

Berlin, September 15, 2008



Look forward!

**New stimulus
for innovation and growth**

**Dr. Michael Kaschke
President & CEO**



- 1) The world we live in**
- 2) Our business**
- 3) What's next?**



1) The world we live in

2) Our business

3) What's next?

Challenges in Healthcare

World Population



Average Life Expectancy



Prevalence of Glaucoma



Prevalence of Cataract



Emerging Countries



Affordability/ Access to Health Insurance



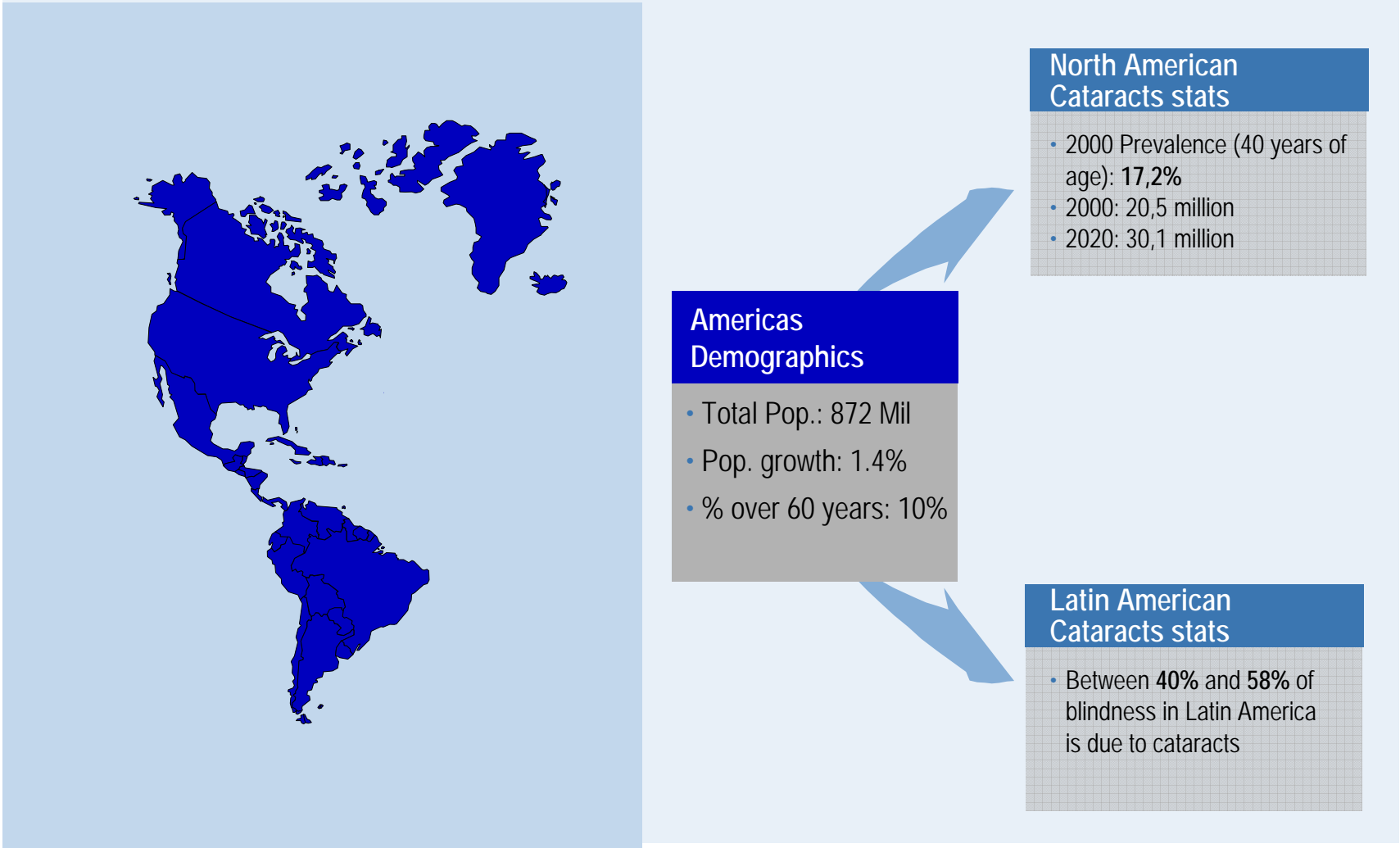
Population is aging worldwide

Percent of Persons age 65 and older

	2008	2025	2050
WORLD	7	10	16
Europe	16	21	26
North America	13	18	21
Latin America & Caribbean	6	10	19
Asia	7	10	18
Africa	3	4	7
Oceania	10	15	19



Prevalence for cataract: 1 out of 5 Americans



In Asia, the cataract prevalence is even higher

Asian Demographics

- Total Pop.: 4 Billion
- Pop. growth: 1.5%
- % over 60 years: 6%



Asian Cataracts stats

- Prevalence ranges from **8,3%** to **61,9%** in major population-based studies



Prevalence of glaucoma

Today:
More than 55 million people
worldwide have glaucoma

2010: 60m people worldwide

2020: 80m people worldwide



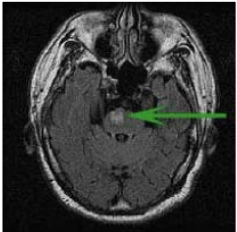
Half of the people who have
glaucoma don't even know it!



Did you know that disorders of the nervous system comprise one of the major categories of human disease?



