analytikjena

ANNUAL REPORT
2014R

Key Figures

for the period from October 1 to December 31, 2014 and from October 1, 2013 to September 30, 2014

	2014R	2013/2014	change
Earnings data			
Consolidated revenue	**28,758**	**121,339**	**-76.3%**
Analytical Instrumentation	13,042	52,840	-75.3%
Life Science	10,288	42,120	-75.6%
Optics	1,122	4,778	-76.5%
Project Business	4,306	21,601	-80.1%
Germany	6,671	25,158	-73.5%
Europe (excluding Germany)	10,869	39,525	-72.5%
America	3,253	14,569	-77.7%
Asia	7,297	35,526	-79.5%
Rest of world	668	6,561	-89.8%
Export ratio	**76.8%**	**79.3%**	
Gross profit	8,373	50,656	-83.5%
Gross margin	**29.1%**	**41.7%**	
EBITDA	-9,746	-1,252	678.4%
EBITDA margin	**-33.9%**	**-1.0%**	
EBIT before PPA*	**-11,386**	**-5,237**	**117.4%**
EBIT	-11,627	-6,245	86.2%
EBIT margin	**-40.4%**	**-5.1%**	
EBT	-13,543	-8,979	50.8%
EBT margin	**-47.1%**	**-7.4%**	
Consolidated net loss for the year attributable to the shareholders of the parent company	-10,502	-9,236	13.7%
Basic earnings per share	-1.38	-1.21	14.0%
Diluted earnings per share	-1.38	-1.21	14.0%
Weighted average shares outstanding (basic)	7,624,655	7,624,655	
Weighed average shares outstanding (diluted)	7,624,655	7,624,655	
Financial data			
Capital expenditure	1,371	5,074	-73.0%
Depreciation and amortization	1,881	4,993	-62.3%
Personnel costs	11,349	42,247	-73.1%
Net cash flow	-2,212	-20,427	-89.2%
Cash and cash equivalents	5,301	7,352	-27.9%
Balance sheet data			
Equity	41,190	53,570	-23.1%
Total assets	121,728	131,335	-7.3%
Equity ratio	**33.8%**	**40.8%**	
Supplemental information			
Research and development expenses (gross)	4,585	15,534	-70.5%
Number of employees	1,102	1,098	0.4%
Treasury shares	31,042	31,042	

in EUR thousand, except per-share and employee data

* EBIT before amortization of identified intangible assets from purchase price allocation

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Forword

Dear shareholders, customers, partners, and employees,

Behind us lies a shortened financial year of three months, in which we suffered a similarly loss-filled reporting period as in the past 2013/2014 financial year. This was as expected, given unchanged political conditions in Ukraine and Russia, the integration of the ICP-MS business in our Analytical Instrumentation business unit, and the streamlining of our structures in the Life Science business unit.

Analytik Jena generated Group revenue of EUR 28.8 m. In the instrument business, total revenue amounted to EUR 24.4 m. Group revenue included the revenue recognized in the project business of our AJZ Engineering subsidiary, which totaled EUR 4.3 m at the end of the financial year. Due to the ongoing depreciation of the Russian ruble, we once more had to take significant value adjustments on our project business. They amounted to EUR 4.9 m as of the end of the reporting period and are disclosed in the consolidated statement of comprehensive income under Other expenses. This value adjustment essentially includes the profit margin that has been realized so far and is planned for the future as well as the order backlog denominated in euros.

In view of this, Analytik Jena realized a significantly higher operating loss in the shortened financial year than in the previous year and recorded total earnings before interest and taxes (EBIT) of EUR -11.6 m (previous year: EUR -6.2 m). At the bottom line, the Group ended the financial year with a consolidated net loss for the year of EUR 13.0 m (previous year: EUR 9.2 m). As a result, we achieved a new negative record after a difficult financial year for earnings in 2013/2014.

The measures already initiated to stabilize our core business, including the restructuring of our Japanese subsidiary, the expansion and renewal of our portfolio with new technologies and products, and structural measures to streamline our organization and reduce our costs, naturally still have not shown any noteworthy impact in such a short time. We assume that the implementation of these measures will extend well into 2015 and expect a significant impact only at the end of the 2015 financial year, which is already underway. We are very confident that Analytik Jena will return to profitable growth by the end of the calendar year.

Since the project business should be viewed very critically in the current situation, we remain committed to our plan to reduce our activities here to the greatest extent possible or to completely terminate them upon completion of the major project in Wolshskij. We are working intensively on a solution of the problems arising from the Russian crisis. Although we concluded the shortened financial year with very negative results, we continue to pursue our strategic goals. However, we must also keep in mind that developments such as the economic and political sanctions against Russia lie outside our area of influence.

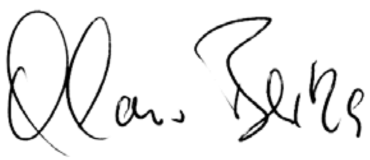
Order entry in both core segments Analytical Instrumentation and Life Science was encouraging in the first two months of the 2015 financial year.

Aside from the project business, we had to struggle with the same sustained challenges in our core segments in the past shortened financial year that we had already confronted in the previous year. Our operating business in all three business units of the instrument business remained below our expectations. Thus we were also unsuccessful during the reporting period at offsetting the higher selling, administrative, and R&D costs resulting from the acquisitions in the past two financial years with corresponding increases in revenue. The operating result was negatively affected particularly by sustained weak revenue in all three business units of the instrument business and respective losses in Life Science and Optics. In addition, other significant negative factors on the earnings side were anticipated costs from closing the area of sepsis diagnostics, the related necessary strategic correction at our Moldiax investment, and costs connected with the planned move of the former CyBio to our building complex due to rent obligations at its former site.

The specified expenses are essentially one-time items and will not have a negative impact on the current 2015 financial year. Order entry in both core segments Analytical Instrumentation and Life Science was encouraging in the first two months of the 2015 financial year. We expect to generate revenue in the current financial year from the market launch of PlasmaQuant® MS at the European Winter Conference on Plasma Spectrochemistry at the end of February in Münster. Manufacturing of the devices has already started. The Optics business unit continues to appear critical. Here we are assuming a revival of the operating business at the earliest in March when we present our new products to customers and dealers at the leading industrial exhibition IWA to be held in Nuremberg.

My dear ladies and gentlemen, in 2015 Analytik Jena looks back on a quarter century of corporate history. Our strengths were and are to adapt to continuous changes with courage and expertise, to accept what is necessary, to dare to do new things, and to complete tasks rigorously. These qualities have made us competitive. In this connection, I would like to offer my thanks to the employees of Analytik Jena who have written the successful 25-year history of the Company chapter by chapter. We regard continuing this history as our foremost goal. I would also direct a word of gratitude to the customers and shareholders who have accompanied us closely through all the years. They have expressed their confidence in the future viability of the Company. I would also like to thank our largest shareholder Endress+Hauser, who is consistently supporting us in our plan. We will justify this trust in the future. We will make intensive use of the coming months to promote our organic growth and to adjust the structural conditions in the Group accordingly. In particular, we will continue our efforts in the area of research and development in the coming months at a high level. We are opening up new markets and customer segments with innovations. All 1,102 employees of the Analytik Jena Group as of the end of the reporting period on December 31, 2014 will continue to participate in shaping the future of the Company with tremendous dedication.

With kind regards,
Yours,



Klaus Berka
Chief Executive Officer

2014R

The Financial Year

01

Reports

Klaus Berka

Chairman of the Executive Board, CEO

Born on August 27, 1949,
in Burgk, Germany,
married, one child

Stefan Döhmen

Chief Financial Officer, CFO

Born on February 24, 1964,
in Oberhausen, Germany,
married, three children

Matthias Altendorf

Member of the Supervisory Board

Andreas Krey

Chairman of the Supervisory Board

Dr. Heiner Zehntner

Member of the Supervisory Board

Report of the Supervisory Board

Dear shareholders,

In the shortened 2014 financial year as well, the Supervisory Board of Analytik Jena AG continued to carefully meet its legal responsibilities and those laid out in the Articles of Association. It also regularly monitored and advised the management of the Executive Board of Analytik Jena AG. The Supervisory Board was involved early on and intensively in a continuous dialog with the Executive Board regarding all decisions of fundamental importance to the Company. The Executive Board reported in a timely and comprehensive manner in writing and verbally about the current condition of the Company and the Group; key business transactions; fundamental issues of corporate policy and strategy; the sales, earnings and financial position; corporate plans, including regarding the financial, capital expenditure, and personnel planning of the Company, its major subsidiaries and associated companies; and the risk situation and risk management. The Supervisory Board discussed the reports in detail and engaged in a dialog about them with the Executive Board. In the process, cooperation was consistently characterized by trusting and constructive dialog.

After thorough examination and deliberation, the Supervisory Board adopted resolutions to the extent required by law, the Articles of Association, or the rules of procedure.

Meetings of the Supervisory Board

To fulfill its responsibilities in the shortened 2014 financial year, the Supervisory Board convened on December 19, 2014 in Jena for an ordinary meeting, which all members of the Supervisory Board and the Executive Board attended, along with two auditors of KPMG AG Wirtschaftsprüfungsgesellschaft, Leipzig, to report on the key results of their (Group) audit. In addition, where it was deemed necessary to improve the evaluation process, employees responsible for specific areas were invited to report on certain agenda items. Also outside the meeting, the Chairman of the Supervisory Board was also briefed extensively by the Chairman of the Executive Board about the current performance of the Company. This provided the opportunity to discuss issues related to the Company's strategy, planning, business development, risk situation, risk management, and compliance.

Areas of Focus of the Supervisory Board Meeting

In the single meeting during the reporting period on December 19, 2014, the Supervisory Board, following the report of the representatives of KPMG AG Wirtschaftsprüfungsgesellschaft on the key results of their audit, initially addressed the separate annual financial statements of the Company and the consolidated annual financial statements on September 30, 2014, as well as the corresponding management reports and the dependency report of the Executive Board. The annual financial statements were adopted and the consolidated financial statements were approved.

Another focus of this Supervisory Board meeting was the development of revenue and earnings at Analytik Jena AG, its subsidiaries, and its associated companies, including the financial and risk situation. Intensive discussions focused again on the business situation of AJZ Engineering GmbH.

Furthermore, resolutions of the Supervisory Board for the Ordinary General Meeting on April 28, 2015 were adopted, future structural and strategic measures were discussed, and the updated budget of the Analytik Jena Group were approved.

Corporate Governance

During the reporting period, the Supervisory Board also complied with the recommendations of the German Corporate Governance Code (GCGC) as amended in June 2014 with a few exceptions. In December 2014, the Executive Board and Supervisory Board issued a declaration of conformity in accordance with section 161 of the German Public Companies Act, in which deviations were specified and explained. In addition, the deviations are discussed in more detail at the Company`s website www.analytik-jena.com in the Investors section.

Risk Management

The Supervisory Board was presented with reports about the risk situation and risk management of the Company and the Analytik Jena Group, and provided explanations by the Executive Board. The comprehensive, Group-wide, and Company-specific internal control and risk management system, which is subject to ongoing development, was reviewed for its currentness and suitability and discussed with the Executive Board. All employees in the operating units are sensitized as to potential risks and required to provide corresponding reports. In this context, the Supervisory Board has repeatedly assured itself that insurable risks are sufficiently insured and that the operational, financial, and contractual risks are monitored by organizational procedures and approval processes.

Andreas Krey, Chairman of the Supervisory Board

Separate and Consolidated Financial Statements, Annual Audit

In accordance with the decision of the General Meeting on April 29, 2014, KPMG AG Wirtschaftsprüfungsgesellschaft (subsequently referred to as "KPMG") was commissioned also for the shortened 2014 financial year to audit the consolidated financial statements and the separate financial statements of the Company prepared according to IFRS as well as those of the subsidiaries where legally prescribed. In addition, KPMG audited the report of the Executive Board about relationships with associated companies in accordance to section 312 German Public Companies Act (AktG) ("dependency report"). This year the auditors focused, among other things, on the following audit procedures:

- Audit of the process of preparing the annual and consolidated financial statements
- Definition of the group of consolidated companies
- Truth and fairness of the annual financial statements included in the consolidated financial statements
- Valuation of goodwill
- Allocation of revenue recognition to various periods
- Calculation of deferred taxes
- Completeness and correctness of information provided in the Notes
- Audit of the financial condition and the going concern assumption
- Plausibility of the projected figures in the management report and consolidated management report
- Audit of the early warning risk system in accordance with section 91(2) AktG in terms of determining what measures were taken, evaluating their suitability, and establishing whether they were consistent with the intended steps
- Recognition and measurement of property, plant, and equipment, particularly prototypes
- Recognition and measurement of investments as well as recognition and measurement of receivables from related parties
- Audit of inventory (participation in manual inventory control in accordance with the multi-year inventory plan)
- Valuation of capitalized unfinished and finished products
- Completeness of liabilities

KPMG has audited the separate financial statements and management report prepared by the Executive Board as well as the consolidated financial statements and consolidated management report for the shortened 2014 financial year and issued an unqualified audit opinion for them. The corresponding reports were immediately distributed to the Supervisory Board members.

The financial statement documents and the dependency report were discussed in detail at the balance sheet meeting of the Supervisory Board on March 4, 2015. KPMG auditors reported on the significant results of their audit and were available for further information. After a thorough examination and discussion of the annual financial statements, the consolidated financial statements, and the dependency report, the Supervisory Board endorsed the findings of the auditor. There were also no objections to the final statement of the Executive Board on the dependency report. The Supervisory Board approved the annual and consolidated financial statements. The annual financial statements are thus adopted.

The net loss incurred in the past shortened financial year is carried forward to new account. Accordingly, no proposal for the appropriation of the net profit for the year will be presented at the General Meeting.

Personnel Changes in the Supervisory Board and Executive Board

Since October 1, 2014, Mr. Matthias Altendorf, CEO of Endress+Hauser AG, Reinach/CH, has been a new member of the Supervisory Board as the successor of Mr. Matthias Wierlacher, who stepped down from his position as a member of the Supervisory Board effective at the end of September 30, 2014.

There were no personnel changes in the Executive Board of Analytik Jena AG during the reporting period.

The Supervisory Board would like to thank the Executive Board and all employees of the companies of the Analytik Jena Group in Germany and abroad for their high level of personal commitment and their work in the past shortened financial year. Our thanks also go out to our customers and partners for our successful collaboration and the shareholders for the trust that they have once again placed in the Company.

Jena, March 4, 2015
For the Supervisory Board

Andreas Krey
Chairman of the Supervisory Board

02

Group Management Report

Group Management Report

for the Shortened Financial Year 2014R

1 | Group Fundamentals

1.1 Business Activities and Business Model

As a manufacturer of specialized instruments and products for analytical measuring technology, life science, and optoelectronics, Analytik Jena is positioned in a technology sector that is both modern and in demand, serving a variety of application areas. Its portfolio includes traditional analytical technology, particularly to measure concentrations of elements and molecules, as well as systems for bioanalytical applications in the Life Science area spanning the highly complex analytic cycle of a sample from sample preparation to detection. The portfolio has expanded to include high-end consumer products, particularly for hunting. Comprehensive laboratory software management and information systems (LIMS), services, as well as device-specific consumables and disposables, such as reagents or plastic articles, complete the Group's extensive range of products. Analytik Jena's business model is structured on the basis of the above-mentioned application areas in the four operational segments Analytical Instrumentation, Life Science, Optics, and Project Business.

The focus of the Analytical Instrumentation business unit is the development, production, and sale of high-end analysis systems for qualitative and quantitative analysis of liquids, solids, and gases, e.g. in environmental, foodstuffs, pharmaceutical and agricultural analysis or medicine. With its core expertise in optical spectroscopy and elemental spectrometry, the Company combines the technology incubator created at the Jena location by Carl Zeiss with modern, innovative solutions which ensure its growth through unique technological positions in such areas as atomic absorption spectrometry. Analytik Jena's products in this core business area are characterized by a high level of innovation as well as by the premium quality of the "Made in Germany" mark. Building upon this foundation, Analytik Jena has managed within only approximately 15 years to join the technologically leading companies in the world and to occupy the preeminent position in several countries.

Analytik Jena views its still relatively young Life Science business unit as being well on its way to evolving into a traditional area over the medium term. With the efforts to build up and strategically position the Life Science segment, the Company has distinguished itself as a system provider for bioanalysis and molecular diagnostics. By continuously expanding their expertise in the Life Science business unit, the Analytik Jena AG parent company and the Group's subsidiaries offer their customers a diversified portfolio. Offerings range from DNA purification through robotics, standard and real-time PCR instruments, and various detection processes to kits for molecular diagnostics in food and water analysis. With this broad range of offerings, Analytik Jena addresses a rapidly growing and competitive global market that is particularly characterized by lucrative follow-up business. Automated high-throughput screening systems for the pharmaceutical sector are also part of this segment's extensive portfolio. Analytik Jena, which already benefits in terms of sales from the public health care sector in the Life Science business unit, aims to position itself more strongly in routine diagnostics in the future.

In the Optics business unit, Analytik Jena produces and develops optical systems intended for applications in the hunting and leisure areas. The products are well-established in Germany and Europe under the DOCTER® brand. This product brand combines a more than 100-year-old tradition of classic optical products such as binoculars, telescopic sights, and miniaturized sight systems with new types of optoelectronic technologies for the leisure market and public authorities. It is strategically significant that the Optics business unit is managed from the Group's location in the South Thuringian municipality of Eisfeld. This fact cannot be viewed in isolation from the development of the two other business units. The traditional Eisfeld site manufactures consumer products carrying the DOCTER® brand as well as mechanical parts, assemblies, and complete devices for traditional analytical measuring technology and life science products. Thus both the location and the segment exemplify the Company's core strategic and technological ambition to manufacture "Made in Germany" products. In the future, Analytik Jena also wishes to position itself as an OEM supplier and service provider for third-party buyers.

Analytik Jena's subsidiaries and associate companies round out the Group's extensive portfolio. The AJ Blomesystem GmbH subsidiary, which is structurally integrated in the Analytical Instrumentation business unit, focuses on the development and implementation of laboratory software, called laboratory information management systems (LIMS).

The business of the subsidiary AJZ Engineering GmbH, whose core competence is in vendor-independent medical and laboratory planning for clinics and laboratories, is assigned to the Project Business business unit. In the course of the project business, system solutions are offered for innovative projects and plans in research, teaching, environment, industry, life science, and medicine, including planning and project management. In October 2014, Analytik Jena AG sold 50.0% of its shares in AJZ Engineering GmbH to ATG Consulting & Controlling AG based in Hamburg. With this move, Analytik Jena is taking the next step towards the announced realignment of its project company and is continuing the strategic focus on its core business areas. It is pursuing the goal of positioning the subsidiary for the long-term and accompanying it on this path until the company is financially and structurally stable and the key projects in Russia and Libya have been completed successfully.

Analytik Jena continuously refines its strategic orientation and adjusts its business model according to the macroeconomic environment and changing market conditions.

1.2 Organization and Group Structure

Analytik Jena AG is a German corporation based in Jena. It was established in Germany and is subject to German law. The equity interest of the majority shareholder Endress+Hauser (Germany) AG & Co. KG, a subsidiary of the process measurement technology specialist Endress+Hauser Group based in Reinach, Switzerland, amounts to 85.88% of the share capital and voting rights of the Company as of the date of the statement of financial position. The Analytik Jena Group consists of the individual company Analytik Jena AG and 19 worldwide subsidiaries. Analytik Jena AG is currently still listed on the regulated market of the Frankfurt Stock Exchange in the Prime Standard segment. With a resolution on September 26, 2014, however, the Frankfurt Stock Exchange granted the application of Analytik Jena AG's Executive Board to revoke the admission of the Analytik Jena AG shares to the regulated market, including their current listing in the Prime Standard segment. The revocation will go into effect after March 26, 2015. As of March 27, 2015, Analytik Jena AG shares will no longer be traded in the regulated market of the

Frankfurt Stock Exchange. The listing of the shares for over-the-counter trading on the Stuttgart, Munich, Hanover, Düsseldorf, Berlin/Bremen, and Hamburg exchanges is not affected by this.

Effective January 1, 2015, the financial year will correspond to the calendar year. Accordingly, the financial year that began on October 1, 2014, ends on December 31, 2014, and is a shortened financial year (2014R). For this reason comparability with the previous year is limited.

As of the end of the reporting period, the Analytik Jena Group is represented with 1,102 employees in more than 90 countries worldwide directly via its own organizations, subsidiaries, or equity interests and indirectly via sales and trading partners. In Germany Analytik Jena maintains branches, branch offices, or facilities in Langewiesen, Überlingen, and Eisfeld as well as subsidiaries in Berlin, Göttingen, Leipzig, and Jena. In order to live up to its "Made in Germany" focus for its products and technologies, Analytik Jena manufactures them primarily at German sites. Outside Germany, Analytik Jena produces in the USA and China. In addition, the Group is represented in France, Great Britain, the Netherlands, Romania, the USA, Thailand, China, Japan, and India with its own subsidiaries and equity interests as well as in Russia, China, Thailand, and India with representative offices.

The operational business of the Analytik Jena Group is structured in four business units, which correspond to the Group's segment reporting. In addition, central departments assume cross-business unit functions, such as purchasing, production, logistics, IT, human resources, corporate communications and marketing, legal as well as accounting and controlling.

1.3 Customers and Sales

As part of its strategic sales orientation, Analytik Jena maintains a very extensive global network of distributors and partners in addition to direct sales. With an export share of more than three-quarters of total revenue in recent years, Analytik Jena routinely generates a majority of its revenue in foreign countries and now maintains business relationships in more than 120 countries around the globe. In order to meet its customers' requirements, Analytik Jena has established flexible sales structures and manages sales via its own companies, representative offices, as well as exclusive and non-exclusive sales partners worldwide. The Company is continuously expanding its global presence in order to become more responsive to the market and to be able to evaluate its strategic potential better.

The Group has a total of ten subsidiaries, five representative offices, and two associated companies abroad. The decision on which structures and distribution channels can be used to build up and develop individual markets depends above all on the significance of each market, its potential, and certain specific regional factors. Hence, Analytik Jena operates in Japan, for example, with its own subsidiary, Analytik Jena Japan Co., Ltd. In China or Russia, however, Analytik Jena has strong representative offices, which in turn service the broad sales network in its markets. This progressive decentralization of customer-specific tasks via centers of excellence located close to the customer represents an essential premise of the Group's international sales strategy. Large countries or regions are characterized by far-flung networks with many sector-specific sales partners, which in turn contribute a degree of regional expertise and closeness to the customer. Accordingly, there is a strong segmentation of trading structures by region or industries, such as petrochemicals, metallurgy, or mineralogy, in the heterogeneous Russian market above all. Among Analytik Jena's individual sales regions, the Asian and European markets represent the sales regions with the strongest sales.

In view of differences in the portfolio and in the strategic approach of Analytik Jena's business units, the business units and the respective subsidiaries consolidated in them will be responsible for managing their own sales organization. In the process, Analytik Jena ensures the greatest possible closeness to the customer and individualized service. As far as the portfolio of the Analytical Instrumentation business unit is concerned, the customer and user environment is broad and diversified. With its core business products, Analytik Jena primarily serves the industrial sector. Additional areas are research and teaching, the public sector, and contract laboratories. In industry, which is the largest purchaser, the customer structure is not focused on individual sectors but is heterogeneous. Environmental and water analysis is the largest sales sector. The Life Science business unit particularly addresses end markets in the areas of education and research. Additional end markets are service laboratories, medicine and clinical chemistry, the administrative and agency segment, and the foodstuffs and pharmaceutical sectors.

Overall, Analytik Jena's customer portfolio is characterized by a broad sales base with a large consumer structure in very different sectors. A broad product portfolio, a wide-ranging customer structure, worldwide business activities, and a variety of products therefore provide Analytik Jena with a certain degree of flexibility for dealing with market-specific changes.

1.4 Group Strategy and Goals

Analytik Jena is fundamentally a value-driven and value-oriented company. Its value-oriented slogan "create value" applies to both its strategic customer orientation and its role as an organization in society. On this basis, Analytik Jena is pursuing the vision of developing instruments characterized by global technological leadership, innovations, precision, efficiency and absolute reliability, as well as the highest demands for usability for the customer. In addition, it conducts itself sustainably as a company in every respect and to all stakeholders, in the ecological, economic, and social dimensions.

The foundation of the Analytik Jena Group's complex business strategy is formed by its core expertise of optics and mechanics for "Made in Germany" precision instrument manufacturing that is common to the three instrument areas as well as research and development in the areas of optical spectroscopy and detection processes. The competitiveness of Analytik Jena and its Group companies is generated by the strategic interplay between excellent R&D work and outstanding positioning in the international markets. The first factor cannot be viewed separately from the history, location concept, and tradition in the area of optical development and manufacturing in view of the impact of Zeiss and Abbe in Jena and Thuringia. Analytik Jena continues to benefit from this today and has been able to develop additional markets and regions accordingly. On this basis, Analytik Jena is well equipped for the growing demands of international markets.

Analytik Jena has countered the intensified competition and increased margin pressure that have been evident for several years with its targeted strategy of offering premium technology of the highest quality for a wide range of application areas. Alongside the Company's unique technological position in the area of atomic absorption spectrometry, the success of which carries over to other products in this sector, the concept of innovation and quality behind the "Made in Germany" mark will continue to trigger robust demand in the future. With its deliberate choice of Germany as a location due to the motivated employees and excellent technological expertise in the area of optical spectroscopy and elemental spectrometry, Analytik Jena is solidifying its outstanding position in international markets in relation to its competitors.

Analytik Jena is pursuing the long-term goal of reinforcing and expanding its market position, thereby sustainably increasing its sales and operational revenue while maintaining the existing capital expenditure policy. The Group therefore seeks to intensify the innovation strategy, continue its course of growth and acquisition, expand international sales structures, and focus on promising growth areas.

Intensification of the Innovation Strategy

In recent years, Analytik Jena has repeatedly succeeded in positioning itself in the market with its innovative products against much larger competitors. In this context, due to their technical features, individual outstanding products of Analytik Jena serve as "door openers" for the laboratories of its customers and pave the way for other products from the portfolio. In the area of atomic absorption spectrometry, Analytik Jena's contrAA® series, which possesses certain technological unique selling points, currently fulfills this function. In 2013, Analytik Jena developed and launched a new state-of-the-art technology for multi-element spectrometry with a high-resolution array ICP-OES (optical emission spectrometry with inductively coupled plasma). Along with the continuous improvement of the entire product spectrum through intensive research and development work, the innovation strategy applies particularly to such state-of-the-art products with unique selling points that underlie Analytik Jena's claim to technological leadership in its markets. Therefore, the goal is to promote key developments for the Group's market position, to complete these in a timely manner and to introduce corresponding products in the market.

Continuation of the Growth and Acquisition Strategy

The strategy of growth and acquisition will assume particular importance for Analytik Jena's long-term further development. In this context, the Group is pursuing the targeted expansion of the product portfolio through strategic partnerships, investments, or acquisitions. Analytik Jena intends to continue to expand its product and investment portfolio in a targeted manner, thus creating long-term growth potential for business operations. As part of its strategic further development, the Group is also structuring its investment portfolio in a way that encourages the bundling of expertise. With an eye to creating a clear and transparent investment structure, a particular focus is being placed on structural and integration tasks involving the realization of synergies and cross-selling opportunities with the core business units. For this purpose, the competencies of the subsidiaries should be combined and the expertise of all of the units within the Group should be managed under the umbrella of Analytik Jena.

Expansion of International Sales Structures

Analytik Jena regards the expansion of international sales structures as one of the most important corporate policy measures, setting the stage for Analytik Jena's continued growth. In the process, Analytik Jena intends to respond particularly to the increasing shift of demand from the domestic markets to growth markets in Asia. With its existing global foreign network, Analytik Jena is striving to increase its international business volumes continuously. Along with the expansion of direct sales in selected countries, the targeted acquisition of sales companies and the establishment of new sales partnerships are among the core components of the internationalization strategy. Expansion in Asia therefore has the highest priority, given the rapid economic growth and enormous dynamism of the Asian markets.

Focus on Promising Growth Areas

Analytik Jena intends to expand its product portfolio and focus in its overall strategic orientation particularly on its defined growth areas. In particular, the Group views the market for bioanalytical equipment and molecular diagnostic reagents as a large growth market. Analytik Jena expects that the need for corresponding high-technology products in this segment will grow significantly in the coming years. In this context, the Group has adhered to its strategic plan to position its Life Science segment, with its attractive follow-up business with reagents and consumables, globally initially on the instrument side in various sales channels. Building upon this foundation, the segment should continually benefit from follow-up business as well as direct sales of kits and disposables.

1.5 Corporate Management and Control System

Analytik Jena manages its corporate and business units both on the strategic and operational level. The Executive Board defines the strategic guidelines and directs the operational business of the Company with the goal of increasing both customer and corporate value continuously and sustainably. Together with the Supervisory Board, it coordinates the development of the strategic framework and establishes short, medium, and long-term goals as well as guidelines and principles for the corporate policies derived from them. As part of the Analytik Jena Group's strategic process, the Executive Board develops, guides, and oversees the implementation success of individual strategies together with the heads of the business units and subsidiaries and with the support of those responsible at the central departments. Based on the requirements of customers, worldwide industry, market, and environmental conditions, and relevant trends, strategic decisions are made and goals defined for portfolio expansions, capital expenditure, acquisitions, and research and development. The Executive Board manages capital expenditure, financial, resource, and human resources planning, opportunities and risk management, and the Company's business unit strategy according to these strategic premises. It continually follows all of the financial and non-financial key figures that are decisive for the performance of the business as performance indicators so that it may at any time work toward averting looming threats or making desirable improvements or suitable changes in an appropriate manner. Thus, the Executive Board as a whole decides on all issues of fundamental and material importance. The entire Executive Board also decides on all matters that could be of particular significance or import to the Group or its subsidiaries and associated companies. It assumes overall responsibility for the corporate and Group management of Analytik Jena, setting parameters for its activities.

In addition, the Executive Board has established the structure of a central management committee, which carries out essential functions in the management process. The members of this committee, which has developed standardized processes for the exchange of information, include not only the Executive Board but also in particular representatives of the individual business units, quality control, and Group controlling. Management and the management levels have direct access to this information and base their decisions and approvals on it. Furthermore, the internal control system is also an integral component of Analytik Jena's risk management system.

Potential opportunities and risks associated with all business activities are discussed and evaluated within the framework of annual planning and ongoing monitoring of the competitive and market environment. Objectives to be achieved and measures to reduce risks are derived from these discussions. In terms of the Group's budgeting, Analytik Jena plans according to a three-year horizon, continually monitors the contents of the plans over the course of the financial year, and adapts them to changing conditions. In order to fulfill its value-oriented strategy, the Analytik Jena Group uses key figures that directly influence value creation for planning, operational management, and control of business activities. The key figure system primarily entails financial management metrics. Its focus is on growth, which is reflected in the key figures of order entry and sales, operating efficiency and profitability, which are reflected in the key figures of earnings before interest, taxes, depreciation, and amortization (EBITDA) and earnings before interest and taxes (EBIT), as well as rate of return, which is reflected in the key figures of EBITDA margin and EBIT margin. For the Analytik Jena Group, sales growth represents a fundamental management metric for the operational business. In addition, the number of employees is monitored as a non-financial management metric.

