



**Interim report for the 3<sup>rd</sup> quarter of  
the financial year 2002/2003**

April 1, 2003 to June 30, 2003

**report for 9 months 2002/2003**

October 1, 2002 to June 30, 2003

**Key figures**

for the period from October 1 to June 30, 2003 and 2002

	9 months report		
	2002/2003	2001/2002	change
<b>Earnings data</b>			
<b>Total net sales</b>	<b>58,640</b>	<b>50,391</b>	<b>16.4%</b>
analytical solutions	13,208	14,903	-11.4%
bioanalytical solutions	3,226	2,963	8.9%
project solutions	39,019	29,229	33.5%
manufacturing	3,187	3,296	-3.3%
Germany	24,531	34,206	-28.3%
Europe	27,003	10,588	155.0%
America	1,493	1,354	10.3%
Asia	3,556	3,698	-3.8%
Other countries	2,057	545	277.4%
<b>Export ratio</b>	<b>58.2%</b>	<b>32.1%</b>	
Gross profit	15,208	14,933	1.8%
<b>Gross margin</b>	<b>25.9%</b>	<b>29.6%</b>	
EBITDA	2,189	2,324	5.8%
<b>EBITDA to sales ratio</b>	<b>3.7%</b>	<b>4.6%</b>	
EBIT	599	1,049	-42.9%
<b>EBIT to sales ratio</b>	<b>1.0%</b>	<b>2.1%</b>	
EBT	160	810	-80.2%
<b>EBT to sales ratio</b>	<b>0.3%</b>	<b>1.6%</b>	
Net income for the period	102	393	-74.1%
Basic earnings per share	0.03	0.11	-72.7%
Diluted earnings per share	0.03	0.11	-72.7%
Average shares outstanding (basic)	3,822,483	3,511,373	
Average shares outstanding (diluted)	3,824,352	3,514,879	
<b>Financial data</b>			
Capital investment (gross)	1,566	4,896	-68.0%
Depreciation and amortization	1,590	1,275	24.7%
Personnel expenditure	9,576	11,474	-16.5%
Net cash flow	-3,175	8,041	
Cash and cash equivalents at the end of the period	1,662	14,407	-88.5%
<b>Balance sheet data</b>			
Shareholders' equity	31,368	32,522	-3.6%
Balance sheet total	60,498	75,212	-19.6%
<b>Shareholders' equity ratio</b>	<b>51.9%</b>	<b>43.2%</b>	
<b>Supplementary</b>			
Research and development expenses (gross)	4,544	3,202	41.9%
Number of employees (at 06/30)	378	382	-1.1%
Orders on hand	106,004	100,195	5.8%
Treasury stock	27,516	27,516	

All figures in EUR'000, with the exception of amounts per share and employees

## Letter to Shareholders



*Dear Shareholders, Ladies and Gentlemen,*

The figures to June 30, 2003 that we have announced reflect the persistence of the difficult overall conditions on global markets. We are nonetheless satisfied with the business trend in the third quarter. It indicates that our objective of returning to profitability in the current financial year is a realistic prospect. We are assuming that this positive trend will also continue into the new financial year.

In the quarter just ended, as in the two quarters that preceded it, we reported highly divergent trends in our business units. Although instruments sales in the business units analytical solutions and bioanalytical solutions developed consistently worse than expected, in line with the domestic and international trends, the business unit project solutions continued to achieve highly positive growth.

Instrument sales and orders received in the business units analytical solutions and bioanalytical solutions remained well below our expectations, especially in the first two months of the last quarter. At the end of the quarter we registered an improvement – which has been maintained thus far – in orders received by these two business units. The trend in orders on hand in the business unit project solutions proved to be disproportionately high, despite the poor general economic situation. Orders on hand amounted to more than EUR 100 m at the end of the quarter under review. Despite the pleasing trend in this business unit, the trend in the instruments segment meant that further cost optimization measures and savings in all of the business units were unavoidable.

