

**German & Austrian Corporate
Conference**

21 May 2010



reddot design award
winner 2010



Did you know that ...



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... **40 %** of the people will have Cataract, **5 %** Glaucoma and **10 %** AMD, that is 2/3 and the rest will have a refractive error (glasses)?



... **every second**, somebody goes blind due to AMD or glaucoma?

We provide ophthalmic systems which doctors can use to diagnose these diseases right from an early stage - helping them to prevent blindness.



An eye scan is carried out somewhere with these systems once every second.

... in the USA alone **13,000 people** die from brain tumors each year?

Our OPMI® Pentero® microscope has already been used for more than a million neurosurgery operations - helping to provide the best possible treatment.





1 **Carl Zeiss Meditec at a glance**

2 Financials

3 Looking to the future

Striving to improve people's life with innovations – fulfilling our strong brand promise



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We at Carl Zeiss Meditec aim to
make life better for as many people as possible.

MISSION

As all human beings have the right to **sight, mobility and an active life** – throughout their lives.

Our track record is 160 years of excellence in quality.

QUALITY

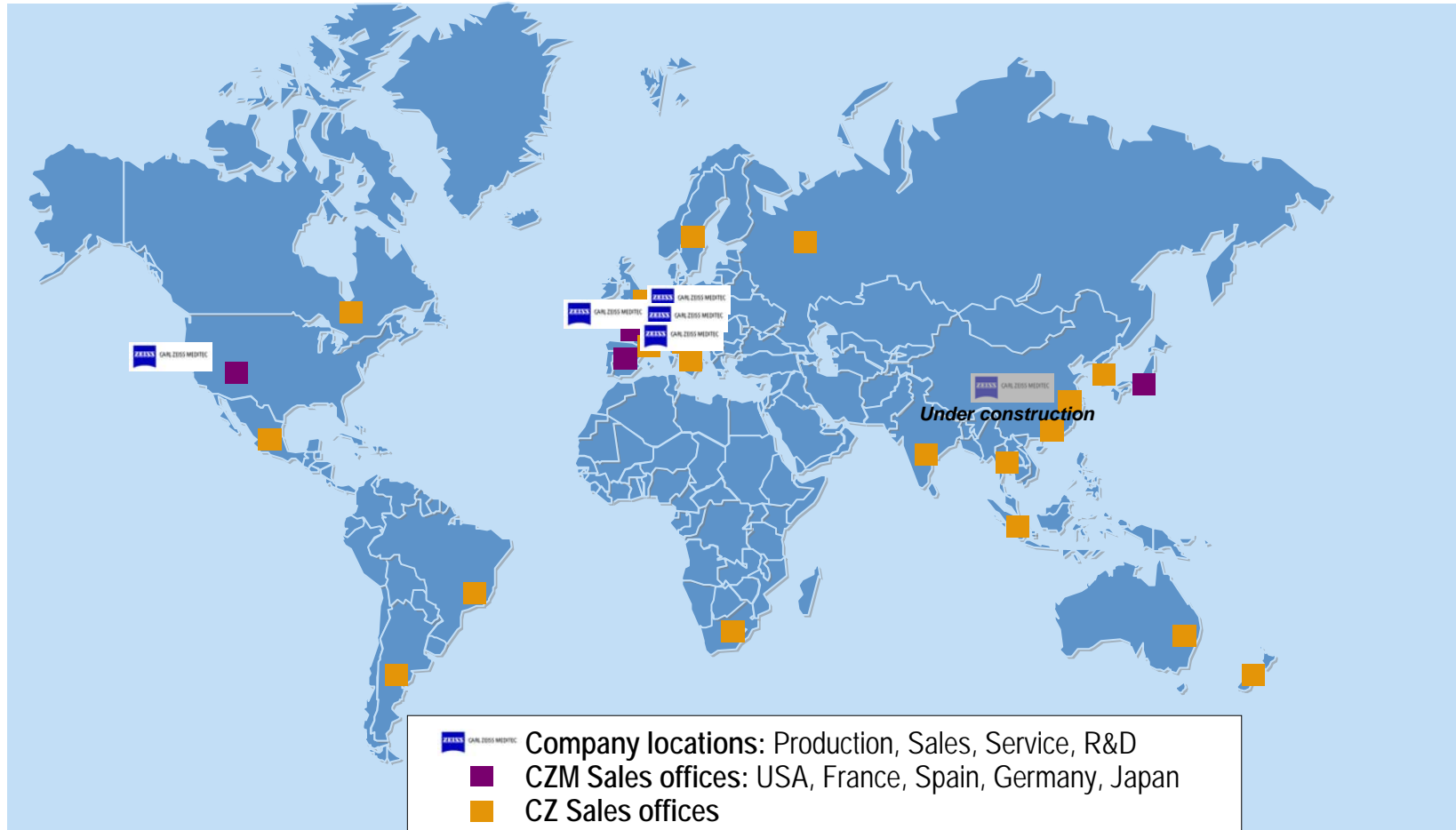
Throughout our company history we have created a large number of **gold standards in ophthalmology and microsurgery.**