1.6. Research and Development

For Analytik Jena as a worldwide leading provider of instruments for analytical measuring technology and life sciences, targeted research and development activities are the essential premise for sustainable business success. In the past shortened financial year as well, innovation management was again the strategic focus of the Analytik Jena Group. In view of the global challenges that emerge with the rapid growth of the world's population and rising living standards particularly in newly industrialized countries, Analytik Jena has continued to promote its research and development activities.

The acquisition of the ICP-MS business of the Bruker Corporation represents an excellent strategic addition for Analytik Jena. The acquisition of very modern technology along with an enormous area of innovative research and development will open up great opportunities and potentials for Analytik Jena. By assuming control of the ICP-MS business, Analytik Jena can now offer its customers the entire portfolio of elemental spectrometry. This moves the Company one step closer to its major competitors.

In the Life Science business unit, Analytik Jena is focusing its research and development activities on very promising trends arising primarily from demographic developments and population scenarios. In order to take this development into account, Analytik Jena is focusing research and development on the areas of Alzheimer's and Parkinson's disease diagnostics. In the process, particular importance is being placed on companion diagnostics as a comprehensive, therapeutic approach in personalized medicine. In this context, Analytik Jena is working in the areas of cfDNA isolation, extraction with size fractionation, and the development of bisulfite kits.

In the course of its research and development activities in the shortened 2014R financial year, the Life Science business unit developed to market maturity CE-IvD kits for the diagnosis of neurodegenerative diseases such as Alzheimer's, Parkinson's, and Creutzfeldt-Jakob disease. The newly developed diagnostic tests, which enable multi-parameter analysis, can differentiate more clearly between different diseases that may have similar symptomatic profiles. Recombinant proteins and the development and manufacture of innovative monoclonal antibodies that bind specifically to the various biomarkers in the patient form the basis for the Analytik Jena immunoassay products developed at the Leipzig facilities. Analytik Jena will be launching the sale of products for Alzheimer's disease diagnostics in January 2015 with hTau total ELISA and pTau rel ELISA. Analytik Jena will also continue to provide kits for detecting human α-synuclein (Human α-Synuclein MONO ELISA) and its pathological aggregates (Human α-Synuclein PATHO ELISA). A third area of focus is on the differential diagnostics of rapid-onset Creutzfeldt-Jakob disease (CJD), which is caused by prions. The identification of this disease, which is extremely serious for the patient and which shot to prominence in the bovine spongiform encephalopathy crisis, by distinguishing it from forms of dementia such as Alzheimer's disease is a major challenge in neurochemical diagnostics. The BetaPrion HUMAN EIA ELISA enables precisely this quantification of the biomarker and should enable the development of an essential diagnostic test for distinguishing CJD from Alzheimer's disease.

In the area of laboratory automation and liquid handling, Analytik Jena is optimistic on the research and development side about the potential development of higher integrated systems with optimized walk-away times, particularly in the area of personalized diagnostics. In the area of screening technologies, there will probably be a long-term transition from the previously available biochemical and cell culture assays to living three-dimensional cell cultures, in which the biochemical interactions can be observed in the cell online with the most modern high-content super-resolution reader. As a result of this Nobel Prize-winning technology, knowledge acquisition per time unit is increasing exponentially. In cooperation with partners from industry and academia, the Life Science business unit is pursuing this development within the framework of the expansion of the CyBio product line. The same applies to the trend of the field known as synthetic biology.

In the past shortened financial year, Analytik Jena succeeded in developing to market maturity CyBio® Overture, software which very easily facilitates the switch from manual to automated pipetting. This will be realized by the translation of manual pipetting processes into the language of a pipetting robot. Alongside the liquid handling and workflows, the software assumes administration of additional functions critical to success. These include laboratory and equipment settings, calculating reaction frequencies, dead volumes and well contents.

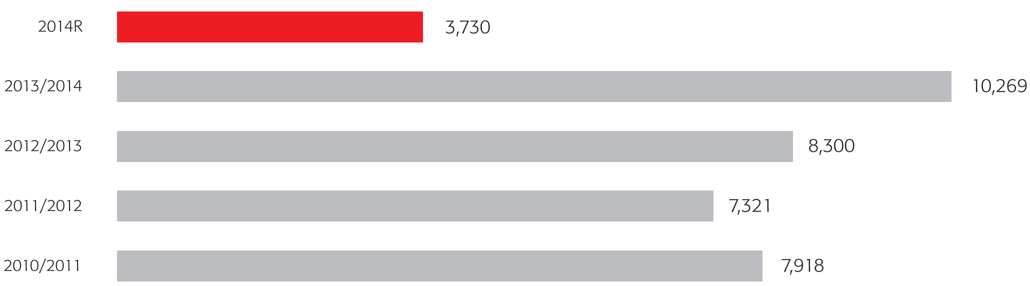
In the future, Analytik Jena aims to position itself in the Life Science business unit more strongly in routine analysis for application areas in food and environmental analysis as well as molecular diagnostics. This is the crux of Analytik Jena's strategic approach to innovation management: to develop new products and technologies from a knowledge network consisting of Group companies in collaboration with partners from research institutes, universities, and companies. The Group is part of a worldwide network and cooperates with numerous well-regarded partners and scientific institutes. This portfolio of cooperative arrangements creates the necessary conditions for long-term sales and earnings growth. Leading scientific institutes and universities, such as the Leibniz Institute for Analytical Sciences, Dortmund (ISAS); the Institute of Photonic Technology, Jena (IPHT); the Friedrich Schiller University of Jena; the University of Ulm; the Universidade Federal de Santa Catarina (UFSC), Florianópolis, Brazil; the Free University of Berlin; the University of Leipzig; the Ernst Abbe University of Applied Sciences Jena; various Fraunhofer Institutes; the University Clinic Jena; the Robert Koch Institute Berlin; the Friedrich Löffler Institute, Greifswald; and the German Federal Institute for Risk Assessment, Berlin, are among the partners of Analytik Jena and their Group companies.

More than 30 currently running research and development projects ensure the innovative process and thus the future growth and sales initiatives of Analytik Jena. Analytik Jena functions as a key partner of the InfectoGnostics research campus, which was created in 2013. A project of the German Federal Ministry for Education and Research, which is funded with up to EUR 30,000 thousand over 15 years, is dedicated to the area of infectious bacteria diagnostics with a focus on sepsis. This project is aimed at promoting the development of new market-ready processes for highly efficient and rapid on-site analysis. The concept involves collaboration between various research institutes in Jena and small and medium-sized companies, including Analytik Jena. The project "ROWdix" to explore a rapid test for effective agent diagnostics in untreated and surface water is one of the current research subjects of InfectoGnostics in which Analytik Jena participates.

Currently Analytik Jena has applied for or registered more than 200 patents in Germany and other countries. Numerous patents protect the Company's expertise, particularly in the Life Science division or in molecular diagnostics.

As of December 31, 2014, the Analytik Jena Group had 183 employees (previous year: 182) in its cross-divisional research and innovation network. It has already integrated all of the Bruker employees taken on as part of the ICP-MS acquisition. Research and development expenses (net) amounted to EUR 3,730 thousand (previous year: EUR 10,269 thousand) in the shortened 2014R financial year. Gross expenses for research and development totaled EUR 4,585 thousand (previous year: EUR 15,534 thousand). The research and development expense ratio (gross) amounted to 15.9 % in the reporting period, rising by 3.1 percentage points. The Group received public grants for development projects in the amount of EUR 333 thousand (previous year: EUR 2,608 thousand). Development projects of EUR 522 thousand (previous year: EUR 2,657 thousand) were recognized in the consolidated statement of financial position.

R&D Expenses (net)



in EUR thousand

1.7 Acquisitions and Capital Expenditure

Analytik Jena continually makes targeted investments in areas offering above-average growth and which increase the Group's competitiveness and profitability. The activities and measures undertaken to expand business activities and the product portfolio should ensure sustained sales and earnings increases for the Group. Analytik Jena did not complete any acquisition in the shortened financial year.

During the reporting period, a total of EUR 1,371 thousand (previous year: EUR 5,074 thousand) was invested in property, plant, and equipment, intangible assets, goodwill, and other noncurrent assets. Property, plant, and equipment accounted for approximately 69.7 % or EUR 955 thousand (previous year: 77.7 % or EUR 3,944 thousand) of capital expenditure. This item included investments of EUR 389 thousand in the development of R&D prototypes. The Group invested EUR 254 thousand (previous year: EUR 1,056 thousand) in intangible assets, of which EUR 121 thousand (previous year: EUR 344 thousand) accounted for the acquisition of technology, patents, licenses, industrial property rights, and trademarks and sales rights as well as EUR 133 (previous year: EUR 712 thousand) for software development or self-made intangible assets. The capital expenditure was primarily financed from cash flow from operating activities.

Analytik Jena will continue to review certain strategic and operational possibilities for launching new organic and inorganic growth initiatives with the aim of increasing sales and operating earnings on a sustainable basis while maintaining appropriate investment and cost policies.

1.8 Human Resources Strategy and Employees

The human resources area creates the organizational and staffing conditions for implementing the Group's strategic focus and manages and provides support for possible change processes. Within the context of a target-driven change management process, employees should be empowered and motivated to confront new developments as well as changing conditions and challenges with innovative proposals in order to ensure the long-term success of the Company. As an employer, Analytik Jena regards itself as a loyal partner that offers its employees opportunities and prospects for a career in a healthy and creative work atmosphere. In the course of its human resources strategy, Analytik Jena pursues the goal of continuously improving the qualifications of its employees, encouraging them, and gaining their long-term loyalty. Analytik Jena places a high emphasis on job satisfaction. The Company understands this approach as a strategic investment in its most important resource, which is an essential prerequisite for lasting business success. In support of these goals, in the last financial year Analytik Jena defined the main areas of strategic focus for its human resources activity, including talent management, leadership culture and executive development, and future-oriented workplace models and environment.

With respect to human resources management, the Company continued to focus on core themes already initially addressed in the previous year such as the compatibility of work life and parenting, career and private life, a health-friendly workplace, the advancement of young people through training, and the recruitment and development of future high-level professionals. Analytik Jena regards the continuous targeted encouragement of employees to develop their abilities and expertise and to promote ideas in the Company as an essential task.

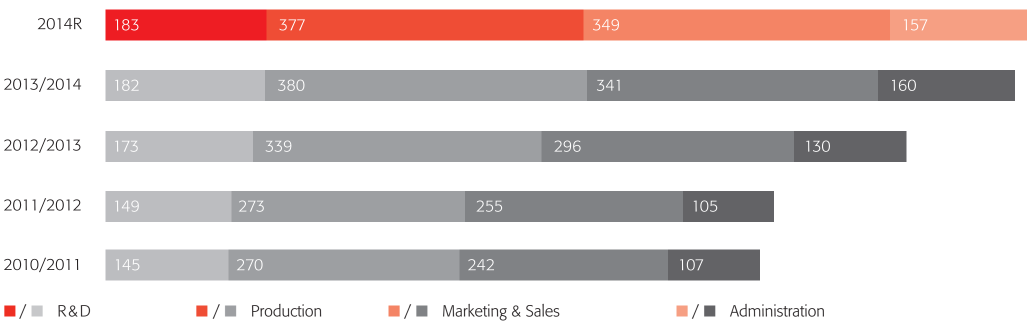
Motivated, capable, and conscientious employees are Analytik Jena's most valuable resource. This is the basis for the Company's special responsibility toward its employees. With targeted measures for workplace safety and health, such as regular information and prevention activities, and therapy programs in case of psychosocial problems like stress, Analytik Jena provides comprehensive support, ensuring a safe and healthy work environment for its employees. Analytik Jena will continue to expand its workplace health management in coming years and give increased consideration for changes implicit in the Group's global growth.

Analytik Jena continually reviews its human resources strategies and adjusts them to current market conditions and demographic and internal corporate developments and changes.

As of December 31, 2014, the Group had a total of 1,102 employees, including 36 interns (previous year: 1,098 employees, including 35 interns), or nearly as many employees as of the previous balance sheet date. As of the balance sheet date, the Analytical Instrumentation business unit had 475 employees (previous year: 487), Life Science had 399 employees (previous year: 403), Optics had 94 employees (previous year: 109), and the Project Business had 98 employees (previous year: 99), including interns. A total of 347 (previous year: 348) employees in all business units worked in foreign countries.

The Group places a high priority on the development of qualified up-and-coming talent, as confirmed by annual trainee ratios. Since 1993, Analytik Jena has trained young people every year and employed an average of 36 interns throughout the Group in the past financial year (previous year: 38). This represents a trainee ratio of 3.3 % (previous year: 3.6 %).

Employees by Functional Area as of December 31 in 2014R or September 30 in previous years*



* excluding interns

In terms of functional area, Analytik Jena employed (not including interns) 377 people in production, 349 in sales, and 183 in research and development. There were 157 administrative staff members. The fact that 57.2 % (previous year: 57.1 %) of the employees have graduated from a university, a university of applied sciences, or have a bachelor's degree manifests the high level of qualification within the Group. Including interns, the average age of employees was 42.7 years (previous year: 42.5 years).

	2014R	2013/2014	2012/2013	2011/2012	2010/2011
Average number of employees	1,067	1,055	896	815	803
Revenue per employee in EUR thousand	27.0	115.0	109.1	115.3	107.5
Personnel and social security costs in EUR thousand	11,349	42,247	37,726	32,863	30,448
Personnel and social security costs per employee in EUR thousand	10.6	40.0	42.1	40.3	37.9
Average age	42.7	42.5	41.3	41.8	41.7
Percentage holding an academic degree	57.2 %	57.1 %	53.6 %	55.4 %	55.0 %

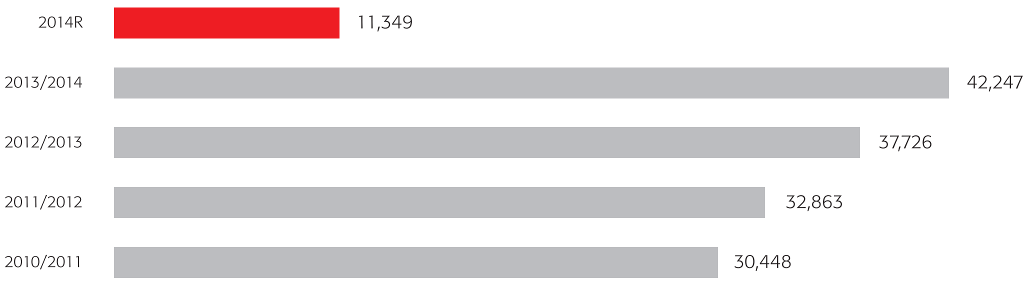
as of December 31 in 2014R or September 30 in previous years

For Analytik Jena, equal opportunity means that all employees with comparable backgrounds are given the same training and promotion opportunities, whether they have full-time or part-time status. At Analytik Jena, women are very well represented in management positions with a share of 36.4 % (previous year: 37.5 %), particularly considering the Company's decidedly technological orientation. Overall, women in the Analytik Jena Group were slightly in the minority with a share of 39.5 % (previous year: 39.7 %) relative to men (60.5 %) given the technological orientation of the Company's business activities, which is traditionally dominated by men. The average tenure of employees with the Company was 9.2 years (previous year: 8.9 years). The proportion of part-time employment, including semi-retirement, amounted to 9.8 % (previous year: 9.9 %). The illness rate was 5.9 %

(previous year: 4.2 %) and the labor turnover rate was 2.5 % (previous year: 9.0 %). 4.9 % of the labor contracts at the Analytik Jena Group were fixed-term (previous year: 5.0 %).

Personnel costs totaled EUR 11,349 thousand (previous year: EUR 42,247 thousand) in financial year 2014R.

Personnel Costs



in EUR thousand

1.9 Sustainability and Other Non-Financial Performance Indicators

Analytik Jena pursues the strategy of creating value, both for its customers and the organization. Analytik Jena's products in its core segments of the instrument business, analytical measuring technology, biotechnology, and molecular diagnostics contribute to improving the quality of life and conserving resources. The concept of sustainability is closely linked to Analytik Jena's corporate mission. As a company that thinks ahead, Analytik Jena combines entrepreneurial vision with active commitment and is aware of its social responsibility. It holds the firm conviction that as an internationally successful and recognized company, it must also play a formative role in society. It is aware that it can only achieve its ambitious goals as a company if it orients its entire entrepreneurial activity toward sustainable standards. This is the basis of its approach to business – in interacting with its employees, customers, partners, and suppliers and in the context of its comprehensive social commitment.

Social Commitment

Analytik Jena's genesis and history are closely linked to the Jena location and the scientific achievements there in the more than 150-year-long tradition of the optics industry. The industrial manufacture of the first analytical instruments in the world began in the optical workshop of Carl Zeiss, founded in 1846 in Jena. Analytik Jena is still strongly committed to the historic achievements of Ernst Abbe and Carl Zeiss today. Its "Made in Germany" products stand for the highest quality standards. Its sustainability philosophy is also closely linked to the concept of heritage and is based on the precept "There is no future without a past". As the long-established home of the optical industry, Jena is fertile ground for the success of innovative entrepreneurship. Therefore, it is part of Analytik Jena's corporate philosophy to identify with the region – its roots – and to support the quality of life in the Jena area and Thuringia. In view of its strong regional rootedness and close ties to the economic, scientific, and social life in the core region of Jena and Thuringia, its commitment has a special focus on this region. Consequently, the Company enables outstanding projects in its region of origin and sponsors selected projects in the areas of social policy, culture, education, science, sports, and the advancement of young talent. In the course of its donations, Analytik Jena intends to promote and support primarily charitable initiatives and the aspirations of various – mainly social – organizations. For Analytik Jena AG, social responsibility therefore means much more than creating an innovation- and family-friendly corporate climate for employees. It not only takes its social responsibility seriously as a reliable employer and provider of occupational training for many young people in the region, but also invests in the future. As an innovative technology company, it maintains research sponsorship partnerships with scientific organizations that meaningfully expand existing joint research projects.

In recent years of worldwide growth and the successful establishment of core segments, Analytik Jena has established a solid foundation for its future prospects. So that this growth is sustainable in multiple respects, the concept of sustainability has been anchored as an integral component into the corporate philosophy, strategy, and business policy. In addition, a Code of Conduct has been formulated that defines specific instructions and conditions for proper interaction with colleagues, customers, partners, and suppliers.

Customer Relationships

Whether in the further development of the product portfolio, questions of strategic orientation, or regarding service and support services: The satisfaction of its customers has absolute priority for Analytik Jena. Their requirements, needs, and wishes serve as a compass for business activity. As one of the leading companies in selected markets and technological areas in analytical measuring technology, Analytik Jena ensures that its customers are among the first to benefit from new technologies. The success of this strategic approach is reflected in continuously rising order entry and revenue. In view of this, the close and trusting cooperation with customers represents an essential intangible asset. Additional information about Analytik Jena's customers is presented in chapter 1.3 "Customers and Sales" of the Group management report.

Partner and Supplier Relationships

To achieve more, with a far-reaching network of partners that contribute significantly to the success of the Company – that is Analytik Jena's motto and philosophy for interacting with its partners. As a globally operating company, Analytik Jena is primarily successful because it cooperates with global partners – sales partners and suppliers – that complement its portfolio perfectly through their own expertise and proximity to local customers. The analytical instruments of Analytik Jena have the aura of technical excellence and premium quality and the Company has committed its entire expertise toward ensuring that this does not change so quickly. The awareness of quality of Analytik Jena customers and users is rising continuously – and along with it the challenge to the Company to maintain its promise of quality without exception. An essential factor here is the broad network of capable suppliers. Analytik Jena therefore has high expectations for its suppliers: reliable cooperation, timely completion of its tasks, as well as the same high standards for quality precision work that the Company itself nurtures. The Company's outstanding reputation is attributable not only to its claim of high quality, but also to a dense network of competent sales partners spanning the entire globe whose achievement goes well beyond processing sales. In view of this, the close and trusting cooperation with partners and suppliers represents an essential intangible asset. Additional information about Analytik Jena's sales partners is presented in chapter 1.3 "Customers and Sales" of the Group management report.

Reputation and Brand Values

Image crises and a sinking reputation can do long-term harm to Analytik Jena's corporate value. Image and reputation represent essential intangible assets. In view of this, Analytik Jena focuses its corporate strategy on a long-term-oriented value management, in which the corporate and brand values represent its code of conduct toward society, customers, partners, and among each other. These values are defined by the Company, the management, and the employees, and Analytik Jena's image and international reputation rest on their authenticity.

2 | Economic Report

2.1 Macroeconomic Environment

The expansion in world production is being stimulated by the recovery in the USA and the United Kingdom, but growth is only moderate due to overall inconsistent development conditions. The economy in the developing countries is also not expanding homogeneously.[1] Weaker expansion in China in comparison to the previous decade is having a corresponding effect on the world's economic dynamics.[2] Furthermore, either fragile growth or the recovery of the world economy is currently subject to several risks. They include the stressed Chinese real estate market, Russia's conflict with the West, and the low inflation rates in the eurozone.[3] In addition, inadequate institutions in the large emerging countries of Brazil, Russia, India, and China are increasingly restraining the macroeconomic expansion.[4] Against this backdrop, economists do not anticipate a rebound in the pace of expansion of the world economy in 2014, although they assume that in general it will continue to recover in the coming years.[5] The International Monetary Fund forecasts world economic growth of 3.3 % in 2014 and 3.5 % in 2015.[6] Over the medium term the IMF sees growth strengthening as a result of the modernization of infrastructure and human capital.[7]

With slight growth in 2014, Europe is continuing to recover from the crisis. In particular, the eurozone has overcome the recession. Notable here is the difference between growth and expansion, for example, in Germany or Spain and weakness, for example, in France or Italy, which have still not managed the crisis comparably.[8] In the eurozone, the IMF forecasts worldwide economic growth of 0.8 % in 2014 and 1.2 % in 2015.[9]

In view of the Ukraine crisis and related sanctions against Russia, further economic development is difficult to assess at the moment. The German Institute for Economic Research (DIW) assumes that the sanctions imposed by the EU against Russia will not remain without consequences for the German and European economy, particularly in view of the ongoing fragile overall economic situation in Europe. The IMF has set its GDP growth forecast for the

1| Joint Economic Forecast project group, fall survey 2014, October 2014.
2| Joint Economic Forecast project group, fall survey 2013, October 2013.
3| Joint Economic Forecast project group, fall survey 2014, October 2014.
4| Joint Economic Forecast project group, fall survey 2013, October 2013.
5| Joint Economic Forecast project group, fall survey 2014, October 2014.
6| International Monetary Fund. World Economic Outlook. January 2015.
7| International Monetary Fund. World Economic Outlook. October 2014.
8| International Monetary Fund. World Economic Outlook. October 2014.
9| International Monetary Fund. World Economic Outlook. January 2015

Commonwealth of Independent States (CIS) countries in 2014 at 0.9% and expects a recession, or a decline of -1.4%, in 2015.[10]

As for the Asian market, Analytik Jena's largest export market, growth has returned since 2013 following declines in the previous years.[11] After an interim slowdown at the beginning of 2014, the IMF sees a return to growth in the future.[12] The IMF anticipates moderate growth of 5.5% for Asia in 2014.[13] China can make a similar contribution to growth if the rapid rate of expansion declines only slightly. While economic growth there was still 7.8% in 2013, it is expected to decline to 7.4% in 2014 and even further to only 6.8% in 2015.[14] As a result, the positive influence that China had on the dynamics of the world economy in the past decade should be reduced.[15] This development is attributable to a series of economic stimulus measures of the Chinese government. Even so, the risk of a sudden severe downturn exists for China, particularly in the real estate sector, which was supported in recent years by very high credit expansion.[16] Already in the second half of 2013, Japan recorded slowdowns in the rate of expansion, driven primarily by the export economy.[17] In the first half of 2014, Japan's economic performance was affected mainly by the economic drag caused by the increase in the value-added tax from 5.0% to 8.0% in April 2014. In October 2015, the second phase of the value-added tax increase to 10.0% ensued.[18] In 2014 economic growth was 0.1%, but 0.6% is forecast for 2015.[19]

After economic data in the USA improved markedly in 2012 following a lengthy slide, particularly as a result of the recovery of the real estate sector, the upward trend continued.[20] In the United States, economic growth amounted to 2.4% in 2014 and should reach 3.6% in 2015.[21] Since a change in monetary policy is anticipated in the USA, experts assume that the dollar will appreciate as the euro declines.[22] The US economic recovery, which exceeds that of the eurozone, supports the more favorable forecast for the dollar exchange rate.[23]

In Germany, overall economic production recorded a significant gain at the beginning of 2014, but cooled off already in the second quarter.[24] Consequently, performance surprisingly fell short of initial forecasts.[25] Restraining factors here were the introduction of a nationwide minimum wage and the pension package.[26] Growth rates are estimated at 1.5% in 2014 and 1.3% in 2015.[27] Since economists assume that exports will increase only slightly and less significantly than imports, they expect that trade will make a slightly negative contribution to the overall economic expansion.[28]

10| International Monetary Fund. World Economic Outlook. January 2015
11| International Monetary Fund. World Economic Outlook. April 2014.
12| International Monetary Fund. World Economic Outlook. October 2014.
13| International Monetary Fund. World Economic Outlook. October 2014.
14| International Monetary Fund. World Economic Outlook. January 2015.
15| Joint Economic Forecast project group, fall survey 2013, October 2013.
16| Joint Economic Forecast project group, fall survey 2014, October 2014.
17| Joint Economic Forecast project group, German Institute for Economic Research (DIW) weekly report no. 16+17, 2014.
18| Joint Economic Forecast project group, fall survey 2014, October 2014.
19| International Monetary Fund. World Economic Outlook. January 2015.
20| Joint Economic Forecast project group, fall survey 2014, October 2014.
21| International Monetary Fund. World Economic Outlook. January 2015.
22| Lutz Karpowitz in an interview with boerse.ARD.de: http://boerse.ard.de/anlageformen/devisen/us-dollar-duerfte-aufwerten100.html, 10/21/2014
23| http://www.dollarkursentwicklung.eu/2014/07/dollar-entwicklung-euro-dollarkurs-prognose.html, 10/21/2014
24| Joint Economic Forecast project group, fall survey 2014, October 2014.
25| International Monetary Fund. World Economic Outlook. October 2014.
26| Joint Economic Forecast project group, fall survey 2014, October 2014.
27| International Monetary Fund. World Economic Outlook. January 2015.
28| Joint Economic Forecast project group, fall survey 2014, October 2014.

2.2 Sector Environment

For the analytical, bioanalytical, and laboratory technology sector, recent years were disappointing due to the global recession. The economic and financial environment, such as stagnating growth in Europe, dwindling growth in China (although not to the extent feared), and the budget crisis in the USA had significant ramifications for the sector in recent years. The extensive economic problems and budgetary restraints particularly in the USA led to uncertainties. Industrial markets have slowed down their pace in recent years. The US government countered the crisis with sequestration, which cut demand from the government and academic market and led many firms to experience only moderate sales. Together with the slowdown in growth in China and inconsistent stabilization in Europe, these factors encumbered the analytical, bioanalytical, and laboratory technology sector with another difficult year in 2014 and a tense competitive situation. According to Instrument Business Outlook (IBO), the manufacturers of analytical measuring technology and instruments in the Life Sciences sector achieved growth of 4.9 % in 2014.[29]

2.3 Business Performance

The past shortened financial year continued to be characterized by a high degree of market uncertainty, particularly from political unrest in Eastern Europe and the Middle East. Along with this impact on Russia, the exchange rate development of the ruble resulted again in value adjustments of EUR 4,875 thousand (previous year: EUR 6,940 thousand) on an important construction contract in Russia. Please see our explanation of this in sections 2.4 and 3.3.

For the global analytical, bioanalytical, and laboratory technology sector, the trends that shaped the previous years continued in the last quarter of the 2014 calendar year. Along with tighter public sector budgets, the main themes continued to be subdued growth in important sales markets like China, sustained consolidation efforts in the USA and the eurozone, and oil price volatility, which was strongly influenced by political factors such as the Ukraine crisis and conflicts in Syria and Iraq. In this environment, the Analytik Jena Group's performance remained at an overall good level in the past 2014R financial year despite intensely competitive markets and in part more restrained demand for premium products in the upper-price segment, although it had to endure setbacks in its operational business.

The overall performance of the three instruments segments during the reporting period was influenced to the greatest possible extent by a weaker operational business of Analytical Instrumentation and partially by missed sales targets in several sales markets in the start-up or development phase, such as Thailand, France, and India, where costs had already been incurred in the process of building up direct sales organizations that were not yet offset by any relevant sales. In addition, the political unrest in Russia and the Middle East, particularly in the last quarter of the year, had a massive effect on the business in Analytical Instrumentation, with the effect that several markets almost came to a standstill. Furthermore, in Japan, where comprehensive social restructuring efforts have been essentially completed and it was possible to reduce cost factors significantly, sales performance still remained below expectations.

The Life Science and Optics business units also fell short of the Company's operational expectations, above all because the end-of-year business in this quarter was weaker than usual. The traditionally high-margin business of

[29]| Instrument Business Outlook, Volume 23, Number 19, January 15, 2015.

the subsidiary Biometra GmbH experienced sustained difficulties. Analytik Jena recorded lower sales here as a result of strong international pricing pressure in particular. This could be offset partially by sustained solid business with the products of the parent company and the CyBio product line.

The massive political unrest in Russia and Syria continued to significantly affect the project business of the subsidiary AJZ Engineering GmbH, which has been assigned to the Project Business segment since the beginning of the 2013/2014 financial year. In addition to its activities in the German market, Analytik Jena's project company is particularly active in Russia and the Arabian markets. Given political crisis scenarios, particularly the restarted key projects in Wolshskij, Russia, and in Libya had come to a standstill again in the interim or experienced significant delays in project timing, leaving AJZ Engineering unable to reach its overall sales and earnings targets.

2.4. Net Assets, Financial Position, and Results of Operations

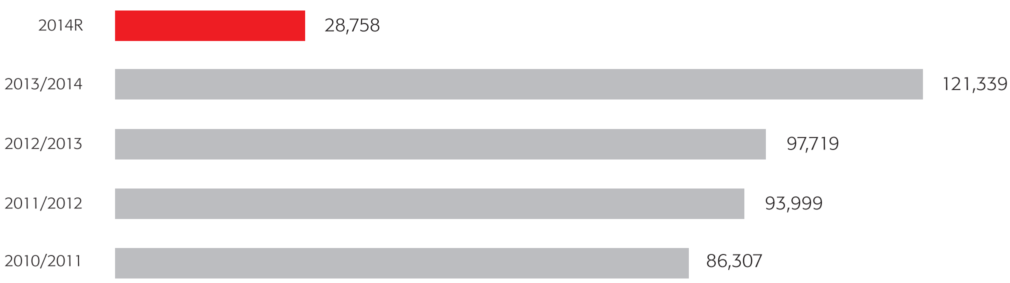
Since the shortened financial year comprises only three months, comparability with the previous year's figures is limited.

