and sales rights.

6 Human Resources

The Group employed a total of 592 people as of September 30, 2007, which corresponds to an increase of 48 people compared to the 544 employees in the previous year. This increase is due primarily to the significant growth in the instrument business and, in general, concerns all business units of the Group. A total of 122 people were employed by the Group in foreign countries (previous year: 107). Analytik Jena provided 49 intern positions during the past financial year (previous year: 36). The fact that 58.7% (previous year: 52.2%) of the employees have graduated from a university, a university of applied sciences, or have a

Employees by Functional Area (Excluding Interns)



	2006/2007	2005/2006	2004/2005	2003/2004
Average number of employees	567	510	448	418
Revenue per employee in EUR thousands	122.2	131.9	143.7	213.3
Personnel and social security costs in EUR thousands	18,006	16,649	14,425	14,901
Personnel and social security costs per employee in EUR thousands	31.8	32.6	32.2	35.6
Average age	37.4	40.5	42.3	43.5
Percentage holding an academic degree	58.7%	52.2%	58.6%	60.3%

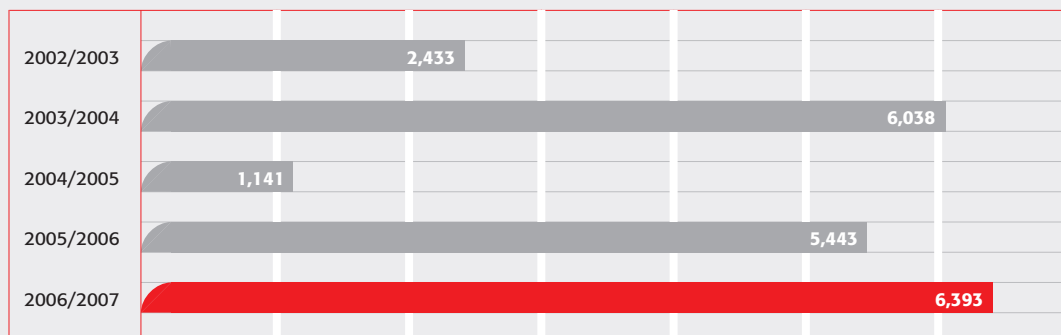
as of September 30

Personnel Costs



as of September 30, in EUR thousands

Operating Result per Employee



as of September 30, in EUR

bachelor's degree accounts for the high level of qualification within the Group.

The average number of full-time employees in the reporting period was 567 (previous year: 510). In the instrument business, the number of employees increased by 36 compared to the previous year for a total of 478 people. In project solutions, the number of employees in the Group increased from 102 to 114.

Broken down by functional area, the Analytik Jena Group employed 241 people in production and project realization in the past year (previous year: 219), 172 in sales (previous year: 154), and 85 in research and development (previous year: 88). There were 94 administrative staff members (previous year: 83).

Overall, personnel expense increased during the reporting period by 8.1 % from EUR 16,649 thousand in the previous year to EUR 18,006 thousand.

7 Net Assets, Financial Position, and Results of Operations

7.1 Net Assets and Financial Position

The Analytik Jena Group's total assets as of the balance sheet date of September 30, 2007 were slightly below the level of the previous year at EUR 63,141 thousand (previous year: EUR 63,607 thousand).

The respective totals for noncurrent assets (EUR 17,489 thousand, previous year: EUR 17,527 thousand) and current assets (EUR 45,652 thousand, previous year: EUR 46,080 thousand) changed only insignificantly compared to the previous year. A different image emerges when taking a closer look at the individual items of the current assets. Liquidity decreased during the course of the year by EUR 4,745 thousand to EUR 6,990 thousand as of the balance sheet date. Trade receivables increased from EUR 9,848 thousand to EUR 10,587 thousand. The higher level of stockpiling made necessary due to the increased business volume and the expansion of the portfolio in the instrument segment resulted in an increase in inventory of EUR 2,869 thousand to EUR 13,975 thousand compared to the previous year. In addition, the Group made advance deliveries to its customers within the project business, since the degree of completion of projects as of the balance sheet date showed a higher added value than the associated advance payments made by the customers. Thus, the gross amount due from customers for construction contracts as of September 30, 2007 amounts to EUR 9,694 thousand (previous year: EUR 8,078 thousand).

With respect to noncurrent assets, the Group recorded an increase in tangible fixed assets from EUR 9,773 thousand to the current EUR 10,338 thousand, which is derived largely from the procurement of machinery and equipment for production. Deferred tax claims also decreased by EUR 370 thousand to EUR

157 thousand. This balance sheet development can be traced back both to the utilization of the loss carryforwards accumulated in the past and to the effects of the corporate tax reform that will go into effect next year.

On the liabilities side, the noncurrent liabilities also prove to be highly consistent with a slight reduction of EUR 9 thousand at the end of the financial year (from EUR 10,768 thousand to EUR 10,759 thousand). The current liabilities, however, were reduced by EUR 2,799 thousand to a total amount of EUR 22,402 thousand (previous year: EUR 25,201 thousand). The total liabilities also decreased accordingly from EUR 35,969 thousand to the current EUR 33,161 thousand.

The breakdown of the balance sheet item for current liabilities shows a reduction from trade payables of EUR 1,647 thousand to EUR 9,404 thousand (previous year: EUR 11,051 thousand), the gross amount due to customers for construction contracts from EUR 2,968 thousand to EUR 1,552 thousand, and the other current liabilities by EUR 1,559 thousand to EUR 5,613 thousand (previous year: EUR 7,172 thousand). In contrast to this, there is a more intensive utilization of short-term loans with an increase of EUR 1,702 thousand to the current EUR 3,852 thousand (previous year: EUR 2,150 thousand) and an increase in provisions of EUR 40 thousand to EUR 749 thousand (previous year: EUR 709 thousand).

The ratio of noncurrent to current assets (before deduction of deferred taxes) changed only marginally from 38.0% in the previous year to 38.3%. The investment intensity (noncurrent assets excluding deferred taxes in percent of the balance sheet total) of Analytik Jena advanced from 26.7% in the previous year to 27.4% in the reporting period.

The share of net working capital committed by the turnover of current assets increased compared to the previous financial year from EUR 20,326 thousand to EUR 27,706 thousand.

Despite the stability of the balance sheet total during the reporting period, the equity ratio advanced from 43.5% to 47.5%. As of September 30, 2007, the equity amounted to a total of EUR 29,980 thousand after elimination of treasury shares totaling EUR 1,244 thousand (previous year: EUR 27,638 thousand). The ratio of equity to noncurrent assets (excluding deferred taxes) is 173.0% (previous year: 162.6%). The ratio of current assets except cash and cash equivalents to current liabilities is 172.6% (previous year: 136.3%).

7.2 Results of Operations

The instrument business advanced sharply once again in the financial year just ended, despite the fact that the Company is continuing to invest strongly in the expansion and setup of its foreign business.

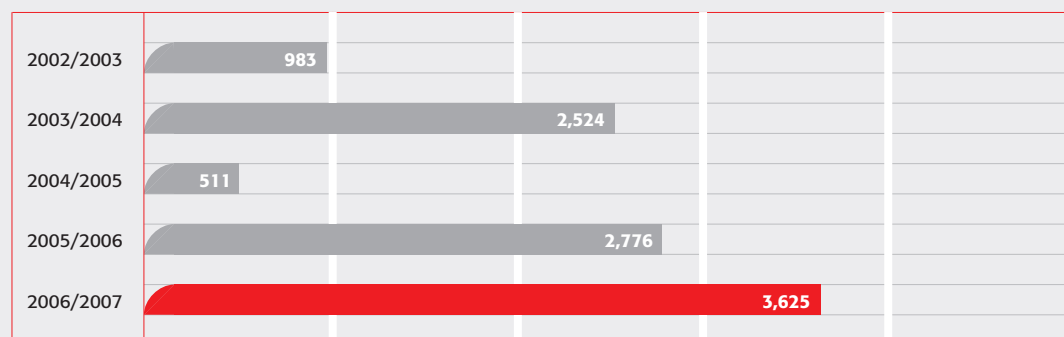
The contribution to results by the project business has, in contrast, remained low in accordance with the small contribution to revenue. Even this result was achieved only after a final spurt supported by all employees of AJZ Engineering.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) increased to EUR 5,824 thousand (previous year: EUR 4,780 thousand). The operating result (EBIT) was increased by EUR 1,328 thousand to EUR 3,625 thousand (previous year: EUR 2,776 thousand) despite the burden from the subsidiary in Japan.

The balance of financial income and expense (interest) was reduced in financial year 2006/2007 from EUR 998 thousand to EUR 787 thousand. Compared to the previous year, this reduction can be traced back mainly to higher interest income, lower interest expense from recourse to credits, and lower expenses from currency losses.

Earnings before tax (EBT) advanced from EUR 1,778 thousand in the previous year to a profit in the amount of EUR 2,838 thousand in the period under review. This resulted in a calculated tax burden of EUR 912 thousand (previous year: EUR 635 thousand). After deducting the results from minority shareholders, the Group generated an increase in the consolidated net profit attributable to the shareholders of the parent company of 66.0% or EUR 1,876 thousand as of September 30, 2007 (previous year: EUR 1,130 thousand).

EBIT Development



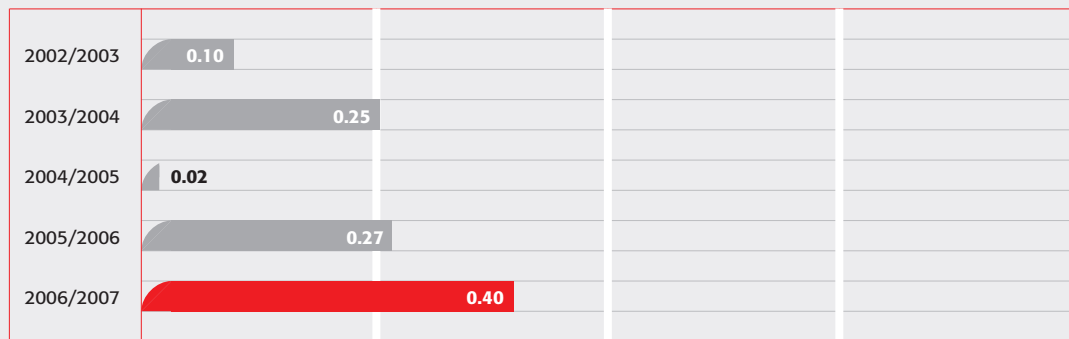
as of September 30, in EUR thousands

Consolidated Net Profit for the Year Attributable to the Shareholders of the Parent Company



as of September 30, in EUR thousands

Earnings per Share



as of September 30, in EUR

This results in basic and diluted earnings per share of EUR 0.40 with an increase of approximately 48.1 % (previous year: EUR 0.27).

7.2.1 Instrument Business

The equipment business EBIT of EUR 3,289 thousand reconfirms the positive trend this segment has been continuing to enjoy for a period of about two years now. With an increase over the previous year of 33.7 %, despite the already mentioned setup

costs of the Japanese subsidiary and the negative impact of the development of the dollar, the potential in this business unit is clearly demonstrated. The results for the period, with an increase of 52.2 % to EUR 1,891 thousand (previous year: EUR 1,242 thousand), profited greatly from the operational improvement and the lower burdens from the financial results. The earnings allocated to this segment are at EUR 0.40 per share, while the value for the same period last year was only at EUR 0.29 per share.

7.2.2 Project Business

The operating result (EBIT) of the project solutions business unit improved slightly from EUR 316 thousand in financial year 2005/2006 to EUR 336 thousand, despite lower sales compared to the previous year. Due to the lower interest charges for business reasons, the pre-tax result of the project business doubled from EUR 91 thousand to EUR 213 thousand. The associated net earnings of the segment are currently at EUR 35 thousand (previous year: EUR -99 thousand).