Please allow me a few remarks about the liquidity trend in the company. The decrease in liquidity can be attributed primarily to the typical business trend in the project solutions business unit. When projects are at an advanced stage, their further realization makes higher capital commitments unavoidable. The substantial cash outflows, in turn, are then reflected in very low levels of cash on hand. The situation was made more difficult for us by the fact that the current trend towards stagnation in the business units analytical solutions and bioanalytical solutions prevented us from building up a short-term liquidity cushion. We do not expect to be able to do this until there is a pronounced improvement in the domestic and international business environment. The company's current level of cash and cash equivalents, however, is estimated to be sufficient.

ACHEMA, one of the largest international trade fairs in Frankfurt, was one of the highlights of the last quarter. Analytik Jena presented itself as a Group at the fair and attracted a great deal of interest. Winning an order from the People's Republic of China to supply atom absorption spectrometers and simultaneous spectrophotometers with a value of more than USD 1 m was another highlight. The analytical instrument systems that are still to be supplied will be used to equip numerous public environmental authorities. This is Analytik Jena's largest individual order so far in the instruments segment. We regard this order primarily as recognition of our exporting endeavors. The reporting of sales from the order, which had originally been expected by the end of this financial year, is being postponed until the new financial year.

Dear Shareholders, Ladies and Gentlemen, we must also emphasize a change in responsibility for finance at executive board level. Jürg Briner, an internationally experienced executive, joined the management team at Analytik Jena on June 1, 2003. The positive trend in the share price, which began at the start of the fourth quarter, must also be acknowledged. We aroused the interest of further institutional investors in the share. At the same time, the entire share block of DEWB AG, Jena was re-placed successfully in mid-July. As a result, the Analytik Jena share currently has a free float of almost 62 per cent.

Jena, August 2003

Klaus Berka



Chairman of the executive board

**Consolidated income statement**

for the period from October 1 to June 30, 2003 and 2002

	Quarterly report		9 months report	
	III/2003	III/2002	2003	2002
Total net sales	20,274	11,801	58,640	50,391
Cost of sales	15,268	7,061	43,432	35,458
<b>Gross profit</b>	<b>5,006</b>	<b>4,740</b>	<b>15,208</b>	<b>14,933</b>
<b>Operating income/expenses</b>				
Selling expenses	2,378	2,202	7,707	7,593
General administrative expenses	847	528	2,464	2,441
Research and development expenses	1,020	1,856	3,010	2,995
Goodwill amortization	-	6	-	18
Depreciation and amortization on property, plant and equipment and intangible assets	542	405	1,590	1,257
<b>Operating income</b>	<b>219</b>	<b>-257</b>	<b>437</b>	<b>629</b>
<b>Other income/expenses</b>				
Interest income	33	130	131	399
Interest expenses	203	335	570	638
Other income	72	173	162	420
<b>Earnings before income taxes</b>	<b>121</b>	<b>-289</b>	<b>160</b>	<b>810</b>
Income taxes	81	-106	69	342
Earnings before minority interest	40	-183	91	468
Minority interest	-4	46	-11	75
<b>Net income/loss for the period</b>	<b>44</b>	<b>-229</b>	<b>102</b>	<b>393</b>
<b>Basic earnings/loss per share</b>	<b>0.01</b>	<b>-0.07</b>	<b>0.03</b>	<b>0.11</b>
<b>Diluted earnings/loss per share</b>	<b>0.01</b>	<b>-0.07</b>	<b>0.03</b>	<b>0.11</b>
Average shares outstanding (basic)	3,822,483	3,511,373	3,822,483	3,511,373
Average shares outstanding (diluted)	3,824,352	3,514,879	3,824,352	3,514,879