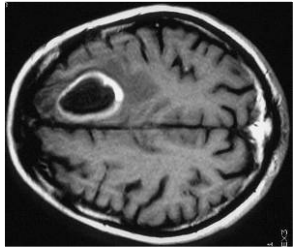
Hemorrhagic Stroke



This MRI shows a lacunar stroke as a white area

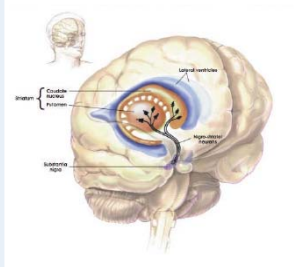
Stroke is the #3 cause of death in the U.S., 15-30% of survivors permanently disabled

Brain Tumors



Among top-ten causes of cancer related deaths in the US

Parkinson's disease



Worldwide Parkinson's disease affects ~6M people, ~2M people in the US

Spine



#1 reason for doctor visit in the US and most prevalent cause of disability under age 45

Epilepsy



One person in 50 will have epilepsy at some point in their life

Our vision and mission



"We are passionate about what we do. Making life more worth living for as many people as possible."

We live in a mobile society that has a massive amount of information at its disposal and is subject to rapid development. Our mission is to develop technologies and solutions that allow people to enjoy a good quality of life, even in old age. Optimum vision, mental health and mobility are a prerequisite for actively participating in society.

Innovative medical technology offers solutions for the challenges in health care



Major developments can be seen in the medical technology markets addressed by our company:

Huge demand for ultra-modern solutions

Better quality of life for more people

Health must remain affordable

Patient wellbeing and customer benefit





1) The world we live in

2) Our business

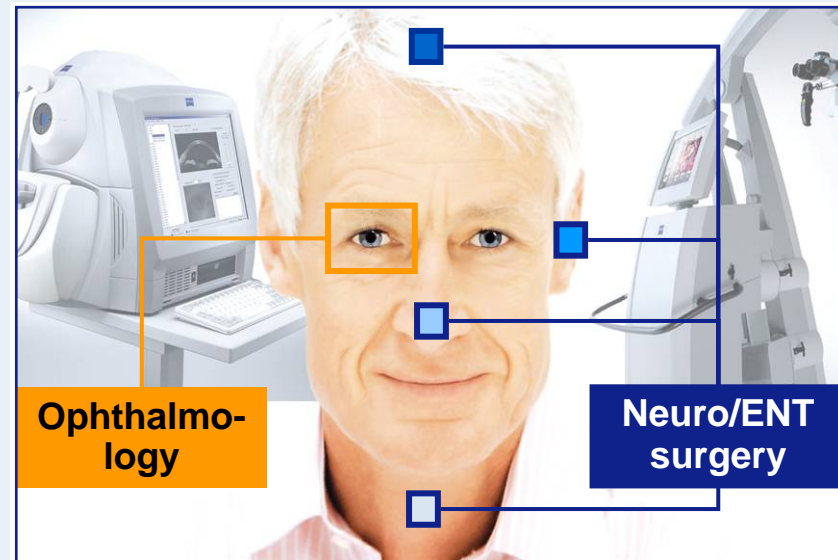
3) What's next?

Carl Zeiss Meditec is one of the major global provider of innovative medical technology...



Carl Zeiss Meditec...

- ... is an integrated medtech company
- ... has a leading position in the markets for ophthalmic systems and devices and visualizations solutions in Neuro/ENT surgery
- ... uses its innovation power to provide enhanced medical professional and patient benefits by offering integrated solutions
- ... has a truly global presence and carries the world-renowned “ZEISS” brand



... with 3 major strategic business units



CARL ZEISS MEDITEC

Ophthalmic Systems



Surgical Ophthalmology



Neuro/ENT surgery



SBU Ophthalmic Systems

Our aspiration



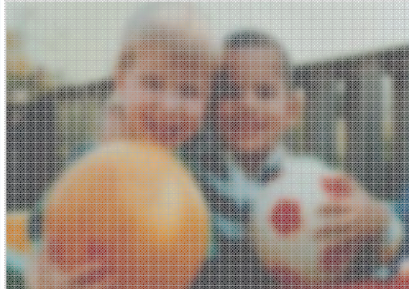



... whenever an ophthalmic caregiver anywhere in the world considers a clinical problem or opportunity, he or she will look first to Carl Zeiss Meditec to provide the most valuable and innovative solutions

SBU Ophthalmic Systems

The main ophthalmic diseases

The four main ophthalmic diseases:

Glaucoma	Retinal disorders	Cataract	Vision defects (refraction)
			
<ul style="list-style-type: none"> • Main diseases of the optical nerve. • Continuous loss of nerve fibers. • Result: Losses in the visual field and in extreme cases blindness. 	<ul style="list-style-type: none"> • The main diseases are: • Macular degeneration, • Diabetic retinopathy, • Retinal detachment and • Circulatory disorders. • Result: major impairment of eyesight or even blindness. 	<ul style="list-style-type: none"> • Opacity of the lens. • Victims get accustomed to the gradual changes. • Diagnosis normally not made until advanced stage. • Result: impairment of eyesight or even blindness. 	<ul style="list-style-type: none"> • Also, suboptimal or subnormal performance in areas such as: • visual acuity, • accommodation, • color vision, • eye motor functions or • night vision.

SBU Ophthalmic Systems

Key innovations - OCT



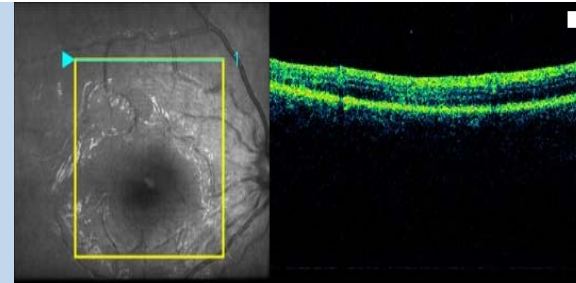
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Optical Coherence Tomography (OCT)