8 Research and Development

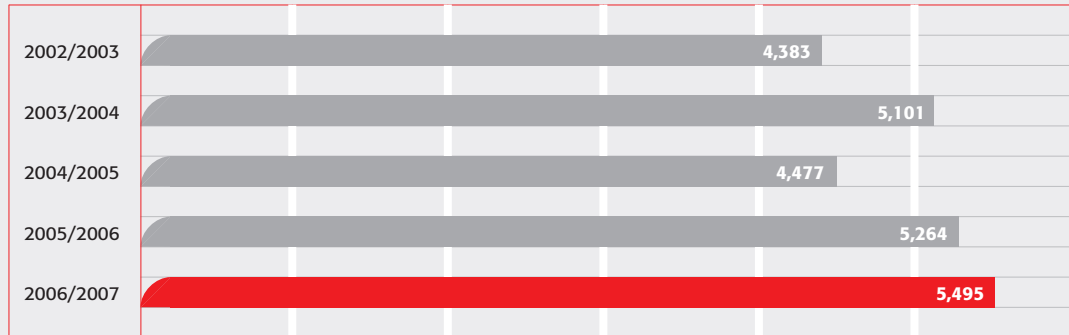
In the future, Analytik Jena will continue to expend a great deal of effort in order to compete in the market with new products and technologies and further expand its current position. This winning formula, which is reflected in all segments of the instrument business with somewhat differing core competencies, has been successfully employed by the Company for more than ten years now.

On the basis of what is surely our most important product line – atomic absorption spectrometry (AAS) – the development strategy can be presented here once again. This success story began with the acquisition of the development and manufacturing rights as well as the scientists of Carl Zeiss Jena GmbH at the end of 1995. Our initial independent developments with the AAS 6 vario were presented for the first time at the ACHEMA 1998 trade show. Analytik Jena already amazed the market at this early stage with its highly flexible combination device. By developing special accessories, such as the automatic direct solid AAS or the coupling of hybrid technology with electrothermic atomization (HydrEA), we aligned ourselves with niches which brought the

Company the necessary attention and sought-after business success. By embarking on the ZEEman technology (ZEEmit 60) in 2001, Analytik Jena discovered a link to the international state of the art in atomic absorption spectroscopy. The product lines were expanded over the next several years – with atomic fluorescence spectrometers for example – and existing systems were improved upon. In addition to expanding the service parameters, the equipment was optimized with respect to production costs. Within the scope of a sponsorship idea, another promising project was already in the works in a joint effort with the Institute for Analytical Sciences (ISAS), Berlin: the development of a novel High-Resolution-Continuum-Source-AAS. As a result of this developmental cooperation, the flame AAS contrAA® 300 was already launched on the market in 2004. It was followed two years later by the contrAA® 700, which unites a highly important technology with the existing flame technology in one piece of equipment by means of the “graphite-pipe” method. Awards were bestowed upon both devices. The contrAA® 300 received the Thuringian Innovation Prize in 2004 and the contrAA® 700 won the IQ Innovation Prize for Central Germany as a city prize in June 2007.

The developments surrounding the simultaneous HR-CS-AAS led to a significant expansion of the product portfolio and, in the Company's opinion, were instrumental in Analytik Jena's obtaining a tremendous technological head start over the competition. The innovative skills of the Company were impressively put to the test here in a market dominated by US manufacturers. The successful development path portrayed here also applies to the other product lines in equal measure. The bio solutions business unit thus took the professional world by surprise at the BIOTECHNICA trade fair, which up to now has been taking place in Hanover on a

R&D Expenses (net)



as of September 30, in EUR thousands, including depreciation and amortization

two-year cycle, with an impressive trade show appearance and a number of new products. Further developments from all business units are also expected to document the R&D department's high level of capability over the next several years.

There are currently 85 people employed group-wide in the Research and Development division (previous year: 88), which is 14.4% (previous year: 16.2%) of the overall staff of Analytik Jena.

The expenses (net) for research and development activities increased in financial year 2006/2007 by 4.4% and amounted to EUR 5,495 thousand (previous year: EUR 5,264 thousand). The expenses extended to all business units of the instrument segment (analytical solutions, bio solutions, and optical solutions). The Group received public grants for development projects in the amount of EUR 1,433 thousand (previous year: EUR 1,391 thousand).

9 Opportunity and Risk Report

9.1 Opportunity and Risk Management System

Analytik Jena maintains a well-developed opportunity and risk management system. The purpose of this system is to detect at an early stage those influences that inevitably arise from participating in economic life as well as the dependencies associated with them. Controlling, which has developed standardized processes for the exchange of information, as well as the Executive Board and Quality Control are responsible for this system.

Management and the management levels have direct access to this information and base their decisions and approvals on it. This method of approach ensures that the Group utilizes its opportunities to the fullest and can detect specific risks. The subsidiaries are also involved in the controlling system by means of regular reports, as well as by discussing their activities in regular meetings with the Group management.

9.2 R&D Opportunities and Risks

Due to its own strategic market analyses, proximity to the customer, and collaboration with research institutes, Analytik Jena is able to realistically estimate the respective requirements and demand. In accordance with this, research and development is carried out to further optimize the existing products and to create new products and services. It is also important for the Group with respect to its research and development to ensure economic and technical success and to stop things from going off course. In addition to collaborating with renowned scientific institutes, constant observation of the market and of the technological feasibility supports this goal. We cannot rule out the fact that the Company may have to acquire licenses for servicing important market segments. In addition, we increasingly have to face the fact that products will be copied or imitated. The Group is therefore trying to minimize these risks by encouraging protection of internal intellectual know-how in the form of patents.

9.3 Sales Opportunities and Risks

A diversified product portfolio, our customer structure, worldwide business activities, and a variety of products provide Analytik Jena with a certain independence from economic fluctuations. It is indeed important to note that the forward-moving international activities also involve increased risk. Changes in currency exchange rates and global competition therefore have an impact on the results and profitability figures achievable by the Group. The unfavorable development of the dollar, in particular for European manufacturers, could have a negative effect on the Company's competitive position.

Individual dependencies can be observed in the high-volume project business in particular, from political framework conditions, to government agency financing promises often ranging over several years, to the effects of weather, which can be

demonstrated in the form of building delays. However, long-term customer relations and specific knowledge of the key markets aid in reducing risk for the Group in this segment.

9.4 Financial Risks

Financial risks can relate to currency and interest rate fluctuations as well as to dependence on individual banks. Although the main sales market of Analytik Jena is not the American economic region, the currency risk cannot be completely ruled out. Foreign currency volumes relate primarily to the US dollar at present, but increasingly also to the Japanese yen and Russian ruble. Where possible, the Group minimizes these risks by leveraging purchasing potential in foreign countries (natural hedging) and qualified rate hedging measures in collaboration with credit institutes. In addition, the Group companies are obligated to report foreign currency inflows to the Group treasury department. This guarantees that the risk arising from these items can be evaluated, assessed, and, if required, limited further by using respective hedging instruments such as forward exchange contracts or currency options.

Another risk is that of general interest rate increases, which would also burden Analytik Jena further. In the case of variable interest rate loans, in particular, interest rate increases have a negative effect. The Group attempts to limit this risk by using interest rate limiting instruments (e. g. Caps).

The Group does not depend on individual banks, neither for loans nor for other financial activities. Risks for the financing of Analytik Jena are therefore largely excluded. As far as reasonable, we have taken measures to counteract risks which, if they were to occur, could have a material effect on the Group's net assets, financial position, and results of operations. Where required, corresponding provisions are set up.

Analytik Jena is currently not involved in any significant legal or arbitration proceedings that could have a significant impact on the Group's results. In the United Arab Emirates, however, Analytik Jena AG will initiate an arbitration proceeding before the International Court of Arbitration in Dubai against the local Iranian Hospital. The subsidiary AJZ Engineering GmbH, as partner of a company under private law (GbR), will be involved. The GbR, as contractual partner of the Iranian Hospital in Dubai, was commissioned by the hospital to provide planning and supervisory services related to renovation of the local hospital. Despite completion of the contractually agreed partial performance for the renovation of the Iranian Hospital, no payments whatsoever have been made to date. The payment due has been refused by the contractual partner without grounds. For this reason, the Analytik Jena attorneys are currently making preparations for legal action in Dubai. The attorneys in charge estimate that the prospects for a successful outcome by way of taking legal action are very good.

Our examination of the current situation revealed that there were no material financial risks in the period under review that could endanger the Company's continued existence.

9.5 Personnel in Key Positions

The economic success of the Analytik Jena Group depends in particular on the many years of industry experience and the competence and leadership qualities of Company founders and Executive Board members Klaus Berka and Jens Adomat. The loss of these industry experts could have an adverse effect on the market position and the net assets, financial position, and operating results of the Company. The proper filling of and, where applicable, the timely planning of successors for other key positions

within the Company, such as in the areas of development and sales, are also critical success factors for the future development of the Company.

10 Other Information

10.1 Basic Principles of the Remuneration System

Remuneration of the Executive Board

The remuneration of the Executive Board is performance-based. Specifically, the remuneration is made up of the following components: (i) a fixed remuneration, (ii) a variable bonus, (iii) a stock-based remuneration, and (iv) an employer's pension commitment.

The remuneration of the Executive Board members is composed of a fixed base salary paid out monthly and an annual share in profit, which is dependent on reaching specific financial goals. The variable component of the remuneration is calculated based on the EBIT with minimum objectives and an upper limit. The third component of the remuneration of the Executive Board consists of a stock-based remuneration determined by the Supervisory Board. This is issued from stock options under the conditions of the stock option plans 2000 and 2004 resolved by the General Meeting of Analytik Jena AG (for more detailed information about the stock option plans, please see section 5.12 in the Notes to the Consolidated Financial Statements). Option rights for a total of 24,000 shares were available as of September 30, 2007.

In the arrangements made on December 1, 1992, the Company granted Mr. Berka and Mr. Adomat specific pension benefits. The above-mentioned employer's pension commitments, which are reinsured in each case by a life insurance policy, were continued unchanged within the scope of the contracts of employment presented above. In addition, a company direct insurance policy was taken out for Executive Board members Adomat and Berka. In the event of a premature termination of employment status, the Executive Board agreements do not include any express severance guarantees. Severance may result from an individually arranged cancellation agreement, however.

For the financial year 2006/2007, the fixed remuneration amounted to EUR 421 thousand (previous year: EUR 374 thousand) and the total remuneration to EUR 485 thousand (previous year: EUR 434 thousand). The fixed remunerations of the three Executive Board members include the taxable portion of the company cars used for personal use as well as the direct insurance premiums. During the financial year, EUR 54 thousand was spent on pension payments for the Executive Board members (previous year: EUR 54 thousand). An individual statement of Executive Board remuneration is provided in the Notes to the Consolidated Financial Statements in section 7.1.

Remuneration of the Supervisory Board

The currently valid rules for remuneration of the Supervisory Board were passed by the Annual General Meeting on March 8, 2001; they can be found in section 14 of the Articles of Association of Analytik Jena AG. The remuneration is based on fixed components and takes into account the position of Chairman and Deputy Chairman as well as membership in the Executive Committee of the Supervisory Board. No performance-related factors are currently included in the overall remuneration of the

Supervisory Board. The intent, however, is to modify the Articles of Association with respect to the remuneration provision in the upcoming General Meeting and, in the future, grant a performance-related portion of remuneration. An individual statement of the remuneration of the Supervisory Board can be found in the Notes to the Consolidated Financial Statements in Section 7.2.

10.2 Reporting in Accordance with Section 315 (4) HGB

Analytik Jena's share capital is composed of 4,816,897 no-par value bearer shares, each with a notional value of EUR 1.00.

Each share entitles the bearer to one vote in the General Meeting as well as a subscription right to profit with respect to agreed dividends; there are no voting right restrictions. The share capital is fully paid in. After deduction of treasury shares, the paid-out capital as of the balance sheet date is 4,629,277 no-par value bearer shares, each with a notional value of EUR 1.00 per share (previous year: 4,596,777 no-par value shares).

In accordance with the Articles of Association of the Company and with the approval of the Supervisory Board, the Executive Board shall be authorized to increase the share capital up to 2,408,448.00 by issuing new, no-par value bearer shares by March 20, 2012.

The contingent capital resolved by the General Meeting totals EUR 1,915,003.00 and is composed as follows: in accordance with section 4 (6 and 7) of the Articles of Association, the share capital is contingently increased by up to EUR 95,003.00 through the issue of up to 95,003 bearer shares (Contingent Capital I) and by up to EUR 280,000.00 through the issue of up to 280,000 bearer shares (Contingent Capital II).

The contingent capital increase is used to grant options on one or several occasions, in accordance with section 192 (2) no. 3 of the Aktiengesetz (AktG – German Stock Corporation Act). The Executive Board is also authorized, with the approval of the Supervisory Board, to issue bonds with conversion rights or options on one or several occasions until March 22, 2009 up to a total nominal amount of EUR 1,540,000.00. The bonds may have a term of up to ten years. The holders of the bonds may be granted conversion rights or options on up to 1,540,000 no-par value bearer shares in Analytik Jena AG; this corresponds to a proportionate amount of the share capital of EUR 1,540,000.00 (Contingent Capital III).