Revenue Development

In the shortened 2014R financial year, Analytik Jena generated Group revenue of EUR 28,758 thousand (previous year: EUR 121,339 thousand). In its core instrument business, which consists of Analytik Jena's Analytical Instrumentation, Life Science, and Optics business units, the Group generated revenue of EUR 24,452 thousand (previous year: EUR 99,738 thousand). In the project business of the AJZ Engineering subsidiary, which is assigned to the Project Business business unit, Analytik Jena generated revenue of EUR 4,306 thousand (previous year: EUR 21,601 thousand).

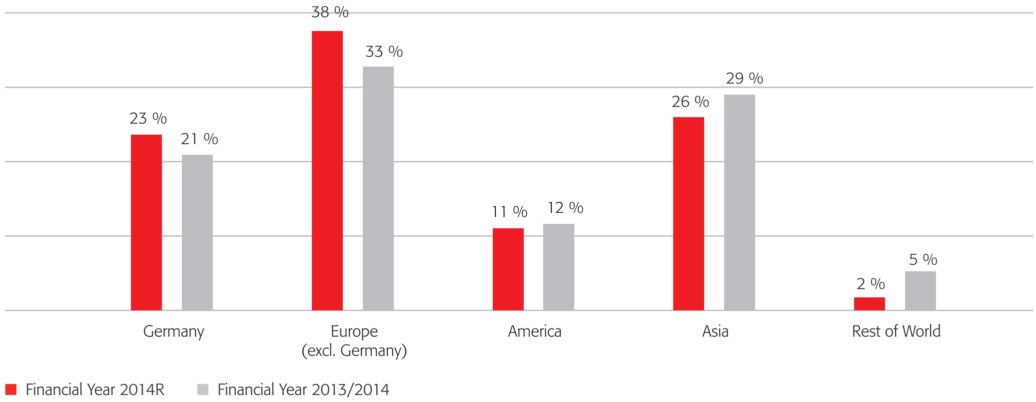
In America, the Analytik Jena Group generated revenue of EUR 3,253 thousand (previous year: EUR 14,569 thousand). Although the absolute sales figures in this region are still relatively small, Analytik Jena will place more weight on this region in the future as it expands its worldwide sales structures. In an effort to realize synergies with the UVP subsidiary and the acquisition of the ICP-MS business, the Company will also encourage market penetration with Analytik Jena products in the USA. The most important export market, Asia, contributed solid revenue of EUR 7,297 thousand (previous year: EUR 35,526 thousand) to Analytik Jena's operational business. In Europe (without Germany), the Company succeeded despite the continued tense situation in Russia in generating Group revenue of EUR 10,869 thousand (previous year: EUR 39,525 thousand). Revenue in the domestic market of Germany totaled EUR 6,671 thousand (previous year: EUR 25,158 thousand). In sum, the Analytik Jena Group exported goods amounting to EUR 22,087 thousand (previous year: EUR 96,181 thousand). This represents an export ratio of 76.8 % (previous year: 79.3 %).

Revenue of the Analytik Jena Group



in EUR thousand

Percentage Breakdown of Revenue by Region



Revenue by Region

	2014R	2013/2014	2012/2013	2011/2012	2010/2011	Change 14R to 13/14
Germany	6,671	25,158	24,805	25,263	24,393	-73.5 %
Europe (excluding Germany)	10,869	39,525	21,511	20,107	23,510	-72.5 %
America	3,253	14,569	9,940	6,896	6,079	-77.7 %
Asia	7,297	35,526	39,052	39,170	29,947	-79.5 %
Rest of world	668	6,561	2,411	2,563	2,378	-89.8 %
Total	**28,758**	**121,339**	**97,719**	**93,999**	**86,307**	**-76.3 %**

in EUR thousand

Order Situation

In the past shortened financial year, Analytik Jena recorded order entry of EUR 23,090 thousand (previous year: EUR 102,100 thousand) in the instrument business. Order entry performance remained at a sustained stable level in the past shortened financial year after a very week third quarter and a much improved fourth quarter in the past financial year. The book-to-bill ratio was 94.4 (previous year: 102.4). Order backlog of EUR 19,232 thousand was 6.6 % below the previous year's amount of EUR 20,594 thousand.

Cost Development

Cost of sales, which encompasses cost of materials, staff costs, write-downs, and other cost of sales, totaled EUR 20,385 thousand in the past shortened financial year (previous year: EUR 70,683 thousand). The gross profit totaled EUR 8,373 thousand (EUR 50,656 thousand). In percentage terms, Analytik Jena achieved a gross margin of 29.1 %, 12.6 percentage points lower than in the previous year (previous year: 41.7 %). The decline was primarily due to the write-down of percentage-of-completion inventories in the already low-margin project business. In the instrument business, the gross margin decreased in the reporting period to 47.7 % (previous year: 49.5 %).

The competitive environment in which Analytik Jena operates remains challenging, although global demand continues to be stable. In view of intensified price wars among competitors, which are increasingly affecting all of the Group's segments, Analytik Jena is experiencing margin pressure across all business units.

In the areas of research and development, as well as sales, additional expenses were incurred in the past financial year for strategic and growth projects. This affected the Group's cost structures in individual segments, although they remained in an appropriate range relative to business and revenue development. Total selling expenses, which essentially comprise staff costs, office and rental expenses, and advertising expenses, amounted to EUR 8,620 thousand (previous year: EUR 29,935 thousand) in the past financial year. Administrative expenses totaled EUR 2,506 thousand (previous year: EUR 9,791 thousand). Expenses for research and development totaled EUR 3,730 thousand (previous year: EUR 10,269 thousand). Other operating expenses include value adjustments on project inventories of AJZ Engineering of EUR 4,875 thousand (previous year: EUR 6,940 thousand), as well as a write-down on an investment of EUR 500 thousand.

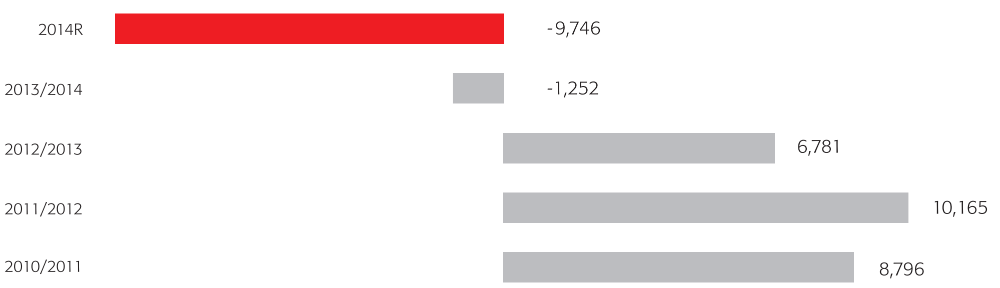
Earnings Development

Analytik Jena's earnings and results of operations developed very unsatisfactorily in the 2014R shortened financial year, reflecting in particular the ongoing Russian crisis and the continued difficult operating business in the core segments.

The Group concluded the financial year with earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR -9,746 thousand (previous year: EUR -1,252 thousand) with an EBITDA margin of -33.9 % (previous year: -1.0 %). Earnings before interest and taxes (EBIT) at the end of the reporting period amounted to EUR -11,627 thousand (previous year: EUR -6,245 thousand). Without amortization related to purchase price allocations, which were not caused by the operating business, EBIT would have amounted to EUR -11,386 thousand (previous year: EUR -5,237 thousand). Analytik Jena achieved an EBIT margin of -40,4 %, compared with -5.1 % in the previous year. A value adjustment of EUR 4,875 thousand (previous year: EUR 6,940 thousand) was taken on the percentage-of-completion inventories of the project business due to the sustained depreciation of the Russian ruble. This value adjustment is disclosed in the consolidated statement of comprehensive income under other expenses. This value adjustment primarily reflects the profit margin that has been realized so far and is planned for the future as well as the order backlog denominated in euros so that there is no longer any exchange rate risk for the construction contract recognized as of December 31, 2014. Additional details are presented in chapter "3. Risk Report" and in chapter "9. Forecast Report" of the Group management report.

In addition, the unsatisfactory earnings development is attributable to the continued weak operating business as Analytik Jena was unable to offset higher selling, administrative, and R&D costs resulting from the acquisitions in the past two financial years with any corresponding increases in revenue in the instrument business. The operating result was negatively affected particularly by sustained weak revenue in all three business units of the instrument business and respective losses in Life Science, Optics, and the Project Business. The earnings situation was also impaired by growing cost effects from the expansion of international direct sales structures in Thailand, France, and India, where significant costs have already been generated that were not offset by revenue at a relevant level. The anticipated costs from closing the area of sepsis diagnostics and future rent obligations from a canceled rent agreement for the business premises of the former CyBio AG also had a negative impact on earnings. The Group's earnings situation continued to be affected by sustained weak demand in the high-margin business of Biometra GmbH, which has been exposed to dramatically increasing price competition in the technology segment of thermal cyclers.

Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA)



in EUR thousand

Earnings before Interest and Taxes (EBIT)

in EUR thousand

Earnings before taxes (EBT) totaled EUR -13,543 thousand (previous year: EUR -8,979 thousand). It includes financial expenses of EUR 1,999 thousand (previous year: EUR 2,868 thousand), which were partially offset by financial income of EUR 83 thousand (previous year: EUR 134 thousand). Although the Group still recorded a tax expense of EUR 223 thousand in the 2013/2014 financial year, Analytik Jena generated tax income of EUR 537 thousand due to operating losses in shortened financial year 2014R.

At the end of the financial year, Analytik Jena recorded a consolidated net loss for the year of EUR -13,006 thousand (previous year: EUR -9,202 thousand). As of December 31, 2014, after deducting the results attributable to non-controlling interests, the Group reported a consolidated net loss for the year attributable to shareholders of the parent company of EUR -10,502 thousand (previous year: EUR -9,236 thousand).

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

Including the results recorded directly in equity, the Group reported a total comprehensive income of EUR -12,880 thousand (previous year: EUR -9,217 thousand). Both basic and diluted earnings per share amounted to EUR -1.38 (previous year: EUR -1.21).

Earnings per Share

Segments

In the shortened 2014R financial year the Analytical Instrumentation business unit generated revenue of EUR 13,042 thousand (previous year: EUR 52,840 thousand). Analytical Instrumentation continues to be affected by the difficult situation of the Japanese subsidiary AJ Japan, which is currently in the midst of a comprehensive restructuring and cost reduction process, as well as by the political situation in Russia resulting from the Ukraine crisis. In addition, the segment shouldered a relatively heavy burden from the integration of the ICP-MS business, which was acquired in the previous year. Therefore, it fell short of expectations on the earnings side with an operating profit of EUR 169 thousand and an EBIT margin of 1.3 % (previous year: EUR 1,746 thousand and 3.3 %).

In the reporting period, the Life Science business unit generated revenue of EUR 10,288 thousand (previous year: EUR 42,120 thousand). The core business with thermal cyclers, which continues to be subject to strong competitive pressure, remained challenging. In Life Science, Analytik Jena recorded a negative operating result of EUR -2,943 thousand combined with an EBIT margin of -28.6 % (previous year: EUR -533 thousand, -1.3 %). With respect to cost and earnings development in Life Science, it should be taken into account that costs of EUR 450 thousand were added for the closure of the sepsis diagnostics product area. In addition, in Life Science amortization of EUR 205 thousand related to purchase price allocations arose once again that was not caused by the operating business. The write down of EUR 500 thousand of an investment's book value additionally burdened the operating result.

The operating business of Optics, the smallest business unit, generated revenue of EUR 1,122 thousand. As for the operating result, Analytik Jena recorded a negative operating result of EUR -231 thousand combined with an EBIT margin of -20.6 % (previous year: EUR -361 thousand, -7.6 %). Thus Analytik Jena also did not succeed in sum in the shortened financial year in compensating for the decline in revenue caused by prolonged international price competition and competitive pressure for the consumer products of the DOCTER® brand and boosting its sustainable growth potential.

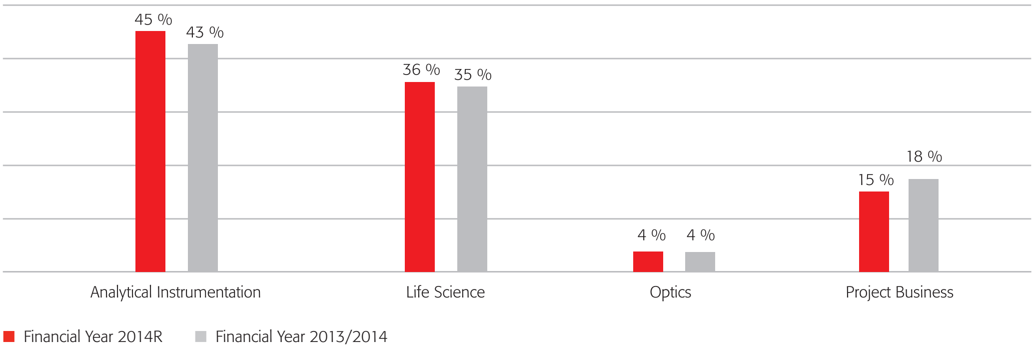
AJZ Engineering, whose project business has been assigned to the Project Business business unit since October 2013, had a negative operating result of EUR -8,622 thousand (previous year: EUR -7,097 thousand) primarily caused by newly recognized value adjustments of EUR 7,365 thousand (previous year: EUR 6,940 thousand) on various projects in the 2014R shortened financial year and contributed EUR 4,306 thousand (previous year: EUR 21,601 thousand) to the Group's total revenue in the financial year.

Revenue by Segment

	2014R	2013/2014	2012/2013	2011/2012	2010/2011	Change 14R to 13/14
Analytical Instrumentation	13,042	52,840	57,813	60,021	53,217	-75.3 %
Life Science	10,288	42,120	34,452	28,154	28,269	-75.6 %
Optics	1,122	4,778	5,454	5,824	4,821	-76.5 %
Project Business	4,306	21,601	–	–	–	-80.1 %
Total	**28,758**	**121,339**	**97,719**	**93,999**	**86,307**	**-76.3 %**

in EUR thousand

Percentage Breakdown of Revenue by Segment



Net Assets

The Group's total assets as of the balance sheet date on December 31, 2014 decreased by 7.3 % from EUR 131.335 thousand to EUR 121,728 thousand. Noncurrent assets of EUR 47,018 were approximately at the previous year's level (previous year: EUR 47,329 thousand). Goodwill amounted to EUR 12,324 thousand (previous year: EUR 12,324 thousand). Property, plant, and equipment, which accounted for 69.7 % of Analytik Jena's capital expenditure, rose slightly from EUR 19,685 thousand to EUR 19,825 thousand. Intangible assets included in noncurrent assets totaled EUR 10,583 thousand (previous year: EUR 11,205 thousand). Other noncurrent assets declined by 16.6 % from EUR 2,087 thousand to EUR 1,741 thousand.

Current assets declined primarily due to the decrease in construction contracts with a net balance due from customers and lower trade receivables. Construction contracts with a net balance due from customers amounted to EUR 9,906 thousand (previous year: EUR 14,222 thousand) as of the end of the financial year. Inventories rose slightly to EUR 37,337 thousand (previous year: EUR 34,390 thousand) as part of the acquisition of the ICP-MS business. Trade receivables decreased from EUR 19,439 thousand to EUR 14,076 thousand. The amount of cash or cash equivalents held by the Group at the end of the reporting period amounted to EUR 5,301 thousand (previous year: EUR 7,352 thousand), EUR 2,051 thousand less than in the previous year. Current assets totaled EUR 74,710 thousand (previous year: EUR 84,006 thousand), 11.1 % lower than at the end of the previous year.

The ratio of noncurrent to current assets increased from 56.3 % in the previous year to 62.9 % as of the end of the reporting period. The investment intensity (noncurrent assets excluding deferred tax assets as a percentage of total assets) of Analytik Jena increased during the reporting period from 34.5 % in the previous year to 36.5 % as of the end of the reporting period.

On the liabilities side, noncurrent liabilities decreased as of the end of the financial year by 6.3 % from the previous year and totaled EUR 3,844 thousand (previous year: EUR 4,103 thousand). The included noncurrent financial liabilities less current portion declined by 2.6 % from EUR 2,045 thousand to EUR 1,991 thousand. Current liabilities increased by 4.1 % from EUR 73,662 thousand in the previous year to EUR 76,694 thousand at the end of the reporting period. The included trade payables rose by 27.2 % to EUR 13,404 thousand (previous year: EUR 10,539 thousand).

Financial Situation

In the shortened 2014R financial year, Analytik Jena financed itself primarily from cash flow from operating activities. Analytik Jena conducts its capital management primarily with the objective of making working capital available for the Group's operational business, ensuring capital servicing capability, limiting financial risks, complying with minimum capital requirements (covenants) entered into in connection with the borrower's note loan assumed during the financial year 2011/2012, and distributing dividends. The criteria of the borrower's note loan, which are consistent with management's capital control guidelines, consist of a minimum equity ratio, maximum permissible leverage based on the ratio of financial liabilities to EBITDA, and a minimum coverage of net interest expense through EBITDA. Particularly due to the performance of the Russian ruble and related value adjustments in the project business, Analytik Jena AG did not comply with the agreed-upon covenants as of September 30, 2014. For this reason, Analytik Jena AG paid off loans of EUR 4,000 thousand by December 31, 2014 and canceled additional loans of EUR 25,000 thousand as of the next-possible time in February 2015. The counter-financing of these loans and additional planned payments of bank loans occurred or are occurring via the Endress+Hauser Group. We refer to our comments in section 9.3.

As of December 31 in 2014, the equity after elimination of treasury shares (EUR 199 thousand) declined significantly by EUR 12,380 thousand or 23.1 % to EUR 41,190 thousand (previous year: EUR 53,570 thousand). The capital reserves included in equity amounted to the previous year's amount (previous year: EUR 47,792 thousand). Analytik Jena's equity ratio as of the end of the financial year decreased significantly from 40.8 % in the previous year to 33.8 %. The ratio of equity to noncurrent assets declined to 87.6 % (previous year: 113.2 %). The ratio of current assets excluding cash and cash equivalents to current liabilities as of the end of the reporting period was 90.5 % (previous year: 104.1 %).

In the past shortened financial year, Analytik Jena recorded positive cash flow from operating activities of EUR 1,167 thousand (previous year: EUR -5,573 thousand). Net cash used in investing activities amounted to EUR -1,426 thousand (previous year: EUR -15,876 thousand). Among other items, included in the previous year were outgoing payments for the acquisition of intangible assets and property, plant, and equipment of EUR -5,074 thousand (shortened financial year: EUR -1,371 thousand) and the acquisition of Bruker's ICP-MS business of EUR -11,910 thousand. Net cash used in financing activities amounted to EUR -1,953 thousand (previous year: net cash from financing activities of EUR 1,022 thousand).

Overall, the Group recorded negative cash flow (net) in the past financial year of EUR -2,212 thousand (previous year: EUR -20,427 thousand).

As of December 31, 2014, Analytik Jena had contingent liabilities mainly due to tender bonds, advance payment guarantees, and warranties.

2.5 Overall Assessment of the Economic Situation and Comparison with the Business Performance Forecast

The Company did not publish any explicit forecast for the three-month period of the shortened financial year 2014R resulting from the change in the financial year. However, overall revenue and earnings figures remained well below internal expectations, whereas incoming orders and the number of employees developed as expected.

The performance of the four business units of the Analytik Jena Group and the overall performance of the operating business during the reporting period were extremely heterogeneous, reflecting the political and economic environment, an increasingly competitive landscape, intensifying price competition, and fluctuating demand from customers and sales sectors. In the past financial year, Analytik Jena took measures to streamline its expense and revenue structures.

3 | Opportunity and Risk Report

3.1 Opportunity and Risk Management System

As a globally operating technology company, Analytik Jena is continually subject to risks by virtue of its worldwide business activities, but it can also take advantage of a wide variety of opportunities through its entrepreneurial activities. The overall challenge for the Company consists of selectively exploiting opportunities for increasing the Company's value on a sustainable basis, while deliberately assuming certain risks on a controlled and manageable basis.

The earliest possible and continuous identification of opportunities and risks is the core principle of the opportunity and risk management system at Analytik Jena. Risks are defined as potential events and contingencies which are capable of having a negative impact on the strategic and operational development of the Group and, in the worst case, jeopardizing it as a going concern. Opportunities are viewed as possible successes and positive influences which support the achievement of corporate policy goals and increase the Company's value. The overall goal is to pursue opportunities in a comprehensive and targeted fashion while minimizing risks to the greatest extent possible. In the course of its business activities, Analytik Jena is continually confronted with risks and opportunities arising from environmental conditions as well as factors related to the corporate strategy and internal procedures.

Its comprehensive, Group-wide and Company-specific internal control and risk management system, which is continually refined and adapted to current events, enables Analytik Jena to capture, evaluate, and manage opportunities and risks in a timely and optimal manner. For this, the Group relies on a comprehensive set of tools for opportunity and risk-oriented corporate management based on a defined risk strategy. In particular, by employing an early warning system, it aims to recognize at an early stage influences and unknown risks that inevitably arise from participating in economic activity as well as the dependencies associated with them. The operational process of the risk management system encompasses the identification, analysis, evaluation, management, documentation, communication, and handling of risks and opportunities as well as their monitoring. All of the fully consolidated companies are subject to the Group-wide risk management system of Analytik Jena, whose principles are defined in the business strategy and established by the Executive Board and the Supervisory Board.

The Executive Board, which determines the risk strategy as well as operational risk policies, assumes overall responsibility for the risk management of Analytik Jena, thus setting the parameters for controlling risks. In addition, the Executive Board has established the structure of a central risk management committee, which is responsible for essential functions of the risk management process. The members of this committee, which has developed standardized processes for the exchange of information, include not only the Executive Board but also in particular representatives of the individual business units, quality control, and Group controlling. Management and the management levels have direct access to this information and base their decisions and approvals on it. The internal control system is an integral component of Analytik Jena's risk management system.

Potential opportunities and risks associated with all business activities are discussed and evaluated within the framework of annual planning and budgeting as well as ongoing monitoring of the competitive and market environment. Objectives to be achieved and measures to reduce risks are derived from these discussions. Every two weeks, the Executive Board and the business unit directors evaluate the principal management parameters of revenue, order backlog, order entry, and liquidity. This method of approach ensures that the Group utilizes its opportunities to the fullest and is able to detect specific risks.

The subsidiaries are also integrated into the controlling system by means of periodic reports, as well as by discussing their activities in regular meetings with the Group management. The tight integration with Group controlling ensures that it is possible to review certain events and changes with respect to net assets, financial position, and results of operations in a timely manner and take suitable management steps, if necessary. Based on these Group-wide information and reporting systems, both the risk situation in the Group's operational business and strategic issues are subject to continuous monitoring and analysis. As a result, the Group has established a decentralized network of risk officers, who ensure the identification and monitoring of individual opportunities and risks beyond the individual business units and departments. The rapid flow of information is enabled by short, direct communication paths and flat hierarchies within the Group. In view of the Group's size and structure, an internal auditing department has not been established.

Analytik Jena continually reviews its processes for the identification, measurement, management, monitoring, and communication of risks and refines them continuously and actively, particularly in view of new facts. In order to be able to respond to developments at an early stage, planning scenarios and situation analyses are prepared.

The Supervisory Board is notified by the Executive Board at least quarterly, but often more frequently, about significant opportunity and risk-relevant developments and circumstances in the Group. All material decisions are presented to it, and if required, are subject to its approval. Thus, the Supervisory Board serves as an additional element of the risk management structure.

3.2 Internal Control System for the Accounting Process

The internal control system for Analytik Jena's accounting process is calibrated to the Group's size and structure and is based on defined coordination processes, functions, and responsibilities. It encompasses principles, processes, and measures, which ensure accuracy and reliability in accounting implementation, compliance with essential legal conditions and provisions, and the identification of significant risks for depicting business transactions. The purpose of the implemented processes is to ensure that the Group's financial statements comply with standards and convey accurate financial information. This reflects the efforts of the Executive Board and Supervisory Board of Analytik Jena to be guided by the principles of responsible corporate governance. These principles include consciously dealing with and managing risks. Both are fundamental prerequisites for compiling consolidated financial statements that conform to standards.

In view of the internal control system for the accounting process, Analytik Jena has implemented the following instruments and measures: separation of responsibility and clear assignment of responsibilities and control, a structured reporting system for individual companies, a reliable IT accounting system, which enables the correct and timely recording of all business activities, the double-check principle for an appropriate quality control and approval process, as well as transparent guidelines for accounting and the preparation of financial statements. The Executive Board of Analytik Jena has specifically entrusted the Group controlling and accounting units of Analytik Jena with the internal management and control system. Additional specific Group functions also ensure process-integrated oversight.

A signature guideline confirmed by the Executive Board governs responsibility and authorization for signing off on invoices and accounts entries. Book entries are made in each department by authorized employees, who have authorization to access the IT system corresponding with their area of responsibility and specialist knowledge.

The consolidated group and the components of the report packages to be compiled by Group companies are determined by Group accounting taking the applicable statutory regulations into account. The consolidated financial statements include not only the separate financial statements of Analytik Jena AG, but also the separate financial statements of 19 domestic and foreign subsidiaries. Circumstances that are relevant to accounting are taken into account in the separate financial statements of the consolidated subsidiaries. In view of the number of subsidiaries and their regional distribution, risks emerge with respect to the goal of reliable accounting in the form of delayed publications or misstatements. In order to minimize these risks, manual control processes have been established within the framework described. Analytik Jena's Group companies prepare their financial statements on their own locally, but report via uniform Group documents and standardized report packages designated by the parent company. They are supported in that process by contacts at the parent company with respect to the common aim of quality control and a uniform approach. In order to oversee the control system, Group controlling prepares detailed monthly analyses in order to assess the individual companies and their development.

In addition, the internal control system oversees the process of preparing the financial statements with regard to the identifying of risks for the depiction of business transactions. Possible risks here include the measurement of derivatives, financial assets, and capitalized development costs, as well as the correct determination of revenue.

Based on the data of the subsidiaries included in the consolidated Group, the consolidated accounting is prepared centrally taking into account compliance with standards. Consolidation and preparation of the consolidated financial statements, as well as processing and summarizing the data needed for the preparation of the Notes to the Consolidated Financial Statements and the management report are carried out at Group level by the parent company. Together with standardized report information structured according to the four segments, the individual separate financial statements are input into the consolidation system monthly.

As a result of the validation rules in the decentralized documentation system, a high level of data quality is assured. A consistent Group chart of accounts specifies reconciliation to the reporting entries. The local accounting provisions are adapted to IFRS either already in the local accounting systems or through reported adjustment entries. After translation into the Group currency of euros, all Group-internal business transactions are eliminated.

During the preparation of the consolidated financial statements, Analytik Jena calls in external consulting companies, which help it to review changes in the legal situation, accounting standards, and other announcements that may be relevant to, or have an impact on, the statements. The Group's accounting provisions, which take into account the requirements of International Financial Reporting Standards (IFRS), the German Commercial Code (HGB), as well as the principles of proper accounting, ensure uniform accounting for the domestic and foreign subsidiaries consolidated in the Group. They relate to general accounting principles, methods, and standards for the statement of financial position, income statement, and the Notes to the Consolidated Financial Statements. Inventories are taken according to procedure, and assets and liabilities are recognized, measured, and disclosed accurately. The amounts in the income statement are reviewed to ensure assignment to the proper period. Entry documents include reliable and reproducible information about the business transaction.

The IFRS accounting standards result, among other things, in the provision that fair values for intangible assets must be calculated as of the date of the statement of financial condition. As a result of the fact that for many intangible assets, markets with reliable price information do not exist, the fair values rely as a rule on estimates or forecasts with considerable uncertainty. Consequently, a risk exists in principle regarding the recoverable value of intangible assets. An impairment test, which is conducted annually or if signs of impairment arise, is intended to minimize this risk.

Nevertheless, it cannot be excluded that intangible assets turn out not be recoverable or that their value fluctuates significantly. In addition, recoverability and inventory risks arise from the fact that on the one hand, the Company needs to have sufficient inventories, but on the other, inventory levels should be optimized with regard to cost and risk minimization. Risks also exist regarding pension obligations in view of actuarial estimates.

In case of the acquisition or founding of a company, responsible employees are trained in the preparation of annual financial statements according to applicable and relevant accounting provisions and the reporting system.

3.3 Individual Risks

The internal corporate situation as well as general economic conditions affect the development of Analytik Jena's overall risk profile. According to the Group's risk policies, these risks are divided into various risk areas which may have a deleterious impact on the Company's net assets, financial position, and results of operations and in turn combine numerous individual risks, as enumerated separately in detail below.

Strategic Risks

Strategic risks are risks that result from changes in environmental conditions and subsequent inadequate adjustments to and implementation of the Group strategy. With respect to its strategic business orientation, the Analytik Jena Group focuses on a three-pillar business model consisting of the operational core segments of the instrument business Analytical Instrumentation, Life Science, and Optics. The operational business activities of the Company take place in a continually changing market and industry environment in the high technology sector. This market reflects economic volatility, changes in the legal environment, demographic developments, technological innovations, or changed strategies and behavioral patterns of users.

A fundamental risk is not being able to adapt products and services rapidly enough to technological change, resulting in being unable to satisfy customer requirements adequately. In addition, Analytik Jena's internationalization strategy is fraught with risks, particularly resulting from misjudgments regarding economic, cultural, technical, or regulatory conditions. In addition, physical distance and the related loss of control and influence may impair collaboration with the management of foreign subsidiaries or sales partners. A risk known as a cluster risk exists if Analytik Jena achieves a relevant share of its revenue and earnings in one or a few regional markets. For example, the high and growing share of the business in China relative to the total revenue of the Analytical Instrumentation segment could represent a not insignificant risk for Analytik Jena since a sudden or unforeseen change in the market or organizational or personnel changes could have a significant negative impact on the Group, which could not be offset by other markets over the short term. Analytik Jena constantly monitors external factors and adjusts its business strategy based on insights gained from the monitoring process. In this manner, it is able to respond to new events flexibly and, if possible, to exploit opportunities that present themselves.

Within the framework of its Group-wide growth strategy, Analytik Jena undertakes not only organic growth initiatives but also targeted acquisitions of companies or parts of businesses, cooperative agreements, and investments in additional internationalization in order to exploit selected related opportunities and to strengthen the core business. These projects are focused on areas that offer opportunities for additional growth and can sustainably increase the Company's profitability. As for its investment and acquisition strategy, Analytik Jena is exposed to risks to the extent that the assumptions underlying its investment decisions regarding medium-to-long-term market, margin, expense, and demand developments could deviate from actual conditions. In particular, the danger exists that Analytik Jena might overvalue potential revenue and synergies and undervalue existing transaction risks and/or pay too high a purchase price as a result. Furthermore, the integration of acquired companies into the structures and processes of Analytik Jena may not succeed.