All figures in EUR'000, except amounts per share

**Consolidated balance sheet**

as of June 30, 2003 and September 30, 2002

	06/30/2003	09/30/2002
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,662	4,837
Trade accounts receivable less bad allowances (QIII 2002/2003: 149; 2001/2002: 116)	4,837	8,748
Inventories	10,316	9,859
Amount due on manufacturing orders with credit balance	17,768	8,791
Prepaid expenses and other current assets	5,031	2,911
<b>Total current assets</b>	<b>39,614</b>	<b>35,146</b>
Property, plant and equipment	10,044	10,599
Intangible assets	3,452	2,926
Investments in associates	66	66
Other financial assets	175	170
Goodwill	5,099	5,099
Deferred tax assets	2,048	1,622
<b>Total fixed assets</b>	<b>20,884</b>	<b>20,482</b>
<b>Total assets</b>	<b>60,498</b>	<b>55,628</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Short-term debt	178	66
Current portion of long-term financial debt	462	499
Trade accounts payable	13,774	8,785
Manufacturing orders with a debit balance	1,150	2,906
Deposits received from customers	454	381
Accrued liabilities	5,083	6,011
Other current liabilities	2,846	1,196
Deferred tax liabilities	1,652	1,156
<b>Total current liabilities</b>	<b>25,599</b>	<b>21,000</b>
Long-term financial debt less current maturities	1,981	2,148
Other liabilities	1,191	983
Pension obligations	359	333
<b>Total liabilities</b>	<b>29,130</b>	<b>24,464</b>
<b>Shareholders' equity</b>		
No-par value shares with a theoretical par value of EUR 1.00 per share		
Authorized common stock: 5,100,000 shares; issued: 3,822,483 (2001/2002: 3,822,483)	3,850	3,850
Additional paid-in capital	25,634	25,634
Changes in shareholders' equity not resulting from transactions with shareholders	135	33
Retained earnings	2,096	1,994
Less cost of treasury stock (QIII 2002/2003: 27,516 shares; 2001/2002: 27,516 shares)	(347)	(347)
<b>Total shareholders' equity</b>	<b>31,368</b>	<b>31,164</b>
<b>Total liabilities and shareholders' equity</b>	<b>60,498</b>	<b>55,628</b>

All figures in EUR'000

**Consolidated cash flow statement**

for the period from October 1 to June 30, 2003 and 2002

	9 months report	
	2003	2002
<b>Cash flows from operating activities</b>		
Net income for the period before income tax and after minority interest	172	735
Net income for the period after taxes	102	393
<b>Reconciliation of net income to net cash provided by/(used in) operating activities</b>		
Amortization of intangible assets and depreciation of property, plant and equipment	1,590	1,275
Increase in bad debt allowances	33	2
Changes in deferred taxes	69	(322)
Loss from other financial assets	-	(3)
<b>Changes in assets and liabilities</b>		
Decrease in trade accounts receivable	3,878	4,264
Increase in inventory	(457)	(1,262)
Increase in other assets	(12,751)	(17,099)
Increase in trade accounts payable	4,989	3,314
Increase in accrued liabilities and other liabilities	993	14,801
<b>Net cash provided by/(used in) operating activities</b>	<b>(1,554)</b>	<b>5,363</b>
<b>Cash flows from investing activities</b>		
Purchase of securities	-	565
Purchase of intangible assets and property, plant and equipment	(1,788)	(2,976)
Receipts of investment grants	-	106
Acquisition of investment in associates	-	(266)
Acquisition of majority interests less acquired cash and cash equivalents	-	(1,139)
Proceeds from disposal of intangible assets and property, plant and equipment	227	-
Purchase of other financial assets and securities	(5)	-
<b>Net cash used in investing activities</b>	<b>(1,566)</b>	<b>(3,710)</b>
<b>Cash flows from financing activities</b>		
Change in short-term loans	112	(560)
Proceeds from long-term financial debt	-	4,391
Redemptions of long-term financial debt	(167)	(1,289)
Receipts of capital increase	-	3,846
<b>Net cash provided by/(used in) financing activities</b>	<b>(55)</b>	<b>6,388</b>
<b>Cash and cash equivalents</b>		
Net change in cash and cash equivalents	(3,175)	8,041
Effects from foreign exchange rates	-	3
Cash and cash equivalents at the beginning of the financial year	4,837	6,363
<b>Cash and cash equivalents at the end of the period</b>	<b>1,662</b>	<b>14,407</b>