Our brand is a truly valuable asset. On first sight it stands for the highest quality standards, precision and robustness, on second sight for simplicity, efficiency and value-added.

BRAND



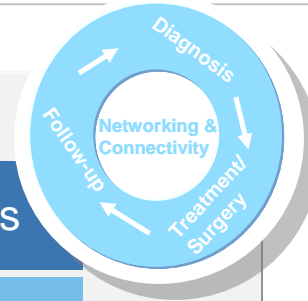
Broad international base – close to our customer and backbone for our innovation



Offering the most extensive portfolio in the industry – Maximizing customer benefit



CARL ZEISS MEDITEC



Customer group:

Hospitals, clinics,
ambulatory surgery centers

Private practitioners

Microsurgery



Surgical microscope
OPMI® Pentero®



Surgical microscope
OPMI® Sensera®



IORT:
INTRABEAM®

Surgical Ophthalmology



Femtosecond
laser system:
VisuMax®



Surgical microscope
OPMI Lumera®



Intraocular lens
*AT.LISA

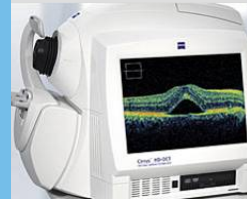
Ophthalmology



Optical biometry:
IOLMaster®

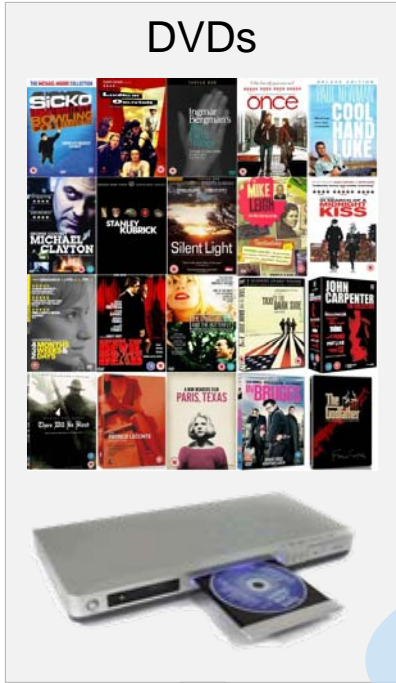


VISULAS
Trion



OCT:
Cirrus™ HD-OCT

My Home Entertainment Problem



I need a solution....



What does it mean in the Eye Care Practice & OR?