Analytik Jena sees great potential for its business performance in the start-up and expansion of direct sales in selected markets, particularly emerging countries like Brazil, India, Thailand, and South Korea. It intends to exploit its opportunities and expand its local presence through targeted investments in its own organization structures. Related strategic decisions could be false or based on false assumptions and generate expense risks. In the expansion of its technology portfolio, Analytik Jena relies in part on acquisitions, for which the evaluation of opportunities and risks plays an important role in the analysis and decision-making process. As for the acquisition of the ICP-MS business of the Bruker Corporation, the risk could arise that technology and knowledge transfer as well as the move of production to Germany cannot be implemented successfully and important key employees are lost in the course of the integration process. In addition, expectations regarding the market, demand, and business potential of the acquired products may not be realized or risks of a write-down of intangible assets may emerge as a result. In order to minimize the potential risks of such strategic decisions as much as possible, Analytik Jena employs an experienced project management and business development team in the strategic preparation and subsequent implementation phases. Prior to every acquisition or investment, Analytik Jena routinely evaluates the respective risk profile and weighs opportunities against possible risk scenarios. The potentially targeted companies are initially subject to extensive due diligence, the results of which are evaluated by the business unit directors as well as the Finance, Controlling, and Legal departments. The approval of the Executive Board and the Supervisory Board is required for all acquisitions. In general, the risk-reward ratio should be calculated as precisely as possible and the risk of a poor investment or an excessive purchase price for the acquired company or investment should be minimized.

In summary, Analytik Jena regards the occurrence of the specified individual strategic risks as rather unlikely, although they could have a significant impact on the business activities, financial position, and results of operation of the Company and the Group and cause a negative deviation from expected revenue and earnings and the medium-term outlook. Overall, Analytik Jena classifies this risk as moderate. Additional information on the strategy is presented in chapter "1. Group Fundamentals" and in chapter "9. Forecast Report" of the Group management report.

Market and Environmental Risks

With an export share of more than three-quarters of total revenue in recent years, Analytik Jena routinely generates a majority of its revenue in foreign countries and now maintains business relationships in more than 120 countries around the globe. As a result, the Company is subject to influences and risks that arise from the development of the world economy, economic tensions in key markets, as well as monetary and fiscal policy decisions. In addition, social and political instability, for example caused by international conflicts, natural disasters, or war, such as the current Ukraine crisis and the extensive related international sanctions against Russia or the political uncertainty in the Arab world, here particularly in the sales market of Libya, could affect the business activities of Analytik Jena. This could increase the risk of projects progressing divergently from the plan for both key AJZ Engineering GmbH projects in Wolshskij, Russia, and in Libya, but also the risk for the economic performance of the Analytik Jena Group as a whole. The Company's global presence and its ability to address the most diverse regional markets leads to a distribution of risks that can, as a rule, balance out cyclical fluctuations and a change in the market position in a particular market. In addition, the markets that Analytik Jena services have a defensive character and feature medium to long-term cycles. Short-term upheaval in the financial markets, political unrest in individual countries or entire regions, natural disasters, and export restrictions in individual countries usually have only a limited impact on Analytik Jena's business model. However, the ongoing government debt crisis in Europe and North America, the uncertain financial and political situation in the eurozone, and related austerity measures and government budget cuts as well as the fear of a prolonged recession in the EU affect Analytik Jena's development potential. It is not possible to assess within a reasonable range the likelihood and impact of a collapse of the eurozone or the departure of one or several countries from the eurozone given the complexity and interdependence of the consequences. It can be assumed that such a failure would have negative ramifications from which Analytik Jena could not isolate itself despite increasing business activity in non-European markets. Should a profound world economic crisis affect nearly all markets and regions, the Company would similarly not be able to entirely escape the consequences of such a development. In addition, fundamental changes in currency exchange rates and global competition generally have an impact on the results and profitability figures achievable by the Group. An unfavorable development of the US dollar, in particular for European manufacturers, can have a negative effect on the Company's competitive position. Consumer sectors and diverse global sales markets in various legal systems are at times subject to heavy regulation and complex legal environments, which are liable to continuous change. These factors could lead to the need for elaborate and costly adjustments to Analytik Jena's products. In addition, Analytik Jena must recognize the need for adjustments in a timely manner and take appropriate steps to avoid possible competitive disadvantages.

In summary, Analytik Jena regards the occurrence of the specified individual market and external risks as rather unlikely, although they could have a significant impact on the business activities, financial position, and results of operation of the Company and the Group and a negative deviation from revenue and earnings expectations and the medium-term outlook. Overall Analytik Jena classifies this risk as high in view of the current situation in Russia. Additional information on the market and industry environment is presented in chapter "2. Economic Report" and in chapter "9. Forecast Report" of the Group management report.

Economic Performance Risks

As part of its strategic sales orientation, Analytik Jena maintains a very extensive global network of distributors and partners in addition to direct sales. The complexity of Analytik Jena's products requires an experienced, highly skilled sales force. Risks can arise in this context from a misconceived sales approach or partners providing erroneous advice to a customer. In view of the heterogeneity of its markets and the sales structures in them, Analytik Jena has implemented extensive control mechanisms in order to monitor the performance of individual partners. In addition, Analytik Jena conducts a qualitative selection process to identify partners and subsequently expects the partners to undergo continuous training.

In summary, Analytik Jena assesses the occurrence of economic performance risks as unlikely and classifies these risks as low. Additional information on the marketing strategy and partner network is presented in chapter "1. Group Fundamentals" of the Group management report.

Financial Risks

Financial risks can arise in the form of currency or interest rate risks, credit or liability risks, receivables default risks, or liquidity risks. In the course of its international business activities, Analytik Jena is particularly subject to currency risks. Foreign currency volumes relate primarily to the US dollar, Japanese yen, and Russian ruble. The Executive Board has been viewing the depreciation of the ruble in recent weeks above all very critically. By the end of the reporting period for the preparation of the consolidated financial statements, the exchange rate had declined to 70-72 rubles per euro. Analytik Jena assumes that the exchange rate will be approximately 76 rubles over the medium term for the remaining period of the project. At this exchange rate, the project can be completed without losses. In view of the scope of the Wolshskij project, further depreciation in the exchange rate or a disruption of the Russian financial system can have a very negative impact on the results of AJZ Engineering GmbH and the Group in the future as well since the project has a significant foreign currency component, which is largely unsecured due to the uncertain project progression and cash flows. As of December 31, 2014, the maximum possible risk for the Analytik Jena Group from the project is quantified at approximately EUR 20,451 thousand, representing the extent of Analytik Jena's liability for the credit and surety lines of the subsidiary AJZ Engineering. However, Analytik Jena's Executive Board currently assumes that this full amount will not be incurred. Therefore, the impact of a negative currency price development must above all be balanced out through adjustments in specific equipment prices. The Group minimizes these risks as much as possible by leveraging purchasing potential in foreign countries (natural hedging) and qualified rate hedging measures in collaboration with banks. 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 and, if required, limited further by using corresponding hedging instruments such as forward exchange contracts or currency options. Possible steps to reduce risk further are being examined.

The Group does not depend on individual banks, neither for loans nor for other financial activities. Risks for the financing of Analytik Jena can therefore largely be excluded. Analytik Jena is currently co-liable for sureties and credits of EUR 20,451 thousand (previous year: EUR 23,985 thousand) of the project company AJZ Engineering GmbH.

Risks could arise from possible defaults on trade receivables that could influence the Group's economic and earnings position. In part, these risks are minimized within the Group through active receivables management. In addition, Analytik Jena addresses a broad customer portfolio involving a diversified range of users from the most varied sectors and buyers worldwide. In view of this divergence, the risk of bad debt losses from third-party receivables is deemed to be low.

Liquidity risks are risks which can lead to a circumstance in which the Company is no longer able to meet its financial obligations. The Analytik Jena Group counters possible liquidity risks with targeted liquidity planning, which guarantees an adequate supply of debt and equity, and ensures liquidity through liquidity reserves in the form of cash and confirmed credit lines at all times. The borrower's note loans placed in August 2012 contained financial covenants which are subject to annual review. As a result of the acquisition of the ICP-MS business of Bruker shortly before the previous balance sheet date and value adjustments on the project business, Analytik Jena AG did not comply with the agreed-upon covenants for the debt-equity ratio and interest-rate coverage as of September 30, 2014. For this reason, Analytik Jena AG paid off loans of EUR 4,000 thousand as of December 31, 2014 and canceled additional loans of EUR 25,000 thousand as of the next-possible time in February 2015. The counter-financing of these loans and additional planned payments of bank loans occurred or are occurring via the Endress+Hauser Group. We refer to our comments in section 9.3.

The carrying amounts of all financial liabilities amounting to EUR 74,560 thousand (previous year: EUR 72,305 thousand) represent the maximum liquidity risk exposure of Analytik Jena. EUR 22,144 thousand (previous year: EUR 23,767 thousand) of these carrying amounts do not bear interest and as a rule are due three months after the reporting period at the latest. The remaining carrying amounts of EUR 52,416 thousand (previous year: EUR 52,088 thousand) do bear interest and are due as follows: 95.5 % (previous year: 95.4 %) within a year, 2.4 % (previous year: 2.4 %) between one and five years, and 2.1 % (previous year: 2.2 %) more than five years after the reporting period on December 31, 2014.

Interest-rate risk is addressed by exchanging variable rates for fixed rates through swaps. Through interest-rate swaps, low rates are fixed for a majority of the loans for a multi-year period. The Executive Board currently assumes that interest rates will remain low in Germany for the foreseeable future.

In summary, Analytik Jena regards the occurrence of all specified individual financial risks as rather unlikely, although they could have a significant impact on the business activities, financial position, and results of operation of the Company and the Group and a negative deviation from expected earnings and the medium-term outlook. Analytik Jena regards overall financial risk as moderate – also taking into account the still-deemed-high risk of additional value adjustments as a result of the sustained depreciation of the ruble. Additional information is presented in chapter "2. Economic Report" and in chapter "9. Forecast Report" of the Group management report.

Legal Risks

As a Group that is active internationally, Analytik Jena is subject to various legal risks arising from the respective, sector-specific regulatory environment established by national laws and foreign legal systems. The Group companies are a defendant in various legal proceedings that stem from its normal business activities. A negative decision in one or several legal disputes could have a major negative impact on the Group's results of operations. All legal expenses related to a negative outcome are recognized in earnings. Since the outcome of pending or potential future proceedings generally cannot be forecast with certainty, expenses may be incurred as a result of legal or administrative decisions, which either cannot at all or cannot adequately be covered by provisions or insurance. Through its control and risk management system, the Group strives to identify legal risks and to evaluate their likelihood of occurrence and potential impacts. As of the balance sheet date on December 31, 2014, provisions have not been formed for legal disputes.

Currently, Analytik Jena or its companies are involved in the following legal disputes, which could have a material impact on the Group's net assets and results of operations:

Commissions from an alleged project brokerage agreement

Analytik Jena AG finds itself as the defendant in a legal dispute with two Iranian companies, whereby one's legal existence is already in question. The issue is the plaintiffs' demand for a commission from an alleged agreement between the parties for brokering a project in Iran. Analytik Jena AG already contests the admissibility of the lawsuit with the arguments that one of the plaintiffs did not exist at the time the lawsuit was filed and that the court of first instance lacked jurisdiction. In addition, at the material level the Company contests that a brokerage agreement had become effective and in particular that the parties had agreed to a commission. Beyond this issue, the Company also contests that the plaintiffs have performed services in accordance with such a brokerage agreement.

In the first instance, a court in Tehran ordered Analytik Jena to pay EUR 450 thousand plus an undetermined amount of interest, as well as the converted equivalent of approximately EUR 5 thousand in legal costs. Analytik Jena AG has appealed this decision. Oral proceedings have already taken place before the appeals court in Tehran Province. Another date for holding a hearing or announcing a decision has not been set. There were no new developments in this legal dispute in the past financial year. A provision was still not formed since its use is rather unlikely considering overall conditions.

Shareholder Litigation over the Settlement Offer for the Delisting of CyBio AG

Since June 2012, a mediation procedure by various shareholders of CyBio AG against Analytik Jena AG is pending before the District Court of Gera, Germany. The procedure is designed to review the suitability of the settlement offer for the delisting of CyBio AG. The total amount of possible additional settlement payments cannot currently be quantified, but will be determined only upon conclusion of the proceedings.

Currently the Thuringian Higher Regional Court is also examining whether, in view of the decision of the German Federal Supreme Court in October 2013 that neither a General Meeting resolution nor a cash settlement to shareholders is necessary for delisting a company, the legal basis for the current mediation procedure has been eliminated and it is no longer admissible.

Shareholder Litigation over the Settlement Offer for the Squeeze Out of Minority Shareholders of CyBio AG

Since August 2014, another mediation procedure of various shareholders against Analytik Jena AG has been pending before the District Court of Gera. The procedure is intended to review the suitability of the cash settlement for the exclusion of minority shareholders of CyBio AG in connection with the merger of CyBio AG into Analytik Jena AG. As of the time of preparation of these consolidated financial statements, the court had not issued any procedural orders. Also in this case, the total amount of potential additional settlement payments cannot be quantified.

Additional risks from legal disputes, which could have a material impact on the Group's net assets and result of operations aside from the ones described in this risk report, are either unknown or very unlikely.

In summary, Analytik Jena regards the occurrence of the specified individual legal risks as rather unlikely, although they could have a significant impact on the business activities, financial position, and results of operation of the Company and the Group and a negative deviation from expected earnings and the medium-term outlook. Overall, Analytik Jena classifies this risk as moderate.

Product and Technology Risks

The achievement of sales goals depends largely on the acceptance of products and services by the markets and users. Risks might arise in this context insofar as the markets perform otherwise than as forecast or customers not accept the products to the extent anticipated. Through market analyses and observations, proximity to the customer, and collaboration with research institutes, Analytik Jena is able to estimate realistically the relevant requirements, needs, and demand. To this end, a Group-wide research and development process was established to optimize the existing portfolio and to develop new products and services. The goal is to ensure the economic and technical success of the Company and to avoid any undesirable developments. Within the framework of the Company's existing cooperative agreements with renowned scientific institutes, we cannot rule out that Analytik Jena will need to acquire licenses to service important market segments. Furthermore, the Company's products could be copied or imitated. This would also result in potential risks for the Company. Analytik Jena strives to minimize these risks by protecting its intellectual property through patents. Currently, Analytik Jena possesses, in part jointly with partners, more than 200 national, European, and international patents, which for the most part involve its essential products. The measures Analytik Jena has taken to protect its intellectual property could be inadequate. The risk remains that existing patents could turn out to ineffective and that Analytik Jena would be unable to take successful action against third parties that use Analytik Jena's intellectual property unlawfully. Legal steps to protect intellectual property could entail substantial costs. In addition, it cannot be ruled out that Analytik Jena could violate the intellectual property of third parties, particularly rights to patents, copyrights, brands, or identification, and face a corresponding claim. Claims can be made for injunction, damages, or disclosure. This could lead the development or sales of certain products to be interrupted or halted.

Equipment delivered by Analytik Jena may be tainted with flaws that emerge when put into operation, despite an extensive testing and quality assurance process. The resulting malfunctions, potentially causing samples to be analyzed falsely and dangerous pathogens or health-threatening materials to go undetected in food or drinking water, can lead to warranty and further damage claims against Analytik Jena. Possible damage assessments could harm the reputation of Analytik Jena and its products, leading to lower sales and earnings. The purpose of the internal Group-wide, interdepartmental quality management and assurance system is to identify and eliminate flaws and malfunctions in products at an early stage in order to avoid potential risks.

In its product development, Analytik Jena is dependent on cooperative research agreements. The risk exists that cooperative agreements may be ended or terminated early or expire and not be renewed or replaced. Any infringement of cooperative research agreements could have a negative effect on Analytik Jena's net assets, financial position, and results of operations. In its research and development activities, Analytik Jena could be deprived of additional public grant funding or be required to return previously approved funding. This could substantially impair the Company's ability to finance and undertake research and development projects. Therefore, apart from public grant funding, the Company strives to make available sufficient funds for research and development and to use these resources appropriately.

In summary, Analytik Jena regards the occurrence of the specified individual product and technology risks as unlikely, although they could have a significant impact on the business activities, financial position, and results of operation of the Company and the Group and a negative deviation from expected earnings and the medium-term outlook. Overall, Analytik Jena classifies this risk as low. Additional information is presented in chapter "1.6 Research and Development" and in chapter "9. Forecast Report" of the Group management report.

Human Resources Risks

The achievements and expertise of its employees and managers significantly determines Analytik Jena's success as a technology manufacturing company. Specific human resources risks include qualification risks, bottleneck risks, fluctuation risks, and resource risks. For example, key positions are held by individuals whose departure would harbor risks. The loss of these and other individual industry experts could have an adverse effect on the Group's ability to innovate and consequently its strategic positioning and economic success. This in turn could harm the overall economic position of the Group. In addition, recruiting qualified specialists and gaining long-term commitments from them are becoming increasingly more difficult in view of intense competition. Analytik Jena counters the specified challenges with a variety of human resource marketing and development measures, which are continually refined, as well as targeted resource management, which is designed to proactively stem any problems that could arise from insufficient human resources. Given Analytik Jena's motivation and performance-oriented human resource management, overall human resource risks can be regarded as slight.

In summary, Analytik Jena assesses the occurrence of human resources risks as unlikely and classifies these risks as low. Additional information on the human resources strategy is presented in chapter "1.8 Human Resources Strategy and Employees" of the Group management report.

Communication and Information Technology Risks

Numerous business processes at the Analytik Jena Group are supported by internal or outsourced information services or systems. In the event that critical IT systems are unavailable, interrupted, or disrupted, this can affect essential internal operational processes. In addition, risks exist to the extent that important data can be lost or manipulated or that unauthorized parties gain access to Analytik Jena's sensitive data. In order to minimize such risks, Analytik Jena has stable IT systems, back-up processes, virus and access protection, encryption systems, and standardized IT infrastructures. In this context, the possibility cannot be excluded that the security standards established by Analytik Jena may be overcome. In addition, it may be necessary to integrate structurally different IT systems into the IT systems of Analytik Jena following the acquisition of companies. In case of non-compatibility of these systems, this could lead to an impairment of functionality. Analytik Jena continuously develops, implements, and monitors measures to protect data, applications, systems, and networks – both proactively and retroactively. The IT security process is defined by Group-wide standards and guidelines, which are routinely examined and adjusted to changing circumstances. Furthermore, the Company is constantly taking steps to keep its existing IT landscape up to date technologically by identifying, modernizing, or replacing risky systems. In sum, security concepts and possible implementations are continuously being developed in order to minimize IT risks accordingly.

In summary, Analytik Jena assesses the occurrence of communication and information technology risks as unlikely and classifies these risks as low.

3.4 Opportunity Management

Opportunity management is an integral part of Analytik Jena's overall opportunity and risk management system, in which identifying and exploiting opportunities cannot be viewed separately from the process of evaluating risk. Risk reduction measures must be balanced relative to the corporate strategy and the core issue of how Analytik Jena may utilize value-oriented opportunities. In this context, Analytik Jena has implemented management structures to ensure that opportunities are evaluated and pursued on the basis of their value creation, the required capital expenditure, and necessary measures to limit risk. Short and long-term possibilities are evaluated as part of this process and fully exploited in order to optimize corporate development. In the course of their business activities, Analytik Jena and its Group companies continually encounter a variety of opportunities, the exploitation of which could provide significant stimulus for further business growth. At the same time, opportunities arise from the specified individual risks, whereby Analytik Jena strives to take advantage of them as well as possible without assuming unnecessary risks.

3.5 Areas of Opportunity

In the course of opportunity management, from which future market strategies are derived, Analytik Jena evaluates market and competitive analyses as well as environmental scenarios and technology trends. It also analyzes customer and product segments as well as possible growth drivers and success factors. Probable opportunities are incorporated into business plans, the outlook for 2015, and medium-term prospects, which are discussed in the Forecast Report. The following section focuses on potential opportunities that could result in a positive deviation for Analytik Jena from the short-term outlook and medium-term targets.

Opportunities through Positive Economic Development

Analytik Jena operates in more than 120 countries worldwide either actively or via trading structures as a supplier of instruments in its core segments for a large number of sales sectors and application areas. Analytik Jena focuses its strategic sales development work on the emerging markets, which displayed above-average economic growth in recent years. These markets include China, India, Brazil, Thailand, South Korea, and other regions in the Far East. These markets hold significant potential for the portfolio and various technology segments of the Company and its Group subsidiaries. Global economic growth, rising living standards, and the rapid development of leading industrial sectors worldwide have a deciding influence on the business development, financial position, results of operations, and cash flows of Analytik Jena. The outlook of the Company and the Group for 2015 as well as their medium-term prospects, as discussed in chapter "9. Forecast Report" of the Group management report, are based on future economic conditions and performance and are also calibrated to Analytik Jena's growth strategy. Based on the scenarios presented here, Analytik Jena plans to achieve revenue and earnings growth in all business units. Overall may the economy grow more quickly than currently projected and presented in the outlook in the sales markets that are relevant to Analytik Jena, both in the emerging markets and in the mature industrialized countries. This could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and it should lead to surpass medium-term prospects.

Opportunities through Megatrends and Sector Developments

The essential global megatrends that will push the growth of the sales sectors of Analytik Jena in the coming years are driven by demographic trends, worldwide rising living conditions and, related to this, access to uncontaminated sources of food and drinking water, improved health care, continuous progress with scientific research, and the growing significance of sustainability, environmental protection, and freedom from hazardous substances. In particular, the emerging markets are the main driving forces of this development. Investments in infrastructure projects and rising prosperity could open up opportunities for Analytik Jena's business and thereby its revenue and earnings development. In addition, increasing pressure on public budgets are creating space for the development of new offerings from private companies that provide similar or the same services. The fragmentation of possible sales structures broadens the base of potential customers and users and can have a positive impact on Analytik Jena's business. Should global megatrends affect individual sectors served by Analytik Jena more positively than currently projected and presented in the outlook, this could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and could lead to surpass medium-term prospects. Additional information on global megatrends is presented in chapter "9. Forecast Report" of the Group management report.

Opportunities through Strategic and Corporate Development

Analytik Jena receives significant Company-specific opportunities from its balanced business model with a broad earnings structure based on three operational business units in the instrument business. In their entirety, they offer a market-driven and targeted range of services, which in their scope address a diversified range of customers in a wide variety of consumer markets and regions of the world. In addition, the dynamism of the market and technology environment generates opportunities for Analytik Jena, which as an internationally positioned technology company with high-end products can respond appropriately to these conditions and take advantage of new opportunities. Opportunities also result from the Company's core expertise in the area of optical spectroscopy and detection processes as well as from the related scientific and technological environment of the region of Jena or Thuringia. This region looks back on many years of developmental history in this area and, in keeping with this tradition, offers corresponding environmental conditions such as cooperative networks, specialists, and innovation projects, which Analytik Jena can use and exploit. In particular, the high level of qualification and motivation of its employees is closely linked to this location concept. Opportunities arise in view of the Analytik Jena brand, which is positively established in Eastern European and Asian growth markets. This brand identity has been built up in the course of international expansion in the past ten years based on this core expertise and Carl Zeiss tradition. It has also been supported and nurtured by factors such as quality and service orientation. Last but not least, in view of the solid financial condition of the Group, opportunities arise for Analytik Jena to further expand its cooperative agreement and investment portfolio and to expand its premium product range through targeted additions to its portfolio. A larger expansion of the product portfolio and with it the customer portfolio of Analytik Jena than originally planned could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information on Analytik Jena's strategy is presented in chapter "1. Group Fundamentals" and chapter "9. Forecast Report" of the Group management report.

Opportunities through Research and Development

The sustainable growth strategy of Analytik Jena is based to a large extent on the effective and successful use of the research and development capacities of the entire Group. Analytik Jena strives to optimize its development processes continuously and to ensure through stronger cooperation with scientific research institutes, partners, and customers that its products conform to the highest technical standards and are precisely customized to the requirements of markets and customers. If Analytik Jena succeeds in introducing developments and innovations more quickly in the market than originally planned or they are accepted by the market and customers more quickly than expected, this could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information on the area of research and development and related opportunities for future business development are presented in chapter "1.6 Research and Development" and in chapter "9. Forecast Report" of the Group management report.

Opportunities through Organizational, Structural, and Process Optimizations

Analytik Jena strives to optimize its internal and external processes continuously in order to achieve a sustainable and long-term increase in efficiency along with systematic cost controls at all structural and organizational levels of the Group. Should this be achieved more quickly and successfully than originally planned, that could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information is presented in chapter "2. Economic Report" of the Group management report.

Financial and Economic Opportunities

The earnings performance of Analytik Jena is strongly affected inter alia by changes in exchange rates, while opportunities arise primarily with the fluctuating exchange rate of the US dollar. A stronger price performance of the US dollar than originally assumed would have an accordingly positive impact on the revenue and earnings development of the Analytik Jena Group in 2015. Additional financial and economic opportunities could potentially arise in case of potential changes in market interest rates. Interest rate changes can lead to a change in fair value for fixed-rate financial investments and to interest payment fluctuations for variable-rate financial instruments. This could affect earnings more positively than originally assumed. Analytik Jena follows events in the international financial markets precisely in order to identify opportunities and exploit them quickly. Additional information is presented in chapter "2. Economic Report" of the Group management report.

Opportunities through the Distribution and Partner Network

Analytik Jena's worldwide distribution and partner network makes a significant contribution to establishing the Group's diverse technology and product portfolio in the global markets. Wherever Analytik Jena does not see conditions and opportunities for setting up direct marketing, the Group strives to encourage cooperation with sales partners and create a basis of trust for mutually beneficial cooperation and collaboration. This approach is the essential basis for ensuring and expanding the Group's international market coverage. Should the business of Analytik Jena's sales partners develop better than currently assumed, this could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information on Analytik Jena's strategy is presented in chapter "1. Group Fundamentals" and chapter "9. Forecast Report" of the Group management report.

Opportunities through Direct Customer Relationships

Analytik Jena markets its products and services by region, sales sectors, and business units and invests in the global expansion of direct distribution channels in order to identify the needs of customers without any detours and thereby to increase the added value for them continuously. This strategic approach is based on certain assumptions and basic scenarios that can change on short notice in the dynamic business environment in which Analytik Jena operates. Furthermore, Analytik Jena is planning the expansion of online sales channels, for example by using e-commerce systems to market and distribute a limited assortment of standard products and consumables. Should the expansion of new distribution channels such as direct marketing and online marketing be achieved more quickly and successfully than originally planned, this could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information on Analytik Jena's strategy is presented in chapter "1. Group Fundamentals" and chapter "9. Forecast Report" of the Group management report.

Opportunities through Investments and Acquisitions

With the takeover of UVP, LLC in April 2013, as well as the acquisition of the ICP-MS business of the Bruker Corporation in September 2014, Analytik Jena has realized two of the most important acquisitions in its history and significantly advanced the expansion of its own product portfolio in both core business units Analytical Instrumentation and Life Science. In the process, Analytik Jena has made profitable investments in new technologies and important product expertise, including patents, licensing rights, and worldwide research, development, and production capacities. Both acquisitions also increased the worldwide customer base of the Analytik Jena Group, providing it with a great starting point for increased penetration of sales sectors on which it was not previously focused. In addition, Analytik Jena obtained attractive opportunities to enter less heavily targeted markets, such as in the USA. The Group now has good conditions for expanding its market position with an eye toward important markets in the competitive landscape. Should this be achieved more quickly than planned, it could have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Analytik Jena does not currently plan additional acquisitions on this scale, although the Company fundamentally always regards smaller investments and portfolio expansions as possible. In this sense, should unforeseen acquisition opportunities and possibilities arise to expand the portfolio, that could similarly have a positive impact on the development of the revenue and earnings of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information on Analytik Jena's strategy is presented in chapter "1. Group Fundamentals" and chapter "9. Forecast Report" of the Group management report.

Opportunities through Employees

Capable and committed employees are a key success factor and Analytik Jena's most important resource. They are simultaneously drivers of product innovation, value creation for customers, and the essential basis for the Group's growth and profitability. In order to maintain the motivation and productivity of employees at a continuously high level and to persuade potential top executives to accept positions with the Company, Analytik Jena offers extensive programs for the effective compatibility of career, family, and private life. It also invests in the health of its employees and encourages them with targeted human resource development measures. The latter were supported by systematic human resource development programs and continuing education offerings. The Analytik Jena Group also fosters Group-wide idea management, in which its employees can submit proposals for improvements extending across business units and the entire Company. In the future, Analytik Jena will continue to rely on highly qualified specialists and young talent in order to ensure its innovativeness and sustained business success. In order to acquire new employees in a targeted manner, Analytik Jena strives to improve conditions for its employees continuously and to strengthen its brand systematically also with this target group in mind. In the future, Analytik Jena will present its brand as an employer increasingly through new, modern international communication channels. To this end, it is promoting comprehensive communication strategies to win the loyalty of select current and potential employees. As part of its talent management strategy, Analytik Jena systematically encourages its own up-and-coming talent and views the professional qualification of young people as a significant social, political, and corporate task. Should Analytik Jena make better progress with these measures and policies than currently expected, that could have a positive impact on the productivity of employees as well as the development of the revenue and earnings of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information about the area of employees is presented in chapter "1.8 Human Resources Strategy and Employees" of the Group management report.

Opportunities through Social Commitment and Sustainability

In recent years of worldwide growth and the successful establishment of its core segments, Analytik Jena has established a solid foundation for its future prospects. So that this growth is sustainable in multiple respects, Analytik Jena has anchored the concepts of sustainability and responsibility as integral components in its corporate philosophy, strategy, and business policy. All of its thinking and acting are directed accordingly. Future-oriented sustainability concepts open up numerous opportunities for Analytik Jena to improve its revenue and earnings performance with new initiatives. In the area of research and development, sustainability initiatives in the development of new products play an increasingly important role – particularly in meeting the expectations of customers. Sustainability also opens up market opportunities for services and customer loyalty programs. In view of this, Analytik Jena aims to tap into new markets and sales groups. Company-specific sustainability measures similarly include internal organizational and process-related topics such as systemic issues, labor safety, customer loyalty and recruitment, and environmental protection within the Company. Here it is particularly important for Analytik Jena to identify potential savings and optimize the use of resources. With respect to processes, sustainably organized supply chains and awareness of regional peculiarities can also generate critical competitive opportunities in target markets and services. Analytik Jena has set the goal for itself to achieve economic competitiveness with fair wages and labor conditions, while maintaining social standards and ecological sustainability through the efficient use of resources and intelligent recycling. Should the resulting value creation be greater than originally planned, that could similarly have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects. Additional information on Analytik Jena's strategy is presented in chapter "1. Group Fundamentals" and chapter "9. Forecast Report" of the Group management report.