By means of a resolution passed by the General Meeting on March 21, 2007, the Executive Board was authorized in accordance with section 71 (1) no. 8 AktG, to acquire treasury shares in the Company up to an amount of 10.0% of the respective share capital by September 20, 2008.

10.3 Shareholdings in Analytik Jena AG

As of the date the balance sheet was prepared (November 21, 2007), the following shareholders of the Company held an interest in Analytik Jena AG in accordance with the provisions of the Securities Trading Act (WpHG), which exceeds 10.0% of the voting rights.

Shareholders	Notice dated	Voting rights
Berka family	10/01/2007	15.99%
Adomat family	10/01/2007	13.70%

10.4 Appointment and Withdrawal of the Members of the Executive Board

The appointment and withdrawal of the members of the Executive Board is governed in sections 84, 85 AktG as well as in section 6 of the Articles of Association in the version dated March 21, 2007. In accordance with section 6 of the Articles of Association, the Executive Board shall consist of at least two members, and the Supervisory Board shall determine the number of Executive Board members. Modification of the Articles of Association shall take place according to sections 179, 133 AktG as well as section 24 of the Articles of Association in the version dated March 21, 2007. According to the latest provision, the Supervisory Board shall be authorized to decide on modifications and additions, provided they pertain only to the version.

11 Supplemental Report

In November 2007, Analytik Jena AG acquired 70.0% of the business shares in eBiochip Systems GmbH, Itzehoe, based on a cash/share deal, retroactive to the beginning of the financial year (October 1). eBiochip is a company that developed from the Fraunhofer Institute for Silicon Technology in the year 2000, the

core competency of which is the development and production of miniaturized analytical measuring systems with electrical biochip-arrays and of automatic devices for the preparation of biological samples.

The Company is not aware of any additional transactions after the balance sheet date of September 30, 2007, that could have a material impact on the Group's financial position and results of operations.

12 Outlook

Analytik Jena anticipates that the positive sales and earnings trend will continue in financial year 2007/2008.

Building upon the good results, we will focus on achieving more progress in the analytical solutions business unit, in particular with our Japanese subsidiary, and on the American market. There is a great deal of sales potential for our products in both of these markets. We must be realistic, however, in assessing that the break-even point in these two regions cannot yet be reached on a total year basis. We are nevertheless going on the assumption of significantly reducing our losses there.

The Analytica international trade show in Munich in April of 2008 will be a high point for analytical solutions. Here, as always, we will be presenting a broad array of new equipment systems, which we feel promise us additional rejuvenation of the business. Based on the large number of incoming orders at the beginning

of the financial year, we feel justified in assuming that we can continue our organic growth in this sector at the same pace as in the previous year.

We also envision considerable potential in optical solutions, which is the second largest sales generator in the instrument business, particularly in the American market. In the summer of 2007, we entered into a sales agreement for the outdoor segment with a German company which is firmly established in America. However, we anticipate somewhat slower growth here than was experienced in the financial year just ended, which was influenced by two large orders from an American government agency supplier. In addition to a series of smaller, local exhibitions, we will be able to introduce new products to our customers and sales partners at the IWA (International Trade Fair for Hunting and Sporting Arms) in Nuremberg in March 2008.

The bio solutions business unit continues to be in the buildup phase, with name recognition and sales structures still somewhat undefined. Nevertheless, we did manage to generate considerable attention at the BIOTECHNICA trade show in Hanover, which we attended at the beginning of October 2007. The variety and complexity of our somewhat "brand new" product range was surely the main surprising factor for many customers and competitors. As a result of the trade show, we received a series of highly promising starting points for international distribution, which could be used for future sales. We are also assuming good growth in this business unit during the financial year.

In financial year 2007/2008, we will be focusing our attention on the project solutions business unit. The course of business this past year was again marked by delays in implementation, which in turn had an impact on the results of the division. In financial year 2007/2008, we now finally expect a breakthrough in the direction of sales growth. More specifically, we believe that the project pertaining to the provision of equipment for clinic reconstruction at the Lomonosov University in Moscow will be fully completed. Here alone we have sales of approximately EUR 18 m still open. Along with other projects still in the realization phase, we are assuming a significant increase in sales.

Irrespective of this positive outlook, we will be thinking about other alternatives as to how the volatile business of this business unit can be differently positioned to further utilize the synergies

of both segments, but at the same time direct the focus of the public eye clearly on the “instrument” growth segment.

Overall, we are anticipating highly positive development within the Group again in financial year 2007/2008. The course has been set for this over the last several years, particularly in the instrument business. Of course, the weak dollar will continue to impact our results, but as we have already shown during the last financial year, we are up to the challenge and can withstand the pressure.

The Company's objective is to continue this dynamic development into the new financial year 2007/2008, with double-digit growth rates in many areas.

Jena, November 21, 2007

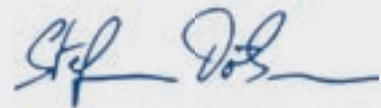
The Executive Board of Analytik Jena AG



Klaus Berka



Jens Adomat



Stefan Döhmen

Consolidated Financial Statements

Consolidated Income Statement

for the period from October 1 to September 30, 2007 and 2006

	Notes	2006/2007	2005/2006
Revenue	4.1	69,265	67,251
Cost of sales		42,774	42,878
Gross profit		26,491	24,373
Selling expenses		13,070	12,375
General administrative expenses		4,732	4,204
Research and development expenses	4.4	5,495	5,264
Other income		431	246
Operating profit		3,625	2,776
Financial income	4.5	395	391
Financial expenses	4.5	1,182	1,389
Earnings before tax		2,838	1,778
Income tax	4.6	912	635
Consolidated net profit for the year		1,926	1,143
Attributable to the shareholders of the parent company		1,876	1,130
Attributable to minority shareholders		50	13
Consolidated net profit for the year		1,926	1,143
Basic earnings per share	4.7	0.40	0.27
Diluted earnings per share	4.7	0.40	0.27

in EUR thousands, except per-share data

Consolidated Balance Sheet

as of September 30, 2007 and 2006

	Notes	09/30/2007	09/30/2006
Assets			
Noncurrent assets			
Property, plant, and equipment	5.1	10,338	9,773
Intangible assets	5.2	4,236	4,185
Goodwill	5.4	1,902	1,989
Other noncurrent assets	5.3	856	1,053
Deferred tax assets	5.5	157	527
Total noncurrent assets		17,489	17,527
Current assets			
Cash and cash equivalents	5.6	6,990	11,735
Trade receivables	5.7	10,587	9,848
Inventories	5.8	13,975	11,106
Gross amount due from customers for construction contracts (PoC)	5.9	9,694	8,078
Other current assets	5.10	4,406	5,313
Total current assets		45,652	46,080
Total assets		63,141	63,607
Equity and liabilities			
Equity			
Subscribed capital	5.11	4,817	4,817
Capital reserves	5.11	19,395	30,296
Retained earnings	5.11	6,391	(6,503)
Treasury shares	5.11	(1,244)	(1,329)
Currency translation differences		310	195
Attributable to the shareholders of the parent company		29,669	27,476
Minority interests		311	162
Total equity		29,980	27,638
Noncurrent liabilities			
Noncurrent financial liabilities less current portions	5.13	9,497	9,588
Other noncurrent liabilities	5.14	787	712
Cut-off for governmental grants	5.1	475	468
Total noncurrent liabilities		10,759	10,768
Current liabilities			
Short-term loans		3,852	2,150
Current portion of noncurrent financial liabilities	5.13	823	1,070
Trade payables		9,404	11,051
Gross amount due to customers for construction contracts (PoC)	5.9	1,552	2,968
Tax liabilities		409	81
Provisions	5.15	749	709
Other current liabilities		5,613	7,172
Total current liabilities		22,402	25,201
Total liabilities		33,161	35,969
Total equity and liabilities		63,141	63,607

in EUR thousands

Consolidated Cash Flow Statement

for the period from October 1 to September 30, 2007 and 2006

	2006/2007	2005/2006
Net cash from/(used in) operating activities		
Consolidated net profit for the year	1,926	1,143
Reconciliation of consolidated net profit to net cash from/(used in) operating activities		
Amortization of intangible assets and depreciation of property, plant, and equipment	2,199	2,004
Increase in net deferred taxes	370	226
Losses from disposal of noncurrent assets	469	564
Increase/(decrease) in provisions	40	(17)
Other expenses not affecting payments	–	200
Interest income	(337)	(202)
Interest expense	788	1,003
Increase in trade receivables and other assets	(608)	(5,471)
(Increase)/decrease in inventories	(2,920)	105
Increase in net amount due to/from customers for construction contracts (PoC)	(3,033)	(893)
(Decrease)/increase in trade payables and other liabilities	(2,251)	8,122
Interest received	337	202
Interest paid	(827)	(690)
Taxes (paid)/refunded	(69)	68
Net cash (used in)/from operating activities	(3,916)	6,364
Net cash from/(used in) investing activities		
Payments to acquire other noncurrent assets	(21)	(293)
Payments to acquire intangible assets and property, plant, and equipment	(2,501)	(4,511)
Payments to acquire majority interests (less acquired cash and cash equivalents)	(5)	(58)
Proceeds from the disposal of intangible assets and property, plant, and equipment	544	600
Net cash used in investing activities	(1,983)	(4,262)
Net cash from/(used in) financing activities		
Increase/(decrease) in short-term loans	1,702	(302)
Proceeds from noncurrent financial liabilities	150	833
Redemptions of noncurrent financial liabilities	(541)	(531)
Cash received from issue of new shares	–	5,163
Cash received from the sale of treasury shares and cash used for the purchase of treasury shares	85	(860)
Proceeds from financial leasing	170	281
Redemptions of financial leasing	(676)	(520)
Net cash from financing activities	890	4,064
Cash and cash equivalents		
Net (decrease)/increase in cash and cash equivalents	(5,009)	6,166
Currency exchange related changes in cash and cash equivalents	264	40
Cash and cash equivalents at the beginning of the year	11,735	5,529
Cash and cash equivalents at the end of the year	6,990	11,735

in EUR thousands

Consolidated Statement of Changes in Equity

as of September 30, 2007 and 2006

	Subscribed capital	Treasury shares	Shares outstanding	Subscribed capital
	no. of shares	no. of shares	no. of shares	in EUR thousands
Balance at October 1, 2005	3,849,999	(84,096)	3,765,903	3,850
Assessment of stock option plans				
Market assessment				
Currency translation differences				
Income and expenses recognized directly in equity				-
Assessment of stock option plans				
Consolidated net profit for the year				
Total income and expenses recognized in equity				-
Purchase of treasury shares		(136,024)		
Capital increase from conditional capital	962,501			963
Capital increase from contingent capital	4,397			4
Minority interests				
Balance at September 30, 2006	4,816,897	(220,120)	4,596,777	4,817
Sale of treasury shares				
Market assessment				
Currency translation differences				
Withdrawal from capital reserves				
Income and expenses recognized directly in equity				-
Assessment of stock option plans				
Consolidated net profit for the year				
Total income and expenses recognized in equity				-
Sale of treasury shares		150,000		
Purchase of treasury shares		(117,500)		
Minority interests				
Balance at September 30, 2007	4,816,897	(187,620)	4,629,277	4,817

	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
	25,634	(7,334)	(469)	158	21,839	146	21,985
	327	(327)			–		
		28			28		
				37	37		
	327	(299)	–	37	65	–	
	139				139		
		1,130			1,130	13	
	466	831	–	37	1,334	13	
			(860)		(860)		
	4,178				5,141		
	18				22		
						3	
	30,296	(6,503)	(1,329)	195	27,476	162	27,638
		142			142		
		(28)			(28)		
				115	115		
	(10,904)	10,904			–		
	(10,904)	11,018	–	115	229	–	
	3				3		
		1,876			1,876	50	
	(10,901)	12,894	–	115	2,108	50	
			907		907		
			(822)		(822)		
						99	
	19,395	6,391	(1,244)	310	29,669	311	29,980

Notes to the Consolidated Financial Statements

for financial year 2006/2007

1 General

The parent company Analytik Jena AG, Jena, Germany, Konrad-Zuse-Strasse 1, and its subsidiaries develop, produce, and market analytical and bioanalytical equipment, reagents for molecular sample preparation and diagnostics, system solutions for laboratory automation, and industry-specific software solutions. The Group also specializes in planning and equipping laboratories and in managing complex large-scale projects in the university and medical sector. The Group supplies its products and services to industrial and scientific users, and particularly to users in the environment, life science, biotechnology, pharmaceuticals, and energy growth markets.