Introducing Specific Examples:



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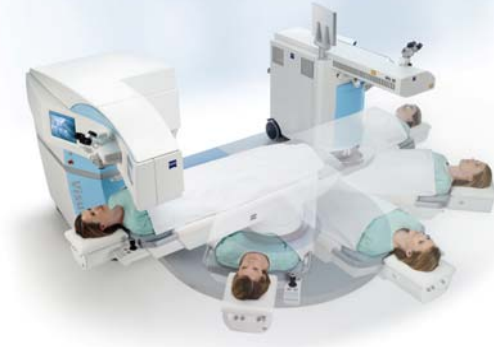
- ZEISS Ophthalmic Data Management Solution



- ZEISS Toric Solution



- ZEISS Refractive Laser Solution



ZEISS Ophthalmic Data Management Solution

Enabling our customers a smooth workflow



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Centrally schedule procedures &
Enter patient name once



Automatically populate
all instruments and
patient info



Reliable data transfer



ZEISS Toric Solution

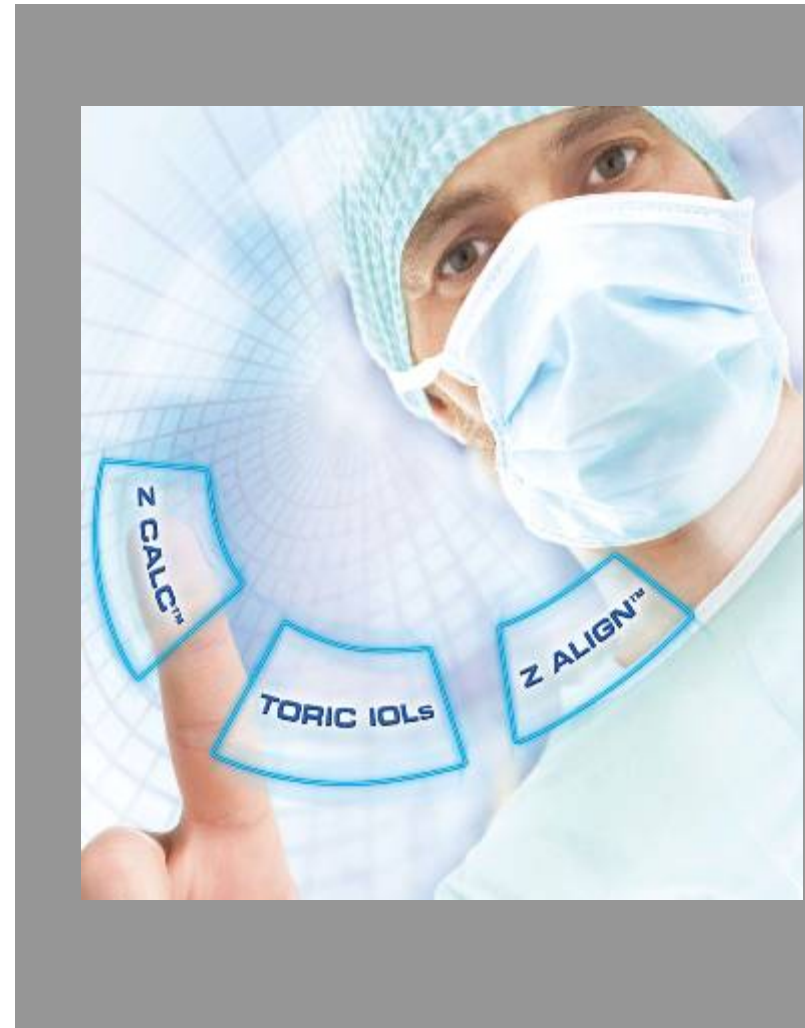
- what does it mean?

Surgeon Benefits:

- Integrated Workflow
- Enhanced predictability of refractive outcomes
- ZEISS premium toric IOLs –perfect solution for a wide range of patients
- Enhanced implantation process
- Accurate positioning of the toric IOL for excellent results

Patient Benefits:

- Excellent refractive outcomes, the possibility of life without glasses
- Optimal astigmatism correction for clear vision
- Diagnostic data available in the OR – the doctor has patient information at his fingertips



ZEISS VisuMax All-in-one

Entire procedure with just one device

Two possibilities:

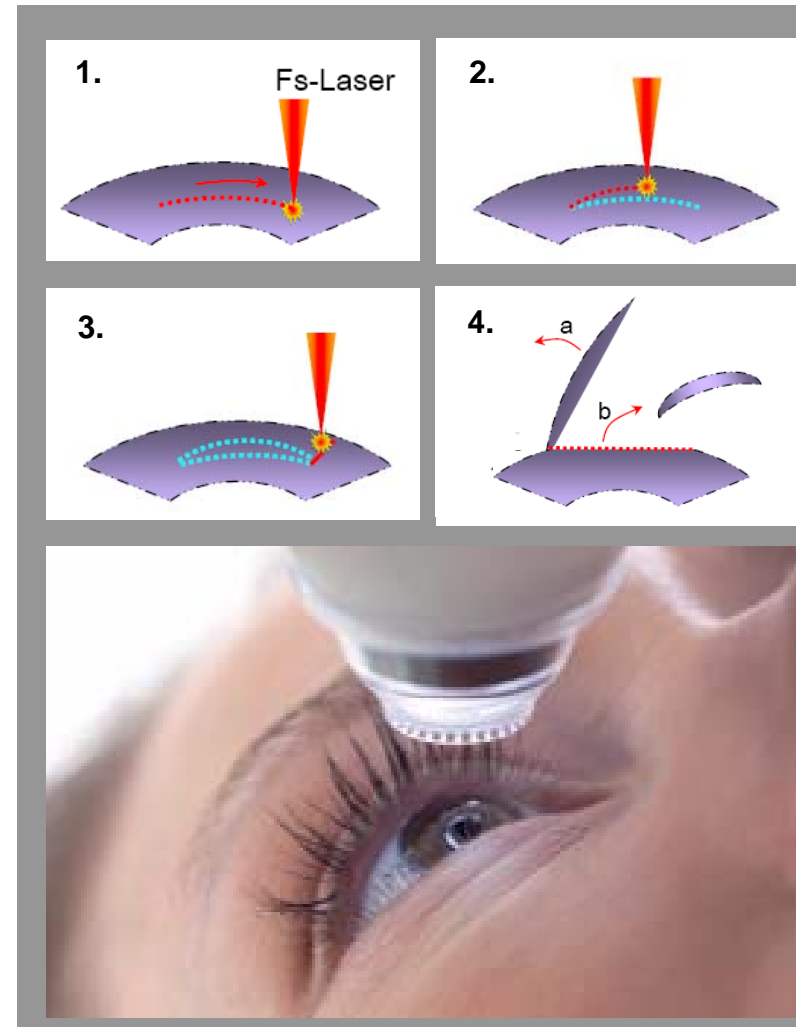
- **FLEX:** Femtosecond Lenticule Extraction
- **SMILE:** Small incision lenticule Extraction

Benefits to the doctor:

- Method is truly minimally invasive
- Method can be employed independently of individual corneal characteristics

Benefits to the patient:

- Direct treatment success & no dry eyes
- Optimal ergonometry





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Good development in Q2 nearly made up decline in sales in Q1



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Key takeaways

- Market conditions remain heterogeneous
- Revenue (constant currency) almost on PY level
- Order received (constant currency) up by 5%
- Higher EBIT-margin compared to PY due to better gross margin and improved cost position
- Strong balance sheet (> 260m Cash, >70 % Equity ratio, no debt)
- Revenue for FY 09/10 expected to grow in line with market growth (expectation: growth 0-5% per segment and region)
EBIT margin will depend on top line growth and will be at least on prior year level
- US healthcare reform: 2.3% medical device tax will not impact industry before 2013

Our Focus

Innovation. New markets. Customer care.