Opportunities through Belonging to the Endress+Hauser Group

As Analytik Jena's majority shareholder, the Swiss Endress+Hauser Group is pursuing the systematic expansion of Analytik Jena's strategic orientation toward laboratory analysis in the most diverse application areas. In the course of the acquisition and integration process, Analytik Jena will focus on optimally integrating the Company into the Endress+Hauser Group with an eye on the core competencies of the Company in classic analytical measuring technology and in the area of Life Science. At the same time, the focus is on protecting the interests of Analytik Jena customers, partners, and employees as well as the international locations. Belonging to the Endress+Hauser Group will generate diverse market and growth opportunities for Analytik Jena. The Endress+Hauser Group is an excellently positioned global company and is one of the leaders in the area of process analytics. In this group of companies, Analytik Jena will be able to proceed with its technological and strategic orientation with additional strength by making use of the available international sales structures and resources, particularly in view of the secured financing of its own investment and growth plans. This circumstance could similarly have a positive impact on the revenue and earnings development of the Analytik Jena Group in 2015 and lead it to surpass medium-term prospects.

3.6 Overall Risk and Opportunity Position

The evaluation of the overall risk position is based on the ability to bear risk. In the process, the potential risks are balanced against risk mitigation measures and opportunities are balanced against probabilities and risk scenarios. The overall risk position is presented to the Supervisory Board every quarter in the form of a comprehensive risk report, which encompasses all significant risks and contains statements about potential current general and specific risks.

With the exception of the performance of the ruble, the development of Group risk as well as opportunities for Analytik Jena does not indicate any significant changes in the overall risk and opportunities profile for the financial year 2015. Overall, the Analytik Jena Group has a moderate risk exposure. In terms of overall perspective, Analytik Jena views the development of the overall economy and important customer industries as well as exchange rate and margin volatility as the essential factors for potential opportunities and risks in the next financial year. Significant risks are resulting from the political crisis in Ukraine or Russia and the related performance of the ruble as well as from possibly waning growth in China. Analytik Jena counters short-term liquidity risk through effective liquidity management. In addition, by virtue of its membership in the Endress+Hauser Group, it now has access to alternative financing methods with which to respond to short-term fluctuations and the resultant negative effects.

Except for significant project risk related to the Wolshskij project, there is an overall balance between risks and opportunities within the Analytik Jena Group. Within the framework of an overall risk assessment for Analytik Jena, there are, except for the specified project risk, no risks currently recognizable that alone or in conjunction with another could jeopardize Analytik Jena and the Group as a going concern. However, in case of changing circumstances, additional risks that are currently unknown or deemed to be insignificant could harm the business activities of Analytik Jena. Organizationally, the Group has created the necessary conditions to recognize and respond appropriately to changes taking place in the overall risk situation. With regard to the Wolshskij project, negotiations are currently underway to respond to the negative performance of the ruble and to achieve an appropriate result from the project.

4 | Remuneration Report

4.1 Remuneration of the Executive Board

The remuneration of the Executive Board is performance-based. It is composed of a fixed remuneration component, which is paid out monthly as a base salary, and variable remuneration in the form of an annual share in profit, which is dependent on reaching specific financial goals. The variable component of the remuneration is calculated based on the EBITDA with minimum objectives and an upper limit. The right to receive a bonus payment exists only if EBITDA of at least EUR 5.0 m is achieved. This system of variable remuneration therefore allows for the possibility of a negative trend in the Company's development.

The Executive Board contracts include severance commitments in the case of premature termination of employment without good reason or as the result of a change of control, or if the contract is not extended. In addition, severance may also result from an individually arranged cancellation agreement.

In the arrangements made on December 1, 1992, Analytik Jena granted Mr. Berka 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 Executive Board contract of employment for Mr. Berka.

For the shortened 2014R financial year, fixed remuneration amounted to EUR 139 thousand (previous year: EUR 608 thousand) and total remuneration to EUR 145 thousand (previous year: EUR 608 thousand). The fixed remuneration of both Executive Board members includes the taxable portion of the company cars used for personal use as well as the direct insurance premiums. During the shortened financial year, EUR 6 thousand was spent on pension payments for Mr. Berka (previous year: EUR 70 thousand for Mr. Berka and Mr. Adomat). There are no pension commitments for Mr. Döhmen. For Mr. Adomat as a former member of the Executive Board, the consolidated statement of financial position includes pension obligations of EUR 469 thousand. An individual statement of the remuneration of the Executive Board can be found in the Notes to the Consolidated Financial Statements in section 7.1.

4.2 Remuneration of the Supervisory Board

The currently valid rules for remuneration of the Supervisory Board were passed by the Annual General Meeting on April 23, 2013 and can be found in section 14 of the Articles of Association of Analytik Jena AG. The members of the Supervisory Board receive annual fixed remuneration in addition to reimbursement of their expenses. This amounts to EUR 40 thousand for the Chairman of the Supervisory Board and EUR 20 thousand each for the additional members of the Supervisory Board. The remuneration of the Supervisory Board in the 2014R shortened financial year amounted in total to EUR 0 thousand (previous year: EUR 80 thousand). After the reporting period, Dr. Zehntner stated that he had waived his right to Supervisory Board remuneration from Analytik Jena AG both for the 2014R shortened financial year and the 2013/2014 financial year. Similarly, Mr. Altendorf, who has belonged to the Supervisory Board of Analytik Jena AG since October 1, 2014, waived his right to Supervisory Board remuneration for the 2014R shortened financial year. An individualized statement of the remuneration of the Supervisory Board can be found in the Notes to the Consolidated Financial Statements in section 7.2.

5 | Reporting in Accordance with Section 315 (4) of the German Commercial Code (HGB)

5.1 Summary Information on Capital, Voting Rights, and Stock with Special Rights

Analytik Jena AG's share capital amounts to EUR 7,655,697.00 and is composed of 7,655,697 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 up. After deduction of treasury shares, the issued capital as of the balance sheet date is 7,624,655 no-par value bearer shares, each with a notional value of EUR 1.00 per share (previous year: 7,624,655 no-par value shares).

There are no holders of shares with special rights conveying control authority. In particular, the Supervisory Board has no delegation rights in accordance with section 101(2) of the German Public Companies Act (AktG). To the extent that employees of Analytik Jena AG or affiliated companies hold capital in the Company, they exercise their voting rights directly.

In accordance with the resolution of the General Meeting on April 29, 2014, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by April 28, 2019 by a total of EUR 3,827,848.00 by issuing new, no-par-value bearer shares on one or several occasions in exchange for contributions in cash or in kind (Authorized Capital 2014/I).

The contingent capital totals EUR 2,400,000.00, of which EUR 2,400,000.00 can still be used by the balance sheet date. It is composed as follows:

In accordance with section 4(5) of the Articles of Association, the share capital is contingently increased by up to

EUR 2,400,000.00 (Contingent Capital V). The contingent capital increase will only be carried out to the extent that the holders of options or conversion rights which were attached to Company bonds with conversion rights or options issued through March 24, 2015, as authorized by the Executive Board on March 25, 2010, make use of their conversion or option rights. The new shares participate in profits from the beginning of the financial year in which they are created by the exercise of conversion or option rights. The Executive Board is authorized, with the approval of the Supervisory Board, to determine additional details regarding execution of the contingent capital increase.

5.2 Shareholdings in Analytik Jena AG

As of the date the statement of financial position was prepared (February 19, 2015), the following shareholders of the Company held an interest in Analytik Jena AG in accordance with the provisions of the German Securities Trading Act (WpHG) which exceeds 10.0 % of the voting rights.

Shareholder	Notice dated	Voting rights
Endress+Hauser (Deutschland) AG+Co. KG	11/05/2014	85.41 %

As of December 31, 2014, the share ownership totaled 85.88 %.

5.3 Appointment and Dismissal of the Members of the Executive Board

The appointment and dismissal of the members of the Executive Board is governed by sections 84, 85 AktG as well as by section 6 of the Articles of Association in the version dated April 29, 2014. 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 April 29, 2014. Changes to the Articles of Association have been simplified within the scope legally permitted. According to the latest provision, the Supervisory Board shall be authorized to decide on modifications and additions, provided they pertain only to the wording.

5.4. Other Information

There are agreements with the Executive Board members in the event of a change of control at Analytik Jena AG. Employee contracts do not contain any provisions for such an event.

6 | Declaration on Corporate Governance in Accordance with Section 289a of the German Commercial Code (HGB)

The corporate governance of Analytik Jena as an exchange-listed German corporation is governed by the German Public Companies Act as well as the guidelines of the German Corporate Governance Code in its current version.

The Executive Board and Supervisory Board made the declaration on Corporate Governance in accordance with section 289a German Commercial Code (HGB) generally accessible on the Group's website at www.analytik-jena.com.

7 | Supplemental Report

In a notarized purchase agreement dated November 17, 2014, Analytik Jena AG acquired a number of properties and buildings in Jena that the Group has been using and renting for many years from A&B und Partner GbR for a price of EUR 13,200 thousand. The payment of the purchase price and the transfer of ownership occurred in January 2015.

Regarding refinancing by the parent company after the end of the reporting period, please refer to chapter 9.3 of the Group management report.

Analytik Jena is not aware of any further events after the end of the reporting period on December 31, 2014, that could have a material impact on the financial and economic position of the Group.

8 | Declaration by the Executive Board in Accordance with Section 312 (3) German Public Companies Act (AktG)

The Executive Board declares that Analytik Jena AG and its subsidiaries received suitable consideration in every transaction in light of the circumstances known at the time the transaction was undertaken or the measure was adopted or omitted and was not disadvantaged by the adoption or omission of the measure.

9 | Forecast Report

Statements made in the following sections about future economic conditions and forecasts regarding the further development of the sector and the Company are based on information as of February 19, 2015. In view of the dynamic economic and sector-specific environment, forecasts may be subject to change. Such statements are continually reviewed, modified, and refined in the course of Analytik Jena's quarterly reporting.

9.1 Expected Global Economic Development

The development of the economy in coming years points to a moderate growth after the low point was reached in recent years. Leading economists expect that the global economy will grow at different rates in the medium term, but that it will grow moderately overall. The average annual increase in production between 2013 and 2019 is estimated at 1.25 %.[30] The degree of the recovery and growth will differ significantly in various regions.[31] The main risks and factors involved are the weak economy and the more restrictive monetary policies in countries like the USA, the United Kingdom, or Japan and the emerging countries that exert substantial influence over the economy. Other risks are the continued risk of the Chinese banking sector and the real estate market overheating, the lack of visibility regarding exactly when the economic dip will be overcome, as well as the impact of uncertainty caused by the Russia-Ukraine conflict and developments in the Middle East. Favorable factors include the very high economic dynamism in the Anglo-Saxon region and positive impetus from the ongoing recovery of the industrialized countries. Factors indicating a positive trend in the USA are financial adjustments, the healthier real estate sector, and the improved situation in the labor market. Growing private consumption stimulates the economy, whereas more restrictive monetary policy slows down the pace of expansion. Economists view the increase in production in the until now largest economy of the world at an average annual rate of 2.5 % over the medium term.[32] For 2015, the IMF estimated economic growth of 3.6 % for the USA.[33]

Signs point to a significant easing for the eurozone, reflecting the expansionary policy of the European Central Bank that supports economic dynamism there. Although the weak performance of the French and Italian economies is affecting the increase in prices in the eurozone, economists see growth in the rate of production of 1.5 % over the medium term.[34] For 2015, the IMF estimates economic growth of 1.2 %.[35]

The growth dynamic of the emerging countries will provide less impetus to the world economy over the medium term due to moderate growth caused by structural problems and restrictive economic policies.[36] Nevertheless, the developing and emerging countries will experience moderate growth, supported by rising demand in these countries themselves as well as faster growth in the industrialized nations. As a result, the developing and emerging countries will represent the lion's share of global growth, like in the past. In China, the pace of expansion will gradually abate over the medium term, while political options will mitigate the consequences. The IMF is forecasting economic growth of 6.8 % in 2015 in view of governmental policies to stabilize growth and rising exports.[37] For India the IMF is assuming economic growth for the end of 2014 and 2015 that will make up for the weather-related slowdown at the beginning of 2014. The IMF's forecast for growth of the Association of Southwest Asian Nations-5 is 5.2 % in 2015.[38]

The increased dynamism of Japan's domestic economy through the improved situation in the labor market is generating positive momentum. In view of expected restrictive financial policies, economists are forecasting an

30| Joint Economic Forecast project group, fall survey 2014, October 2014.
31| International Monetary Fund. World Economic Outlook. October 2014.
32| Joint Economic Forecast project group, fall survey 2014, October 2014.
33| International Monetary Fund. World Economic Outlook. January 2015.
34| Joint Economic Forecast project group, fall survey 2014, October 2014.
35| International Monetary Fund. World Economic Outlook. January 2015.
36| Joint Economic Forecast project group, fall survey 2014, October 2014.
37| International Monetary Fund. World Economic Outlook. January 2015.
38| International Monetary Fund. World Economic Outlook. October 2014.

average annual growth rate here slightly above 1.0% over the medium term.[39] Due to tax increases in April 2014 and presumably October 2015, growth of 0.6% is expected for 2015.[40]

Financial policies will have a significant impact on the performance of the German economy in the coming years. Rising social security payments will have the dampening effect of bracket creep.[41] The US economic recovery, which exceeds that of the eurozone, supports the more favorable forecast for the dollar exchange rate.[42] Economists see economic growth of 1.3% in 2015, reflecting the still weak economy, the stimulation of investment activity through a sustained expansionary monetary policy, the related overcoming of the economic dip, and increased exports through the recovery of the industrialized countries.[43]

9.2 Sector Development Forecast

The manufacturers of analytical, bioanalytical and laboratory technology expect lower growth rates in 2015 than in 2014. Uncertainties in the global markets, currency depreciations, and the drop in the price of oil are dimming growth forecasts. Against this backdrop, Instrument Business Outlook (IBO) forecasts growth of 3.7% in 2015. Contract research organizations, so-called CROs, will be the leading end market once again since pharmaceutical and biotech companies continue to increasingly outsource analytical and clinical analyses, particularly to China and India. Aside from the CRO market, the sectors of biotech, agriculture, foodstuffs, clinics, hospitals, and pharmaceutical laboratories will be the most important customer sectors, achieving growth rates between 5.0% and 7.0% in 2015. In particular, the technology area of mass spectrometry will benefit from this.

With respect to geographic markets, there are significant differences in the development of instrument suppliers. Given solid growth, China will be a leading growth market, whereby possible external factors and the economic policies of the Chinese government represent uncertain variables. Also for the US market and Canada, the forecasts look positive with growth of 5.0% in 2015. The economy in the USA is experiencing an upturn and energy costs are falling. This improves the conditions and the climate for growth of industry located there. In India, the manufacturers of analytical, bioanalytical and laboratory technology could record stronger growth in 2015 than in previous years due to a more economically friendly government. Other Asia Pacific countries could also perform well, albeit at a lower level. For Europe the forecasts anticipate stagnation, while Japan will fall short of expectations due to currency effects and despite financial stimulus. For Latin America, particularly Brazil, IBO expects the sector to face challenges in 2015. Economic conditions in the region have deteriorated recently.[44]

The German industry association SPECTARIS has not made available any revenue and development forecasts for the sector in 2015.

[39]| Joint Economic Forecast project group, fall survey 2014, October 2014.
[40]| International Monetary Fund. World Economic Outlook. January 2015.
[41]| Joint Economic Forecast project group, fall survey 2014, October 2014.
[42]| http://www.dollarkursentwicklung.eu/2014/07/dollar-entwicklung-euro-dollarkurs-prognose.html, 10/21/2014, 10:23 a.m.
[43]| Joint Economic Forecast project group, fall survey 2014, October 2014. pages 55ff.
[44]| Instrument Business Outlook, Volume 23, Number 19, January 15, 2015

9.3 Expected Development of Business, Revenue, and Results of Operations

The basis for the following forecasts are the business and budget plans prepared by Analytik Jena AG and its Group companies in the 2014 calendar year. Along with improved economic conditions, the Company assumes a continued intensely competitive market environment for global analytical, bioanalytical, and laboratory technology in 2015. Furthermore, the forecasts are based on the assumption that the US dollar should show strength relative to the euro, which could have a significant direct positive impact on the Company's results. The main opportunities and risks that could affect the achievement of the Company's forecast are discussed in chapter "3. Opportunity and Risk Report."

Analytik Jena will maintain its business policies and continue to promote increased sales, earnings, and efficiency in the Group. In addition, the possibility of additional organic and inorganic growth is being systematically evaluated. Revenue initiatives, such as through margin improvements resulting from actively pursuing lower manufacturing costs and process optimization as well as by refining and augmenting follow-up business with services, accessories, and consumables, will be promoted on a sustainable basis. As far as the future development of the Group's strategic positioning is concerned, its international network will be gradually expanded in coming years, while the conservative cost policy oriented toward efficiency and generating income will be maintained. Analytik Jena sees significant opportunities to generate operational sales and earnings growth and to achieve a sustainably higher margin with this strategy. Analytik Jena sees good growth opportunities for its core areas in the home market of Germany but also in the rapidly growing newly industrialized countries of Eastern Europe and Asia as well as in selected markets of South America. The Company also assumes that it will be able to expand its market position in selected product segments and gain additional market shares. In the past two years, the course was set for this with the founding of subsidiaries in Thailand and France as well as the founding of a subsidiary in India. The Company will take additional steps along this path by founding a branch in Switzerland, as well as by examining other opportunities for establishing its own organizations and infrastructures in Brazil, South Korea, and Turkey. Over the medium term, Analytik Jena aims to strengthen and expand its own sales structures in Europe as well as in dynamic emerging countries, particularly those in which the demand for analytical measuring technology, biotechnology, and molecular diagnostic products is increasing along with rising living standards, on a sustainable basis.

As a result of the restructuring of the subsidiary in Japan, important costs factors could already be reduced significantly. Now Analytik Jena will focus on achieving revenue increases in both core business units. In view of this, Analytik Jena is pursuing the goal of stabilizing revenue in Japan in comparison to the 2013/2014 financial year and achieving the break-even point in earnings.

Over the medium to long term, Analytik Jena also expects future potential from its market entry in the USA, which represents a major challenge in view of the competitive environment but appears to be very important for the sector given the size of the market. Following the successful acquisition and integration of the US-based UVP Group in 2013, Analytik Jena has already managed to make progress with its business model in the USA and adjacent markets with a brand already introduced in this market. In particular, as the world's largest market for instrument manufacturers, the United States offers Analytik Jena an attractive earnings potential. In order to keep pace with larger competitors and to enlarge regional market shares, the systematic expansion of foreign operations in North America has particular strategic significance. Against this backdrop, an important foundation was created for medium-term corporate development in the USA as well as Asia and Europe with the acquisition of the ICP-MS business of the Bruker Corporation in the last financial year. With the acquisition, Analytik Jena is entering the rapidly growing global market for ICP-MS technology (inductively coupled plasma mass spectrometry). In doing so, Analytik Jena is completing its portfolio in the atomic spectroscopy segment and will be one of the few suppliers that offer all three techniques for elemental trace analysis – AAS, ICP-OES & ICP-MS. As a result of this acquisition, Analytik Jena now has access to an excellent and globally installed ICP-MS customer base, which is particularly well positioned in North America. This provides Analytik Jena with an solid starting point for further penetration of the market in the USA.

Additional investments are possible given continued efforts to expand global sales structures and the technology portfolio. In view of this, the amount of Analytik Jena's capital expenditure will remain at the same level in 2015 as in the 2013/2014 financial year, except for the ICP-MS technology acquisition. Although the global economic and industry environment will presumably remain challenging and Analytik Jena will not be able to escape this influence entirely, the Company assumes that in 2015 the instrument business will achieve low double-digit organic growth in revenue as well as order entry with a nearly constant number of employees compared with financial year 2013/2014. In sum, Analytik Jena continues to pursue its strategy of profitable growth while taking into account opportunities and risks. In the future, the Company will count primarily on organic growth combined with the simultaneous consolidation of its much broader product portfolio, Group companies, and corporate divisions, such as UVP, ETG, and the ICP-MS area acquired from Bruker. Apart from that, the Company will continue to be subject to certain growth factors that are not foreseeable and could lead to earnings corrections.

Analytik Jena expects that its business in Analytical Instrumentation will continue to grow in the financial year 2015. It will counter the challenges of increasing margin and pricing pressure with its targeted strategy of offering the highest quality, state-of-the-art technology for a wide range of application areas. Revenue and earnings will increase again in 2015 compared with the 2013/2014 financial year. From its strong competitive position in the segments of atomic absorption spectrometry (AAS) and elemental spectrometry, the Company intends to expand potential revenue and earnings in additional technology areas, such as the newly acquired area of ICP-MS and its own ICP-OES technology launched in the past financial year.

Analytik Jena similarly expects slight growth in revenue and earnings for the Life Science segment. The goal is to achieve an operating profit. The strategic focus in this business unit, which is still being built up, is on gaining a position as a system provider of instruments, reagents, and disposables. The business unit continued to undergo extremely intensive structural changes in the 2013/2014 financial year in view of the merger and integration of CyBio AG. Analytik Jena will leverage these structural decisions and investments in rapidly growing regions in the next two financial years so that sales and earnings in Life Science grow more strongly than previously. As for the business with thermal cyclers, Analytik Jena expects a continued high level of competition and pricing pressure, which could continue to lead to corresponding pressure on margins in the instrument business. However, Analytik Jena was able to keep up with the competition with the launch of an initial product of a new thermal cycler series in August 2014. Good growth is expected in the follow-up business with consumables, reagents, kits, and assays.

The Optics business unit, which again missed its revenue and earnings projections in recent financial years, continues to face challenges in terms of a forecast. In particular, the business with OEM products was disappointing, with which Analytik Jena hoped to establish a new strong pillar in this segment alongside the traditional business with DOCTER® brand consumer products in order to compensate for potential volatility in the core business with targeting, long distance, and observation optics, if necessary. The business has practically ground to a halt. In order to counter this, development plans were intensified and a first new product, DOCTER®sight C, was introduced to the market. Another important product, which was introduced in January 2015 in the USA on the occasion of a trade fair, will help reinvigorate the business. For 2015, Analytik Jena is assuming slightly rising revenue and earnings figures only with the market launch of the new product scheduled for the beginning of 2015. The goal is to achieve an operating profit in Optics again by mid-2015.

In summary, Analytik Jena's three operational business units in the instrument business are positioned to perform well in the future and compensate for each other's potential fluctuations and volatility in the operational business. Analytik Jena is convinced that it will have substantial opportunities to continue to grow as a result of its strategic positioning, the focal points of its product development, as well as the specified market trends and competitive environment.

In the project business, projects are currently in the bidding phase in Russia and several Arab countries which raise the prospect of slightly higher order entry in the project business compared with the previous year. In the context of the final phase of implementing the Wolshskij project, Analytik Jena assumes slightly higher revenue in financial year 2015. Despite the good order backlog and the high revenue targets for the coming financial year, Analytik Jena currently does not currently expect positive earnings from the business of AJZ Engineering in view of the uncertain economic situation and the dramatic devaluation of the Russian ruble.

For the 2015 financial year, Analytik Jena is assuming a significant increase in earnings as well as improved earnings in all three business units of the instrument business. Additional potential revenue will result over the medium term from the growth and strategic measures that have already been initiated. In particular, good revenue is expected in 2015 from the ICP-MS business, which was recently integrated in the portfolio. The strong US dollar will also have a positive effect. Furthermore, additional key corporate policy measures aim to increase the Group's potential revenue by proceeding with the consolidation of the investment portfolio. In this context, Analytik Jena's fundamental objectives are to bundle Group expertise through the structural integration of associated companies and subsidiaries and to make a comprehensive range of products available to customers through integrated sales structures, thus boosting potential growth. To this end, Analytik Jena will also accomplish important structural and integrative tasks and expects to leverage costs synergies within the Group from the integration. Analytik Jena expects to strengthen its competitive position through the complete merger of CyBio AG into Analytik Jena AG, the integration of the Bruker Corporation's ICP-MS business acquired in the previous financial year, and the stronger structural and process-related integration of the subsidiaries into the Group.

In total Analytik Jena expects a slight revenue increase and a significant increase of EBITDA and EBIT in the 2015 financial year compared with the 2013/2014 financial year. The forecasted figures are based on estimations and may vary considerably from the real figures due to persisting uncertainties and unpredictabilities out of the project business based on the sharp devaluation of the Russian ruble and the political situation in sum. Analytik Jena expects a low EBITDA margin and a positive EBIT margin although the profit contribution of the Project Business almost cannot be forecasted due to the extreme loss in value of the Russian ruble. For the three operating business units of the instrument business an order income slightly above the planned revenue is expected. A slight increase of the employee numbers is expected with regard to the expansion of the sales structures.

Given financial support from the majority shareholder Endress+Hauser, the business model for the instrument business can be pursued in a targeted manner without possible capital measures. Thus in coordination with Endress+Hauser and following approval of the Supervisory Board and provision of the required liquidity by the end of 2014, the existing borrower's note loans were canceled by Analytik Jena in February 2015. Debt financing was reorganized via the Endress+Hauser Group by taking on Group loans totaling EUR 59,230 thousand, of which a total of EUR 10,777 thousand carries fixed rates with terms of five or seven years. The remaining loans have a term of three years and carry a variable rate based on three- or six-month Swiss franc LIBOR. Consequently, the Analytik Jena Group returns to a medium- to long-term financial structure and the uncertainty created for corporate financing by non-compliance with covenants will be eliminated.

9.4 Overall Outlook and Prospects for Analytik Jena

Analytik Jena is confident that it is positioned for the long term with its customer-oriented, innovation-driven, and sustainable business model. In the coming years, the Group will work intensively on the implementation of all of the intended steps. As for the project business, the goal is the completion of current projects and the step-by-step transfer of the company to the new strategic investor. In the process, certain strategic and operational possibilities for launching new organic and inorganic growth initiatives will be reviewed continuously. By striving to expand its business activities, product, technology, and innovation portfolio, foreign network, and investment and cooperation portfolio, Analytik Jena is creating positive conditions for the sustainable sales and earnings growth implicit in medium-term planning. Therefore, sales and earnings increases in line with the sector's performance are forecast for financial year 2015. However, it should be taken into account that with the worldwide acquisition of the IMP-MS business, additional expenses will be incurred in the Analytical Instrumentation business unit. This could affect results in this business unit in the first six to nine months. Analytik Jena is confident that it will be able to generate the targeted results and thus increase corporate value over the long term. With its membership in the Endress+Hauser Group, which has progressively expanded its share ownership in Analytik Jena AG in recent months, the Group can proceed with its technological and strategic orientation, strengthened by the available structures and resources.

Jena, February 19, 2015
The Executive Board of Analytik Jena AG

Klaus Berka   Stefan Döhmen

03

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

for the period October 1 to December 31, 2014 and October 1, 2013 to September 30, 2014

	Notes	2014R	2013/2014
Revenue	4.1	28,758	121,339
Cost of sales	4.2	20,385	70,683
Gross profit		**8,373**	**50,656**
Selling expenses	4.3	8,620	29,935
General administrative expenses	4.3	2,506	9,791
Research and development expenses	4.4	3,730	10,269
Other income		269	530
Other expenses		5,413	7,436
Operating profit		**(11,627)**	**(6,245)**
EBIT before PPA*		**(11,386)**	**(5,237)**
Financial income	4.5	83	134
Financial expenses	4.5	1,999	2,868
Earnings before tax		**(13,543)**	**(8,979)**
Income tax	4.6	(537)	223
Consolidated net loss for the year		**(13,006)**	**(9,202)**
Other comprehensive income			
Items that may never be reclassified to profit or loss			
Actural gains/losses		8	7
Items that have been or may be reclassified to profit or loss			
Currency translation differences		138	261
Net value (loss)/gain on cash flow hedges		(20)	(283)
Other comprehensive income for the year		**126**	**(15)**
Total comprehensive income for the year		**(12,880)**	**(9,217)**
Consolidated net loss for the year attributable to			
Shareholders of the parent company		(10,502)	(9,236)
Non-controlling interests		(2,504)	34
Total comprehensive income attributable to			
Shareholders of the parent company		(10,374)	(9,252)
Non-controlling interests		(2,506)	35
Basic earnings per share	4.7	**(1.38)**	**(1.21)**
Diluted earnings per share	4.7	**(1.38)**	**(1.21)**

in EUR thousand, except per-share data

* EBIT before amortization of identified intangible assets from purchase price allocation

Consolidated Statement of Financial Position

as of December 31 and September 30, 2014

	Notes	12/31/2014	09/30/2014
Assets			
Noncurrent assets			
Property, plant, and equipment	5.1	19,825	19,685
Intangible assets	5.2	10,583	11,205
Goodwill	5.2	12,324	12,324
Other noncurrent assets	5.3	1,741	2,087
Deferred tax assets	5.5	2,545	2,028
Total noncurrent assets		**47,018**	**47,329**
Current assets			
Cash and cash equivalents	5.6	5,301	7,352
Trade receivables	5.7	14,076	19,439
Inventories	5.8	37,337	35,846
Gross amount due from customers for construction contracts (PoC)	5.7	9,906	14,222
Other current assets	5.9	8,090	7,147
Total current assets		**74,710**	**84,006**
Total assets		**121,728**	**131,335**
Equity and liabilities			
Equity			
Subscribed capital	5.10	7,656	7,656
Capital reserves	5.10	47,792	47,792
Reserves	5.10	(9,568)	(3,628)
Treasury shares	5.10	(199)	(199)
Currency translation differences		1,595	1,455
Attributable to the shareholders of the parent company		**47,276**	**53,076**
Non-controlling interests	5.10	(6,086)	494
Total equity		**41,190**	**53,570**
Noncurrent liabilities			
Noncurrent financial liabilities less current portion	5.11	1,991	2,045
Deferred tax liabilities	5.5	–	186
Long-term provisions	5.13	114	116
Other noncurrent liabilities	5.12	1,364	1,359
Cut-off for governmental grants	5.1	375	397
Total noncurrent liabilities		**3,844**	**4,103**
Current liabilities			
Short-term loans	5.11	49,801	49,184
Current portion of noncurrent financial liabilities	5.11	624	859
Trade payables		13,404	10,539
Gross amount due to customers for construction contracts (PoC)		348	320
Tax liabilities		860	914
Provisions	5.13	1,769	877
Other current liabilities		9,888	10,969
Total current liabilities		**76,694**	**73,662**
Total liabilities		**80,538**	**77,765**
Total equity and liabilities		**121,728**	**131,335**

in EUR thousand

Consolidated Cash Flow Statement

for the period from October 1 to December 31, 2014 and from October 1, 2013 to September 30, 2014

	Konzernanhang	2014R	2013/2014
Net cash from/(used in) operating activities			
Consolidated net loss for the year		(13,006)	(9,202)
Reconciliation of consolidated net loss to net cash from/(used in) operating activities			
Amortization of intangible assets and depreciation of property, plant, and equipment		1,881	4,993
Increase in net deferred taxes	5.5	(553)	(1,845)
Losses from disposal of noncurrent assets		337	380
Increase/(decrease) in provisions	5.13	884	(342)
Other income not effecting payments		(255)	(213)
Interest income	4.5	(38)	(128)
Interest expense	4.5	937	2,009
Decrease in trade receivables and other assets		4,561	1,802
Increase in inventories	5.8	(1,485)	(122)
Increase/decrease in net amount due to/from customers for construction contracts (PoC)	5.7	4,344	2,495
Increase/(decrease) in trade payables and other liabilities		4,075	(703)
Interest received		21	103
Interest paid		(682)	(1,955)
Taxes received/(paid)		146	(2,845)
Net cash from/(used in) operating activities		**1,167**	**(5,573)**
Net cash from/(used in) investing activities			
Payments to acquire other noncurrent assets		(162)	(74)
Payments to acquire intangible assets and property, plant, and equipment		(1,209)	(5,000)
Payments to acquire majority interests (less acquired cash and cash equivalents)	3.2	–	(10,642)
Payments for loan investments to related parties	5.17	(55)	(160)
Net cash used in investing activities		**(1,426)**	**(15,876)**
Net cash from/(used in) financing activities			
Increase in short-term loans		2,048	4,971
Receipts from noncurrent financial liabilities	5.11	16	948
Redemptions of noncurrent financial liabilities	5.11	(4,470)	(1,824)
Receipts/(payments) to acquire interests from non-controlling interests	3.2	500	(2,878)
Redemptions of financial leasing	5.11	(47)	(195)
Net cash (used in)/from financing activities		**(1,953)**	**1,022**
Cash and cash equivalents			
Net decrease in cash and cash equivalents		(2,212)	(20,427)
Currency exchange related changes in cash and cash equivalents		161	64
Cash and cash equivalents at the beginning of the year		7,352	27,715
Cash and cash equivalents at the end of the year		**5,301**	**7,352**

in EUR thousand

Consolidated Statement of Changes in Equity

as of December 31 and September 30, 2014

	Notes	Subscribed capital	Treasury shares	Shares outstanding	Subscribed capital
		no. of shares	no. of shares	no. of shares	in EUR thousand
Balance at October 1, 2013		7,655,697	(31,042)	7,624,655	7,656
Non-controlling interests	5.10				
Total comprehensive income for the year	5.10				
Balance at September 30, 2014		7,655,697	(31,042)	7,624,655	7,656
Non-controlling interests	5.10				
Total comprehensive income for the year	5.10				
Balance at December 31, 2014		7,655,697	(31,042)	7,624,655	7,656

	Reserves						
Capital reserves	Retained earnings	Hedging	Treasury shares	Currency translation	Attributable to the shareholders of the parent company	Non-controlling interests	Total equity
in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand	in EUR thousand
47,792	7,460	(118)	(199)	1,194	63,785	1,880	65,665
	(1,457)				(1,457)	(1,421)	
	(9,230)	(283)		261	(9,252)	35	
47,792	(3,227)	(401)	(199)	1,455	53,076	494	53,570
	4,574				4,574	(4,074)	
	(10,494)	(20)		140	(10,374)	(2,506)	
47,792	(9,147)	(421)	(199)	1,595	47,276	(6,086)	41,190

Notes to the Consolidated Financial Statements

for the Shortened Financial Year 2014R

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 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 Analytik Jena Group had an annual average of 1,067 employees in 2014R (previous year: 1,055 employees) and 36 interns (previous year: 38 interns).