The companies included in the consolidation of the Analytik Jena Group include the subsidiaries AJ IDC Geräteentwicklungsgesellschaft mbH, AJ Blomesystem GmbH, AJ Cybertron Gesellschaft für Laborautomationssysteme mbH, AJZ Engineering GmbH, AJ Roboscreen GmbH, AJ Innuscreen GmbH, AJ USA Inc., AJB Nederland B.V., AJ Japan Co., Ltd., AJ Shanghai Instruments Ltd. Co., and AJ Vorratsgesellschaft mbH. The parent company is domiciled in Jena.

Analytik Jena's financial year runs from October 1 to September 30.

The Executive Board of Analytik Jena AG approved the consolidated financial statements on November 21, 2007 for forwarding on to the Supervisory Board. The Supervisory Board has the task of reviewing the consolidated financial statements and stating whether it approves them or not.

The consolidated financial statements of Analytik Jena AG have been prepared in thousands of euros.

2 Principles and Methods

The consolidated financial statements of Analytik Jena AG as of September 30, 2007 were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, issued by the International Accounting Standards Board (IASB). These include the IAS, IFRS, and the corresponding interpretations issued by the IASB applicable as of September 30, 2007. The requirements laid down in these statements were met without exception, with the result that Analytik Jena AG's consolidated financial statements give a true and fair view of the net assets, financial position, results of operations, and cash flows of the Group for the financial year.

The IASB has published new standards, interpretations, and modifications to existing standards, the application of which is not yet compulsory, nor have they been applied by Analytik Jena AG ahead of schedule.

The IASB published IFRS 7 in August 2005. This standard summarizes the information on financial instruments, which were previously governed by IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions" and IAS 32 "Financial Instruments: Disclosure and Presentation." Individual disclosure obligations were thereby modified and/or supplemented. IFRS 7 is to be applied

by all companies of all industries. A modification to IAS 1 was announced at the same time. Accordingly, information that enables the addressees of the financial statements to measure the objectives, methods, and processes of capital management must be published in the financial statements. It is mandatory that both IFRS 7 and the modifications to IAS 1 be applied to financial years starting on or after January 1, 2007. An earlier application is recommended. The first-time application of these provisions by Analytik Jena AG in financial year 2007/2008 will result in additional notes to the consolidated financial statements. This is not expected to have any effect on the accounting practices.

The IASB has also published its interpretations IFRIC 4 to IFRIC 9 and announced modifications to standards IAS 39 and IFRS 4, which were to be applied for the first time in financial year 2006/2007. These new accounting principles presumably will not result in any changes to the accounting policies of Analytik Jena AG, since corresponding circumstances either do not exist within the Group or the exercising of individual provisions, such as those regarding the fair-value option or cash flow safeguarding aspects for future intercompany transactions, is not currently scheduled.

The following interpretations are not yet being applied, nor do they presumably result in any modifications to the accounting policies.

- IFRIC 10 Interim Financial Reporting and Impairment
- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The criteria for exemption from preparation of consolidated financial statements in line with German accounting principles pursuant to section 315a of the Handelsgesetzbuch (HGB – German Commercial Code) have been met.

In accordance with section 264 (3) of the HGB, AJZ Engineering GmbH has been exempted from the requirements to prepare annual financial statements.

The consolidated financial statements have been prepared on a going-concern basis. Analytik Jena AG acquired 70.0% of the business shares of eBiochip Systems GmbH, Itzehoe in November 2007, retroactive to the beginning of financial year 2007/2008, on the basis of a cash/share deal. Within the scope of this acquisition, the allocation of the purchase price is based on assumptions of the Company, preliminary estimates, and balance sheet figures of eBiochip Systems GmbH which have not yet been completely audited, and may still change accordingly until such time as the assessment and auditing of the carrying values of the acquired assets and liabilities have been completed. No further events occurred before preparation of the consolidated financial statements was completed which had a material influence on the Group's net assets, financial position, and results of operations.

The financial statements are prepared mainly on the basis of historical procurement and manufacturing costs, with the exception of the derivative financial instruments, which are assessed at fair value. The carrying amount based on historical procurement costs corresponds to the fair value.

The preparation of annual financial statements requires the regular exercise of discretion and the use of estimates. The estimates are based on past experience and other knowledge of the business transactions to be reflected in the balance sheet. Individual circumstances, on the basis of which estimates and assumptions are made in the balance sheet assessment, can turn out differently in the future. Assumptions made on the basis of these estimates are therefore checked on a regular basis and evaluated for possible effects on the balance sheet preparation.

The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting policies. The separate financial statements of the subsidiaries were prepared as of the balance sheet date of the parent company.

Individual line items have been combined for the purposes of clarity in the income statement and balance sheet; they are explained in the Notes. In accordance with IAS 1 (Presentation of Financial Statements), a distinction is made in the balance sheet between noncurrent and current assets and liabilities. Liabilities and provisions are deemed current if they are due within one year. Revenue is deferred accordingly.

Interest income is entered commensurate with time, while accruing interest expense is recognized in part using the effective interest method and in part commensurate with time, depending on the contractual obligations.

3 Group Accounting Policies

Analytik Jena AG's consolidated financial statements include the annual financial statements of all companies controlled by Analytik Jena AG directly or indirectly via its subsidiaries within the meaning of IAS 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries). These companies are consolidated in the financial statements from the time as of which Analytik Jena AG or its subsidiaries are able to exercise control. Consolidation ends when control no longer exists.

3.1 Details of Share Ownership

The required statement on share ownership has been filed in a separate list together with the consolidated financial statements and the consolidated management report with the commercial register in Jena, Germany. The following table contains the necessary details on the individual companies:

	Country of incorporation	Participation
Domestic		
AJ Blomesystem GmbH, Jena	Germany	100.0%
AJ Cybertron Gesellschaft für Laborautomationssysteme mbH, Berlin	Germany	100.0%
AJ IDC Geräteentwicklungsgesellschaft mbH, Langewiesen	Germany	100.0%
AJ Innuscreen GmbH, Berlin	Germany	65.0%
AJ Roboscreen GmbH, Leipzig	Germany	50.3%
AJZ Engineering GmbH, Jena	Germany	100.0%
AJ Vorratsgesellschaft mbH, Jena	Germany	100.0%
ETG GmbH, Ilmenau	Germany	20.0%
In foreign countries		
AJ USA Inc., Houston	USA	100.0%
AJ Shanghai Instruments Ltd. Co., Shanghai	China	100.0%
AJ Japan Co., Ltd., Yokohama	Japan	100.0%
AJ India Pvt. Lt., New Delhi	India	49.0%
AJB Nederland B.V., Apeldoorn	Netherlands	100.0%
AJZ Engineering Algérie SARL, Algiers	Algeria	85.0%
AJZ Engineering Libya Ltd., Tripoli	Libya	100.0%
AJ Comércio e Assessoria de Projetos Ltda., São Paulo	Brazil	50.0%

As of September 30, 2007, the equity of ETG GmbH amounted to EUR 415 thousand and net income was EUR 202 thousand.

3.2 Changes in the Consolidated Group

During financial year 2006/2007, the following changes relating to the subsidiaries included in the consolidated group occurred:

In a notarized purchase and transfer agreement dated September 20, 2007, Analytik Jena AG acquired an additional 10.0% of the business shares in AJ Innuscreen GmbH at a purchase price of EUR 5 thousand.

3.3 Currency Translation

Annual financial statements prepared by subsidiaries in foreign currencies are translated in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) in line with the functional currency concept. Subsidiaries outside Germany are regarded as foreign entities in the Analytik Jena Group, and balance sheet items are translated accordingly at closing rates. This excludes the equity of consolidated subsidiaries, which is translated at historical rates. Income statement items are translated at average rates for the period. Exchange rate differences resulting from the application of different exchange rates in the income statement and the balance sheet are recognized directly in equity.

Foreign currency translations in the companies' single-entity financial statements are translated at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated at the closing rate on the balance sheet date. Exchange rate gains and losses are recognized in income.

The following exchange rates were used as the basis for the currency conversion:

Currency	Closing rate		Average rate	
	2006/2007	2005/2006	2006/2007	2005/2006
USD/EUR	1.43	1.27	1.33	1.23
JPY/EUR	163.75	149.59	157.98	145.77
CNY/EUR	10.69	10.02	10.24	10.16

3.4 Capital Consolidation

In accordance with IFRS 3 (Business Combinations), capital consolidation is performed according to the purchase method at the conditions prevailing at the date of acquisition. Assets and liabilities are carried at their fair value. Any remaining excess of the cost of the acquisition over the identified fair value determined is disclosed separately as goodwill. The goodwill is subjected to an impairment test on a regular basis and amortized, if necessary.

3.5 Consolidation of Intercompany Balances and Income

Receivables and liabilities between consolidated companies are offset; valuation allowances and provisions relating to intercompany transactions are reversed. Intercompany profits and income and expenses are eliminated. Deferred taxes are recognized for material consolidation adjustments recognized in the income statement.

4 Notes to the Consolidated Income Statement

4.1 Revenue

The Analytik Jena Group generates revenue from the sale of products and systems (instrument business) and its own software marketing as well as from the sale of services and products in the course of its project business (customer-specific construction contracts spanning several reporting periods).

Revenue from the instrument business is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be measured reliably. Revenue is recognized net (of VAT) and after deduction of any price reductions and discounts. Revenue from the sale of goods is recognized when the goods have been delivered and the risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognized by reference to the stage of completion, when this can be measured reliably.

Given the long-term nature of the services involved, revenue from the project business is realized pro rata over the time that it takes to complete the services in accordance with IAS 11 (Construction Contracts) using the percentage of completion method (PoC method) by determining the corresponding proportion of revenue and profits on the basis of the ratio of costs incurred for work performed to the estimated total costs. This method, which reflects the stage of completion, is based on estimates.

In view of the uncertainties that this involves, estimates of the expenses that will be incurred in the periods to completion, including expenses for guarantees, may need to be adjusted subsequently. Such adjustments of income and expenses are recognized in the period in which the need for adjustment is established. Provisions for expected losses are recognized in the period in which the losses are identified.

4.2 Cost of Materials

The cost of materials for financial year 2006/2007 amounted to EUR 33,512 thousand (previous year: EUR 33,631 thousand).

4.3 Staff Costs/Headcount

The staff costs incurred during the financial year totaled EUR 18,006 thousand (previous year: EUR 16,649 thousand). Included here are costs arising from the application of IFRS 2 (Share-based Payment) of EUR 3 thousand (previous year: EUR 139 thousand).

The Analytik Jena Group had an annual average of 531 employees in 2006/2007 (previous year: 479 employees) and 36 interns (previous year: 36).

4.4 Research and Development Costs

The costs of research and of developing products are disclosed under this item. General research and development expenses are recognized at the time they are incurred. Development costs are capitalized insofar as the recognition criteria of IAS 38 (Intangible Assets) are fully met.

The Company receives grants for certain research and development topics which are either offset against research expenses or which are used to reduce production costs in the case of capitalizable development expenses.

4.5 Financial Income and Expenses

The interest and similar income reported in the income statement is comprised of interest income totaling EUR 337 thousand (previous year: EUR 202 thousand), income from the recognition of derivative financial instruments of EUR 56 thousand (previous year: EUR 92 thousand), and other financial income amounting to EUR 2 thousand (previous year: EUR 97 thousand).

Financial expenses are the total of interest expenses of EUR 788 thousand (previous year: EUR 1,003 thousand), expenses due to currency losses of EUR 33 thousand (previous year: EUR 101 thousand), and other financial expenses of EUR 361 thousand (previous year: EUR 285 thousand).

4.6 Income Taxes

The actual tax expense for the current year amounts to EUR 542 thousand (previous year: EUR 409 thousand). The deferred tax expense for the current year amounts to EUR 370 thousand (previous year: EUR 226 thousand). The deferred tax expense for the current year represents the lower amount of loss carryforwards of EUR 390 thousand incurred by the tax rate change and the reversal of temporary differences of EUR -20 thousand (previous year: capitalization of loss carryforwards EUR -215 thousand, reversal of temporary differences EUR 441 thousand).

An anticipated effective tax rate of 38.1 % was assumed for financial years 2006/2007 and 2005/2006, which was calculated from the tax rates for corporation tax, trade tax, and solidarity surcharge applicable for these time periods.