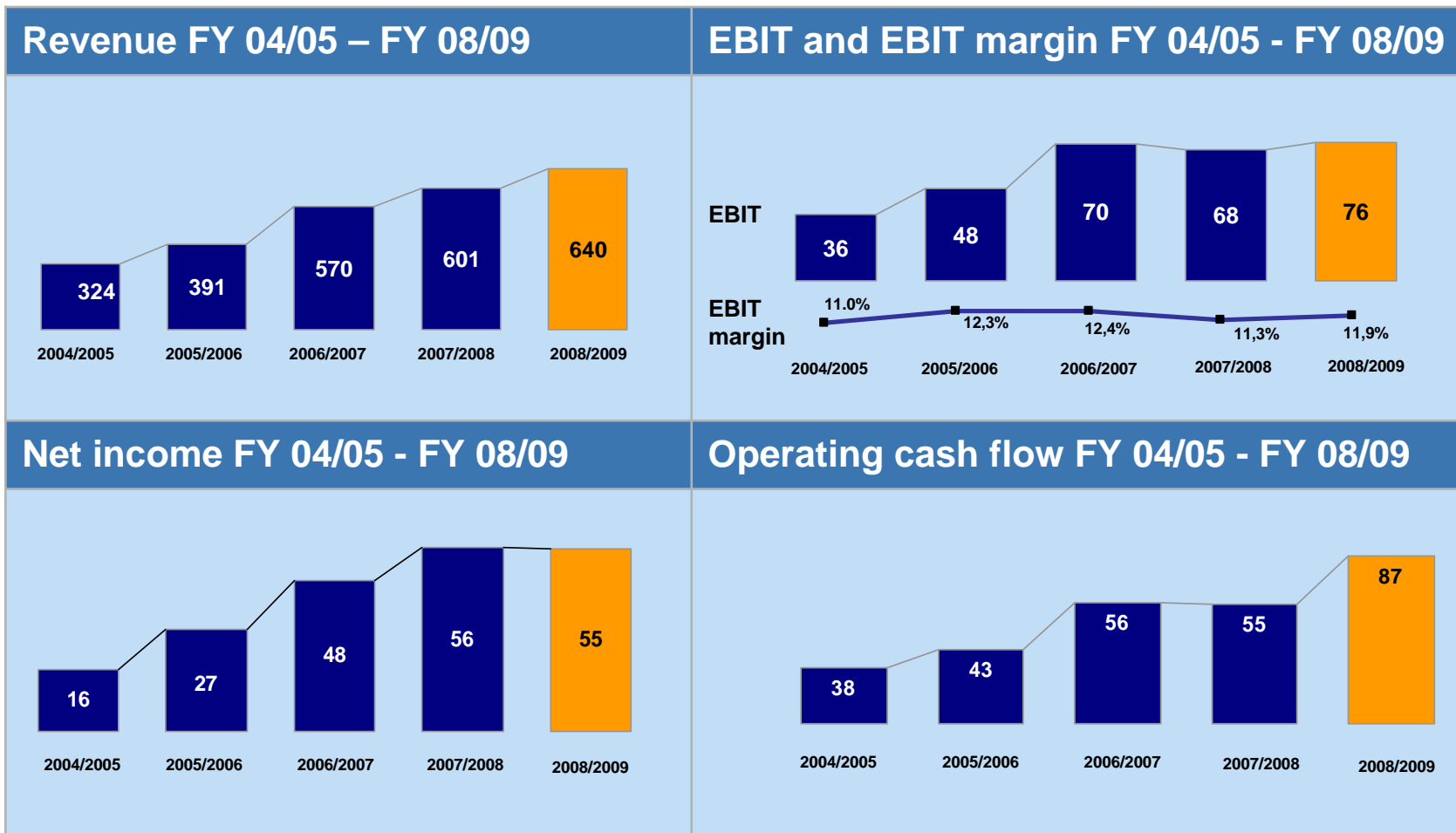
Development in Q2 picking up



Key financials / Main reasons	H1 2008/09 and H1 2009/10	Change
<ul style="list-style-type: none"> ▪ Growth in APAC and SBU SO ▪ Negative currency translation effects from strong Euro vs. USD and Yen 	<p>336.7 (H1 2008/09) vs 321.1 (H1 2009/10)</p>	<p>▼ -4.6%</p>
<ul style="list-style-type: none"> ▪ Increase in margins (EBIT, EBITDA) due to good gross margin 	<p>EBITDA: 46.7 (13.9%) to 47.4 (14.8%) EBIT: 38.9 (11.5%) to 39.3 (12.2%)</p>	<p>▲ +1.6% (EBITDA) ▲ +1.0% (EBIT)</p>