All figures in EUR'000

## Consolidated statement of changes in shareholders' equity

as of June 30, 2003

	Total shareholders' equity	Changes in shareholders' equity	Profit reserves and retained earnings surplus	Unrealized profits from securities	Currency translation differences due to consolidation	Changes in additional paid-in capital	Subscribed capital	Transactions in treasury stock	Issued of no-par value shares
<b>Balance at October 1, 2001</b>	<b>27,659</b>		<b>2,871</b>	-	-	<b>22,138</b>	<b>3,500</b>	<b>(850)</b>	<b>3,439,888</b>
<b>Changes in shareholders' equity</b>									
Net loss for the year	(877)	(877)	(877)	-	-	-	-	-	-
Changes in shareholders' equity not resulting from transactions with shareholders	33	33	-	-	33	-	-	-	-
<b>Comprehensive income</b>	<b>(844)</b>	<b>(844)</b>							
Use of treasury stock	503	503	-					503	32,596
Capital increase	3,846	3,846				3,496	350		349,999
<b>Total changes in shareholders' equity</b>		<b>3,505</b>							
<b>Balance at September 30, 2002</b>	<b>31,164</b>		<b>1,994</b>	-	33	<b>25,634</b>	<b>3,850</b>	<b>(347)</b>	<b>3,822,483</b>
<b>Changes in shareholders' equity</b>									
Net income for the period	102	102	102	-	-	-	-	-	-
Changes in shareholders' equity not resulting from transactions with shareholders	102	102	-	-	102	-	-	-	-
<b>Comprehensive income</b>	<b>204</b>	<b>204</b>							
Use of treasury stock			-						
Capital increase	-								
<b>Total changes in shareholders' equity</b>		<b>204</b>							
<b>Balance at June 30, 2003</b>	<b>31,368</b>		<b>2,096</b>	-	135	<b>25,634</b>	<b>3,850</b>	<b>(347)</b>	<b>3,822,483</b>

All figures in EUR'000, with the exception of figures related to shares

## Report on the first nine months of the financial year 2002/2003

For the period from October 1, 2002 to June 30, 2003

### Operating and financial review as well as notes on Structured Quarterly Report (SQR)

#### BASES FOR CONSOLIDATED FINANCIAL STATEMENTS

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The quarterly financial statements are drawn up in accordance with the guidelines for interim reports that are recognized in the USA and the guidelines for structured quarterly reporting (SQR) issued by the German Stock Exchange (*Deutsche Börse*). These unaudited financial statements must be seen in connection with the audited consolidated financial statements as of September 30, 2002.

All of the amounts in the consolidated financial statements – apart from those relating to the share – are reported in thousands of euros (“EUR ...,000”) or millions of euros (“EUR m”).

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

#### Scope of Consolidation

Besides Analytik Jena AG as the parent company, the Group of fully consolidated companies includes all of the subsidiaries in which Analytik Jena AG is directly or indirectly entitled to the majority of voting rights. Compared with the same period last year, there has been no change in the number of subsidiaries included in the consolidated entity.

## GROUP MANAGEMENT REPORT

### Development of Group sales

The Group posted sales of EUR 20.274 m in the third quarter of the financial year 2002/2003. This represents an increase of 71.8% over the comparative quarterly total of EUR 11.801 that was generated in the previous year. Compared with the corresponding period in the previous year, accumulated sales in the first three quarters increased by 16.4% to EUR 58.640 m (previous year: EUR 50.391 m).

A weak US dollar, the lung disease SARS and the general economic uncertainty among consumers not only led to cautious investment behavior in our industry; they also increased competition dramatically. This, of course, also led to increased price and cost pressure. This resulted in substantial decreases in orders received and in sales, particularly in the instruments segment. The fact that the Group's sales nevertheless remained stable can be attributed primarily to the positive business trend in the business unit project solutions.

### Sales by business unit

Consolidated sales by business unit in EUR m

Business unit	Quarter III		+/-	9 months		+/-
	04/01/2003 - 06/30/2003	04/01/2002 - 06/30/2002		10/01/2002 - 06/30/2003	10/01/2001 - 06/30/2002	
analytical solutions	3.487	4.806	-27.4%	13.208	14.903	-11.4%
bioanalytical solutions	0.951	1.254	-24.2%	3.226	2.963	8.9%
project solutions	14.815	4.594	222.5%	39.019	29.229	33.5%
manufacturing	1.021	1.147	-11.0%	3.187	3.296	-3.3%
<b>Total</b>	<b>20.274</b>	<b>11.801</b>	<b>71.8%</b>	<b>58.640</b>	<b>50.391</b>	<b>16.4%</b>

The sales posted by Analytik Jena in the key business unit analytical solutions decreased by 27.4% to EUR 3.487 m (previous year: EUR 4.806 m). All in all, the business unit generated sales of EUR 13.208 m in the first nine months of the current financial year (previous year: EUR 14.903 m). This represents a decline of 11.4% in sales compared with the same period last year.