Due to the reform of the Corporate Income Tax Act, which will enter into force in Germany on January 1, 2008, a corporate income tax rate of 15.0% applies to financial years from January 1, 2008 onwards. After adjustment for the expected average trade tax rate and the solidarity surcharge of 5.5%, the tax rate is expected to be 29.5%. The deferred taxes were assessed at this tax rate.

The income tax can be reconciled with the theoretical amount applicable in line with the tax rate valid for the country where the Company has its headquarters as follows:

	2006/2007	2005/2006
Earnings before tax	2,838	1,778
Theoretical income tax expense based on an applicable tax rate of 38.1 % for the Group	1,081	677
Untaxed goodwill amortization	–	(11)
Tax-free earnings	(34)	47
Non-deductible expenses	93	–
Effects of tax rate changes	(35)	–
Subsequent reporting of deferred taxes	(144)	–
Permanent deviations from deferred taxes	(18)	(14)
Current tax payments for previous years	7	–
Other effects	(38)	(64)
Tax expense	912	635

in EUR thousands

4.7 Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of shares in circulation during the period.

To calculate diluted earnings per share, the net profit for the year attributable to ordinary shareholders and the weighted average number of shares in circulation are adjusted for the effect of all potential ordinary shares with a dilutive effect (exercise of option rights from the stock option plan). For this purpose, the number of ordinary shares to be taken into account consists of the weighted average number of ordinary shares plus the number of ordinary shares that would be issued if all potentially dilutive ordinary shares were to be converted to ordinary shares. Stock option rights are deemed as having been converted into ordinary shares on the day on which the options were granted.

	2006/2007	2005/2006
Net profit for the year attributable to ordinary shareholders in EUR thousands	1,876	1,130
Weighted number of shares outstanding (basic)	4,636,989	4,218,251
Weighted number of shares outstanding (diluted)	4,651,221	4,229,598
Earnings per share (basic) in EUR	0.40	0.27
Earnings per share (diluted) in EUR	0.40	0.27

4.8 Segment Reporting

The Analytik Jena Group is managed in business units that are grouped into two segments on the basis of the economic nature of the business, the type of services provided and customer relations, and the characteristics of the related sales organization.

At present, the analytical solutions, bio solutions, and optical solutions business units – which together comprise the instrument business segment – and the project solutions business unit – the project business segment – form the basis for the Analytik Jena Group's primary segment information.

For reporting purposes, the business units in the “instrument business” segment report revenue by business unit.

Instrument business	Project business
Analytical, bioanalytical, and optical Instruments, consumables and reagents, and laboratory data systems	Planning and implementation of complex medical, research, teaching, and life science projects
Instruments for applications such as:	Projects with topics such as:
<ul style="list-style-type: none"> ■ Atomic spectroscopy ■ Molecular spectroscopy ■ Sum parameters ■ Elemental spectrometry ■ Laboratory information and management systems ■ Molecular sample preparation 	<ul style="list-style-type: none"> ■ Planning/Project planning ■ Equipment ■ Project management/Facility support ■ Implementation

In addition, individual items in the consolidated financial statements are reported by region in accordance with IAS 14 (Segment Reporting), with the figures being broken down in line with internal segment reporting. The regional segment information in the consolidated financial statements of the Analytik Jena Group refers solely to revenue by region. The secondary segment reporting is therefore done solely by sales, since the segment assets are largely located in Germany.

The Western and Eastern European markets were included in the Europe region. The America region is comprised of the US market and the Canadian market. The Asia region includes Japan, China, Australia, and India, among other countries. The rest of world market is mainly composed of South America and Africa.

No material intersegment revenue or other services were generated. The segment reporting information can be reconciled with the consolidated balance sheet or the consolidated income statement accordingly by adding together the individual segment information for the financial years.

	Instrument business		Project business	
	2006/2007	2005/2006	2006/2007	2005/2006
Germany	14,277	13,930	1,695	1,529
EU	8,461	6,297	–	–
Rest of Europe	3,258	2,586	20,530	20,721
America	3,865	2,124	–	–
Asia	12,258	11,771	–	–
Rest of world	1,006	605	3,915	7,879
Revenue	43,125	37,122	26,140	30,129
Cost of sales	(19,916)	(17,423)	(22,858)	(25,455)
Gross profit	23,209	19,699	3,282	4,674
Operating profit	3,289	2,460	336	316
Net finance costs	(664)	(773)	(123)	(225)
Net profit/(loss) for the year	1,891	1,242	35	(99)
Segment assets	46,531	41,842	16,610	21,765
Segment liabilities	21,088	17,314	12,073	18,655
Capital expenditure	2,986	4,297	69	507
Depreciation and amortization	2,051	1,850	148	154
Employees	478	442	114	102

in EUR thousands, except employees

5 Notes to Individual Balance Sheet Items

5.1 Property, Plant, and Equipment

Changes in property, plant, and equipment are presented in the Consolidated Statement of Changes in Noncurrent Assets.

Property, plant, and equipment is measured at cost and, where subject to wear and tear, reduced by straight-line depreciation and impairment losses. Depreciation is recognized consistently using the straight-line method in the consolidated financial statements. Production costs are comprised of manufacturing and plant costs, costs of equipment, other direct costs, and production-related costs. Borrowing costs are not capitalized.

Repair costs for property, plant, and equipment are generally recognized as an expense. The costs are only capitalized if they enhance or substantially increase the respective asset.

If property, plant, and equipment is shut down, sold, or retired, the gain or loss resulting from the difference between the proceeds of disposal and the remaining carrying amount is reported in the functional area in which the asset was used. During this financial year, a profit of EUR 427 thousand could be achieved from the sale of a property in Eisfeld.

Depreciation of noncurrent assets is based on a useful life of 25 years for buildings, 5 to 15 years for machines, and 3 to 13 years for operating and office equipment.

Analytik Jena AG entered into two leasing agreements for the lease of machines during the financial year. Eight further leasing agreements already existed last year for technical facilities and operating and office equipment. Leased property, plant, and equipment provided for in these lease agreements, classified as finance leases, is carried at fair value in accordance with IAS 17 (Leases) or at the present value of the lease payments if lower depreciation is charged using the straight-line method over the useful lives of the assets (4 to 15 years). If it is not certain whether ownership of the leased item will be transferred, the asset is depreciated over the lease term where this is shorter. Payment obligations arising from future lease payments are carried as financial liabilities.

The carrying amount of the assets used as finance leases amounted to EUR 1,203 thousand (previous year EUR 1,085 thousand) as of September 30, 2007 (see also 5.13).

Public sector grants for property, plant, and equipment are deducted from the cost of the asset in line with the option in IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance).

Tax-free investment subsidies of EUR 134 thousand (previous year: EUR 245 thousand) received during the financial year were deferred and amortized over the average useful lives of the subsidized asset categories (see also 5.19.6).

Accounting for impairment of property, plant, and equipment is explained in Item 5.4.

5.2 Intangible Assets

The changes in intangible assets are presented in the Consolidated Statement of Changes in Noncurrent Assets.

Purchased intangible assets are measured at cost less straight-line amortization and impairment losses. The estimated useful life for patents, licenses, industrial property rights, and marketing rights is between four and ten years. Trademarks have an expected useful life of 15 years.

The goodwill of EUR 1,902 thousand (previous year: EUR 1,989 thousand) consists of goodwill from capital consolidation. It was recognized in accordance with IFRS 3 (Business Combinations). Goodwill acquired from a corporate merger may not be amortized. In accordance with IAS 36, it must instead be checked at least once a year for depreciation, in the event that certain events or altered circumstances indicate that depreciation may have occurred.

The cash generating units to which the goodwill is allocated correspond to the instrument business and project business segments. An impairment test is carried out once a year for these cash generating units in order to determine any possible impairment of the non-scheduled amortized goodwill. The recoverable amount to be compared to the cash generating unit within the context of the impairment test is determined by the value in use. A risk-adjusted interest rate in line with general market conditions was used as the basis for determining the value in use.

Research and development costs are recognized in the period in which they occurred. This excludes project development costs that fully meet the following criteria:

- The product or the process is clearly and unambiguously identifiable and the relevant costs can be assigned clearly and calculated reliably;
- The technical feasibility of the product can be demonstrated;
- The product or the procedure will be either marketed or used by the Company;
- The assets will generate a future economic benefit (e.g. if there is a market for the product or, if it is used internally, the product's usefulness for the Company can be demonstrated);
- There are adequate technical, financial, and other resources available to complete the project.

The costs are recognized the first time that the above criteria are fulfilled. Costs recognized as expenditure in previous accounting periods cannot subsequently be recognized as part of the cost of assets.

Development costs recognized as part of the cost of assets are amortized over their expected useful life using the straight-line method. As a rule, the useful life is no longer than five years.

Development costs of EUR 656 thousand (previous year: EUR 579 thousand) were recognized as part of the cost of assets in accordance with IAS 38 (Intangible Assets) in financial year 2006/2007. The recognized development costs are mainly comprised of the costs of the staff involved in development, the costs of materials, external services, and directly attributable overheads which are allocable to the projects.

By changing the classification of self-generated software to application software, it has been disclosed in the intangible assets since financial year 2006/2007. The comparison values of the previous year (EUR 1,223 thousand) were adjusted accordingly. There were no changes in the useful life (five years).

Accounting for impairment of intangible assets is explained in Item 5.4.

5.3 Other Noncurrent Assets

In accordance with IAS 39 (Financial Instruments: Recognition and Measurement), the Group's financial assets are divided into the following categories:

- (a) financial assets/liabilities held for trading;
- (b) held-to-maturity investments;
- (c) loans and receivables;
- (d) available-for-sale financial assets.

Financial assets that were mainly acquired to generate a profit from short-term price fluctuations are classified as available-for-sale financial assets. The Analytik Jena Group does not hold any financial assets belonging to this category.

Financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments with the exception of loans and receivables originated by the Company.

All other financial assets, except loans and receivables originated by the Company, are classified as available-for-sale financial assets.

Held-to-maturity financial investments are carried as noncurrent assets, unless they are due within twelve months of the balance sheet date.

Available-for-sale financial assets are recognized as current assets if the management intends to sell them within twelve months of the balance sheet date.

Financial assets are initially recognized at cost, which is equivalent to the fair value of the consideration given; transaction costs are included.

Held-to-maturity investments as well as loans and receivables are measured at amortized cost using the effective interest method.

Gains and losses arising from the change in the fair values of financial assets included in Analytik Jena AG's consolidated financial statements are recognized in income.

Financial assets are recognized at cost. The fair value did not result in any conflicting measurement.

In addition to the financial assets, the other noncurrent assets item mainly includes the surrender values from the reinsurance policies taken out to cover pension obligations.

Accounting for the impairment of other noncurrent assets is discussed in Item 5.4.

5.4 Impairment of Noncurrent Assets

Intangible assets, property, plant, and equipment, and goodwill are tested for impairment if facts or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment losses are recognized in income as soon as the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less net selling price and its value in use. The fair value less net selling price is the net revenue from an immediate sale of an asset under customary market conditions. The value in use is the present value of estimated future cash flows expected to arise from the proper use of an asset and from its disposal at the end of its useful life.

The recoverable amount is determined individually for each asset or, if this is not possible, for the cash generating unit to which the asset belongs. In the Analytik Jena Group, cash generating units are defined on the basis of the segments.

In financial year 2006/2007, no non-scheduled depreciation of goodwill was made (previous year: EUR 29 thousand).

If there are indications that the impairment no longer exists or could have decreased, corrections from prior years for intangible assets treated as income will be made retroactively. The gain in value will be recognized as income in the income statement. The increase in value (or decrease of impairment loss) of an asset, however, is only recognized to the extent that it does not exceed the carrying amount which would have resulted (taking into account the effects of depreciation), if the impairment loss had not been recognized in prior years.

Financial assets are tested for impairment at every balance sheet date. An impairment loss or write-down of financial assets carried at amortized cost is recognized in income if it is probable that the Company will be unable to recover all contractually due loan amounts, receivables, or held-to-maturity investments. An impairment loss that has previously been recognized as an expense is reversed to income if the subsequent partial reversal (or reduction in the impairment loss) can be attributed objectively to facts that have arisen since the original impairment. However, income from the reversal of impairment losses is only recognized to the extent that it does not exceed the amortized cost that would have applied if the impairment loss had not been recognized.