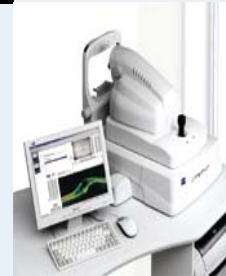
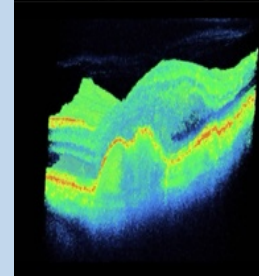
- CZM owns OCT
 - Best technology platforms
 - Most valued applications
 - Highest expertise and support
 - Broadest portfolio
 - Largest customer base

Opportunity:

- The demand for advanced imaging technologies will continue to grow as AMD, Diabetes, Glaucoma and related conditions drive new therapies and demand precise diagnostics
- CZM has the strongest market presence, expertise, IP portfolio and infrastructure to capitalize on these potentials



Stratus OCT



Cirrus HD-OCT

SBU Ophthalmic Systems

Key innovations - OCT



10.000 installations worldwide

= 100.000 eye examinations per day

= 25m eye examinations per annum

We will continue to shape the OCT imaging sector by expanding our product line and providing superior application solutions to our customers



SBU Ophthalmic Systems

Key innovations – Connectivity and networking solutions



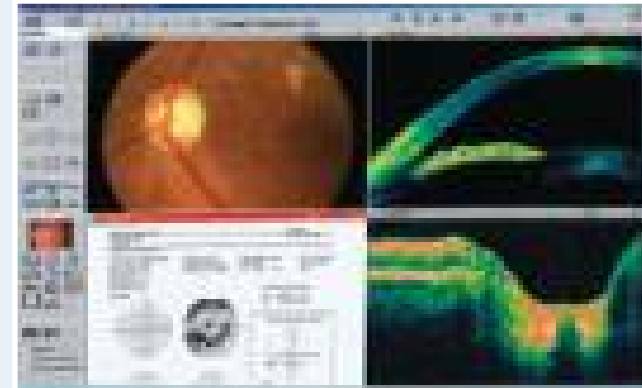
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Connectivity and Networking

- Create market perception and reality
 - CZM connects: routinely and reliably
 - Customers benefit: Clinical value and workflow
 - Competitive advantage: Leverage portfolio and infrastructure

Opportunity:

- Demand for easy access to information improved workflow and increased diagnostic precision will drive connectivity applications



SBU Ophthalmic Systems

Key innovations – Optical biometry



IOLMaster

- CZM founded optical biometry
 - Most valued applications
 - Highest expertise and support
 - Largest customer base

About 9.000 devices sold worldwide

*The Gold Standard
of Optical Biometry!*



IOLMaster

Calculation of
intraocular lenses
(IOL)



SBU Surgical Ophthalmology

Our aspiration








... become a major supplier in the surgical ophthalmology market, known for highly innovative products of superior quality and best visual outcomes

... secure growth through our ability to combine innovation with an understanding of the medical applications, workflows and trends, which we will further strengthen closely together with our customers

SBU Surgical Ophthalmology

More than IOL's – Integrated solution offering






Cataract Diagnostics	IOLs	Viscoelastics	Phaco Systems	OPMI
				
	 *Acri.Tec[®] for enhanced vision		 To be launched in 2009	

We already have a strong position in some segments, and are well positioned to capture the opportunities in others

SBU Surgical Ophthalmology

Comprehensive implant solutions



Intraocular lenses and implants		Disposables
IOLs for cataract surgery	IOLs for refractive surgery	Instruments and accessories for ophthalmic surgery
		
<p>Ophthalmic Systems*</p> <ul style="list-style-type: none"> • The complete range - from monofocal and multifocal intraocular lenses through to toric and microincision lenses (MICS) - offers innovative solutions for phakic refractive lenses (PRLs) • Injectors and cassettes for "pre-loaded lenses" 		<p>Surgical microscopes for ophthalmology*</p> <p>The range of instruments and accessories includes:</p> <ul style="list-style-type: none"> • Irrigating solutions • Capsular tension rings • Surgical tools • Viscoelastica for ophthalmology

* The ophthalmic surgery portfolio is complemented by the adjacent strategic business units of Carl Zeiss Meditec AG.

SBU Surgical Ophthalmology

Our competitive advantage



Carl Zeiss has great optics

Carl Zeiss Meditec is offering solutions

Carl Zeiss Meditec cares about patient benefits and outcomes



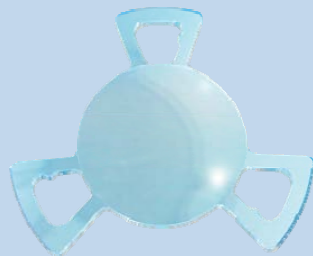
SBU Surgical Ophthalmology

Key innovations – Optical design

Single-piece IOL based on **XL Stabi®** ZO haptics design made of hydrophilic acrylic

The ZO lenses outperform conventional spherical intraocular lenses by:

- improving the quality of the image and restoring high-contrast sensitivity for the largest range of spatial frequencies, even in difficult visual situations
- low sensitivity to tilt and decentration



XL Stabi ZO®



Invent ZO®

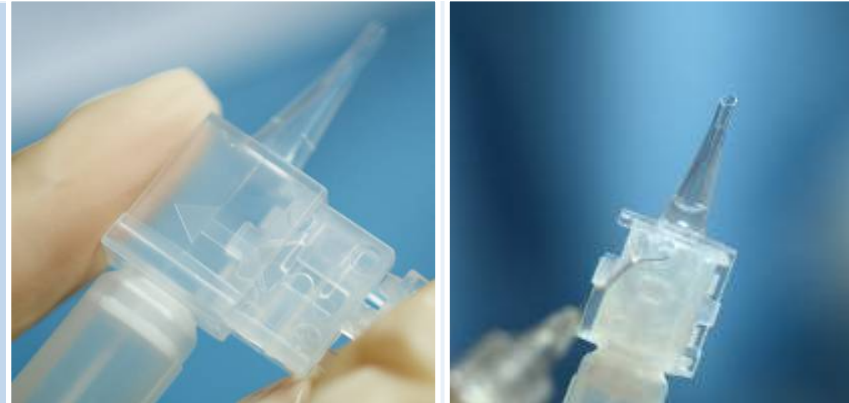


SBU Surgical Ophthalmology

Key innovations – Injection system

New SKYJET system: customer benefits

- Easy, quick and safe injection system
- Minimize handling risk failure by reducing the manipulation of the lens
- Reduced contamination risk – better sterility conditions
- Reduced OP preparation time