A highlight of the last quarter was the placement of an order by Bayer AG for a laboratory, information and management system (LIMS) supplied by our subsidiary AJ Blomesystem. The intention is to equip around 300 lab workstations in Germany's largest chemical park with the software system.

The business unit bioanalytical solutions generated sales of EUR 0.303 m in the quarter under review, a lower figure than that of the corresponding quarter last year (previous year: EUR 1.254 m). The accumulated sales generated by the business unit bioanalytical solutions in the first three quarters amounted to EUR 3.226 m, 8.9% higher than the previous year's level (previous year: EUR 2.963 m).

The business unit project solutions accounted, with 66.5%, for the largest proportion of total sales. The business unit generated sales of EUR 39.019 m in the first three quarters (previous year: EUR 29.229 m). In other words, sales increased by 33.5% in the period under review, with the stable commercial links of AJZ Engineering with the states of the Russian Federation making a particularly important contribution. At EUR 14.815 m, the sales posted in the third quarter of the financial year 2002/2003 were 222.5% higher than those of the same quarter last year. The orders received by AJZ Engineering showed a pleasing trend. The level of orders on hand for large-scale projects remained very high at more than EUR 100 m. The most important task in this area is to implement the projects on time and at the requisite quality.

The sales generated by the business unit manufacturing as per June 30, 2003 showed a relatively stable trend and currently amount to EUR 3.187 m (previous year: EUR 3.296 m). Quarterly sales of the high-grade optical consumer goods for the hunting, sport and leisure fields that are manufactured at the Group's own Eisfeld production site amount to EUR 1.021 m (previous year: EUR 1.147 m).

## Sales by region

### Consolidated sales by region in EUR m

Regions	Quarter III		+/-	9 months		+/-
	04/01/2003 - 06/30/2003	04/01/2002 - 06/30/2002		10/01/2002 - 06/30/2003	10/01/2001 - 06/30/2002	
Germany	4.492	7.355	-38.9%	24.531	34.206	-28.3%
Europe	14.035	1.971	612.1%	27.003	10.588	155.0%
America	0.418	0.544	-23.2%	1.493	1.354	10.3%
Asia	0.967	1.931	-49.9%	3.556	3.698	-3.8%
Other	0.362	-	-	2.057	545	277.4%
<b>Total</b>	<b>20.274</b>	<b>11.801</b>	<b>71.8%</b>	<b>58.640</b>	<b>50.391</b>	<b>16.4%</b>

The sharp drop of EUR 9.675 m in domestic sales results from the well-known investment barriers and cost saving programs of many public sector institutions and private companies in Germany. This represents a decline of 28.3%.

The Group's international business activities continue to grow strongly and contributed a total of EUR 34.109 m to consolidated sales (previous year: EUR 16.185 m) in the first nine months of the current financial year. Europe, currently Analytik Jena's biggest market, accounted for EUR 27.003 m (previous year: EUR 10.588 m) of these. This represents an increase of 155.0% compared with the same period last year. This growth in European sales resulted primarily from income earned by AJZ Engineering with large-scale projects in Russia.

In Asia, Analytik Jena generated sales of EUR 3.556 m (previous year: EUR 3.698 m) in the period under review. This slight decline of 3.8% in sales can be attributed to the more difficult trading conditions that resulted from the lung disease SARS and the weaker US dollar. On the US market, the Group increased its earnings slightly by 10.3% to EUR 1.493 m (previous year: EUR 1.354 m) in the first three quarters, despite the Iraq crisis and the prevailing reluctance of US consumers to buy from German manufacturers.

All in all, Analytik Jena can report substantial growth in its export activities. The export ratio was increased from 32.1% in the previous year to 58.2%.