5.5 Deferred Taxes

Deferred taxes are recognized in accordance with IAS 12 (Income Taxes) using the balance sheet liability method for temporary differences resulting from the differences between the carrying amount of the assets and liabilities in the consolidated financial statements and the tax base used to calculate the taxable profit. This approach is used for both deferred taxes at single-entry level and those resulting from consolidation adjustments.

The measurement of both deferred tax assets and deferred tax liabilities is based on the tax consequences that follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities as of the balance sheet date.

Deferred tax assets and liabilities are recognized irrespective of the time when the temporary differences in carrying amounts are expected to be reversed. Deferred tax assets and tax liabilities are not discounted and are disclosed as noncurrent assets in the balance sheet.

Deferred tax assets and deferred tax liabilities are set off if the Company is authorized to set off actual assets and liabilities from income taxes and if the deferred tax assets and deferred tax liabilities relate to income taxes that were imposed by the same tax authorities and are owed by Analytik Jena AG.

Deferred tax assets are carried at the amount at which it is probable that future tax gains will be realized. The Company reassesses deferred tax assets that are recognized and the carrying amounts of deferred tax assets as of every balance sheet date. The Company recognizes deferred tax assets that were not previously disclosed in the balance sheet in the amount to which it has become probable that future taxable profits will be available against which the deferred tax asset can be utilized. Conversely, the carrying amount of a deferred tax asset is reduced by the amount by which it is no longer probable that sufficient tax profit will be available to utilize the deferred tax asset.

The following table provides an overview of tax effects due to temporary differences and the recognition of tax loss carryforwards leading to material deferred tax assets and liabilities:

	2006/2007	2005/2006
Deferred tax assets from temporary accounting differences	89	707
Deferred tax liabilities from temporary accounting differences		
Percentage of completion	1,391	1,606
Capitalized development costs	704	894
Current liabilities	55	333
Other	(224)	(269)
	1,926	2,564
Deferred tax assets from tax loss carryforwards		
Total from tax loss carryforwards	4,580	5,944
Non-reported	(2,586)	(3,560)
From reported loss carryforwards	1,994	2,384
Deferred taxes, net	157	527

in EUR thousands

Under current German tax legislation, loss carryforwards can be carried forward indefinitely and may be used to offset future taxable profits generated by the Company. The deferred tax assets from tax loss carryforwards in the Analytik Jena Group are mainly comprised of Analytik Jena AG's tax loss carryforwards from financial years 2001/2002 and 2002/2003. The Company does not report deferred taxes if their realization appears uncertain and exceeds the time frame of a maximum of five years, calculated from the time the respective loss carryforward originates.

5.6 Cash and Cash Equivalents

Cash and other funds (credit balance at banks) with an original maturity date of up to three months are disclosed as cash and cash equivalents.

5.7 Trade Receivables

Goods and services provided to customers are disclosed under Trade receivables. To the extent that they have not been invoiced and that customer orders are measured using the percentage of completion method, they are listed under the items Amounts due from or due to customers for construction contracts.

All trade receivables are due within one year and are carried at their principal amount, taking all recognizable risks into account. As of the balance sheet date, specific valuation allowances of EUR 95 thousand (previous year: EUR 63 thousand) were charged in relation to trade receivables.

5.8 Inventories

As of September 30, inventories can be broken down as follows:

	2006/2007	2005/2006
Raw materials and supplies	4,446	3,634
Work in progress	4,383	2,955
Finished goods	4,672	3,809
Goods purchased and held for sale	474	708
Inventories	13,975	11,106

in EUR thousands

Raw materials and supplies as well as goods purchased and held for resale are measured at average acquisition cost; work in progress and finished goods are measured at production cost. In addition to directly attributable costs, these also include appropriate portions of production and materials overheads as well as wear and tear on intangible assets and property, plant, and equipment, insofar as it is caused by manufacturing. Borrowing costs are not capitalized.

5.9 Construction Contracts

Construction contracts not yet partially or fully completed are recognized as revenue and expenses in accordance with IAS 11 (Construction Contracts) in line with the stage of completion (the percentage of completion method). The stage of completion corresponds to the portion of the contract performed up to the balance sheet date and is determined by calculating the expenses incurred up to the balance sheet date in proportion to the expected total cost (the cost-to-cost method). Insofar as the aggregate amount of the contract costs incurred and disclosed profits exceeds the advances received in individual cases, the construction contracts are carried as assets under Gross amount due from customers for construction contracts (PoC). If the balance is negative after the deduction of the advances received, it is carried as the Gross amount due to customers for construction contracts (PoC).

Anticipated contract losses are recognized. The contractually agreed fixed revenue is carried as revenue.

	2006/2007	2006/2007	2005/2006	2005/2006
	Due from	Due to	Due from	Due to
	customers	customers	customers	customers
Cost components	15,622	13,411	15,924	6,405
Profit shares	2,632	2,106	3,301	916
Total recognized	18,254	15,517	19,225	7,321
Advance payments received	8,560	17,069	11,147	10,289
Total balance	9,694	1,552	8,078	2,968

in EUR thousands

Revenue in the amount of EUR 26,140 thousand (previous year: EUR 30,129 thousand) is recorded in the financial year.

5.10 Other Current Assets

Other receivables and other assets are carried at their principal amount. Other current assets are listed in the following table:

	2006/2007	2005/2006
VAT receivables	1,357	1,710
Receivables from grants	1,573	1,795
Receivables from financial leases	108	278
Other assets	1,368	1,530
	4,406	5,313

in EUR thousands

The receivables from finance leases have been entered into with a term of two years; the outstanding minimum lease payments of EUR 108 thousand (previous year: EUR 278 thousand) have a remaining term of one year.

5.11 Equity

The changes in equity for the Analytik Jena Group for financial years 2005/2006 and 2006/2007 are presented in the Consolidated Statement of Changes in Equity.

5.11.1 Subscribed Capital

Analytik Jena AG's share capital is composed of 4,816,897 no-par value bearer shares, each with a notional value of EUR 1.00.

Each share entitles the bearer to one vote; therefore there are no restrictions on voting rights. The share capital is fully paid up. After deduction of treasury shares, the issued capital as of the balance sheet date totals 4,629,277 no-par value bearer shares, each with a notional value of EUR 1.00 (previous year: 4,596,777 no-par value shares).

5.11.2 Contingent Capital

The Contingent Capital resolved by the General Meeting totals EUR 1,915,003.00 and is composed as follows:

In accordance with section 4 (6 and 7) of the Articles of Association, the share capital is contingently increased by up to EUR 95,003.00 through the issue of up to 95,003 bearer shares (Contingent Capital I) and by up to EUR 280,000.00 through the issue of up to 280,000 bearer shares (Contingent Capital II).

The contingent capital increase is used to grant options on one or several occasions, in accordance with section 192 (2) no. 3 of the Aktiengesetz (AktG – German Stock Corporation Act).

The Executive Board is also authorized, with the approval of the Supervisory Board, to issue bonds with conversion rights or options on one or several occasions until March 22, 2009 up to a total nominal amount of EUR 1,540,000.00. The bonds may have a term of up to ten years. The holders of the bonds may be granted conversion rights or options on up to 1,540,000 no-par value bearer shares in Analytik Jena AG; this corresponds to a proportionate amount of the share capital of EUR 1,540,000.00 (Contingent Capital III).

5.11.3 Authorized Capital

Authorized capital totaled EUR 2,408,448 as of September 30, 2007 (previous year: EUR 962,498.00 EUR).

In accordance with the Company's Articles of Association, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 2,408,448 until March 20, 2012 by issuing new, no-par value bearer shares.

5.11.4 Capital Reserves

The capital reserves include amounts from the initial public offering, capital increases from past financial years, the capital increase from financial year 2005/2006 after deducting the costs that are directly connected to the capital increase, set off by the subsequent taxes, and the stock option plan in accordance with IFRS 2.

In accordance with section 150 (4) no. 2 HGB, the Executive Board of Analytik Jena AG decided to withdraw EUR 10,904 thousand from the capital reserves to balance out the remaining loss carryforward from Analytik Jena AG as of September 30, 2007 according to commercial law. This reduces the capital reserves in the consolidated balance sheet from EUR 30,296 thousand to EUR 19,395 thousand.

5.11.5 Retained Earnings

After offsetting with the capital reserves of EUR 10,904 thousand and transferring the consolidated net profit for the year attributable to the shareholders of the parent company of EUR 1,876 thousand plus the sales proceeds from treasury shares and market valuations totaling EUR 114 thousand, the retained earnings amount to EUR 6,391 thousand (previous year: EUR -6,503 thousand).

5.11.6 Treasury Shares

The Company holds a total of 187,620 treasury shares (previous year: 220,120), which are carried at cost. In accordance with IAS 32 (Financial Instruments: Presentation), they were deducted from consolidated equity.

5.12 Stock Option Plan

The Company aims to do business in a manner that is geared towards shareholders' interests and that actively promises an increase in the Company's long-term stock market value. For this reason, the Company has introduced an incentive program in the form of a stock option plan.

The options are issued to the beneficiaries free of charge. The options are not transferable, except by way of inheritance, and lapse if they are not exercised on their last possible exercise date or if the holder's contract of service or employment with the Analytik Jena Group is effectively ended.

Options do not lapse if the contract of service or employment is terminated or ends due to the retirement of the beneficiary or his or her inability to work.

The group of beneficiaries entitled to the options includes Executive Board members, the managing directors of affiliated companies within the meaning of section 15 of the AktG as well as eligible employees of the Company and its affiliated companies within the meaning of section 15 of the AktG.

The Executive Board, with the approval of the Company's Supervisory Board, is responsible for determining the selection criteria and selecting those employees and managing directors of the Analytik Jena Group to whom options are granted. The Supervisory Board is responsible for selecting Executive Board Members of the Company to receive options.

As of the balance sheet date, there were 38,203 options in circulation and capable of being exercised (previous year: 38,203 options) from the entire 2000 stock option plan. During the financial year, no option rights of Tranche III were exercised by employees of the Company nor did any option rights lapse.

As of September 30, 2007, none of the 195,200 options in circulation (previous year: 195,200 options) of Tranches I and II of the 2004 stock option plan have been exercised. No option rights from Tranches I and II of the 2004 stock option plan have lapsed during the financial year.

The development of the stock option plans issued to eligible employees is indicated in the following table:

	No. of options	Weighted average of exercise price
Options outstanding at the beginning of the period	233,403	EUR 7.14
Options forfeited during the reporting period	–	–
Options exercised during the reporting period	–	–
Options lapsed during the reporting period	–	–
Options outstanding at the end of the reporting period	233,403	EUR 7.14
Options that may still be exercised at the end of the reporting period	233,403	EUR 7.14

5.13 Noncurrent Financial Liabilities

Financial liabilities are carried at cost. Current and noncurrent financial liabilities are detailed in the following table:

	Interest rate in %	Redemption terms	2006/2007	2005/2006
ERP loan	3.25	1999–2009	58	86
Investment credits	variable	2005–2015	1,183	1,312
Investment loan	6.49	2004–2008	12	159
Liquidity loan	4.50	2001–2010	559	783
Borrower's note loan	variable	2005–2010	7,149	7,142
Loan to finance a participation	10.50	2005–2011	383	383
Finance lease	5.21–6.70	2004–2011	976	793
			10,320	10,658
Less current portion			(823)	(1,070)
			9,497	9,588

in EUR thousands

The two variable investment credits are based on the 3-month EURIBOR plus the margin.

	2008	2009	2010	2011	2012	from 2013	Total
Redemption amounts	823	603	7,421	715	198	560	10,320

in EUR thousands

Of the noncurrent liabilities disclosed in the balance sheet, a total of EUR 1,938 thousand (previous year: EUR 2,256 thousand) are secured by mortgage charges totaling EUR 3,260 thousand (previous year: EUR 3,260 thousand).

Various capital goods (carrying amount as of September 30, 2007: EUR 285 thousand; previous year: EUR 661 thousand) have also been assigned as security.

Liabilities from leases are recognized if the leased assets are capitalized as the Group's property under Property, plant, and equipment (finance leases). They are carried at their present values of EUR 848 thousand (previous year: EUR 773 thousand). Over the next few years, a total of EUR 983 thousand (previous year: EUR 901 thousand) is payable to the lessor. The difference corresponds to the interest portion of EUR 135 thousand (previous year: EUR 127 thousand).