**Easy-to-use disposable
injector system**

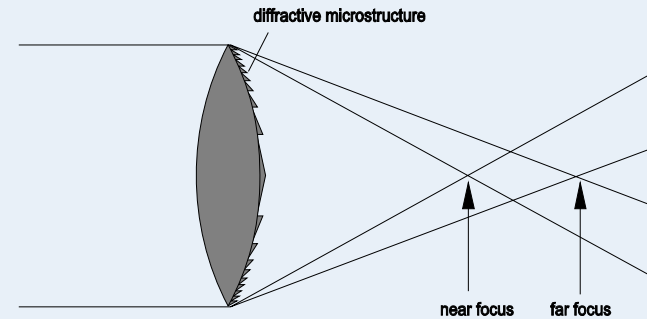
SBU Surgical Ophthalmology

Key innovations – Acri.Lisa/Acri.LISAtoric

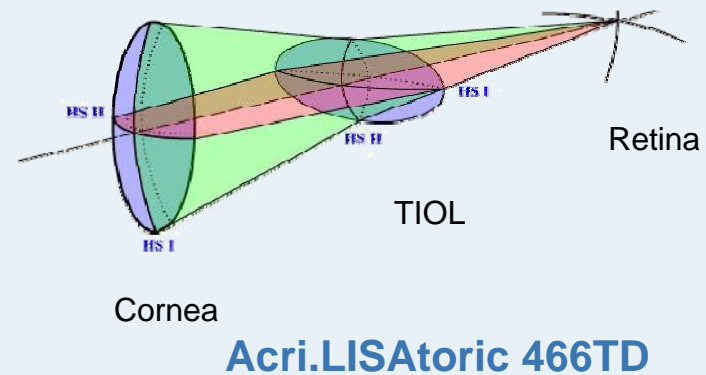


Technical features:

- No topographical zones defined:
 - **phase subzones, outer radius**
 - **main subzones, inner radius**
- Bifocal intraocular lenses equipped with high performance optic
- Consists of highly purified biocompatible acrylate



Acri.Lisa



Acri.LISAtoric 466TD

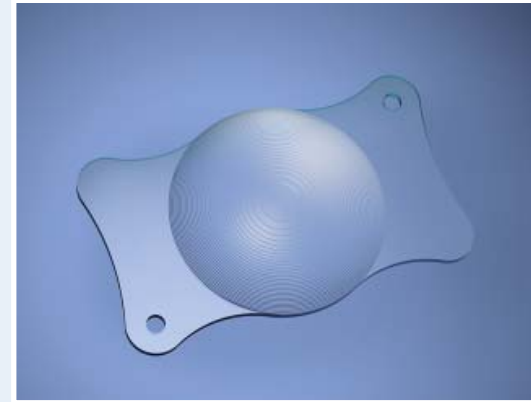
SBU Surgical Ophthalmology

Key innovations – Acri.Lisa/Acri.LISAtoric



Patient benefit:

- Improved vision under different light conditions
- no reduction in contrast sensitivity
- Ideal for night drivers
- Excellent distant and near vision and extended effectively exploitable intermediate range
- More than 90% of the patients no longer need corrective glasses at all