<ul style="list-style-type: none"> ▪ Lower interest rate result in reduced net income 	<p>Net Income: 23.6 to 22.2 EpS: €0.29 to €0.27</p>	<p>▼ -6.3% (Net Income) ▼ -6.9% (EpS)</p>
<ul style="list-style-type: none"> ▪ Cash flow from operating activities almost on the same level 	<p>27.7 (H1 2008/09) vs 27.3 (H1 2009/10)</p>	<p>▼ -1.7%</p>

All figures in millions of € unless stated otherwise |
 Rounding differences to figures reported in €'000 are possible

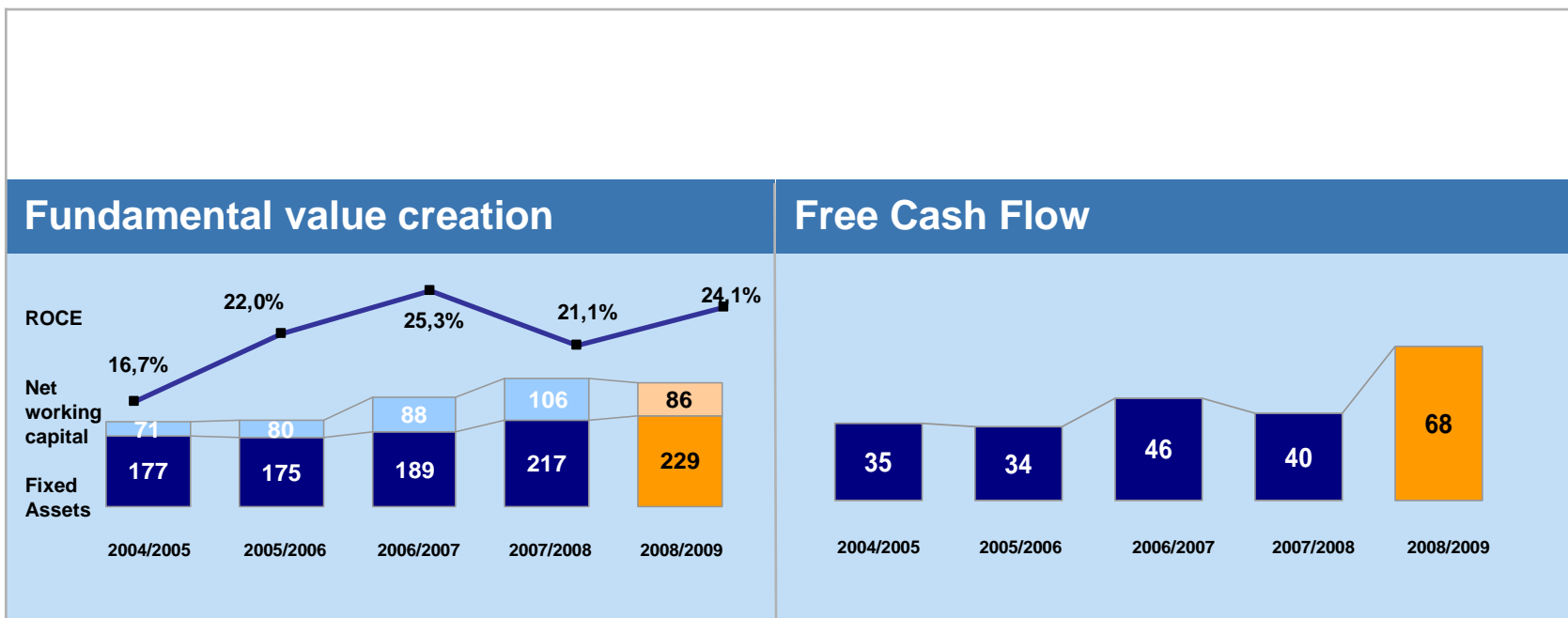
Our track record: Successful, sustainable and stable