Analytik Jena AG is registered in the commercial register of the Registry Court of Jena under number HRB 200027. Since February 28, 2014, Analytik Jena AG has been a subsidiary of Endress+Hauser (Germany) AG & Co. KG based in Weil am Rhein. The major shareholder is the Swiss Endress family.

The companies included in the consolidation of the Analytik Jena Group as of the balance sheet date include the subsidiaries AJ Innuscreen GmbH, AJ Roboscreen GmbH, AJ Blomesystem GmbH and its subsidiary comicon GmbH, AJZ Engineering GmbH, Biometra GmbH, CyBio Central Europe GmbH, Analytik Jena US Inc., CyBio Northern Europe Ltd., AJ Japan Co., Ltd., AJ Shanghai Instruments Ltd. Co., AJ Romania srl., AJ France SARL, ETG Entwicklungs- und Technologie Gesellschaft mbH Ilmenau, UVP, LLC and its subsidiary Ultra-Violet Products Ltd., AJ Far East (Thailand) Ltd., AJ Instruments India Pvt. Ltd., and AJ Vorratsgesellschaft mbH. The parent company is domiciled in Jena.

The General Meeting on April 29, 2014 approved the changeover from the financial year to the calendar year. The period from October 1, 2014 to December 31, 2014 is a shortened financial year (2014R). For this reason, comparability with the previous year is limited.

The Executive Board of Analytik Jena AG approved the consolidated financial statements on February 19, 2015 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 (EUR thousand). In individual cases, rounding errors may occur so that values in this report add up exactly to the indicated sum. The Group financial statements are available at the Company's headquarters and published on the internet (www.analytik-jena.de).

2 | Principles and Methods

The consolidated financial statements of Analytik Jena AG as of December 31, 2014 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 December 31, 2014. 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 accounting methods that are applied correspond to those applied in the previous year. Effective January 1, 2014, the following relevant Standards were newly applicable to the Group in the 2014 shortened financial year.

- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosure of Interests in Other Entities"
- IAS 28 "Investments in Associates" (amended)
- IAS 32 "Financial Instruments" (clarified)
- IAS 36 "Impairment of Assets" (clarified)
- IAS 39 "Financial Instruments: Recognition and Measurement" (amended)
- Amendments to IAS 36 "Impairment of Assets"
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"

IFRS 10

With this Standard the concept of control is newly and comprehensively defined. If a company controls another company, the parent company must consolidate the subsidiary. According to the new concept, control is established if the potential parent company has the power to make decisions over the potential subsidiary due to voting or other rights, shares in positive or negative variable returns from the subsidiary, and can influence these returns by its authority to make decisions. The new assessment occurred on January 1, 2014 and did not lead to any change in the scope of consolidation.

IFRS 12

This Standard governs the disclosure of interests in other entities. The required disclosures are much more comprehensive than those previously required by IAS 27, IAS 28, and IAS 31.

The Analytik Jena Group has complied with the expanded disclosure requirements.

The new application of the other amended Standards and Interpretations had no effect on the consolidated financial statements of Analytik Jena.

As of the date of publication of the consolidated financial statements, IASB has published additional IFRSs and IFRICs which have in part not undergone the EU endorsement process and whose application will only be mandatory at a later date. Only those standards and interpretations are explicitly listed below which the Analytik Jena Group, in its reasonable judgment, expects to apply in the future. The Analytik Jena Group intends to apply these standards when they become mandatory. The date of initial mandatory application will be the financial years beginning on or after October 1, 2014, unless otherwise indicated.

- Improvements to IFRS 2010-2012 "Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, and IAS 38 – Improvement of disclosures in the Notes to Financial Statements" (February 1, 2015)
- IAS 19 "Employee Benefits" (amended February 1, 2015)
- IFRS 7 "Financial Instruments: Disclosures" (revised) - Improvement of disclosures regarding the transfer of financial assets (not endorsed, January 1, 2016)
- IFRS 10; IAS 28 "Consolidated Financial Statements" (revised) – Clarification of accounting for the sale of assets to an associated company (not endorsed, January 1, 2016)
- IFRS 11 "Joint Arrangements" (not endorsed, January 1, 2016)
- IFRS 12 "Disclosure of Interests in Other Entities"
- IAS 1 "Notes disclosures" (amended, not endorsed, January 1, 2016)
- IAS 16, IAS 38 "Clarification of acceptable methods of depreciation and amortization" (amended, not endorsed, January 1, 2016)
- IFRS 15 "Revenue from Contracts with Customers" – Determination of in what amount and at what time revenue can be recognized; replaces IAS 18, IAS 11, and IFRIC 13 – (not endorsed January 1, 2017)
- IFRS 9 "Financial Instruments" – Classification and valuation (not endorsed, January 1, 2018)

We do not expect any material impact on the presentation of the financial statements from the initial application of the changes listed (except for IFRS 9, whose ramifications have not yet been analyzed conclusively). However, changes in the scope of the notes to the financial statements could arise.

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

The consolidated financial statements have been prepared on a going-concern basis. The possible impact of the development of the world economy on the Analytik Jena Group is discussed in the Group management report. This development has had no major impact and no further events have 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 on a historical cost basis, with the exception of the derivative financial instruments, which are measured at fair value based on valuation models taking into account any available market data.

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 statement of financial position. Individual circumstances, on the basis of which estimates and assumptions are made in the assessment of the statement of financial position, 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 preparation of the statement of financial position. These assumptions and estimates relate primarily to the determination of economic useful lives, the recognition of research and development expenses for internally generated intangible assets, the determination of net realizable value in inventories, the determination of the recoverable amount of cash-generating units (impairment test, budgeting, determination of the discount interest rate), the classification of leasing contracts, the estimation of project progress in recognizing contract-related revenue, recognition and measurement of provisions and pensions, as well as prospects for future tax relief. Actual values can in individual cases deviate from the assumptions and estimates made.

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 date of the balance sheet date of the parent company.

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

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 IFRS 10 and 11.

In accordance with IFRS 10, a group consists of a parent company and its subsidiaries, which are controlled by the parent company. "Control" over an associate company requires the simultaneous fulfillment of the following three criteria:

- Decision authority of the parent company over the significant activities of the associate company,
- Variable returns from the associate company go to the parent company, and
- The ability of the parent company to employ its decision authority to influence variable returns.

Based on corporate governance and potentially existing additional agreements, the significant activities, variable returns, and the relationship between the ability to influence significant activities and variable returns are analyzed for companies.

In accordance with IFRS 11, which governs accounting for joint arrangements, a distinction is made between joint ventures and joint operations. In case of joint ventures, the partners share in the net assets of a jointly managed, legally independent company based on their shareholder position. In joint operations, the jointly controlling parties have direct rights to the assets and obligations for the liabilities from the agreement. This requirement is met particularly if the production of the joint arrangement is almost completely sold to the partners and no access exists to external financing sources.

In companies that are classified according to the analysis of corporate governance structures, it is explored whether the criteria for a joint venture or for a joint operation exist in accordance with IFRS 11. Here the structure of the joint arrangement is analyzed and to the extent that the structuring occurs via its own vehicle, its legal form, other contractual agreements, and all other facts and concomitant circumstances are examined.

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.

All remaining investment interests are accounted for using fair value in accordance with IAS 39 as no material influence is evident or the investment is of minor importance to the financial statements. If no fair value can be reliably determined, they are recognized at acquisition cost.

3.1 Details of Share Ownership

The following table contains the required information on share ownership.

Domestic	Country of incorporation	Participation
Fully consolidated companies		
AJ Blomesystem GmbH, Jena	Germany	100.0 %
including:		
comicon GmbH, Hamburg	Germany	55.0 %
Biometra GmbH, Göttingen	Germany	100.0 %
AJ Innuscreen GmbH, Berlin	Germany	100.0 %
CyBio Central Europe GmbH, Jena	Germany	100.0 %
AJ Roboscreen GmbH, Leipzig	Germany	100.0 %
AJ Vorratsgesellschaft mbH, Jena	Germany	100.0 %
AJZ Engineering GmbH, Jena	Germany	50.0 %
ETG Entwicklungs- und Technologie Gesellschaft mbH Ilmenau, Ilmenau	Germany	80.0 %
Othe investments (not consolidated)		
QUANTIFOIL Instruments GmbH, Jena	Germany	24.8 %
Moldiax GmbH, Jena	Germany	23.5 %

In foreign countries	Country of incorporation	Participation
Fully consolidated companies		
AJ Shanghai Instruments Ltd. Co., Shanghai	China	100.0%
AJ Japan Co., Ltd., Yokohama	Japan	100.0%
AJ France SARL, Savigny-le-Temple	France	100.0%
Analytik Jena US Inc., Woburn**	USA	100.0%
CyBio Northern Europe Ltd., Maidstone	UK	100.0%
UVP, LLC, Upland	USA	100.0%
including:		
Ultra-Violet Products Ltd., Cambridge	UK	100.0%
AJ Romania srl., Bucharest	Romania	70.0%
AJ Far East (Thailand) Ltd., Bangkok*	Thailand	49.0%
AJ Instruments India Pvt. Ltd.	India	99.0%
Other investments (not consolidated)		
Westburg B.V., Leusden	Netherlands	20.0%
Under AJ Japan Co., Ltd., Yokohama:	Japan	
Techno X Co., Ltd., Osaka	Japan	21.0%

* Control is attained through owning 100.0% of voting and dividend rights.
** previously CyBio U.S. Inc. (renamed on December 1, 2014)

As of December 31, 2013 (the end of the last financial year), the equity of QUANTIFOIL Instruments GmbH totaled EUR 418 thousand and net income for the period was EUR 90 thousand. As of December 31, 2014, the equity of Moldiax GmbH amounted to EUR -28 thousand and net loss was EUR -58 thousand. As of December 31, 2013 (the end of the last financial year), the equity of Westburg B.V. amounted to EUR 505 thousand and net income was EUR 3 thousand. As of March 31, 2014 (the end of the last financial year), the equity of Techno X Co., Ltd. amounted to EUR 78 thousand and net loss was EUR -738 thousand.

3.2 Changes in the Consolidated Group

The consolidated group consists not only of Analytik Jena AG as the parent company, but also subsidiaries in which Analytik Jena AG has control. Compared to the previous year, the following changes relating to the subsidiaries included in the consolidated group occurred:

On October 1, 2014, Analytik Jena AG sold 50.0% of the shares of its project company AJZ Engineering GmbH to ATG Consulting & Controlling AG based in Hamburg for a purchase price of EUR 500 thousand. With this move, Analytik Jena is taking the next step towards the announced realignment of its project company. As part of the contract signed on September 29, 2014, the Company additionally agreed with the strategic investor on an option to dispose of the remaining shares by December 31, 2015 at the latest. The carrying amount of the sold shares amounts to EUR 533 thousand. The difference between the proceeds and the carrying amount was recorded against retained earnings without effect on profit or loss. Due to the continued control of AJZ Engineering, the company continues to be fully consolidated.

With AJ Instruments India Pvt. Ltd., Analytik Jena AG founded its own subsidiary in India and intends to use this to strengthen its presence in the Indian market. The headquarters are located in New Delhi, from where the company will be able to service the customers of its largest business unit, Analytical Instrumentation, on the Indian subcontinent. The company has been fully consolidated since November 1, 2014.

3.3 Currency Translation

Annual financial statements prepared by subsidiaries in foreign currencies are translated into euros in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) in line with the modified closing rate method. Subsidiaries outside Germany are regarded as economically independent entities in the Analytik Jena Group. Items in the statement of financial position are translated accordingly at closing rates. This excludes the equity of consolidated subsidiaries, which is translated at historical rates. Items in the statement of income are translated at average rates for the period. Exchange rate differences resulting from the application of different exchange rates in the consolidated statement of comprehensive income and the statement of financial position are recognized directly in equity. If a subsidiary leaves the consolidated group, the exchange rate differences recorded directly in equity are recognized as income.

Foreign exchange transactions 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 translation:

	Closing rate		Average rate	
Currency	2014R	2013/2014	2014R	2013/2014
USD/EUR	1.22	1.27	1.25	1.36
JPY/EUR	145.45	138.77	142.65	138.70
CNY/EUR	7.44	7.81	7.66	8.33
RON/EUR	4.48	4.41	4.43	4.44
GBP/EUR	0.78	0.78	0.79	0.82
THB/EUR	40.09	41.04	40.77	43.63
INR/EUR	77.10	–	77.04	–

3.4 Capital Consolidation

In accordance with the 2008 version of 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. If the acquirer's share of the fair value of the acquired net assets exceeds the acquisition cost, the remaining amount is immediately recognized in income. The goodwill is subjected to an impairment test on a regular basis and written down if necessary. Incidental acquisition costs are recognized in profit and loss at the time of acquisition.

Non-controlling interests are valued at the time of acquisition according to their proportional share of the identified net assets of the acquired company. Changes in the share of the Group in a subsidiary, which do not lead to a loss of control, are accounted for as equity transactions. If a Group loses control over a subsidiary, it closes out the assets and liabilities of the subsidiary and all associated non-controlling shares and other components of equity. Every profit or loss that arises is recognized in profit or loss. Every retained portion of the former subsidiary is valued at fair value at the time of loss of control.

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 statement of comprehensive income.

4 | Notes to the Consolidated Statement of Comprehensive Income

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 customer-specific construction contracts.

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 in accordance with customer-specific contractual requirements. Revenue from the provision of services is recognized by reference to the stage of completion, if this can be measured reliably.

Given the long-term nature of the services involved, revenue from construction contracts 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) by determining the corresponding proportion of revenue and profits on the basis of project progress (in the previous year: 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. The assessment of project progress leads to more precise results for the contracts recorded at the end of the financial year.

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.

The revenue during the financial year reported in the consolidated statement of comprehensive income includes proceeds from construction contracts totaling EUR 4,794 thousand (previous year: EUR 25,002 thousand).

4.2 Cost of Sales

The cost of materials contained herein for the shortened 2014R financial year amounted to EUR 12,685 thousand (previous year: EUR 49,127 thousand). In addition, they continue to consist primarily of personnel costs of EUR 3,370 thousand (previous year: EUR 13,609 thousand), depreciation and amortization of EUR 257 thousand (previous year: EUR 1,016 thousand), and other costs of sales.

4.3 Selling Expenses, Administrative Expenses

Selling expenses consist primarily of personnel costs of EUR 4,466 thousand (previous year: EUR 15,400 thousand), office and rental expenses of EUR 549 thousand (previous year: EUR 2,261 thousand), and advertising expenses of EUR 681 thousand (previous year: EUR 2,827 thousand).

Administrative expenses consist primarily of personnel costs of EUR 1,549 thousand (previous year: EUR 6,330 thousand), office and rental expenses of EUR 324 thousand (previous year: EUR 1,308 thousand), and depreciation and amortization of EUR 90 thousand (previous year: EUR 350 thousand).

4.4 Research and Development Expenses

The costs of research and of developing products and processes 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.

Research and development expenses primarily include personnel costs of EUR 1,964 thousand (previous year: EUR 6,908 thousand) and depreciation and amortization of EUR 666 thousand (previous year: EUR 2,194 thousand). Grants received of EUR 333 thousand (previous year: EUR 2,608 thousand) have been deducted from expenses.

Expenses for the employer's share of statutory pension insurance relative to total personnel costs under functional areas amounted to EUR 671 thousand (previous year: EUR 2,565 thousand).

Other operating expenses primarily include value adjustments on POC inventories of the project business of EUR 4,875 thousand (previous year: EUR 6,940 thousand), as well as a value adjustment on an investment carrying amount of EUR 500 thousand. Please refer to section 5.2 of the Notes.

4.5 Financial Income and Expenses

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.

The interest and similar income reported in the consolidated statement of comprehensive income is comprised of interest income from financial instruments totaling EUR 38 thousand (previous year: EUR 128 thousand), revenue from the valuation of derivative financial instruments of EUR 44 thousand (previous year: EUR 6 thousand), and other financial income of EUR 1 thousand (previous year: EUR 0 thousand).

Financial expenses are comprised of the sum of interest expense from financial instruments totaling EUR 937 thousand (previous year: EUR 2,009 thousand), exchange rate differences of EUR 831 thousand (previous year: EUR 451 thousand), expenses from the valuation of derivative financial instruments of EUR 120 thousand (previous year: EUR 39 thousand), and other financial expenses of EUR 111 thousand (previous year: EUR 369 thousand).

4.6 Income Taxes

Income taxes amounted to EUR -537 thousand (previous year: EUR 223 thousand). In order to provide better insight into the results of operations, they are divided into actual tax expense of the current year and deferred taxes. The actual tax expense amounted to EUR 26 thousand (previous year: EUR 1,883 thousand). The deferred tax income amounted to EUR 563 thousand (previous year: EUR 1,660 thousand). The deferred tax income for the shortened financial year results from the change in the recognition of tax loss carryforwards of EUR 225 thousand and the reversal of temporary differences of EUR 338 thousand (previous year: change in the recognition of tax loss carryforwards of EUR 350 thousand and the reversal of temporary differences of EUR 1,310 thousand).

In addition, in the consolidated statement of comprehensive income EUR 5 thousand (previous year: EUR 115 thousand deferred tax expense) for deferred tax income was also recognized in other comprehensive income for the cash flow hedge and actuarial gains/losses, without an effect on profit or loss.

Taxes were calculated using the respective national income tax rates. For domestic companies the corporate income tax rate in the shortened 2014R financial year was 15.0% (previous year: 15.0%), plus the solidarity surcharge of 5.5% (previous year: 5.5%) of the corporate income tax amount. Taking into account the effective trade tax rate, a Group tax rate of 29.3% was applied in 2014R, as in the previous year. For foreign companies, deferred taxes are calculated using the applicable tax rates in each country.

The reconciliation of actually disclosed income tax expense with accounting earnings before taxes and the theoretical tax rate is as follows:

	2014R	2013/2014
Earnings before tax	(13,543)	(8,979)
Theoretical income tax expense based on the applicable tax rate of 29.3 % for the Group (previous year: 29.3 %)	(3,968)	(2,631)
Tax-free earnings	(9)	(2)
Tax rate differences	68	161
Non-deductible expenses	458	589
Re-recognition/non-recognition of deferred taxes	2,953	1,749
Taxes relating to other periods	16	182
Effect of consolidation	–	43
Other effects	(55)	132
Tax expense	**(537)**	**223**

in EUR thousand

4.7 Earnings per Share

Basic earnings per share are calculated by dividing the net result 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 result 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. 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. During the financial year as in the previous year, no potential ordinary shares with a dilutive effect were in circulation.

	2014R	2013/2014
Net loss for the year attributable to ordinary shareholders in EUR thousand	(10,502)	(9,236)
Weighted average number of shares outstanding (basic)	7,624,655	7,624,655
Weighted average number of shares outstanding (diluted)	7,624,655	7,624,655
Earnings per share (basic) in EUR	**(1.38)**	**(1.21)**
Earnings per share (diluted) in EUR	**(1.38)**	**(1.21)**

4.8 Segment Reporting

In the 2014R shortened financial year, the Analytical Instrumentation, Life Science, Optics, and Project Business business units formed the basis for the Analytik Jena Group's segment information in internal reporting to the Executive Board. The central control parameter is the operating profit of the segments.

Analytical Instrumentation	Life Science	Optics
High-end analysis systems for the qualitative and quantitative analysis of liquids, solids, and gases in environmental, foodstuffs, pharmaceutical, medical, and agricultural analysis.	A system provider for bio-analysis, from DNA purification through robotics, PCR products, and detection to complex kits for molecular diagnostics in the areas of life sciences and biotechnology.	High-performance optics for the consumer area under the DOCTER® brand – a 150-year tradition combined with innovative optoelectronic components for challenging hunting, sports, and professional applications.

In the reporting period, the project business of AJZ Engineering was assigned to a fourth business unit.

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

2014R	AI	LS	OS	PB	Total
Revenue	13,042	10,288	1,122	4,306	28,758
Cost of sales	5,693	6,098	1,006	7,588	20,385
Gross profit	**7,349**	**4,190**	**116**	**(3,282)**	**8,373**
	56.3 %	40.7 %	10.3 %	-76.2 %	29.1 %
Selling expenses	4,852	3,475	204	89	8,620
General administrative expenses	998	1,071	61	376	2,506
Research and development expenses	1,445	2,191	94	–	3,730
Other income	148	109	12	–	269
Other expenses	33	505	–	4,875	5,413
Operating profit/(loss)	**169**	**(2,943)**	**(231)**	**(8,622)**	**(11,627)**
	1.3 %	-28.6 %	-20.6 %	-200.2 %	-40.4 %
EBIT before PPA*	**186**	**(2,738)**	**(231)**	**(8,603)**	**(11,386)**
Financial income	39	24	3	17	83
Financial expenses	588	100	37	1,274	1,999
Earnings before tax	**(380)**	**(3,019)**	**(265)**	**(9,879)**	**(13,543)**
Income tax	(64)	(428)	(45)	–	(537)
Net loss for the year	**(316)**	**(2,591)**	**(220)**	**(9,879)**	**(13,006)**
Attributable to the shareholders of the parent company	(312)	(2,593)	(242)	(7,355)	(10,502)
Attributable to non-controlling interests	(4)	2	22	(2,524)	(2,504)
Net loss for the year	**(316)**	**(2,591)**	**(220)**	**(9,879)**	**(13,006)**
Segment assets	51,467	51,352	3,252	15,657	121,728
Segment liabilities	34,718	23,570	2,505	19,745	80,538
Segment capital expenditure	935	380	56	–	1,371
Segment depreciation and amortization	574	1,156	124	27	1,881
Segment employees	493	405	106	98	1,102

in EUR thousand, except information on employees

* EBIT before amortization of identified intangible assets from purchase price allocation

2013/2014	AI	LS	OS	PB	Total
Revenue	52,840	42,120	4,778	21,601	121,339
Cost of sales	24,067	22,373	3,938	20,305	70,683
Gross profit	**28,773**	**19,747**	**840**	**1,296**	**50,656**
	54.5 %	46.9 %	17.6 %	6.0 %	41.7 %
Selling expenses	17,459	11,217	809	450	29,935
General administrative expenses	4,223	4,128	291	1,149	9,791
Research and development expenses	5,178	4,974	117	–	10,269
Other income	229	138	17	146	530
Other expenses	396	99	1	6,940	7,436
Operating profit/(loss)	**1,746**	**(533)**	**(361)**	**(7,097)**	**(6,245)**
	3.3 %	-1.3 %	-7.6 %	-32.9 %	-5.1 %
EBIT before PPA*	**1,816**	**290**	**(361)**	**(6,982)**	**(5,237)**
Financial income	72	54	6	2	134
Financial expenses	951	504	87	1,326	2,868
Earnings before tax	**867**	**(983)**	**(442)**	**(8,421)**	**(8,979)**
Income tax	631	215	57	(680)	223
Net profit/(loss) for the year	**236**	**(1,198)**	**(499)**	**(7,741)**	**(9,202)**
Attributable to the shareholders of the parent company	250	(1,201)	(544)	(7,741)	(9,236)
Attributable to non-controlling interests	(14)	3	45	–	34
Net profit/(loss) for the year	**236**	**(1,198)**	**(499)**	**(7,741)**	**(9,202)**
Segment assets	54,879	52,117	3,993	20,346	131,335
Segment liabilities	34,217	22,997	2,764	17,787	77,765
Segment capital expenditure	2,799	1,834	330	111	5,074
Segment depreciation and amortization	1,984	2,443	479	87	4,993
Segment employees	487	403	109	99	1,098

in EUR thousand, except information on employees

* EBIT before amortization of identified intangible assets from purchase price allocation

Revenue is allocated to the following geographic regions:

	2014R	2013/2014
Germany	6,671	25,158
Europe (excluding Germany)	10,869	39,525
America	3,253	14,569
Asia	7,297	35,526
Rest of world	688	6,561
Total	**28,758**	**121,339**

in EUR thousand

Segment assets are largely located in Germany, approximately 80.4 % (previous year: 83.5 %), approximately 2.4 % (previous year: 2.4 %) of segment assets are located in Asia, approximately 14.0 % (previous year: 11.9 %) are located in America, and approximately 3.3 % in Europe. A customer in the Project Business segment with EUR 4,079 thousand in revenue accounts for 14.2 %, thus more than 10.0 % of consolidated revenue.

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 because they cannot be attributed to a qualified asset directly or according to a proper classification. Depreciation and amortization are contained in the consolidated statement of comprehensive income pro rata under cost of sales, selling expenses, general administrative expenses, and research and development expenses.

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.

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

Analytik Jena AG did not conclude any new leasing agreements. Seven leasing agreements existed as of December 31, 2014 for technical facilities, machines, operating and office equipment, and tools. Leased property, plant, and equipment provided for in these lease agreements, classified as finance leases, is carried with the lower value of either market value and the present value of the minimum lease payments in accordance with IAS 17 (Leases). Depreciation is charged using the straight-line method over the useful lives of the assets (three to 15 years). If it is not sufficiently 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. If operating leases are used instead of finance leases, the lease payments are recognized as expenses over the term of the leasing relationship. There is no recognition as property, plant, and equipment with a corresponding liability.

The carrying amount of the assets used as finance leases amounted to EUR 718 thousand (previous year: EUR 903 thousand) as of December 31, 2014 (see also section 5.11).

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 received in previous financial years were deferred and amortized over the average useful lives of the subsidized asset categories.

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

5.2 Intangible Assets/Goodwill

The changes in intangible assets/goodwill 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. Depreciation and amortization are contained in the consolidated statement of comprehensive income pro rata under cost of sales, selling expenses, general administrative expenses, and research and development expenses.

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. Depreciation and amortization are contained in the consolidated statement of comprehensive income pro rata under cost of sales, selling expenses, general administrative expenses, and research and development expenses.

Development costs of EUR 133 thousand (previous year: EUR 712 thousand) were recognized in accordance with IAS 38 (Intangible Assets) in the 2014R financial year. 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. Borrowing costs are not capitalized because they cannot be attributed directly.

As of the balance sheet date, goodwill of EUR 12,324 thousand (previous year: EUR 12,324 thousand) were recognized in the statement of financial position in accordance with IFRS 3. Goodwill may not be amortized. In accordance with IAS 36 (Impairment of Assets), it must instead be checked at least once a year for impairment in the event that certain events or altered circumstances indicate that impairment may have occurred.

The cash-generating units to which the goodwill is allocated correspond to the Analytical Instrumentation, Life Science, and Project Business business segments. Of the goodwill recognized in the statement of financial position as of December 31, 2014, EUR 5,462 thousand (previous year: EUR 5,462 thousand) is allocated to Analytical Instrumentation, EUR 6,778 thousand is allocated to Life Science (previous year: EUR 6,778 thousand), and EUR 84 thousand is allocated to Project Business (previous year: EUR 84 thousand).

An impairment test is carried out once a year for these cash-generating units to which goodwill is allocated in order to determine any possible impairment of goodwill, which is not subject to amortization. In addition, an impairment test is carried out for cash-generating units irrespective of goodwill allocations in case of indications that an impairment could have incurred due to special events or changed circumstances. 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. The value in use was determined on the basis of plans approved by the Supervisory Board for the financial year 2015 and for subsequent Executive Board planning for the financial years 2016 and 2017, as well as a perpetuity with a growth rate of 0.0 % in the subsequent forecast period. The revenue growth rate assumed in detailed plans for the three financial years essentially corresponds to the industry growth rate forecast for 2015 by domestic and international industry associations. In addition, positive growth and cash flow development were assumed. The underlying risk-adjusted, fair value pre-tax interest rate is 12.3 % (previous year: 10.5 %). As of the balance sheet date on December 31, 2014, an impairment test was performed for the CGU project business since only for this segment did events or altered circumstances indicate that impairment may have occurred.

This resulted in the necessity of value adjustments on POC inventories of EUR 4,875 thousand (previous year: EUR 6,940 thousand) because it can no longer be guaranteed that the recognized values can be covered by future cash flow due to the current development of the Russian ruble. The remaining post-impairment carrying amount of the net assets totaled EUR 1,934 thousand as of the end of the reporting period on December 31, 2014 (previous year: EUR 10,988 thousand). The impairment expense is included in the item other operating expenses.