Acri.Lisa



Acri.LISAtoric 466TD

SBU Surgical Ophthalmology

Key innovations – Ophthalmic microscope OPMI Lumera



**OPMI
Lumera:
Red Reflex**

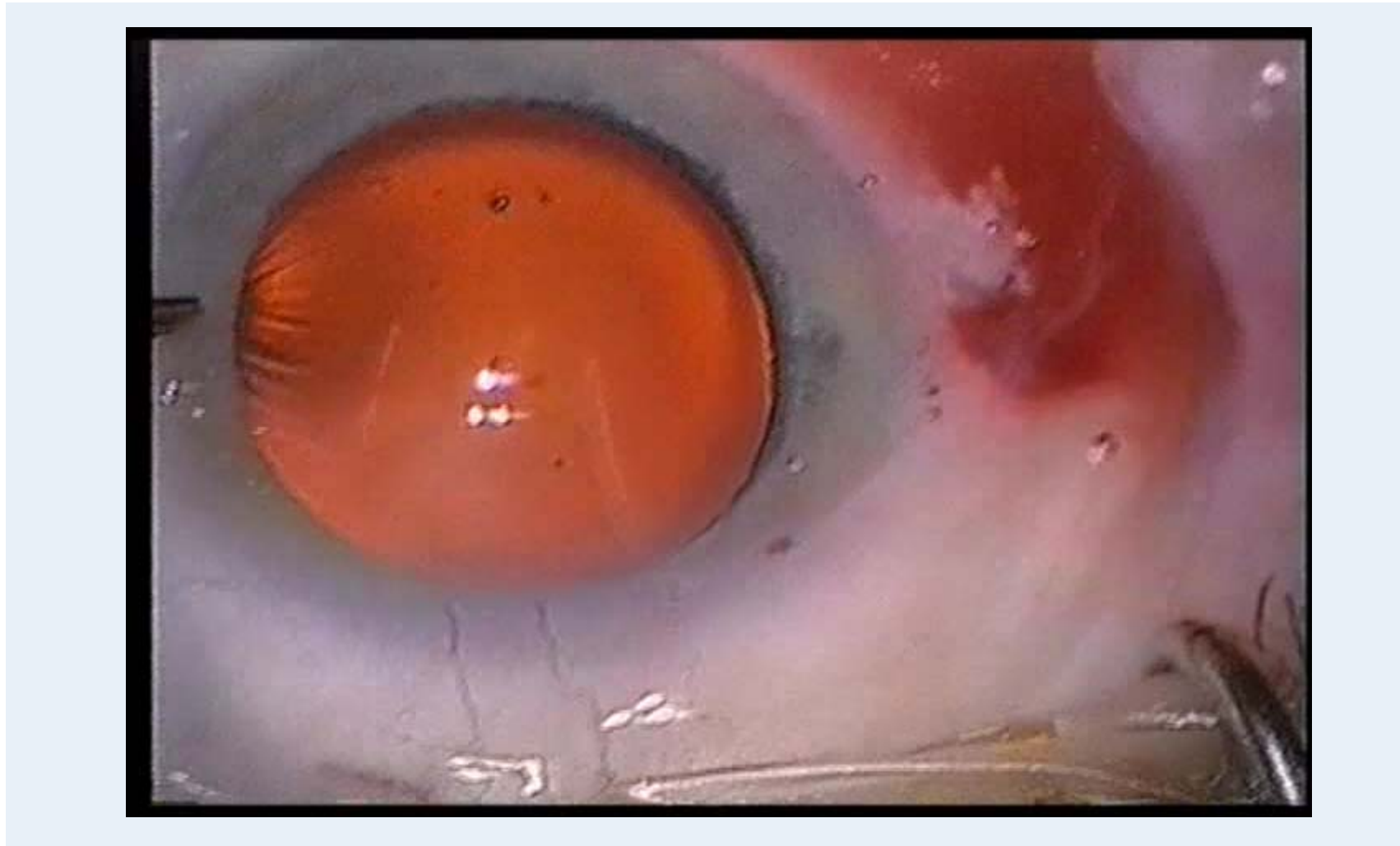
**“This may revolutionize cataract
surgery”
I Howard Fine, PhD**

SBU Surgical Ophthalmology

Key innovations – Ophthalmic microscope OPMI Lumera



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SBU Surgical Ophthalmology

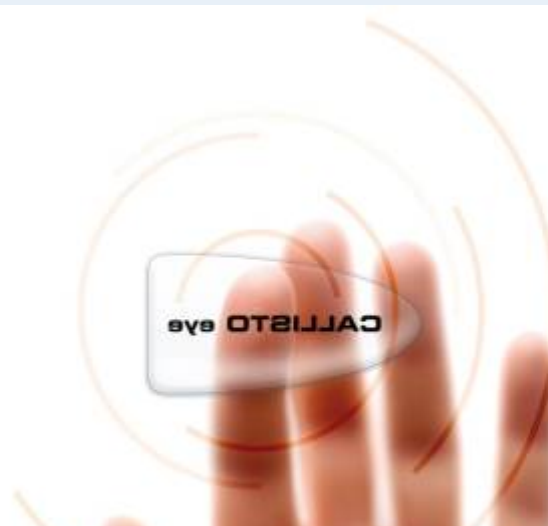
Key innovations – CALLISTO eye – Future of the ophthalmic OR



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Patient administration

ID	Name	Date of Birth	Location
1001	John Doe	1980-01-15	Chicago, IL
1002	Jane Smith	1975-03-22	Chicago, IL
1003	Robert Johnson	1968-07-10	Chicago, IL
1004	Emily White	1992-11-05	Chicago, IL
1005	Michael Brown	1985-04-18	Chicago, IL
1006	Sarah Green	1978-09-03	Chicago, IL
1007	David Black	1990-02-28	Chicago, IL
1008	Laura Grey	1982-06-12	Chicago, IL
1009	James Blue	1970-10-01	Chicago, IL
1010	Amanda Yellow	1988-05-20	Chicago, IL



OR planning

Case ID	Case Name	Start Time	End Time	Location
CALLISTO-1	General Surgery	08:00	10:00	OR 100
CALLISTO-2	Orthopedics	10:30	12:30	OR 100
CALLISTO-3	Ophthalmology	13:00	15:00	OR 100
CALLISTO-4	Cardiology	15:30	17:30	OR 100

Access and control



Video recording and live transmission



Patient based documentation



SBU Neuro/ENT surgery

Our aspiration



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... become a major supplier in the Neuro/ENT market and other markets for microsurgical applications, known for our highly innovative products of superior quality



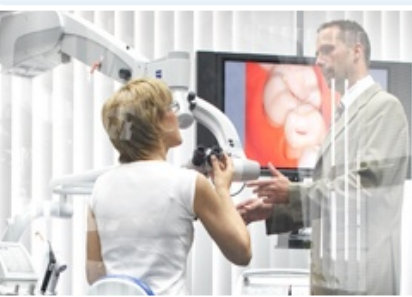

... secure growth through our ability to combine innovation with an understanding of the medical applications, workflows and trends, which we will further strengthen closely together with our customers

SBU Neuro/ENT surgery

Leading position in visualization systems



Solutions for microsurgery

Business field Neuro/ENT Surgery	Business field Ophthalmic surgery	Business field Office products	Business field IORT
			
<ul style="list-style-type: none"> • Microsurgical visualization solutions for the neuro- and ear, nose and throat surgery, for spinal surgery and for P&R. 	<ul style="list-style-type: none"> • Microsurgical visualization solutions for ophthalmic surgery. 	<ul style="list-style-type: none"> • Diagnostic and treatment solutions for doctors in private practice specialized in ENT, dentistry and gynecology. • Relevant portfolio covered - from founding of surgical practice through to successful practice. 	<ul style="list-style-type: none"> • Innovative intraoperative radiation therapy solutions to increase treatment effectiveness and efficiency.