5.14 Other Noncurrent Liabilities

Analytik Jena AG has issued three defined benefit plans. The corresponding asset values of the reinsurance are recognized under the other noncurrent assets. The valuation of the defined benefit plans is based on the following insurance assumptions:

	2006/2007	2005/2006
Discount interest rate in %	5.30	4.50
Adjustment of current pensions in %	2.00	2.00

The Heubeck 2005 G recommendation tables form the basis of the calculations.

The net liability as of October 1, 2006 amounted to EUR 708 thousand. A pension expense of EUR 78 thousand was recognized in financial year 2006/2007 (previous year: EUR 79 thousand); the net balance sheet liability as of September 30, 2007 amounts to EUR 786 thousand. Of the pension expense, EUR 44 thousand (previous year: EUR 46 thousand) accrues to service cost and EUR 34 thousand (previous year: EUR 33 thousand) to interest cost. Total expenditure is recognized under the general administrative expenses.

5.15 Provisions

Provisions are measured in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) based on the best estimate of the extent of all obligations relating to past business transactions or past events, the amount or timing of which is uncertain. A provision is recognized when, and only when:

- A legal or constructive obligation to third parties results from a past event,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

When provisions fall due after more than one year, the noncurrent portion of the corresponding present value is discounted.

The provisions of EUR 749 thousand (previous year: EUR 709 thousand) disclosed in the balance sheet are mainly comprised of provisions for warranty claims of EUR 314 thousand (previous year: EUR 265 thousand) and various individual amounts for patent risks and similar circumstances of EUR 435 thousand (previous year: EUR 444 thousand).

The provisions disclosed in the balance sheet can be broken down as follows:

	10/01/2006	Utilization	Writing back	Allocation	09/30/2007
Warranty claims	265	205	–	254	314
Other	444	75	16	82	435
Provisions	709	280	16	336	749

in EUR thousands

5.16 Contingent Liabilities

Contingent liabilities amounted to EUR 18,881 thousand as of the balance sheet date (previous year: EUR 18,398). They are mainly due to tender bonds, advance payment guarantees, and warranties.

5.17 Other Financial Obligations

In financial year 2006/2007, the Company rented three office buildings in Jena, two office buildings in Berlin, and one office building each in Wiehl, Leipzig, and Überlingen.

In addition, business premises have been leased for subsidiaries and representative offices outside Germany (USA, Japan, Thailand, China, Brazil, U.A.E., and Russia).

A substantial part of the vehicle fleet of the Analytik Jena Group has also been leased. The leases are currently for between 24 and 48 months and end in financial year 2011/2012 at the latest.

EUR 242 thousand (previous year: EUR 265 thousand) relating to leases for vehicles was recognized as an expense.

The rental and lease obligations and order commitments for the period after September 30, 2007 are shown in the following table:

	2008	2009	2010	2011	2012	Total
Rent	1,083	851	323	248	198	2,703
Lease	190	90	45	5	1	331
Order commitments	6,206	–	–	–	–	6,206

in EUR thousands

5.18 Related Party Disclosures

Please refer to section 7.1 for information on remuneration for members of the Supervisory Board and Executive Board.

Transactions with partners and companies qualifying as related parties in accordance with IAS 24 (Related Parties) are only conducted under conditions of independent business partners. Related party transactions consist of service transactions with Executive Board members of Analytik Jena AG Klaus Berka and Jens Adomat. Both Executive Board members and their wives are shareholders (each holding 25.0%) of A&B und Partner GbR, Jena. Analytik Jena AG has leased its office premises in Jena and Überlingen from this company. The rent paid to A&B und Partner GbR amounted to EUR 805 thousand (previous year: EUR 725 thousand) in the past financial year.

Analytik Jena AG also has supplier relationships with ETG Entwicklungs- und Technologie Gesellschaft mbH in Ilmenau, in which the Company holds a 20.0% interest. In the past financial year, Analytik Jena AG sourced goods worth a total of EUR 1,720 thousand (previous year: EUR 1,318 thousand).

5.19 Risk Management

5.19.1 Risks from Financial Instruments

Financial instruments are contractually agreed transactions that involve a cash entitlement. In accordance with IAS 32 (Financial Instruments: Disclosure and Presentation), this includes primary financial instruments, such as trade receivables and payables or financial receivables and payables.

It also includes derivative financial instruments. In accordance with IAS 39, all derivative financial instruments are to be recognized in the balance sheet as assets/liabilities held for purposes of commercial trade.

The derivative financial instruments include both interest-based and currency-based derivative financial instruments. The fair value (net) of the interest-based derivative financial instruments amounts to EUR -144 thousand (previous year: EUR -252 thousand), of which EUR 140 thousand accrues to assets (previous year: EUR 73 thousand) and EUR 284 thousand to liabilities (previous year: EUR 325 thousand).

The fair value (net) of the currency-based derivative financial instruments amounts to EUR 28 thousand (previous year: EUR 42 thousand), of which EUR 28 thousand accrue to assets (previous year: EUR 65 thousand) and EUR 0 to liabilities (previous year: EUR 23 thousand).

The fair values were determined as of the balance sheet date using recognized mathematical assessment models (Black-Scholes, Heath-Jarrow-Morton), taking into account equivalent-term yield curves.

5.19.2 Default Risk

The Group is generally not exposed to any serious concentration of its default risk in respect of a single counterparty or a group of counterparties with similar characteristics.

In the United Arab Emirates, Analytik Jena AG plans to file arbitral proceedings before the International Court of Arbitration in Dubai against the local Iranian Hospital. The subsidiary AJZ Engineering GmbH, as a partner of a company under private law (GbR), will participate in the proceedings. The company under private law, as contractual partner of the Iranian Hospital in Dubai, was commissioned by the hospital to provide planning and supervisory services related to renovation of the local hospital. As of September 30, 2007, despite completion of the contractually agreed partial performance for the renovation of the Iranian Hospital, no payments whatsoever have been made. To date, the payment due has been refused by the contractual partner without grounds. For this reason, the Analytik Jena attorneys are currently making preparations for legal action in Dubai. The attorneys in charge estimate that the prospects for a successful outcome by way of taking legal action are very good. Management therefore did not feel that provisions against assets in the amount of EUR 931 thousand needed to be made.

5.19.3 Interest Rate Risks

The Group aims to minimize interest rate risks through fixed-rate financing or through interest rate hedges (Caps). As of the year-end, three long-term loans were financed at a variable rate.

5.19.4 Liquidity Risk

The Group aims to have at its disposal or to acquire sufficient cash and cash equivalents or corresponding irrevocable lines of credit to meet its obligations at any time during the planning period.

5.19.5 Exchange Rate Risk

The Group's exchange rate risks are attributable to its global business activities and to the fact that it operates production and sales facilities in various countries.

The Group protects itself against this risk by using various hedging tools, such as foreign exchange operations, options, etc.

Earnings from exchange rate differences during the financial year amounted to EUR -33 thousand (previous year: EUR -101 thousand).

5.19.6 Risks Associated with Public Grants

Since 1996, the Company has received regular subsidies for specific projects in the field of research and development. In the year under review, these amounts totaled EUR 1,433 thousand for research and development (previous year: EUR 1,391 thousand) and EUR 555 thousand (previous year: EUR 1,156 thousand) for investments in property, plant, and equipment and intangible assets.

In principle, these grants are only awarded if certain requirements or conditions are met, in some cases extending over a period of several years and into the future. In the event of failure to do so, the Analytik Jena Group could be obliged to repay the grants received in full or in part, which would have an adverse effect on the Company's economic position. Regular reviews of the grants awarded have not resulted in any objections to date.

6 Notes to the Cash Flow Statement

Cash flow from operating activities is calculated using the indirect method. This means that non-cash expenses are added to the consolidated net profit for the year, while non-cash income is deducted.

In accordance with IAS 7 (Cash Flow Statements), cash flows are presented in tabular form and broken down into operating activities, investing activities, and financing activities. In the process, the effects of acquisitions, divestments, and other changes in the consolidated group are eliminated.

Funds include all cash and cash equivalents, i.e. cash and all funds with an original maturity of up to three months.

The incoming payments from the sale and the outgoing payments for the acquisition of treasury shares based on acquisitions are disclosed separately in the inflow of funds from financing activities.

7 Membership and Total Remuneration of the Executive Board and Supervisory Board

7.1 Executive Board

Klaus Berka, Dipl.-Ingenieur,

date of birth August 27, 1949

President and Chief Executive Officer since June 2, 1999, appointment until April 28, 2009

Other board memberships:

Member of management at:

- AJ Cybertron GmbH
- AJ Blomesystem GmbH
- AJ Roboscreen GmbH
- AJ Innuscreen GmbH
- AJ Japan Co., Ltd.

Jens Adomat, Dipl.-Ingenieur,

date of birth April 22, 1960

Member since June 2, 1999, appointment until April 28, 2009

Other board memberships:

Member of management at:

- AJZ Engineering GmbH

Stefan Döhmen, Dipl.-Kaufmann,

date of birth February 24, 1964

Member since July 1, 2006, appointment until June 30, 2009

Other board memberships:

Member of management at:

- AJZ Engineering GmbH
- AJ USA, Inc.

Remuneration of the Executive Board

The Executive Board members receive direct and indirect remuneration components, with the indirect remuneration components comprised of pension expenditure.

The direct remuneration of the Executive Board members is comprised of fixed and variable components as well as incentives for the long-term increase of the Company value. In particular, the duties and responsibilities of the respective Executive Board member, the performance of the Executive Board, and the economic position and success of the Company, measured by EBIT, make up the criteria for the suitability of the remuneration. The long-term components of remuneration are comprised of stock options. These are intended to create incentives geared toward the sustainability of the Company's success. Any changes to the performance goals carried out at a later date are excluded.

Advances and loans as well as liability bonds for the benefit of Executive Board members – as in other respects for the benefit of the Supervisory Board members as well – have not been granted.

During the financial year, EUR 54 thousand was paid out for members of the Executive Board for indirect remuneration.

Remuneration of the Executive Board for financial year 2006/2007:

Member of Executive Board	Fixed remuneration	Variable, performance-related components	Total
Klaus Berka	171,157	36,246	207,403
Jens Adomat	142,001	18,124	160,125
Stefan Döhmen	107,798	10,000	117,798
Total	420,956	64,370	485,326

in EUR

As of September 30, 2007, there were option rights for a total of 24,000 shares.

7.2 Supervisory Board

In accordance with section 285 no. 10 of the HGB (Handelsgesetzbuch – German Commercial Code), the members of the Supervisory Board are members of the Supervisory Boards or supervisory bodies listed below in accordance with section 125 (1) sentence 3 of the Aktiengesetz (AktG – German Public Companies Act).

Alexander von Witzleben, Dipl.-Kaufmann,

Chairman since April 28, 1999, member since April 28, 1999

Member of the Executive Board of Franz Haniel & Cie. GmbH, Duisburg

Other board memberships:

- Deputy Chairman of the Supervisory Board of Carl Zeiss Meditec AG, Jena, until May 31, 2007
- Chairman of the Supervisory Board of DEWB AG, Jena, until November 27, 2006
- Chairman of the Supervisory Board of caverion GmbH, Stuttgart
- Chairman of the Supervisory Board of PVA TePla AG, Asslar
- Deputy Chairman of the Supervisory Board of VERBIO AG, Zörbig
- Member of the Administrative Board of Feintool International Holding AG, Lyss
- Member of the Advisory Committee of Kaefer Isoliertechnik GmbH & Co. KG, Bremen
- Deputy Chairman of the Supervisory Board of TAKKT AG, Stuttgart, since May 4, 2007

Prof. Dr. Manfred Grün, Dipl.-Chemiker,

Deputy Chairman since April 28, 1999, member since April 28, 1999

Managing Director of JenaBios GmbH, Jena, of JenaGen GmbH, Jena, of JenaDrugDiscovery GmbH, Jena, and of Food GmbH, Jena

Other board memberships:

- Member of the Supervisory Board of ADIB Agrar-Dienstleistungs-Industrie und Baugesellschaft mbH & Co. KG, Wiegleben

Dr. Nikolaus Reinhuber, lawyer,

Member from September 24, 1999 to June 30, 2007

Partner of the law firm Freshfields Bruckhaus Deringer, Frankfurt am Main

Other board memberships:

- none

Dr. Franz-Ferdinand von Falkenhausen, independent consultant,

Member since August 27, 2007

Other board memberships:

- Chairman of the Advisory Committee of Thüringer Aufbaubank, Erfurt
- Member of the Advisory Committee of Deutsche Bundesbank Hauptverwaltung, Leipzig
- Member of the Advisory Committee of Deutsche Bank AG, Frankfurt
- Member of the Advisory Committee of Dresdner Bank AG, Frankfurt
- Deputy Chairman of the Supervisory Board of JPK-Instruments AG, Berlin

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board in financial year 2006/2007 amounted to EUR 46 thousand. The total remuneration is comprised of a fixed amount as well as meeting attendance fees. A distinction is made between the Chairman and Deputy Chairman in the consideration of scope of activities of the members of the Supervisory Board.