The values in use of CGU Analytical Instrumentation and Life Science exceed the carrying amounts by EUR 34,964 thousand and EUR 7,481 thousand.

The calculation of value in use was based on the following assumptions:

	Interest rate before tax in %		Free cash flow as % of revenue	
	2014R	2013/2014	2014R	2013/2014
Analytical Instrumentation	–	10.5	–	3.2
Life Science	–	10.5	–	0.8
Project Business	12.3	10.5	21.7	21.7

These assumptions can change as follows without the value in use falling below the carrying amount:

	Maximum interest rate before tax in %		Maximum absence of free cash flow in %	
	2014R	2013/2014	2014R	2013/2014
Analytical Instrumentation	–	18.8	–	47.2
Life Science	–	12.3	–	16.5

In the CGU Project Business, a value adjustment would result from an increase of the interest rate or a loss of free cash flows because the value in use corresponds to the carrying amount of the net assets.

Accounting for impairment of intangible assets/goodwill is explained in section 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 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 financial assets held for trading. 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.

Investments in non-consolidated companies measured at amortized cost are primarily disclosed under other noncurrent assets.

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

If there are indications that the impairment no longer exists or could have decreased, corrections from prior years for noncurrent assets excluding goodwill will be made retroactively with effect on net income. The gain in value will be recognized as income in the consolidated statement of comprehensive income. 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 or amortization) 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.

As in the previous year, no impairment of goodwill was carried out in the 2014R financial year. Regarding the value adjustment on POC inventories, please refer to our explanation under section 5.2.

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 and taxable loss carryforwards. 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 Group 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 statement of financial position.

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 not recognized and the carrying amounts of deferred tax assets as of every balance sheet date. The Group recognizes deferred tax assets that were not previously disclosed in the statement of financial position 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 recognition and measurement and the recognition of tax loss carryforwards leading to material deferred tax assets and liabilities:

	2014R	2013/2014
Deferred tax assets from temporary accounting differences		
Receivables	41	26
Other intangible assets	2,205	1,879
Provisions	227	489
Other	544	328
	3,017	**2,722**
Deferred tax liabilities from temporary accounting differences		
Capitalized development costs	811	822
Other intangible assets	159	199
Current liabilities	84	215
Other	37	38
	1,091	**1,274**
Deferred tax assets from tax loss carryforwards		
Total from loss carryforwards	3,468	3,026
Not recognized	2,849	2,632
From recognized loss carryforwards	**619**	**394**
Deferred taxes, net	**2,545**	**1,842**

in EUR thousand

	2014R	2013/2014
Deferred taxes, net as of 10/01	1,842	529
Change recognized in income	563	1,660
Change recognized in other comprehensive income	140	(347)
Deferred taxes, net as of 12/31 (previous year: 09/30)	**2,545**	**1,842**

in EUR thousand

Under current German tax legislation, loss carryforwards can be carried forward indefinitely and may be used to offset future taxable profits generated by the Group companies. The Group does not report deferred taxes if their realization appears uncertain and exceeds the time frame of a maximum of five years, calculated from the balance sheet date.

In the USA, France, Thailand, the United Kingdom, Russia, and Japan, there are tax loss carryforwards of EUR 17,125 thousand (previous year: EUR 13,382 thousand) for which no deferred tax assets have been recognized since their use is currently not sufficiently certain. The tax loss carryforwards outside Germany can in some cases be carried forward only for a limited period.

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.

All trade receivables are due within one year and are carried at their nominal amount, taking all recognizable risks into account. As of the balance sheet date, specific valuation allowances of EUR 537 thousand (previous year: EUR 663 thousand) were charged in relation to trade receivables.

Construction contracts with a gross amount due from customers (percentage of completion method) less payments received amounted to EUR 9,906 thousand (previous year: EUR 14,222 thousand) as of the balance sheet date. Value adjustments were made to a fixed-price project denominated in Russian rubles for which the profit margin that has been achieved so far as well as part of the contract costs are no longer covered by outstanding payments due to the exchange losses of the ruble.

	2014R	2013/2014
Cost	60,159	58,885
Realization of profit	3,381	3,730
Gross amount	63,540	62,615
Payments received (net)	(41,819)	(41,453)
Value adjustment	(11,815)	(6,940)
Construction contracts with a gross amount due from customers	**9,906**	**14,222**

in EUR thousand

The underlying contracts will presumably be completed in financial year 2015.

5.8 Inventories

As of December 31 (previous year: as of September 30), inventories can be broken down as follows:

	2014R	2013/2014
Raw materials and supplies	12,814	12,589
Work in progress	8,390	8,633
Finished goods	16,133	14,624
Inventories	**37,337**	**35,846**

in EUR thousand

Inventories are carried at the lower value of acquisition costs and net realizable value. Raw materials and supplies 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.

As of December 31, 2014, impairments of EUR 1,692 thousand (previous year: EUR 1,410 thousand) were taken on raw materials and supplies, of EUR 628 thousand (previous year: EUR 568 thousand) on work in progress, and of EUR 1,234 thousand (previous year: EUR 1,055 thousand) on finished goods.

5.9 Other Current Assets

Other receivables and other assets are carried at their principal amount.

Other current assets are listed in the following table:

	2014R	2013/2014
Receivables from the tax office	2,704	1,799
Receivables from investments	265	210
Receivables from grants	1,027	1,605
Loans	386	262
Tender guarantees	766	759
Other assets	2,942	2,512
Other current assets	**8,090**	**7,147**

in EUR thousand

5.10 Equity

The changes in equity for the Analytik Jena Group for the 2014R and 2013/2014 financial years are presented in the consolidated statement of changes in equity.

5.10.1 Subscribed Capital

Analytik Jena AG's share capital is composed of 7,655,697 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 7,624,655 no-par value bearer shares, each with a notional value of EUR 1.00 (previous year: 7,624,655 no-par-value shares).

5.10.2 Contingent Capital

The contingent capital resolved by the General Meeting on March 25, 2010 totals EUR 2,400,000.00, of which EUR 2,400,000.00 can still be used by the balance sheet date. It is composed as follows:

The Executive Board is authorized in accordance with section 4 (7) of the Company's Articles of Association, with the approval of the Supervisory Board, to issue bonds with conversion rights or options on one or several occasions until March 24, 2015 up to a total nominal amount of EUR 2,400,000.00 (Contingent Capital V). The bonds to be issued may have a term of up to ten years. The holders of the bonds may be granted conversion rights or options on up to 2,400,000 no-par-value bearer shares in Analytik Jena AG; this corresponds to a proportionate amount of the share capital of EUR 2,400,000.00 (Contingent Capital V). In accordance with section 4 (6) of the Articles of Association, the share capital is contingently increased for this purpose by up to EUR 2,400,000.00 by the issuance of up to 2,400,000 bearer shares.

5.10.3 Authorized Capital

In accordance with section 4 (5) of the Company's Articles of Association and the resolution of Analytik Jena AG's General Meeting on April 29, 2014, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital by a total of up to EUR 3,827,848.00 until April 28, 2019 by issuing a total of up to 3,827,848 new, no-par-value bearer shares on one or several occasions in exchange for contributions in cash or in kind (Authorized Capital 2014).

The Company did not make any use of this resolution in the past financial year. As a result, the entire authorized capital remains at its disposal.

5.10.4 Capital Reserves

The capital reserves include amounts from the initial public offering, premiums from the capital increase from the financial year 2012/2013, capital increases from past financial years, and the stock option plans from past financial years as measured in accordance with IFRS 2. As of December 31, 2014, capital reserves amounted to EUR 47,792 thousand (previous year: EUR 47,792 thousand).

5.10.5 Reserves

After transferring the consolidated net loss for the year attributable to the shareholders of the parent company of EUR 10,502 thousand, offsetting the difference amount from the sale of minority interests of EUR 4,574 thousand, and recognizing actuarial gains of EUR 8 thousand, retained earnings amounted to EUR -9,147 thousand (previous year (adjusted): EUR -3,227 thousand).

In the reserve for hedging, the effective portion of the measurement of hedging relationships at fair value (taking into account deferred taxes not recognized in profit or loss) is disclosed as EUR -421 thousand (previous year: EUR -401 thousand).

5.10.6 Treasury Shares

The Company holds a total of 31,042 treasury shares (previous year: 31,042), which are carried at cost. In accordance with IAS 32 (Financial Instruments: Presentation), they were deducted from consolidated equity.

5.10.7 Non-controlling Interests

The shares of non-controlling interests have decreased since the earnings allocation (EUR -2,506 thousand) and the sale of non-controlling shares by Analytik Jena (EUR -4,074 thousand) from EUR 494 thousand to EUR -6,086 thousand.

The non-controlling interests are allocated as of December 31, 2014 and September 30, 2014 as follows:

2014R	ETG	comicon	AJZ	AJ Romania	Immaterial subsidiaries	Intragroup eliminations	Total
Percentage of non-controlling interests	20.0%	45.0%	50.0%	30.0%			
Noncurrent assets	637	34	397	127			
Current assets	1,274	34	15,055	1,632			
Noncurrent liabilities	(131)	–	–	(32)			
Current liabilities	(234)	(64)	(28,647)	(1,429)			
Net assets	**1,546**	**4**	**(13,195)**	**298**			
Carrying amounts of non-controlling interests	309	2	(6,598)	89	2	110	(6,086)
Revenue	580	16	4,306	826			
Net profit/(loss) for the year	(30)	(2)	(5,047)	84			
Other comprehensive income	–	–	–	(5)			
Total comprehensive income	**(30)**	**(2)**	**(5,047)**	**79**			
Net profit/(loss) for the year attributable to non-controlling interests	(6)	(1)	(2,524)	25	2	–	(2,504)
Other income attributable to non-controlling interests	–	–	–	(2)	–	–	(2)
Net cash from/(used in) operating activities	51	(7)	1,505	414			
Net cash from/(used in) investing activities	(2)	–	(1)	(61)			
Net cash from/(used in) financing activities	(11)	–	(1,820)	14			
Net increase/(decrease) of cash and cash equivalents	**38**	**(7)**	**(316)**	**367**			

in EUR thousand

2013/2014	ETG	comicon	AJ Romania	Intragroup eliminations	Total
Percentage of non-controlling interests	20.0 %	45.0 %	30.0 %		
Noncurrent assets	660	36	79		
Current assets	1,264	67	1,404		
Noncurrent liabilities	(143)	–	(23)		
Current liabilities	(204)	(97)	(1,242)		
Net assets	**1,577**	**6**	**218**		
Carrying amounts of non-controlling interests	315	3	65	111	**494**
Revenue	2,604	206	974		
Net profit for the year	99	5	41		
Other comprehensive income	–	–	1		
Total comprehensive income	**99**	**5**	**43**		
Net profit for the year attributable to non-controlling interests	20	2	13	–	**35**
Other income attributable to non-controlling interests	–	–	1	–	**1**
Net cash from/(used in) operating activities	79	16	58		
Net cash from/(used in) investing activities	(30)	(1)	(67)		
Net cash from/(used in) financing activities	(49)	–	30		
Net increase of cash and cash equivalents	**–**	**15**	**21**		

in EUR thousand

5.11 Significant Financial Liabilities

Financial liabilities are carried at cost taking into account the effective interest method. The major current and noncurrent financial liabilities are detailed in the following table:

	Interest rate in %	Redemption terms	2014R	2013/2014
Investment credits	variable	2005 – 2015	299	356
Investment loan	2.75 – 5.05	2009 – 2023	3,709	4,121
Borrower's note loan	variable, 4.11	2012 – 2019*	26,281	30,001
Finance lease	1.00 – 4.74	2010 – 2019	436	467
			30,725	**34,945**
Less current portion			(28,734)	(32,900)
			1,991	**2,045**

in EUR thousand

* of which EUR 25,000 thousand was canceled as of February 2015

The interest rate of the variable investment credits is based on the 3-month EURIBOR plus the margin.

As of 12/31/2014	2015	2016	2017	2018	2019	Ab 2020	Total
Redemption amounts	28,734	284	283	260	226	938	**30,725**
As of 09/30/2014	**2015**	**2016**	**2017**	**2018**	**2019**	**Ab 2020**	**Total**
Redemption amounts	32,900	276	280	272	228	989	**34,945**

in EUR thousand

On September 30, 2014, Analytik Jena AG signed a current account loan agreement with Endress+Hauser Finanz AG which grants Analytik Jena AG a current loan of up to EUR 8,000 thousand. This current account credit line was increased to EUR 11,500 thousand in December 2014. The interest rate corresponds to a three-month EUR LIBOR + bank margin + administrative fee and is adjusted accordingly to the current three-month EUR LIBOR each quarter. The consolidated statement of financial position includes a liability of EUR 11,500 thousand (previous year: EUR 5,000 thousand) as of the balance sheet date from this.

In addition, there were current bank loans of EUR 10,191 thousand as of December 31, 2014. The interest rate here ranges from 3.00% to a maximum of 7.00%.

As a result of non-compliance with agreed-upon covenants (see also chapter 5.20), the borrower's note loan and an investment loan of EUR 1,829 thousand are due in the short term. The borrower's note loan of EUR 4,000 thousand was canceled by the bank as of the balance sheet date and repaid by Analytik Jena AG, along with an early redemption penalty of EUR 409 thousand. The remaining borrower's note loans for EUR 25,000 thousand were canceled by Analytik Jena AG in December and were paid off by February 13, 2015.

Debt financing was reorganized via the Endress+Hauser Group in February 2015 by taking on Group loans totaling EUR 59,230 thousand, of which a total of EUR 10,700 thousand carries fixed rates with terms of five or seven years. The remaining loans have a term of three years and carry a variable rate based on three- or six-month Swiss franc LIBOR.

Of the noncurrent liabilities disclosed in the statement of financial position, a total of EUR 1,265 thousand (previous year: EUR 1,301 thousand) are secured by mortgage charges totaling EUR 2,350 thousand (previous year: EUR 2,350 thousand).

Various capital goods (carrying amount as of December 31, 2014: EUR 373 thousand; previous year: EUR 418 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 436 thousand (previous year: EUR 467 thousand). Over the next few years, a total of EUR 460 thousand (previous year: EUR 492 thousand) is payable to the lessor. The difference corresponds to the interest portion of EUR 24 thousand (previous year: EUR 25 thousand).

The following table presents the net cash payments to the lessor over time.

Net cash used	Up to 1 year	1–5 years	More than 5 years	Total
As of 12/31/2014	152	308	–	**460**
As of 09/30/2014	178	314	–	**492**

in EUR thousand

5.12 Other Noncurrent Liabilities

Primarily liabilities from defined benefit plans are disclosed under this item. Analytik Jena AG has issued three defined benefit plans. These defined benefit plans lead to a monthly pension for recipients. They are accounted for in accordance with IAS 19 Employee Benefits revised 2011 ("IAS 19 (2011)").

The projected unit credit method was selected for actuarial valuation in accordance with IAS 19.67. This method stipulates an entitlement benefit to be earned in each accounting period so that the sum of these entitlement benefits results in the defined benefit.

The valuation of the defined benefit plans is based on the following insurance assumptions:

	2014R	2013/2014
Discount interest rate in %	2.25	2.25
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 the balance sheet date is derived as follows:

	DBO	Plan assets	Net liability
Value of the liability/plan assets as of 09/30/2014	1,618	435	1,183
Service cost	6	–	–
Interest cost	9	2	–
Actuarial gains/losses	(8)	3	–
Pension payments	(6)	–	–
Value of the liability/plan assets as of 12/31/2014	1,619	440	1,179

in EUR thousand

Expected future payments from pension plans as of December 31, 2014 are shown as follows (not discounted):

Expected payments in subsequent years as of December 31, 2014	
Subsequent year 1	26
Subsequent years 2 to 5	186
Subsequent years 6 to 10	336

in EUR thousand

A change in the aforementioned actuarial assumptions of 0.25 % as of the balance sheet date on December 31, 2014 would lead to the liabilities shown below, whereby the cumulative change of several assumptions cannot be directly deduced given the non-linear effect of actuarial effects of changes in individual assumptions.

	Increase	Decrease
Future pension adjustment by +/- 0.25 %	1,672	1,569
Future pension interest rate adjustment by +/- 0.25 %	1,553	1,689

in EUR thousand

Along with defined benefit plans, the Group's retirement plans include defined contribution plans, in which the given Group company makes payments to public or private pension insurers. The Company does not have any obligation beyond the payment of the contributions.

5.13 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.

To the extent that the outflow of assets is expected to occur after the following year, the liabilities are recorded at their present value. Interest effects are recognized in the consolidated statement of comprehensive income under financial expenses.

The noncurrent provisions of EUR 114 thousand (previous year: EUR 116 thousand) disclosed in the statement of financial position comprise provisions for archiving of EUR 20 thousand (previous year: EUR 20 thousand), and provisions from noncurrent rental commitments of EUR 94 thousand (previous year: EUR 96 thousand). There was no significant interest effect.

	10/01/2014	Foreign currency gains	Utilization	12/31/2014
Other	116	4	6	114
Long-term provisions	**116**	4	6	**114**

in EUR thousand

The current provisions of EUR 1,769 thousand (previous year: EUR 877 thousand) disclosed in the statement of financial position mainly comprise provisions for warranty claims of EUR 753 thousand (previous year: EUR 726 thousand) and provisions for patent fees of EUR 109 thousand (previous year: EUR 104 thousand). Other provisions include primarily a provision for rental obligations for office buildings in Jena, which were canceled as of December 31, 2016 but will not be used any longer after mid-2015 (EUR 455 thousand), and a provision for the costs of closing a site in Jena (EUR 300 thousand).

The provisions disclosed in the statement of financial position can be broken down as follows:

	10/01/2014	Foreign currency gains	Utilization	Release	Allocation	12/31/2014
Warranty claims	726	2	–	8	33	753
Patent fees	104	–	–	–	5	109
Other	47	–	(83)	–	777	907
Provisions	**877**	**2**	**(83)**	**8**	**815**	**1,769**

in EUR thousand

5.14 Contingent Liabilities

As of the balance sheet date, there are contingent liabilities of EUR 21,552 thousand (previous year: EUR 25,105 thousand). They are mainly due to tender bonds, advance payment guarantees, and warranties.

In addition to a self-used credit guarantee of EUR 851 thousand (previous year: EUR 870 thousand), as of the end of the reporting period Analytik Jena is co-liable for the sureties and credits of the project company AJZ Engineering GmbH. Of the total credit and surety lines of EUR 23,525 thousand used by the Company as of the end of the reporting period on December 31, 2014, a total of EUR 20,451 thousand (previous year: EUR 23,985 thousand) was co-collateralized by Analytik Jena AG. The use of surety lines is primarily due to contract performance guarantees for the Wolshskij project, which should be achieved with an order volume of approximately EUR 120 m by the end of 2015.

Furthermore, Analytik Jena AG has sent Sparkasse Jena an absolute guarantee for a maximum of EUR 250 thousand for Moldiax GmbH. As of the balance sheet date, this line was fully utilized.

5.15 Legal Disputes and Contingent Liabilities

As a Group that is active internationally, Analytik Jena is subject to various legal risks arising from the respective, sector-specific regulatory environment established by national laws and foreign legal systems. The Company is a defendant in various legal proceedings that stem from its normal business activities. A negative decision in one or several legal disputes could have a major negative impact on the Group's results of operations. All legal expenses related to a negative outcome are recognized in earnings. Since the outcome of pending or potential future proceedings generally cannot be forecast with certainty, expenses may be incurred as a result of legal or administrative decisions, which either cannot at all or cannot adequately be covered by provisions or insurance. Through its control and risk management system, the Group strives to identify legal risks and to evaluate their likelihood of occurrence and potential impacts. As of the end of the reporting period on December 31, 2014, the consolidated statement of financial position does not include any provisions for negative financial effects of ongoing legal disputes (previous year: EUR 270 thousand).

Currently, Analytik Jena AG or its companies are involved in the following legal disputes, which could have a material impact on the Group's net assets and results of operations:

Commissions from an alleged project brokerage agreement

Analytik Jena AG is the defendant in a legal dispute with two Iranian companies, whereby one's legal existence is already in question. The issue is the plaintiffs' demand for a commission from an alleged agreement between the parties for brokering a project in Iran. Analytik Jena AG already contests the admissibility of the lawsuit with the arguments that one of the plaintiffs did not exist at the time the lawsuit was filed and that the court of first instance lacked jurisdiction. In addition, at the material level the Company contests that a brokerage agreement had become effective and in particular that the parties had agreed to a commission. Beyond this issue, the Company also contests that the plaintiffs have performed services in accordance with such a brokerage agreement. In the first instance, a court in Tehran ordered Analytik Jena to pay EUR 450 thousand plus an undetermined amount of interest, as well as the converted equivalent of approximately EUR 5 thousand in legal costs. Analytik Jena AG has appealed this decision. Oral proceedings have already taken place before the appeals court in Tehran Province. Another date for holding a hearing or announcing a decision has not been set. There were no new developments in this legal dispute in the past shortened financial year. A provision was still not formed since its use is rather unlikely considering overall conditions.

Shareholder Litigation over the Settlement Offer for the Delisting of CyBio AG

Since June 2012, a mediation procedure by a total of 56 shareholders of CyBioAG against Analytik Jena AG is pending before the District Court of Gera, Germany. The procedure is designed to review the suitability of the settlement offer for the delisting of CyBio AG. The total amount of possible additional settlement payments cannot currently be quantified, but will be determined only upon conclusion of the proceedings. Currently the Thuringian Higher Regional Court is also examining whether, in view of the decision of the German Federal Supreme Court in October 2013 that neither a General Meeting resolution nor a cash settlement to shareholders is necessary for delisting a company, the legal basis for the current mediation procedure has been eliminated and it is no longer admissible.

Motions for review of the settlement offer in the squeeze-out of shareholders of CyBio AG

Several parties have also appealed the settlement offer in the squeeze-out of shareholders of CyBio AG and applied for a review of the settlement offer. As of the time of preparation of these consolidated financial statements, the court had not issued any procedural orders. Also in this case, the total amount of potential additional settlement payments cannot be quantified.

Additional risks from legal disputes, which could have a material impact on the Group's net assets and result of operations, are either unknown or very unlikely.

5.16 Other Financial Obligations

In the 2014R shortened financial year, the Company rented several office buildings in Jena and one office building each in Berlin, Wiehl, Leipzig, Überlingen, Itzehoe, and Göttingen, as well as offices in Berlin and Hamburg. In a notarized purchase agreement dated November 17, 2014, Analytik Jena AG acquired the rented buildings from A&B und Partner GbR in Jena, but the prerequisites for transferring the property had not been met as of December 31, 2014.

In addition, business premises have been leased for subsidiaries outside Germany (United Kingdom, USA, Japan, China, Romania, France, Thailand, India) as well as representative offices outside Germany (Thailand, China, UAE, India).

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 2018 at the latest.

EUR 148 thousand (previous year: EUR 576 thousand) relating to leases for vehicles was recognized as an expense.

The rental and operating lease obligations and order commitments (procurement of materials and framework agreements) of EUR 40,952 thousand for the period after December 31, 2014 are shown in the following table: The order commitments as of December 31, 2014 include the purchase price from the real estate acquisition for EUR 13,200 thousand.

As of 12/31/2014	2015	2016	2017	2018	2019	Total
Rent	1,462	580	347	135	132	**2,656**
Lease	621	385	143	20	4	**1,173**
Order commitments	37,005	118	–	–	–	**37,123**
As of 09/30/2014	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Rent	2,210	1,355	987	691	123	**5,366**
Lease	598	403	169	50	16	**1,236**
Order commitments	21,474	961	–	–	–	**22,435**

in EUR thousand

5.17 Related Party Disclosures

Please refer to sections 7.1 and 7.2 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 on terms of independent business partners.

Related party transactions consist of service transactions with the Executive Board member of Analytik Jena AG Klaus Berka. He is a shareholder (holding 25.0%) of A&B Grundstücksgesellschaft bürgerlichen Rechts, Jena. Analytik Jena AG has rented its office and production buildings in Jena and Überlingen from this company. The rent paid to A&B amounted to EUR 386 thousand (previous year: EUR 1,531 thousand) in the past shortened financial year. In contrast to the previous year, the consolidated statement of comprehensive income does not include any revenue received by this company (previous year: EUR 1 thousand). As of December 31, 2014, the consolidated statement of financial position does not include either receivables (previous year: EUR 1 thousand) or liabilities with respect to the company (previous year: EUR 0 thousand).

An exchange of trade receivables and trade payables also occurred with QUANTIFOIL Instruments GmbH during the shortened 2014R financial year. This exchange led to the recording of income of EUR 3 thousand (previous year: EUR 13 thousand) and expenses of EUR 74 thousand (previous year: EUR 157 thousand). As of December 31, 2014, the consolidated statement of financial position does not contain any receivables (previous year: EUR 1 thousand), but it does contain liabilities of EUR 24 thousand with respect to QUANTIFOIL Instruments GmbH (previous year: EUR 33 thousand).

An exchange of trade receivables and trade payables with Moldiax GmbH during the shortened 2014R financial year led to the recording of income of EUR 11 thousand (previous year: EUR 80 thousand) and expenses of EUR 8 thousand (previous year: EUR 193 thousand). As of December 31, 2014, the consolidated statement of financial position contains receivables of EUR 277 thousand (previous year: EUR 218 thousand) and liabilities of EUR 0 thousand (previous year: EUR 40 thousand). Please refer to section 5.14 of the Notes regarding the existing guarantee.

Another exchange of trade receivables and trade payables occurred with Westburg B.V. during the shortened 2014R financial year. This exchange led to the recording of income of EUR 97 thousand (EUR 300 thousand). As of December 31, 2014, the consolidated statement of financial position includes receivables of EUR 40 thousand (previous year: EUR 39 thousand).

No exchange of trade receivables and trade payables that led to the recording of expenses occurred with Techno X Co., Ltd., in which AJ Japan has an equity interest, in the shortened 2014R financial year (previous year: EUR 0 thousand). As of the balance sheet date, the consolidated statement of financial position includes no liabilities (previous year: EUR 0 thousand).

On September 30, 2014, Analytik Jena AG signed a current account loan agreement with Endress+Hauser Finanz AG (Reinach/CH) which grants Analytik Jena AG a current loan of up to EUR 8,000 thousand. This current account credit line was increased to EUR 11,500 thousand in December 2014. The interest rate corresponds to a three-month EUR LIBOR + bank margin + administrative fee and is adjusted accordingly to the current three-month EUR LIBOR each quarter. The consolidated statement of financial position includes a liability of EUR 11,501 thousand (previous year: EUR 5,000 thousand) to the Endress+Hauser Group as of the balance sheet date. Through the exchange of trade receivables and trade payables with the Endress+Hauser Group, the consolidated statement of comprehensive income includes expenses of EUR 19 thousand in the shortened financial year (previous year: EUR 1 thousand).

5.18 Financial Instruments

Financial instruments are contractually-based economic transactions that involve a cash entitlement. A distinction is made here between:

- primary financial instruments, such as trade receivables and payables or financial receivables and liabilities,
- derivative financial instruments not involving an underlying hedging relationship, and
- derivative financial instruments such as hedging used to insure against the risks from changes in exchange rates and/or interest rates.

On the assets side, the primary financial instruments of Analytik Jena AG mainly include receivables, other assets, and cash and cash equivalents. On the equity and liabilities side, primary financial instruments mainly include current and noncurrent financial liabilities as well as trade payables.

In accordance with IAS 39, financial instruments are divided into various categories and based on their classification accounted for at (amortized) cost or at fair value. Due to the short-term nature of receivables and cash and cash equivalents, there are no major deviations between their initial measurement and their fair value.

Changes in the fair value of held-to-maturity financial instruments are recognized in profit or loss. Financial instruments that represent financial obligations are carried at amortized cost. Their carrying amounts generally correspond to their fair values.

The derivative financial instruments include both interest-based and currency-based derivative financial instruments. Analytik Jena AG uses derivative financial instruments primarily as hedges to reduce risks associated with changes in interest rates and exchange rates.

5.18.1 Details on the Statement of Financial Position in Accordance with IFRS 7

The carrying amounts of financial instruments grouped by category in accordance with IAS 39 can be compared in the following tables with their fair values according to the class of financial asset or liability:

			Amounts recognized in the statement of financial position according to IAS 39		
	Measurement category	Carrying amount 12/31/2014	Amortized cost	Fair value recognized in equity	Fair value recognized in profit and loss
Assets					
Originated loans	LaR	751	751	–	–
Trade receivables	LaR	14,076	14,076	–	–
Other receivables and assets	LaR	3,073	3,073	–	–
Investments	FAAfs	780	780	–	–
Market values of derivative financial instruments	FAHfT	44	–	–	44
Financial assets that cannot be assigned to an IAS 39 category					
Receivables from construction contracts	–	9,906	9,906	–	–
Cash	–	5,301	5,301	–	–
Liabilities					
Amounts owed to financial institutions	FLAC	40,916	40,916	–	–
Other liabilities	FLAC	19,176	19,176	–	–
Trade payables	FLAC	13,404	13,404	–	–
Market values of derivative financial instruments	FLHfT	120	–	–	120
Market values of hedging relationships	–	596	–	596	–
Financial liabilities that cannot be assigned to an IAS 39 category					
Liabilities from construction contracts	–	348	348	–	–
Of which, aggregated by category in accordance with IAS 39					
Loans and receivables	LaR	17,900	17,900	–	–
Cash flow hedge	–	(596)	–	(596)	–
Financial Assets Held for Trading	FAHfT	44	–	–	44
Financial Assets Available for Sale	FAAfS	780	780	–	–
Financial Liabilities measured at Amortized Cost	FLAC	73,496	73,496	–	–
Financial Liabilities Held for Trading	FLHfT	120	–	–	120

in EUR thousand

	Measurement category	Carrying amount 09/30/2014	Amounts recognized in the statement of financial position according to IAS 39		
			Amortized cost	Fair value recognized in equity	Fair value recognized in profit and loss
Assets					
Originated Loans	LaR	472	472	–	–
Trade receivables	LaR	19,439	19,439	–	–
Other receivables and assets	LaR	3,583	3,583	–	–
Investments	FAAfS	812	812	–	–
Financial assets that cannot be assigned to an IAS 39 category					
Receivables from construction contracts	–	14,222	14,222	–	–
Cash	–	7,352	7,352	–	–
Liabilities					
Amounts owed to financial institutions	FLAC	45,288	45,288	–	–
Other Trade	FLAC	15,591	15,591	–	–
Trade payables	FLAC	10,539	10,539	–	–
Market values of derivative financial instruments	FLHfT	–	–	–	–
Market values of hedging relationships	–	567	–	567	–
Financial liabilities that cannot be assigned to an IAS 39 category					
Liabilities from construction contracts	–	320	320	–	–
Of which, aggregated by category in accordance with IAS 39					
Loans and receivables	LaR	23,494	23,494	–	–
Cash flow hedge	–	(567)	–	(567)	–
Financial assets available for sale	FAAfS	812	812	–	–
Financial liabilities measured at amortized cost	FLAC	71,418	71,418	–	–
Financial liabilities held for trading	FLHfT	–	–	–	–

in EUR thousand

The following should be noted for a reconciliation of the carrying value of the figures in the table:

Balance sheet items	Categories in accordance with IFRS 7
Other noncurrent assets	Investments, Originated loans
Other current assets	Originated loans
	Market values of derivative financial instruments
	Other receivables and assets
Cash and cash equivalents	Cash
Noncurrent financial liabilities less current portion	Amounts owed to financial institutions
Current portion of noncurrent financial liabilities	
Short-term loans	
Other current liabilities	Other liabilities
	Market values of derivative financial instruments

Fair Value Hierarchy

The following table shows all financial instruments that were recognized at fair value, grouped by measurement method, with the various levels defined as follows:

(1) Exchange or market price in an active market for this instrument (without adjustments or a change in composition) (level 1)
(2) Market value according to measurement method for which significant input parameters are based on observable market data (level 2)
(3) Measurement methods for which significant input parameters are not based on observable market data (level 3)

12/31/2014	Level 1	Level 2	Level 3	Total
Other forward exchange contracts	–	(76)	–	(76)
Interest-rate swap used as a cash flow hedge	–	(596)	–	(596)
	–	**(672)**	**–**	**(672)**
09/30/2014				
Other forward exchange contracts	–	–	–	–
Interest-rate swap used as a cash flow hedge	–	(567)	–	(567)
	–	**(567)**	**–**	**(567)**

in EUR thousand

Forward exchange contracts are measured using the present value method. The market value of a forward exchange contract is determined from the perspective of the bank by

(1) calculating the present value of the payment to be made by the bank from the day of measurement until the end of the contract,

(2) the present value of a payment denominated in a foreign currency is translated into EUR according to the spot rate,
(3) if neither of the two currencies is denominated in EUR, the present values of both payments are translated into EUR according to the spot rate,
(4) the amount to be contributed by the bank (2) is deducted from the amount to be contributed by the customer (1).