SBU Neuro/ENT surgery

Key innovations – neuro microscope OPMI Pentero



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OPMI Pentero



Our intraoperative diagnostic solutions deliver crucial support for neurosurgeons in life-threatening surgeries and significantly improve treatment outcome.

The neuro surgeons view without ...

... and with intra-operative diagnostics

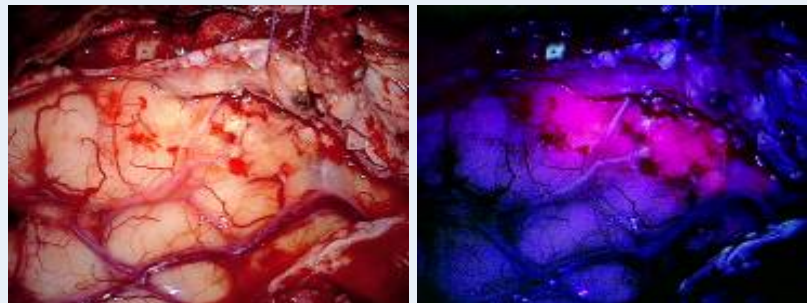
INFRARED800:

Intraoperative visualization of blood flow for aneurysm treatment



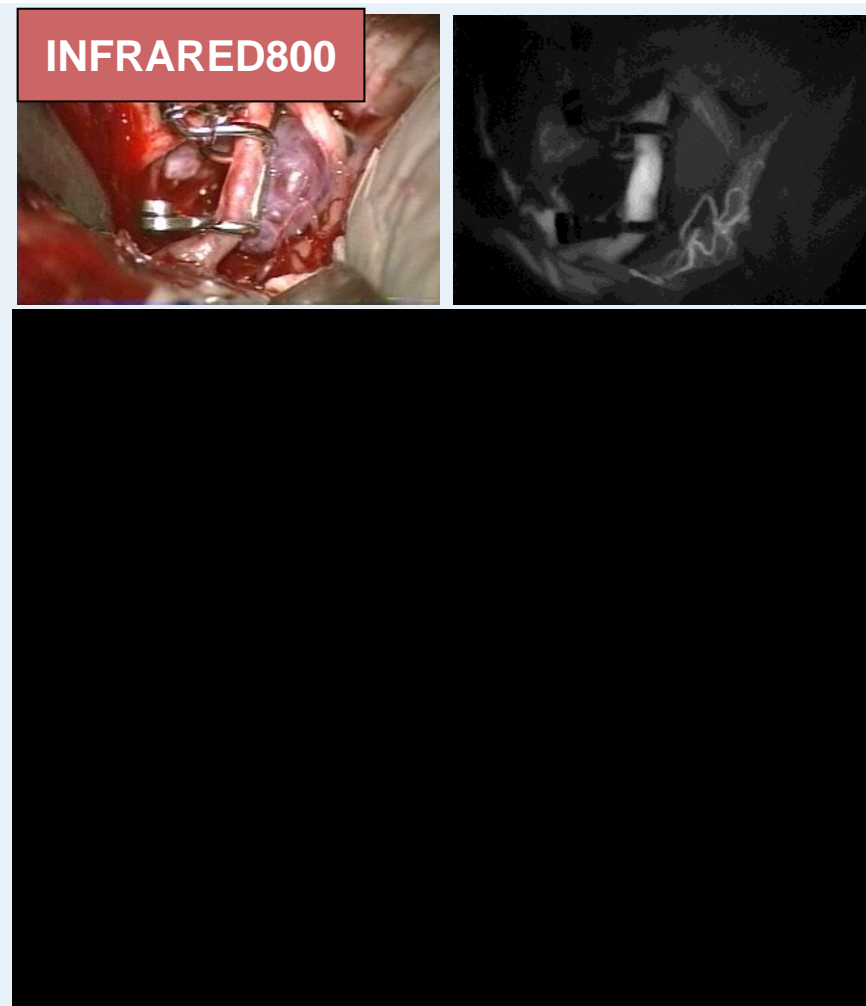
BLUE400:

Intraoperative visualization of tumor margins in resection surgery



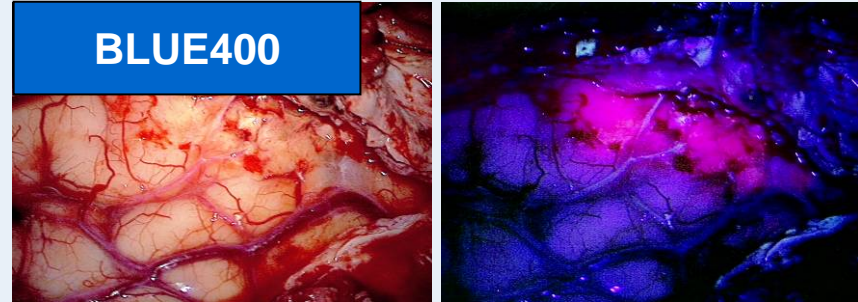
SBU Neuro/ENT surgery

Key innovations – Infrared800



SBU Neuro/ENT surgery

Key innovations – Blue400




SBU Neuro/ENT surgery

Key innovations – The Pentero platform: Fact & Figures



CARL ZEISS MEDITEC

- 
- ▶ More than 1250 OPMI Pentero® systems are in use worldwide.
 - ▶ More than 1 million neurosurgical procedures have been performed with the OPMI Pentero surgical platform
 - ▶ More than 350 fluorescence modules are in clinical use at major teaching institutions worldwide
 - ▶ More than 4200 fluorescence-guided procedures performed worldwide used breakthrough INFRARED 800 and BLUE 400 technologies
 - ▶ All major peer-reviewed clinical publications on indocyanine green video-angiography in cerebrovascular surgery have been reported with ZEISS technology
 - ▶ More than 1000 neurosurgeons worldwide have been trained on Zeiss fluorescence technologies