## Gross profit

### Gross profit in EUR m

	Quarter III		+/-	9 months		+/-
	04/01/2003 - 06/30/2003	04/01/2002 - 06/30/2002		10/01/2002 - 06/30/2003	10/01/2001 - 06/30/2002	
Gross profit	5.006	4.740	5.6%	15.208	14.933	1.8%

Gross profit in the Group increased marginally by 5.6% to EUR 5.006 m (previous year: EUR 4.740 m). Due to the high proportion of sales accounted for by project activities, the average gross margin declined slightly; by the end of the period under review it amounted to 25.9% (previous year: 29.6%).

## Selling and administrative

### Selling and administrative expenses in EUR m

	Quarter III		+/-	9 months		+/-
	04/01/2003 - 06/30/2003	04/01/2002 - 06/30/2002		10/01/2002 - 06/30/2003	10/01/2001 - 06/30/2002	
Selling expenses	2.378	2.202	8.0%	7.707	7.593	1.5%
Administration expenses	0.847	0.528	60.4%	2.464	2.441	0.9%

Selling and administrative expenses in the first nine months of the financial year remain at the level achieved in the same period last year.

## Research and development

### Research and development expenses in EUR (m)

	Quarter III		+/-	9 months		+/-
	04/01/2003 - 06/30/2003	04/01/2002 - 06/30/2002		10/01/2002 - 06/30/2003	10/01/2001 - 06/30/2002	
R&D costs	1.020	1.856	-45.0%	3.010	2.995	0.5%

The Group spent around EUR 3 m on research and development in the first nine months of the current financial year. R&D expenses thus remained relatively constant compared with the same period last year (previous year: EUR 2.995 m). In the quarterly comparison, net research and development expenses declined by 45.0% to EUR 1.020 m. This can be attributed partly to additional public funds for particularly promising development projects. In the business units analytical solutions and bioanalytical solutions (the only units where R&D expenses are incurred), Analytik Jena invested 18.3% of its income in research and development over the past nine months (previous year: 16.8%).

## Earnings performance

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

	Quarter III		+/-	9 months		+/-
	04/01/2003 - 06/30/2003	04/01/2002 - 06/30/2002		10/01/2002 - 06/30/2003	10/01/2001 - 06/30/2002	
EBITDA	0.834	0.327	155.0%	2.189	2.324	-5.8%
EBIT	0.291	-0.084	-	0.599	1.049	-42.8%
EBT	0.121	-0.289	-	0.160	0.810	-80.1%
Net income	0.044	-0.229	-	0.102	0.393	-74.0%
EPS	0.01	-0.07	-	0.03	0.11	-75.7%

Earnings before depreciation and amortization (EBITDA) amounted to EUR 2.189 m in the nine-month period (previous year: EUR 2.324 m). Earnings before financial results and taxes on income (EBIT) developed in line with the corporate plans in the first nine months of the financial year 2002/2003, coming to EUR 0.599 m (previous year: EUR 1.049 m).

The net result of with minus EUR 0.439 m reflects the increased costs of pre-financing arrangements and loan collateralization transactions for large-scale projects in the business unit project solutions and also results from the currency exchange losses resulting from the weakness of the US dollar. With the tax ratio remaining almost constant compared with the previous year, net income for the period after minority shareholdings amounted to EUR 0.102 m as per the balance sheet date (previous year: EUR 0.393 m). Basic and diluted earnings per share currently amount to EUR 0.03 (previous year: EUR 0.11).

**Balance sheet trend**

Current assets increased by 12.7% to EUR 39.614 m compared with September 30, 2002, mainly because of the growth in manufacturing orders with favorable balances from EUR 8.791 m to EUR 17.768 m. Fixed assets increased marginally from EUR 20.482 m to EUR 20.884 m. On the liabilities side, accounts payable increased by 19.1% to EUR 29.130 m, primarily as a result of the increase in trade payables from EUR 8,785 m to EUR 13.774 m; most of this was accounted for by manufacturing orders. Shareholders' equity, taking account of net income for the period under review, increased slightly to EUR 31.368 m (September 30, 2002: EUR 31.164 m). As a result of all these developments, the balance sheet total increased by 8.8% to EUR 60.498 m (September 30, 2002: EUR 55.628). The increased balance sheet total, which was generated by the manufacturing orders, caused the capital ratio to decrease to 51.9% (September 30, 2002: 56.0%).