If this difference is positive, then the forward exchange contract has a positive value for the bank, which must be settled by the customer in the event of premature cancellation.

Present value: the current value of a payment due in the future. In order to determine the present value, the future payment is discounted to the present based on the yield curve on the balance sheet date. If a payment in a foreign currency is involved, then the present value is determined based on the yield curve in the foreign currency and then converted based on the current exchange rate into EUR. The principle variables in the present value calculation are the current yield curves in the relevant currencies at the time of measurement and the current exchange rate at the time of measurement.

All of the indicated market values were determined and confirmed by banks.

The aforementioned carrying values of the item market values from hedging relationships or market values from derivative financial instruments correspond to fair values. The carrying amounts of the remaining items represent a reasonable approximation of fair value. No fair value can be provided for the investments item since there is no active market for these financial instruments.

5.18.2 Disclosure Requirements Regarding Risks from Financial Instruments

In the course of its operational activities, Analytik Jena AG is exposed to credit, liquidity, and market risks. In particular, market risks involve the risks associated with changes in exchange rates and interest rates. Detailed information about risk management is presented in the Group management report in section 3 "Opportunity and Risk Report." The following discussion relates to the quantitative impact of risks during the financial year.

Market Risks

The market environment is characterized by continual changes, for example through economic tensions, new legal conditions, demographic developments, technological progress, or changed strategies and behavioral patterns of users.

A broad distribution base with a large customer network in very diverse sectors – such as traditional laboratory analysis in research and clinical practice, life science/health care, and consumer products – should provide an adequate cushion against a possible economic downturn as a result of global market turmoil. The distribution of revenue among industry, the public sector, research institutions, and consumers makes a substantial contribution to risk diversification. A broad product portfolio, a wide-ranging customer structure, worldwide business activities, and a variety of products provide Analytik Jena with a certain flexibility for dealing with market-specific changes.

Please see the Group management report chapter 3.3 for additional information on market risks.

Credit Risks

Credit risk involves the danger that a customer or counterparty of Analytik Jena AG does not fulfill its financial obligations. This results in the danger of both creditworthiness-related impairments of financial instruments and the partial or complete default of contractually stipulated payments. The credit risk of derivatives which are accounted for at fair value normally corresponds to their positive fair value. Derivatives with negative fair values are not subject to any default risk.

The Group management report contains a description in chapter 3.3 of how management determines risk concentrations.

The maximum default risk corresponds to the carrying amount of financial assets as of the end of the reporting period of EUR 33,931 thousand (previous year: EUR 45,880 thousand). Credit risks primarily involve trade receivables. If necessary, these risks can be taken into account through the formation of valuation allowances. The gross amount of trade receivables before valuation allowances amounts to EUR 14,613 thousand (previous year: EUR 20,102 thousand). The maturity structure of receivables as well as the development of valuation allowances during the financial year is shown in the following tables:

Maturity Structure of Receivables

	Trade receivables	
	2014R	2013/2014
Carrying amounts	**14,076**	**19,439**
Of which, neither overdue nor impaired	9,840	11,435
Overdue, but not impaired	4,236	8,004
Of which, less than 30 days	1,990	2,960
Between 30 and 60 days	1,472	3,518
More than 60 days	774	1,526

in EUR thousand

The Analytik Jena Group usually agrees to credit terms between eight and 180 days. Valuation allowances are made for default risks.

Development of Valuation Allowances

	Valuation allowances for trade receivables	
	2014R	2013/2014
Valuation allowances at the beginning of the financial year	**663**	**616**
Addition to the consolidated group	–	52
Allocation	22	72
Utilization	(117)	(42)
Release	(34)	(42)
Foreign currency gains	3	7
Valuation allowances at the end of the financial year	**537**	**663**

in EUR thousand

The maximum default risk by geographic region as of December 31, 2014 is composed as follows for trade receivables and construction contracts with a gross amount due from customers:

	Trade receivables and construction contracts with a gross amount due from customers	
	2014R	2013/2014
Germany	3,602	6,336
Europe (excluding Germany)	10,606	16,736
Rest of world	9,774	10,589
Total	**23,982**	**33,661**

in EUR thousand

Liquidity Risk

Liquidity risk encompasses the risk of the Company not being able to fulfill its own payment obligations at all or on time. Assumed loans and liabilities are the primary cause of Analytik Jena AG's existing payment obligations. The carrying amounts of all financial liabilities and debts amounting to EUR 74,560 thousand (previous year: EUR 72,305 thousand) represent the maximum liquidity risk exposure of Analytik Jena AG. Please refer to the details in section 5.20.

The Group management report contains a description in chapter 3.3 of how management determines risk concentrations.

The ongoing liquidity needs of Analytik Jena AG are met primarily through existing balances at banks and unused credit lines of EUR 6,025 thousand (previous year: EUR 8,538 thousand). Furthermore, a variety of funding sources enables the Company, if necessary, to respond appropriately to changes in the business environment. These include the planned necessary acquisition of the current borrower's note loan by the parent company Endress+Hauser. Please refer to the details in section 5.11.

The following overview shows the time distribution of net cash used for interest payments and the redemption of non-derivative financial liabilities as of the closing date for the financial statements:

	Carrying amounts	Net cash used			
		Total	Up to 1 year	1–5 years	More than 5 years
Variable-rate liabilities to financial institutions	28,236 [28,134]	28,414 [28,980]	28,414 [28,980]	– [–]	– [–]
Fixed-rate liabilities to financial institutions	12,244 [16,687]	13,162 [17,844]	11,041 [15,659]	976 [981]	1,145 [1,204]
Fixed-rate liabilities from finance leases	436 [467]	460 [492]	152 [178]	308 [314]	– [–]
Variable-rate liabilities to other investors	11,500 [5,000]	11,601 [5,044]	11,601 [5,044]	– [–]	– [–]
Fixed-rate liabilities to other investors	– [1,800]	– [1,893]	– [1,893]	– [–]	– [–]
	52,416 [52,088]	**53,637 [54,253]**	**51,208 [51,754]**	**1,284 [1,295]**	**1,145 [1,204]**

in EUR thousand/previous year values in brackets

The analysis of the expiration dates for derivative financial instruments is shown in the following table:

	Carrying amounts	Up to 3 months	3–12 months	1–5 years	More than 5 years
Negative market values of derivative financial instruments	120 [–]	18 [–]	102 [–]	– [–]	– [–]
Negative market values of cash flow hedge	596 [567]	– [–]	40 [40]	556 [527]	– [–]

in EUR thousand/previous year values in brackets

Interest Rate Risks

Fluctuations in market interest rates for medium and long-term interest-bearing financial assets and liabilities lead to interest rate risk for Analytik Jena AG. This risk is offset through hedging transactions, depending on the market situation.

Financial assets and liabilities affected by changes in interest rates are shown in the following table:

	Carrying amounts	
	2014R	2013/2014
Interest-bearing financial assets	6,052	7,824
Of which, variable rate	5,301	7,352
Of which, fixed rate	751	472
Interest-bearing financial liabilities	52,416	52,088
Of which, variable rate	39,736	33,134
Of which, fixed rate	12,680	18,954

in EUR thousand

A change in the market interest rate as of December 31, 2014 of 100 basis points would result in an opportunity loss or gain for fixed-rate financial assets of EUR 8 thousand (previous year: EUR 5 thousand). For financial liabilities, a change within the same range would result in an opportunity loss or gain of EUR 127 thousand (previous year: EUR 190 thousand).

A change of 100 base points would have an effect of EUR 53 thousand (previous year: EUR 74 thousand) for variable-rate financial assets and of EUR 397 thousand (previous year: EUR 331 thousand) for variable-rate financial liabilities.

Analytik Jena AG offsets this risk through interest rate hedges. As of December 31, 2014, the Group's interest rate derivatives were carried at a nominal amount of EUR 25,000 thousand (previous year: EUR 25,000 thousand). The market values of the derivative contracts were determined according to the mark-to-market method as of the balance sheet date.

	Nominal amounts		Market values	
	2014R	2013/2014	2014R	2013/2014
Interest rate swap 1	5,000	5,000	(27)	(27)
Interest rate swap 2	2,500	2,500	(13)	(13)
Interest rate swap 3	5,000	5,000	(143)	(138)
Interest rate swap 4	500	500	(13)	(13)
Interest rate swap 5	9,500	9,500	(253)	(243)
Interest rate swap 6	2,500	2,500	(147)	(133)

in EUR thousand

As interest rate swaps 1 to 6 are designated as hedges for the variable-rate borrower's note loans assumed during the 2011/2012 financial year and are classified as effective hedging relationships, the change in the fair value for these swaps is recognized in equity, taking into account deferred taxes. These cash flow hedges generate semi-annual payments, the last one in August 2019.

The fair value (net) of the interest-based derivative financial instruments amounts to EUR -596 thousand (previous year: EUR -567 thousand), of which EUR 0 thousand (previous year: EUR 0 thousand) accrues to assets and EUR 596 thousand (previous year: EUR 567 thousand) accrues to liabilities.

Exchange Rate Risks

The Group's exchange rate risks are attributable to its global business activities as well as fluctuations in financial assets and liabilities denominated in foreign currencies. Forward exchange contracts and currency options are used to hedge exchange rate risk. These transactions relate to hedging substantial cash flows in foreign currencies from the operational business (particularly revenue). Through currency options and forward exchange contracts, exchange rate risk is hedged over a time frame of approximately one year.

The market value of forward exchange contracts is determined depending on forward exchange prices. Currency options are reported at their market value or at an estimated value derived from an option pricing model. The fair value (net) of the currency-based derivative financial instruments amounts to EUR -76 thousand (previous year: EUR 0 thousand), of which EUR 44 thousand (previous year: EUR 0 thousand) accrues to assets and EUR 120 thousand (previous year: EUR 0 thousand) accrues to liabilities.

Foreign exchange transactions at the Analytik Jena Group are primarily denominated in USD and to a much lesser extent in JPY, RUB, and CHF.

The extent of exchange rate risk in these currencies is shown on the basis of the nominal amounts as of the end of the reporting period as follows:

Foreign Currency Sensitivity Analysis

	2014R				2013/2014			
	USD	JPY	CHF	RUB	USD	JPY	CHF	RUB
Financial assets	4,942	178,499	70	118,401	3,818	206,830	54	299,716
Financial liabilities	1,570	420,974	10	123,933	357	409,141	180	276,809
Foreign exchange risk from balance sheet items	3,372	(242,475)	60	(5,532)	3,461	(202,311)	(126)	22,907
Foreign currency risk from floating-rate transactions	3,167	(12,906)	(272)	3,781,003	7,409	(10,496)	(395)	(2,259,999)
Transaction-related foreign currency positions	6,539	(255,381)	(211)	3,775,471	10,870	(212,807)	(521)	(2,237,092)
Items economically hedged through derivatives	6,915	–	–	–	–	–	–	–
Net position	**(376)**	**(255,381)**	**(211)**	**3,775,471**	**10,870**	**(212,807)**	**(521)**	**(2,237,092)**

in USD or JPY or CHF or RUB thousand

A change in the USD exchange rate of 5.0% as of the end of the reporting period would have a positive or negative effect of EUR 15 thousand on earnings before tax as well as an effect of EUR 118 thousand on the currency translation differences in equity. A change in the JPY exchange rate of the same magnitude as of the balance sheet date would have a positive or negative impact of EUR 88 thousand on earnings before tax and an impact of EUR 63 thousand on currency translation differences. A similar 5.0% change in the CHF exchange rate as of the end of the reporting period would have a positive or negative impact of EUR 9 thousand on earnings before tax. A change in the RUB exchange rate of the same magnitude as of the end of the reporting period would have a positive or negative impact of EUR 2,684 thousand on earnings before tax.

5.19 Risks Associated with Public Grants

Since 1996, the Company has received regular subsidies for specific projects in the field of research and development. During the reporting year, they amounted to EUR 333 thousand (previous year: EUR 2,555 thousand). The Company did not receive investment grants for tangible and intangible investments during the reporting year (previous year: EUR 0 thousand).

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.

5.20 Capital Management

Analytik Jena AG conducts its capital management primarily with the objective of making working capital available for the Group's operational business, ensuring capital servicing capability, limiting financial risks, and distributing dividends. As part of the regular management reporting, the Executive Board monitors the equity ratio, the level of net debt as well as the adherence to certain covenants and derives appropriate measures from this analysis.

Viewed as managed capital are financial liabilities of EUR 74,560 thousand (previous year: EUR 72,305 thousand) (c.f. "Liquidity Risk" in section 5.18.2), cash and cash equivalents of EUR 5,301 thousand (previous year: EUR 7,352 thousand), and equity in accordance with section 5.10 of EUR 41,190 thousand (previous year: EUR 53,570 thousand).

In particular as a result of the acquisition of the ICP-MS business of Bruker completed shortly before the previous balance sheet date, the related purchase price payment, and value adjustments on the project business, Analytik Jena AG did not comply with the agreed-upon covenants for the debt-equity ratio and interest-rate coverage ratio as of September 30, 2014. For this reason, Analytik Jena AG paid off loans of EUR 4,000 thousand by December 31, 2014, and canceled additional loans of EUR 25,000 thousand as of the next-possible time in February 2015. The counter-financing of these loans and additional planned payments of bank loans occurred or are occurring via the Endress+Hauser Group.

Analytik Jena AG prefers to achieve its capital management objectives from cash flows from operating activities. Furthermore, since the majority acquisition by Endress+Hauser Group, Analytik Jena AG is included in its capital management so that various internal and external financing alternatives (e.g. Group loans, bank financing, capital increases) are available in coordination with the parent company in case additional capital is needed.

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.

Other income and expenses without effect on payments include primarily exchange rate differences of monetary assets and liabilities denominated in a foreign currency.

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 March 31, 2017

Other board memberships:
Member of management at:
- AJ Blomesystem GmbH, Jena, Germany
- AJ Roboscreen GmbH, Leipzig, Germany
- AJ Innuscreen GmbH, Berlin, Germany
- AJ Japan Co., Ltd., Yokohama, Japan
- Analytik Jena Shanghai Instruments Co. Ltd, Shanghai, China
- AJ Vorratsgesellschaft mbH, Jena, Germany

Member of the Supervisory Board at:
- Dr. Födisch Umweltmesstechnik AG, Markranstädt, Germany

Member of the Advisory Council at:
- IKB Deutsche Industriebank AG, Düsseldorf, Germany

Stefan Döhmen, Dipl.-Kaufmann,
date of birth February 24, 1964
Member since July 1, 2006, appointment until March 31, 2019

Remuneration of the Executive Board

The Executive Board members receive direct and indirect remuneration components; the indirect remuneration components are comprised of pension expenditure. Additional components of remuneration are the personal use of company cars and direct insurance premiums.

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 EBITDA, 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. Currently there are no executable stock options in circulation.

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.

For the indirect remuneration of the Executive Board members, EUR 9 thousand was allocated to Mr. Berka (previous year: EUR 70 thousand allocated to Mr. Berka and Mr. Adomat). The total expense consisted of service cost of EUR 6 thousand and interest cost of EUR 4 thousand, less expected return from plan assets of EUR 1 thousand. For Mr. Adomat as a former member of the Executive Board, the statement of financial position includes pension obligations with a settlement amount of EUR 332 thousand and covered funds of EUR 95 thousand. There are no pension commitments for Mr. Döhmen.

Executive Board Remuneration – Benefits Granted

Klaus Berka (Chief Executive Officer)	2013/2014	2014R		
		Actual	Minimum	Maximum
Fixed remuneration	269,010	75,000	75,000	75,000
Fringe benefits	14,701	3,690	3,690	3,690
Total	**283,711**	**78,690**	**78,690**	**78,690**
One-year variable remuneration	–	–	–	62,500
Pension-related expenses	25,692	6,423	6,423	6,423
Total remuneration	**309,403**	**85,113**	**85,113**	**147,613**

in EUR

Stefan Döhmen (Chief Financial Officer)	2013/2014	2014R		
		Actual	Minimum	Maximum
Fixed remuneration	202,500	56,250	56,250	56,250
Fringe benefits	15,015	3,754	3,754	3,754
Total	**217,515**	**60,004**	**60,004**	**60,004**
One-year variable remuneration	–	–	–	31,250
Pension-related expenses	–	–	–	–
Total remuneration	**217,515**	**60,004**	**60,004**	**91,254**

in EUR

Jens Adomat (Vice Chairman until 03/31/2014)	2013/2014	2014R		
		Actual	Minimum	Maximum
Fixed remuneration	98,010	–	–	–
Fringe benefits	8,613	–	–	–
Total	**106,623**	**–**	**–**	**–**
One-year variable remuneration	–	–	–	–
Pension-related expenses	18,492	–	–	–
Total remuneration	**125,115**	**–**	**–**	**–**

in EUR

For Mr. Adomat as a former member of the Executive Board, the statement of financial position includes pension obligations of EUR 469 thousand.

7.2 Supervisory Board

In accordance with section 314 (1) (6) of the German Commercial Code (HGB), the persons named below are members of the Supervisory Boards or supervisory bodies listed below in accordance with section 125 (1) sentence 5 of the German Public Companies Act (AktG).

Andreas Krey, Dipl.-Militärwissenschaftler,
Chairman since April 4, 2008, member since April 4, 2008
Spokesperson for the management of Landesentwicklungsgesellschaft Thüringen, Erfurt, Germany

Other board memberships:

- Chairman of the Supervisory Board of Betreibergesellschaft für Applikations- und Technologiezentren Thüringen mbH (BATT), Erfurt, Germany
- Member of the Supervisory Board of Stahlwerk Thüringen GmbH, Unterwellenborn, Germany

Matthias Altendorf
Member since October 1, 2014
CEO of Endress+Hauser AG, Reinach, Switzerland

Other board memberships:

- Member of the Administrative Board of MHT Technology Ltd., UK
- Member of the Administrative Board of SpectraSensors, Inc., USA

Dr. Heiner Zehntner, Volljurist (fully qualified lawyer),

Member since April 29, 2014

Legal Counsel (Justitiar) and Corporate Director of Endress+Hauser AG, Reinach, Switzerland

Other board memberships:

- Member of the Administrative Board of Endress+Hauser Services AG, Reinach, Switzerland
- Member of the Administrative Board of Endress+Hauser Analytical Instruments (Suzhou) Co. Ltd., Suzhou, China
- Member of the Administrative Board of Endress+Hauser Wetzer (Suzhou) Co. Ltd., Suzhou, China
- Member of the Administrative Board of Endress+Hauser Automation Instrumentation Co. (Suzhou) Co. Ltd., Suzhou, China
- Member of the Administrative Board of PT Endress+Hauser Indonesia, Jakarta Selatan, Indonesia
- Member of the Administrative Board of Endress+Hauser AS, Soborg, Denmark
- Member of the Administrative Board of Endress+Hauser Wetzer (India) Private Limited, Aurangabad, India
- Member of the Administrative Board of Endress+Hauser (India) Automation Instrumentation Pvt. Ltd., Aurangabad, India
- Member of the Administrative Board of Endress+Hauser Elektronik San, ve Tic. A.S., Istanbul, Turkey
- Member of the Administrative Board of Endress+Hauser Flowtec (China) Co. Ltd., Suzhou, China
- Member of the Administrative Board of Endress+Hauser Shanghai Automation Equipment Co. Ltd., Shanghai, China
- Member of the Administrative Board of SpectraSensors, Inc., Houston, USA
- Member of the Administrative Board of Endress+Hauser (USA) Holding, Inc., Greenwood, USA
- Member of the Administrative Board of Kaiser Optical Systems, Inc., Ann Arbor, USA
- Member of the Administrative Board of Endress+Hauser Sternenhof AG, Reinach, Switzerland

Remuneration of the Supervisory Board

The General Meeting on April 23, 2013 approved a change to the Articles of Association regarding the amount of fixed remuneration. A distinction is made between the Chairman and the other members in the consideration of scope of activities of the members of the Supervisory Board. Accordingly, the Chairman of the Supervisory Board receives fixed remuneration of EUR 40,000.00 in addition to reimbursement of his or her expenses. The remaining members of the Supervisory Board each received fixed remuneration of EUR 20,000.00 p.a. The performance-related portion of remuneration was eliminated through the change to the Articles of Association.

The remuneration of the Supervisory Board in the 2014R financial year totaled EUR 0 (previous year: EUR 80 thousand) since Dr. Zehntner declared that he had waived Supervisory Board remuneration for the shortened financial year 2014 and the previous financial year and Mr. Altendorf similarly waived Supervisory Board remuneration for the shortened 2014 financial year.

Supervisory Board Remuneration for Financial Years 2014R and 2013/2014

	Fixed remuneration		(Retroactive) waiver of remuneration		Total remuneration	
	2014R	2013/2014	2014R	2013/2014	2014R	2013/2014
Andreas Krey	10,000	40,000	–	–	10,000	40,000
Matthias Altendorf	5,000	–	(5,000)	–	–	–
Dr. Heiner Zehntner	5,000	10,000	(15,000)	–	(10,000)	10,000
Matthias Wierlacher	–	20,000	–	–	–	20,000
Dr. Franz-Ferdinand von Falkenhausen	–	10,000	–	–	–	10,000
Total	**20,000**	**80,000**	**(20,000)**	**–**	**–**	**80,000**

in EUR

No loans to Supervisory Board members existed as of 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:

	2014R
Annual audit	63
Other audit or evaluation services	1
Tax consulting services	19
Total	**83**

in EUR thousand

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.analytik-jena.com).

9 | Proposed Appropriation of Earnings

At the meeting on March 4, 2015, the Executive Board will propose that the Supervisory Board carry forward Analytik Jena AG's net loss for the year reported in accordance with commercial law for new account with the adoption of the annual financial statements.

10 | Events after the Balance Sheet Date

In a notarized purchase agreement dated November 17, 2014, Analytik Jena AG acquired a number of properties and buildings in Jena that the Group has been using and renting for many years from A&B und Partner GbR for a price of EUR 13,200 thousand. The purchase price was paid in January 2015.

The Company is not aware of any further events after the balance sheet date on December 31, 2014 that could have a material impact on the financial and economic position of the Group.

Jena, February 19, 2015

The Executive Board of Analytik Jena AG

Klaus Berka

Stefan Döhmen

Consolidated Statement of Changes in Noncurrent Assets

as of December 31 and September 30, 2014

		Property, Plant, and Equipment			
	Total	Land	Buildings	Plant	Equipment
Cost					
as of October 1, 2013	82,338	659	7,741	9,845	22,442
Foreign currency gains	67	–	21	83	125
Additions from business combinations	8,723	–	7	–	666
Additions	5,074	–	237	621	722
Reclassifications	–	–	1,222	–	1,514
Disposals	(5,544)	–	(144)	(428)	(985)
as of September 30, 2014	90,658	659	9,084	10,121	24,484
Foreign currency gains	88	–	1	60	24
Additions	1,371	–	25	2	196
Reclassifications	–	–	–	–	1,591
Disposals	(2,255)	–	–	–	(134)
as of December 31, 2014	89,862	659	9,110	10,183	26,161
Cumulative depreciation and amortization					
as of October 1, 2013	43,867	–	4,073	6,289	14,825
Foreign currency gains	66	–	25	66	158
Additions from business combinations	1,420	–	–	–	614
Additions	4,993	–	322	1,085	1,603
Disposals	(4,989)	–	(58)	(330)	(947)
as of September 30, 2014	45,357	–	4,362	7,110	16,253
Foreign currency gains	69	–	4	47	23
Additions	1,881	–	88	157	557
Disposals	(1,918)	–	2	–	(112)
as of December 31, 2014	45,389	–	4,456	7,314	16,721
Carrying amount					
as of September 30, 2014	45,301	659	4,722	3,011	8,231
as of December 31, 2014	44,473	659	4,654	2,869	9,440

in EUR thousand

	Assets under development	Total	Intangible Assets: Development costs	Intangible Assets: Other intangible assets	Intangible Assets: Total	Goodwill	Shares in associated companies	Other noncurrent assets
	3,385	44,072	6,225	21,505	27,730	8,506	175	1,855
	–	229	711	(631)	80	(239)	–	(3)
	–	673	183	2,213	2,396	5,356	–	298
	2,364	3,944	712	344	1,056	–	–	74
	(2,687)	49	–	(49)	(49)	–	–	–
	–	(1,557)	–	(2,410)	(2,410)	(1,265)	(175)	(137)
	3,062	**47,410**	**7,831**	**20,972**	**28,803**	**12,358**	**–**	**2,087**
	–	85	–	(5)	(5)	–	–	8
	732	955	133	121	254	–	–	162
	(1,591)	–	–	–	–	–	–	–
	–	(134)	–	(2,105)	(2,105)	–	–	(16)
	2,203	**48,316**	**7,964**	**18,983**	**26,947**	**12,358**	**–**	**2,241**
	–	25,187	3,609	13,507	17,116	1,538	–	26
	–	249	711	(629)	82	(239)	–	(26)
	–	614	183	623	806	–	–	–
	–	3,010	606	1,377	1,983	–	–	–
	–	(1,335)	–	(2,389)	(2,389)	(1,265)	–	–
	–	**27,725**	**5,109**	**12,489**	**17,598**	**34**	**–**	**–**
	–	74	–	(5)	(5)	–	–	–
	–	802	179	400	579	–	–	500
	–	(110)	–	(1,808)	(1,808)	–	–	–
	–	**28,491**	**5,288**	**11,076**	**16,364**	**34**	**–**	**500**
	3,062	**19,685**	**2,722**	**8,483**	**11,205**	**12,324**	**–**	**2,087**
	2,203	**19,825**	**2,676**	**7,907**	**10,583**	**12,324**	**–**	**1,741**

Auditor’s Report

We have audited the consolidated financial statements prepared by the Analytik Jena AG, Jena, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cashflow statement, and the notes to the consolidated financial statements, together with the Group management report for the shortened business year from October 1, 2014 to December 31, 2014. 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 (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 the 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, and the additional requirements of German commercial law pursuant to § 315a (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.

Jena, February 25, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Lauer	Nötzel
Auditor	Auditor

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Jena, February 19, 2015
The Executive Board of Analytik Jena AG

Klaus Berka   Stefan Döhmen

04

Further Information

Direct and Indirect Equity Interests

Domestic

Analytik Jena AG

Branches

- **Analytik Jena AG**
  Branch Überlingen
- **Analytik Jena AG**
  Langewiesen facility
- **Analytik Jena AG**
  Branch Eisfeld

Affiliated Companies

- **AJ Blomesystem GmbH**
  (100.0 %), since 03/30/2006
  - **comicon GmbH**
    (55.0 %), since 01/01/2011
- **AJ Roboscreen GmbH**
  (100.0 %), since 03/15/2012
- **AJ Innuscreen GmbH**
  (100.0 %), since 12/17/2010
- **AJ Vorratsgesellschaft mbH**
  (100.0 %), since 03/30/2006
- **CyBio Central Europe GmbH**
  (100.0 %), since 02/25/2009
- **Biometra GmbH**
  (100.0 %), since 05/11/2009
- **ETG Geräteentwicklungs-Gesellschaft mbH Ilmenau**
  (80.0 %), since 03/27/2013
- **AJZ Engineering GmbH**
  (50.0 %), since 10/01/2014

Equity Interest < = 50.0 %

- **QUANTIFOIL Instruments GmbH**
  (24.8 %), since 07/09/2009
- **Moldiax GmbH**
  (23.5 %), since 03/11/2011

In Foreign Countries

Analytik Jena AG

Affiliated Companies

- **Analytik Jena Shanghai Instruments Ltd. Co.** (100.0 %), since 09/17/2004
- **Analytik Jena Japan, Co., Ltd.** (100.0 %), since 04/01/2006
  - **Techno X Co., Ltd.** (21.0 %), since 11/30/2012
- **Analytik Jena Romania srl.** (70.0 %), since 10/16/2008
- **Analytik Jena France SARL** (100.0 %), since 01/10/2013
- **Analytik Jena Far East (Thailand) Ltd.** (49.0 %)*, since 04/30/2013
- **UVP, LLC** (100.0 %), since 04/05/2013
  - **Ultra-Violet Products Ltd.** (100.0 %), since 04/05/2013
- **AJ Instruments India Pvt. Ltd.** (99.0 %), since 11/01/2014
- **CyBio Northern Europe Ltd.** (100.0 %), since 02/25/2009
- **Analytik Jena US, Inc.** (100.0 %), since 02/25/2009

AJZ Engineering GmbH

- **AJZ Engineering Algerie SARL** (85.0 %), since 10/02/2013
- **AJZ Engineering Libya, Ltd.** (100.0 %), since 10/02/2013
- **TOO AJZ Engineering GmbH** (100.0 %), since 10/02/2013

Equity Interest < = 50.0 %

- **Westburg B.V.** (20.0 %), since 07/18/2011

Representative Offices

- **Far East Office,** Thailand
- **Beijing Office,** China
- **Moscow Office,** Russia
- **New Delhi Office,** India

AJZ Engineering GmbH

- **Branch St. Petersburg,** Russia
- **Dubai Branch Office,** U.A.E.
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Dominik Plüss – Photo Plüss Productions
Guido Werner

Financial Calendar – 2015

March 5, 2015	Announcement of Short FY 2014 Financials
April 28, 2015	15th Annual Shareholders' Meeting

These dates may be subject to change at short notice. The latest version of the financial calender is available on the Company's website www.analytik-jena.com.

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