SBU Neuro/ENT surgery

Key innovations – Intraoperative Radiotherapy (IORT):



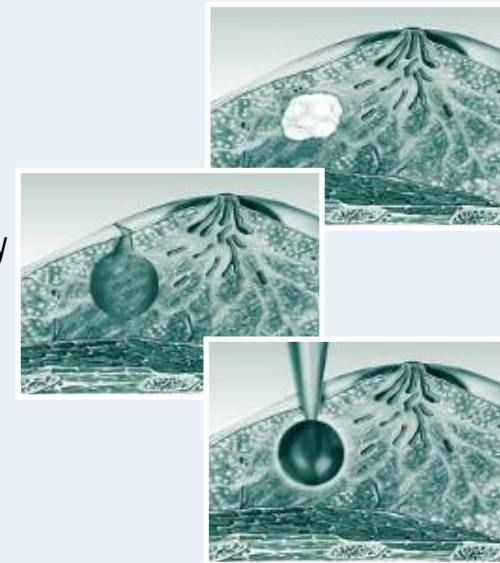
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INTRABEAM

Applications:

- Various irradiation applications throughout the body
- Intraoperative Radiotherapy (IORT) of the tumor bed (main application: breast cancer treatment)



Features of the INTRABEAM System:

- Protects surrounding tissue
- Minimum exposure of patient and OR staff
- Rapid availability in different ORs and hospitals
- Flexible positioning of the system
- Cost efficiency made possible by multidisciplinary use



SBU Neuro/ENT surgery

Key innovations – Intraoperative Radiotherapy (IORT)

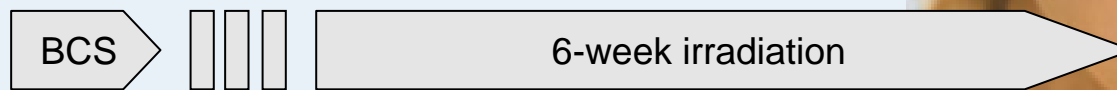


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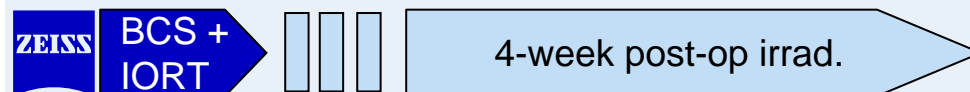
Breast Conserving Surgery (BCS) will be significantly improved with INTRABEAM® IORT

Our intraoperative radiation solution aims to significantly reduce treatment time and improve treatment outcome

Current treatment method



IORT Boost with INTRABEAM®



Boost

One time treatment with INTRABEAM® (TARGET trial)



Percutaneous boost

6 weeks

April 05						
M	D	M	D	F	S	S
					1	2 3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Mai 05						
M	D	M	D	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

4 weeks

April 05						
M	D	M	D	F	S	S
					1	2 3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Mai 05						
M	D	M	D	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

1 day

April 05						
M	D	M	D	F	S	S
					1	2 3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
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Mai 05						
M	D	M	D	F	S	S
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30	31					

SBU Neuro/ENT surgery

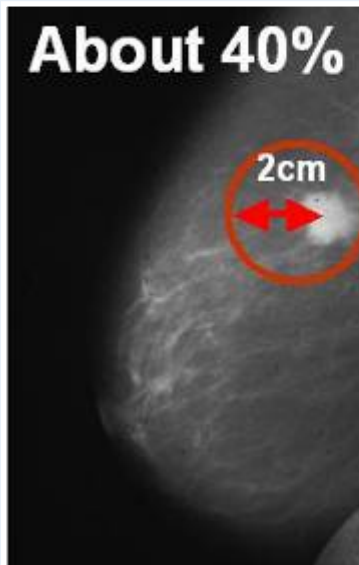
Key innovations – Intraoperative Radiotherapy (IORT)



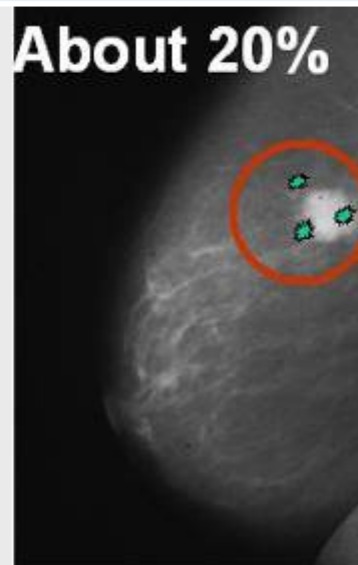
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INTRABEAM® IORT can be used to treat 60% of breast cancers.

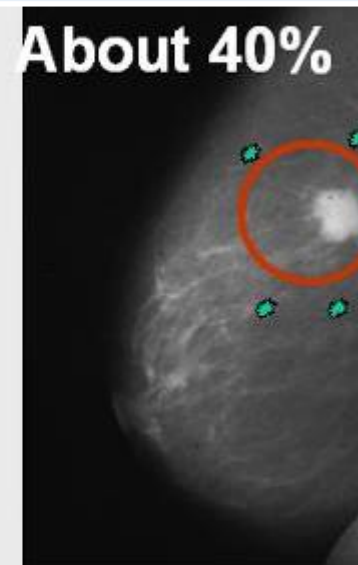
✓ Without formation of metastases



✓ With formation of metastases within a radius of 2 cm



✗ Widespread dissemination of metastases



SBU Neuro/ENT surgery

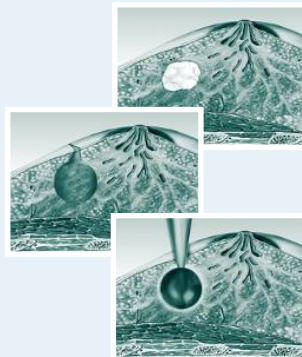
Key innovations – Intraoperative Radiotherapy (IORT)



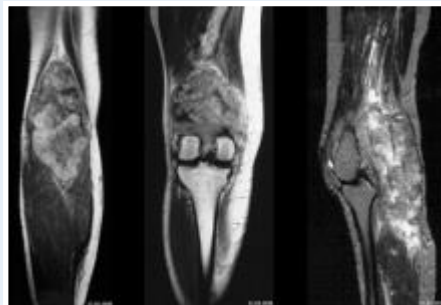
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The technology is already and can also be applied to support cancer treatment in other clinical disciplines.