Remuneration of the Supervisory Board for financial year 2006/2007:

	Basic remuneration		Meeting attendance fee		Total remuneration	
	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
Alexander von Witzleben	20,000	20,000	200	200	20,200	20,200
Prof. Dr. Manfred Grün	15,000	15,000	200	200	15,200	15,200
Dr. Nikolaus Reinhuber	7,500	10,000	150	200	7,650	10,200
Dr. Franz-Ferdinand von Falkenhausen	2,500	–	50	–	2,550	–
Total	45,000	45,000	600	600	45,600	45,600

in EUR

No loans to Supervisory Board members existed at the balance sheet date. No loans were redeemed in the year under review.

8 Remuneration of the Auditors

The auditors and consolidated financial statement auditors were remunerated as follows for the financial year:

	2006/2007
Audit of the consolidated financial statements	73,220
Other audit or evaluation services	500
Total	73,720

in EUR

German Corporate Governance Code

The Executive Board and Supervisory Board of Analytik Jena AG have issued the declaration relating to the recommendations of the German Corporate Governance Code prescribed in accordance with section 161 of the AktG and made this permanently available for shareholders on the Internet (<http://www.aj-group.de>).

9 Proposed Appropriation of Earnings

The Executive Board proposes carrying forward Analytik Jena AG's net profit for the year as of September 30, 2007 for new account.

Jena, November 21, 2007

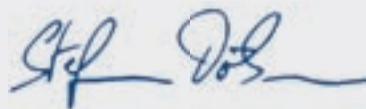
The Executive Board of Analytik Jena AG



Klaus Berka



Jens Adomat



Stefan Döhmen

Consolidated Statement of Changes in Noncurrent Assets

as of September 30, 2007

	Total	Property, Plant, and Equipment		
		Land	Buildings	Plant
Cost				
as of October 1, 2006	32,344	275	4,291	3,463
Foreign currency losses	(67)	–	(19)	(3)
Additions	3,055	–	(10)	429
Reclassifications	–	–	182	1
Disposals	(743)	(13)	(67)	(5)
as of September 30, 2007	34,589	262	4,377	3,885
Cumulative depreciation and amortization				
as of October 1, 2006	15,344	–	712	1,908
Foreign currency losses	(12)	–	(1)	(3)
Additions	2,199	–	209	262
Reclassifications	–	–	–	–
Disposals	(274)	–	(17)	(2)
as of September 30, 2007	17,257	–	903	2,165
Carrying amount				
as of October 1, 2006	17,000	275	3,579	1,555
as of September 30, 2007	17,332	262	3,474	1,720

in EUR thousands

Property, Plant, and Equipment			Intangible assets			Goodwill	Other noncurrent assets
Equipment	Assets under development	Total	Development costs	Other intangible assets	Total		
8,532	1,920	18,481	4,063	6,602	10,665	2,119	1,079
(24)	–	(46)	–	(9)	(9)	–	(12)
621	926	1,966	656	395	1,051	17	21
1,407	(1,590)	–	–	–	–	–	–
(317)	–	(402)	(30)	(1)	(31)	(104)	(206)
10,219	1,256	19,999	4,689	6,987	11,676	2,032	882
5,557	531	8,708	1,714	4,766	6,480	130	26
(6)	–	(10)	–	(2)	(2)	–	–
735	–	1,206	646	347	993	–	–
531	(531)	–	–	–	–	–	–
(224)	–	(243)	(30)	(1)	(31)	–	–
6,593	–	9,661	2,330	5,110	7,440	130	26
2,975	1,389	9,773	2,349	1,836	4,185	1,989	1,053
3,626	1,256	10,338	2,359	1,877	4,236	1,902	856

Auditor's Report

We have audited the consolidated financial statements prepared by the Analytik Jena AG, Jena, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from October 1, 2006 to September 30, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Leipzig, November 21, 2007

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft



Liebers
Auditor

Nötzel
Auditor

Further Information

Glossary

AAS (Atomic Absorption Spectroscopy):

Spectral photometric analysis procedure for the quantitative determination of element concentrations using weakened electromagnetic radiation or incident light intensity.

Amplification (Latin: *amplificatio expansion, amplius broad*):

A molecular-genetic process for duplication of DNA. (See also PCR.)

Analysis/analytcs:

Testing of medical, biological, or chemical samples using chemical and physical procedures.

Analytik Jena Group:

Analytik Jena AG is made up of various branch offices in Germany (Eisfeld, Überlingen) and a number of subsidiaries (AJZ Engineering, AJ Blomesystem, AJ Cybertron, AJ eBiochip, AJ Innuscreen, AJ IDC, AJ Roboscreen). Additional subsidiaries and representative offices in other countries are also part of the Analytik Jena Group (e.g. AJ USA, AJ Shanghai, AJ Japan, and the Moscow Representative Office).

Antioxidants:

Substances that, even in small concentrations, reduce or completely prevent the oxidation of a substance that is present in larger quantities.

Concentration:

Proportion of a component in relation to the mass or volume of a mixture. Amount of a substance in a solution.

Consumer Products:

In addition to capital goods, the Analytik Jena Group also provides goods for (personal) applications in the field of sports, outdoor activities, and hunting via the Eisfeld branch under the DOCTER® brand name. These include, for example, flashlights, binoculars, and sights.

contrAA®:

Award-winning analyzer (analytical solutions business unit) based on the latest technology in the field of atomic spectrometry – High-Resolution-Continuum-Source-AAS.

Cycler:

See Thermocycler.

DNA:

Short for "deoxyribonucleic acid." In German, also referred to as DNS, Desoxyribonucleinsäure. Carrier of genetic information of all cells. (See also Nucleic acids.)

DNA purification:

See purification.

German Corporate Governance Code:

The GCGC is a body of rules that primarily provides recommendations for behavior that determine good corporate leadership and supervision.

IFRS:

International Financial Reporting Standards. Collection of standards and interpretations developed by an independent private body, the International Accounting Standards Board (IASB). These standards lay down rules relating to external corporate reporting. The International Accounting Standards were renamed from IAS to IFRS after the reorganization in 2000/2001.

ISAS (Institute for Analytical Sciences):

Non-university research institute with a field office in Berlin. Research activities are to be dedicated to application-oriented fundamental research in the department of natural sciences in the field of physics and chemistry.

Kit (also known as reagent kit):

Ready-to-use set of materials, in this case chemical solutions or substances and documentation aids used to perform analytical tests.

KonTraG:

German Act on Control and Transparency in Business.

LIMS:

Laboratory, information, and management system. Comprehensive software to increase efficiency in laboratory operations. Ensures the capture, analysis, processing, transfer, and archiving of data.

Molecular biology:

Research into genetic structures and functions at a molecular level, plus protein research.

Molecular spectroscopy:

Spectral photometric analysis procedure in which the structure and the type of certain molecules and their concentration is analyzed on the basis of the interaction between electromagnetic radiation and matter.

Nucleic acids:

The most well-known nucleic acids are DNA and RNA. Nucleic acids consist of nucleotide subunits, which in turn are made up of a nucleic base (nucleic bases), a phosphate, and a sugar.

PCR:

The polymerase chain reaction is a method of duplicating the genetic substance DNA without using a living organism, such as the escherichia coli bacterium or the bakers' yeast saccharomyces cerevisiae. (See also Amplification.)

Pharmacology:

Is involved in the effect of drugs on the human body or on animals.

PoC (Percentage of Completion):

Method for determining the profit in the income statement, which according to IFRS is mandatory for long-term manufacturing (manufacturing period of generally more than one year). Realization of profit is therefore based on the degree of completion. This is frequently determined according to the ratio of accrued expenses to the estimated total expenses or the payments already made to the total scheduled payments.

Purification:

Biological cell material is broken up (lysed) and the extracted nucleic acid made available for further investigations with the help of a solid phase.

Screening:

Testing of a large number of different molecules in a test run, in which chemical substances are mixed together and the mixture is evaluated using a measuring device to determine chemical or biological activities.

Spectroscopy:

Describes processes which investigate the absorption or emission of light. Using a spectrometer, a light spectrum, i.e. the intensity of the absorbed or emitted light, is measured in connection with the wavelength.

Stand-alone Device:

In addition to instruments linked directly to a PC, devices with integrated computers are also included in the range of products.

Sum parameter:

Testing and evaluation method used to analyze entire groups of substances with the same features. Useful as there is often a large number of unknown substances in very small concentrations (for example in water), and an individual analysis would be complicated and expensive.

Thermocycler:

A thermocycler, also called a PCR device, is defined as a system that is able to independently carry out the temperature cycles of a polymerase chain reaction (PCR).

Contacts

Chairman of the Executive Board

Klaus Berka

Tel. +49 (0) 36 41 / 77 92 56

Fax +49 (0) 36 41 / 77 99 88

E-mail vorstand@aj-group.de

Investor Relations &

Corporate Communications:

Mario Voigt

Tel. +49 (0) 36 41 / 77 92 81

Fax +49 (0) 36 41 / 77 99 88

E-mail m.voigt@analytik-jena.de

Corporate Communications:

Lars Russek

Tel. +49 (0) 36 41 / 77 73 55

Fax +49 (0) 36 41 / 77 99 88

E-mail l.russek@aj-group.de

Subject-specific e-mail-adresses

Group Headquarters:

E-mail info@aj-group.de

Investor Relations:

E-mail ir@aj-group.de

Bio:

E-mail biosolutions@analytik-jena.com

Instruments:

E-mail analytical@analytik-jena.de

Engineering:

E-mail info@ajz-engineering.de

Laboratory, Information and Management Systems:

E-mail info@aj-blomesystem.com

Automation:

E-mail info@aj-cybertron.de

Internet

Up-to-date information on the Internet:

Find out about the latest topics and developments in the Group at any time on Analytik Jena's website.

You also have the option of receiving information via our newsletter. Simply ask us to add your name to our mailing list.

Websites

www.aj-group.de

www.analytik-jena.de

www.ajz-engineering.de

www.aj-blomesystem.de

www.aj-cybertron.de

www.aj-innuscreen.de

www.aj-roboscreen.de

www.docter-germany.com

www.ebiochip.com

www.bio.analytik-jena.de

www.contraa.analytik-jena.de

Financial Calendar 2008

February 14	Publication of interim report for 3 months 2007/2008	Jena
April 4	8. Ordinary Annual General Meeting of Analytik Jena AG	Jena
May 15	Publication of interim report for 6 months 2007/2008	Jena
August 14	Publication of interim report for 9 months 2007/2008	Jena
November	Presentation at the Deutsches Eigenkapitalforum (German Equity Forum)	Frankfurt a.M.
December 18	Publication of Annual Report for 2007/2008	Jena

These dates may be subject to change at short notice. The current version of the financial calendar can be found on the Company's website.

Acknowledgements

Published by

Analytik Jena AG
Konrad-Zuse-Strasse 1
07745 Jena
Germany

Edited by

Analytik Jena AG, Jena
Investor Relations & Communications

Concept and Realization

LANGE + PFLANZ Werbeagentur GmbH, Speyer
www.LPsp.de

Text

Analytik Jena AG, Jena
LANGE + PFLANZ Werbeagentur GmbH, Speyer
www.LPsp.de
profitext.com, Speyer
www.profitext.com

Photography

Analytik Jena AG, Jena
LANGE + PFLANZ Werbeagentur GmbH, Speyer
www.LPsp.de
guido werner .photography
www.guido-werner.com

Printed by

Engelhardt & Bauer, Karlsruhe
www.ebdruck.de

This Annual Report is also available in German. An online version is available at www.aj-group.de.

Analytik Jena AG

Konrad-Zuse-Strasse 1

07745 Jena

Germany

Tel. +49 (0) 36 41/77 70

Fax +49 (0) 36 41/77 92 79

E-mail info@aj-group.de

www.aj-group.de

Investor Relations & Communications

Mario Voigt

Tel. +49 (0) 36 41/77 92 81

Fax +49 (0) 36 41/77 99 88

E-mail ir@analytik-jena.de