Figures according to IFRS, except for FY 2004/2005 US-GAAP

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... with focus on ROCE and Free Cash Flows



- Market Cap: 0,9bn EUR
- Net Cash: EUR ~250m
- EV: EUR ~670m

Figures according to IFRS, except for FY 2004/2005 US-GAAP
 $ROCE = \frac{EBIT}{Net\ Working\ Capital + Fixed\ Assets}$

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Company has sound action plan RACE 2010

We will continue to follow it in 2010



Rapid Achievement of Company Excellence 2010

Pushing product innovation

Measured by e.g. Blockbuster rate per SBU

- Create new gold standards (blockbusters)
- Driving additional growth (service and solution business)

Improving customer orientation

Measured by e.g. net promoter score

- Designing products to target customer needs
- Providing networking, connectivity and service
- Driving product portfolio on a better margin mix

Expanding into new markets

Measured by e.g. new markets revenue rate

- Addressing & leveraging emerging markets (products, supply chain)
- Considering external growth opportunities
- Secure brand value

Empowering people (e.g. training)

Measured by e.g. mentored employees

Achieving global process excellence

Measured by e.g. Warranty Rate

Our highlights in FY 2009/2010

▪ Full launch FORUM	October 2009	✓
▪ AT LISA violet light filtering	January 2010	✓
▪ IOL Master 500	January 2010	✓
▪ Lumera 700 – Resight	February 2010	✓
▪ VisuMax “All-in-One” Procedure (ReLEx)	April 2010	✓
▪ Launch first product with components from China production	April 2010	
▪ Expected results of clinical trials for IORT	June 2010	
▪ Set up Research Application Center in India	September 2010	
▪ Expansion of Phaco line	September 2010	



Conditions in world financial markets remain volatile

Our prospects and approach:

- Maintaining and expanding our market position, strong focus on emerging markets
- Ongoing investments in R&D and sales
- Company program “RACE 2010”

We are financially and strategically fit:

- Strong balance sheet with significant free cash position
- Strong Cash flow
- Worldwide presence, customer-oriented, broad product portfolio
- Innovation leader with blockbuster projects
- Unique brand equity

FY 2009/2010 outlook:

- CZM growth expected to be in line with market growth (expect.: 0-5% per segment and region)
- EBIT margin will depend on top line growth and will be at least on prior year level

A comprehensive eye care portfolio by the global market leader



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OUR MARKET:

- Stable, with solid underlying growth in demand
- Market growth is further enhanced by mega trends
- Attractive market segments with high entry barriers

OUR OFFERING TO THE CUSTOMER:

- Solutions for screening, diagnosis, (micro)surgery and follow-up
- Comprehensive eye-care portfolio
- Focus on workflow and image management solutions
- Developing industry connectivity and networking standards
- Product philosophy driven by simplicity, precision and efficiency

OUR COMPETITIVE POSITION:

- Unique global brand equity
- Trendsetter with well-established gold-standards since 160 years
- Global presence in sales, customer-care, engineering and manufacturing
- Excellent footing in emerging markets

Attractive growth potential combined with solid financial setup



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OUR FINANCIAL PERFORMANCE:

- Solid and profitable growth since 2002
- Strong equity and cash position, no debt
- Focus on sustainable ROCE and high FCF generation
- Recurring revenue share increasing

OUR GROWTH PLANS & SHORT-TERM POTENTIAL:

- Next generation of gold-standard products
- Further expanding our business in Asia Pacific
- Becoming the leading workflow solution provider
- Screening for portfolio completion opportunities

OUR STOCK:

- Combines growth opportunity with solid dividend
- Ideal for investors who believe in long-term sustainable growth companies

Carl Zeiss Meditec



Thank you for your attention



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