Breast cancer

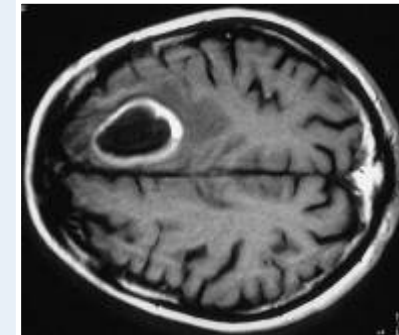


Soft tissue sarcomas

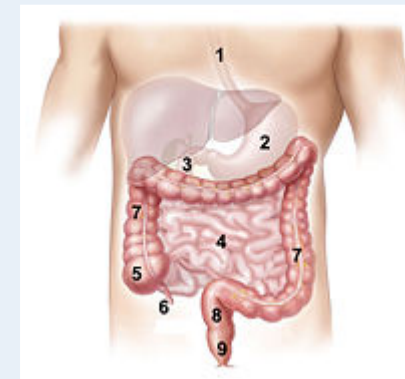


INTRABEAM

Brain cancer



Colo-rectal tumors



Further potential applications:

- Liver metastases
- Spine metastases
- Vaginal tumors
- Skin tumors

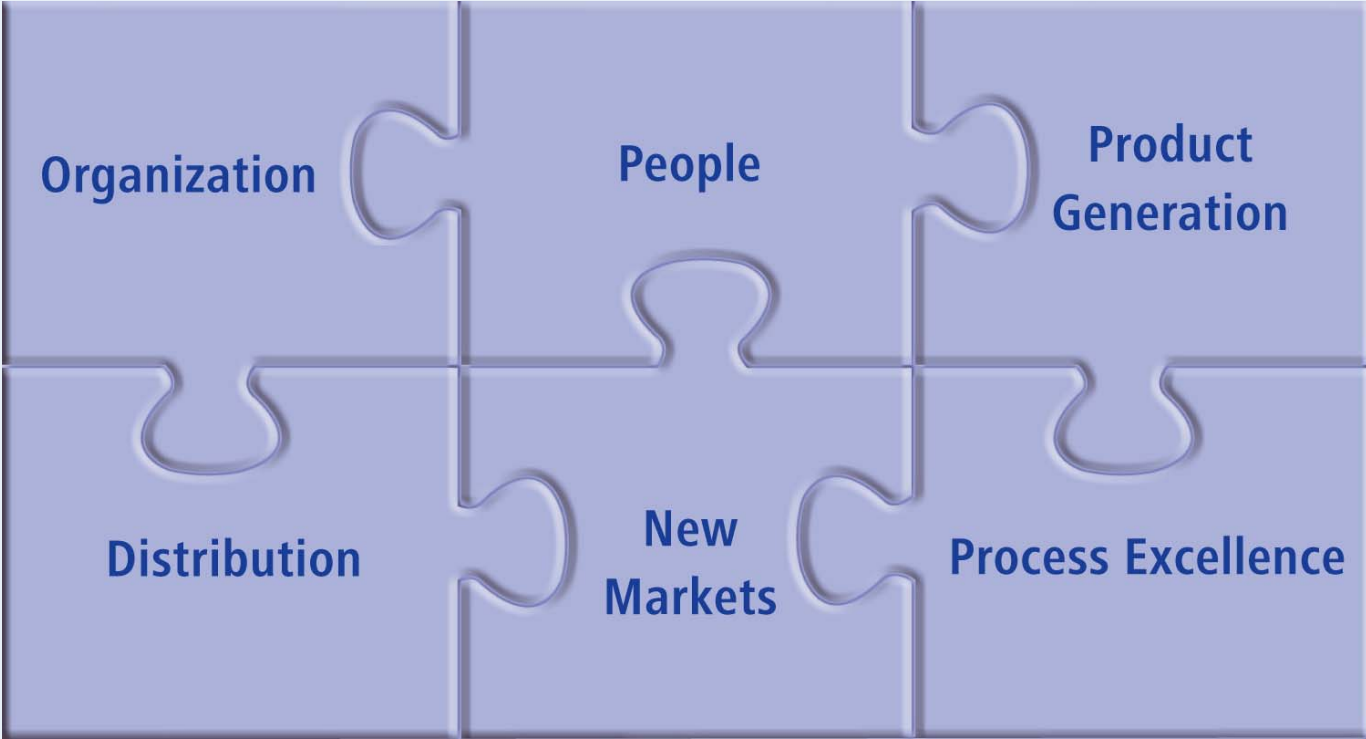


1) The world we live in

2) Our business

3) What's next?

CZM's priorities going forward



Measures to improve

People/Performance culture

- CZM as employer of choice
- People development & Succession planning

Product Generation

- Focus on blockbuster products
- Consequent design to cost/design to markets
- Benefit from Cross-SBU product/solutions



Distribution

- Support Blockbuster and Cross Selling strategy (focus harmonization of marketing)
- Establish CZM as benchmark within industry re: efficiency & effectiveness

New Markets

- Sourcing & assembly in LCC (sourcing, assembly)
- Consider external growth opportunities

Process Excellence

- Establish CZM-wide BSC
- Ingrain operational excellence (lean principles) throughout CZM

Thank you for your attention...