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**ADDITIONAL INFORMATION**
**Cash and cash equivalents**

Cash and cash equivalents amounted to EUR 1.662 m at the end of the period under review (September 30, 2002: EUR 4.837 m). The decline was largely the result of project activities: Analytik Jena is increasingly entering into advance payments in its large-scale international orders. The level of cash holdings depends strongly on the progress being made by the respective projects and, when reported for periods of less than one year, is also subject to substantial fluctuations. The extent to which cash and cash equivalents, among other things, are bound by the implementation stage of projects is shown under the balance sheet item "Amount due on manufacturing orders with credit balance".

**Level of orders on hand**

At the end of the third quarter the Group had orders on hand amounting to EUR 106.004 m (previous year: EUR 100.195 m).

**Human resources**

As of the balance sheet date June 30, 2003, the Group had a total of 378 employees on its payroll and provided 29 training places (previous year: 382 employees and 24 training places).

**Treasury stock**

As of the balance sheet date June 30, 2003, Analytik Jena continued to hold 27,516 of its own shares.

**Directors' holdings**

Directors' holdings – shares and stock options held by the executive board and the supervisory board

As of June 30, 2003, the members of the executive board held a total of 1,467,500 shares and 50,000 options in Analytik Jena AG. The number of company shares held by Klaus Berka, the chairman of the executive board, increased by 3,000. 5,832 shares were held by members of the supervisory board as of June 30, 2003, the same number as in the previous year.

<b>Holdings as of June 30, 2003</b>	<b>Shares</b>	<b>Options</b>
<b>Executive board</b>		
Klaus Berka	735,250	24,500
Jens Adomat	732,250	24,000
Jürg Briner	---	1,500
<b>Supervisory board</b>		
Alexander von Witzleben	2,083	---
Prof. Dr. Manfred Grün	1,666	---
Dr. Nikolaus Reinhuber	2,083	---

**Changes in the executive board**

Mr. Jürg Briner (50) was appointed as Chief Financial Officer (CFO) of Analytik Jena AG with effect from June 1, 2003. This means that he has now assumed independent executive board responsibility for the tasks that board chairman Klaus Berka had been performing on a temporary basis since November 2002. Jürg Briner is a business administration graduate and a trained auditor. Before joining Analytik Jena he was employed in senior commercial posts at various international corporations and at KPMG in Geneva. Since August 2002, Swiss-born Briner has been responsible for the accounting and controlling departments as head of finance at Analytik Jena. The executive board of Analytik Jena now comprises Chairman Klaus Berka, board member Jens Adomat and CFO Jürg Briner.

**Subsequent events**

No significant transactions or events that influence the picture of the company's situation conveyed by this interim report occurred after the balance sheet date June 30, 2003.

## OUTLOOK

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All in all, we are assuming that the course of business in the fourth quarter will be positive. The revival in demand since June still leaves the company far short of the demand levels of previous years; in conjunction with the cost optimizations that have been achieved, however, it puts us in a position to reach our forecast targets by the end of the financial year. In concrete terms, this means that we are striving for sales of approx. EUR 80 m and thus a substantial increase compared with the previous year. We are also maintaining our earnings forecasts, despite the difficult general conditions such as the investment slump in Germany, the US dollar trend, the Iraq crisis and SARS. However, we also expect the sales postponements in the individual business units to keep earnings before taxes and interest near the bottom of our forecast range of EUR 0.5 to 1.5 m. In respect of liquidity, we currently believe that by the end of the financial year, cash holdings similar to those that were available at the mid-year point can be built up.

## COMPANY CALENDAR

Date	Event	Location
08/27	Publication of interim report for 9 months	Jena
12/17	Announcement of preliminary results for the financial year 2002/2003	Jena
12/30	Publication of the annual report 2002/2003	Frankfurt/Jena
01/07	Accounts press conference	Jena
01/08	Analysts' conference	Frankfurt/Jena
Feb. 04	Publication of interim report for 3 months	Jena
Mar. 04	Fourth ordinary shareholders' meeting	Jena

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

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