

# Carl Zeiss Meditec AG



CARL ZEISS MEDITEC



**Deutsche Bank  
German & Austrian  
Corporate Conference**

Dr. Christian Müller, CFO

## Did you know that ...



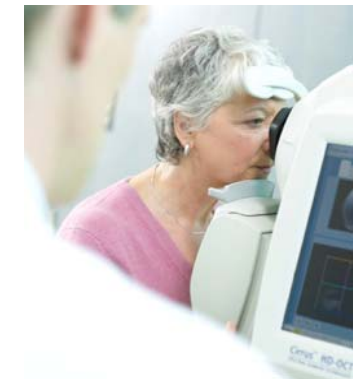
CARL ZEISS MEDITEC

... **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** Key success factors and the new company program MEGA 2015
- 3** Financials
- 4** Looking to the future

# Carl Zeiss Meditec is one of the world's leading medical technology companies



CARL ZEISS MEDITEC

**Created in 2002**, trendsetter in ophthalmology and microsurgery with well-established gold-standards since 160 years

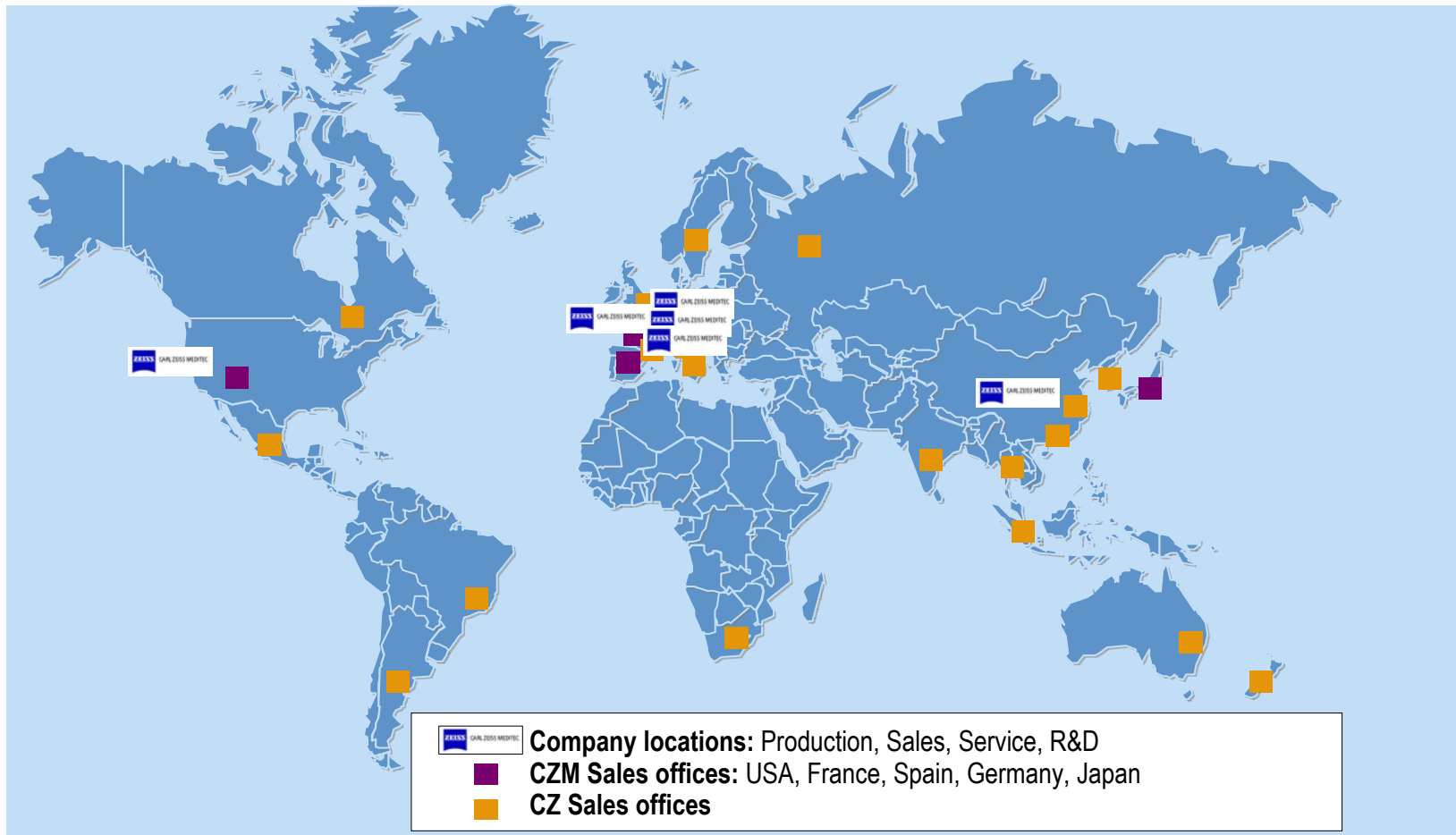
**Headquartered in Jena, Germany** with more than 2.100 employees worldwide, 50% outside of Germany

**Listed on the TecDAX;**  
65% of the shares held by Carl Zeiss

**Sales: € 677 million, EBIT margin: 12.8%,**  
ROCE 25.6% in fiscal year 2009/2010



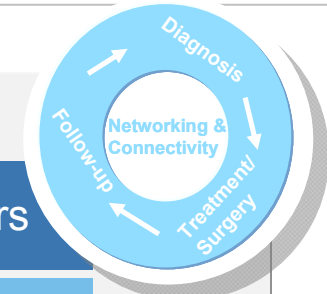
# Broad international base – close to our customer and backbone for our innovation



# 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® (reported in SBU Ophthalmology)



Surgical microscope OPMI Lumera® (reported in SBU Microsurgery)



Intraocular lens AT LISA

**Ophthalmology**



Optical biometry: IOLMaster®



VISULAS Trion



OCT: Cirrus™ HD-OCT



**1** Carl Zeiss Meditec at a glance

**2** **Key success factors and the new company program MEGA 2015**

**3** Financials

**4** Looking to the future

# Our key success factors



CARL ZEISS MEDITEC

**1** Innovation

**2** Global presence /  
Emerging markets

**3** Customer orientation

**4** People and processes



## New Innovations

1. AT LISA violet light filtering
2. IOLMaster 500
3. LUMERA 700 – Resight
4. ReLEx  
VisuMax “All-in-One” Procedure
5. Launch first product with components from China production
6. BLUEMIXS
7. VISALIS 500 (Phaco)
8. VARIO 700

## Proof of Efficacy

**INTRABEAM** – is a unique device for intraoperative radiotherapy

Breast cancer is diagnosed in **1.3 million women** annually

Excellent results of 9 year TARGIT study with over 2.000 patients disclosed in 06/2010

Already 29 Breast cancer centers with INTRABEAM of approx. 230 certified breast cancer centers in Germany

CZM expects revenue in 2010/2011 of > € 10m

## Solutions

### **ZEISS Toric Solution**

helps doctors to implant and align toric lenses faster and easier, for even better results

### **ZEISS Ophthalmic Data Management Solution**

a completely integrated platform for diagnostic patient data as well as for surgery documentation, thus enabling a paperless workflow in the practice and into the OR.

### **ZEISS Refractive Laser Solution**

most comprehensive application range as well as a fully integrated flow of data and patient handling

# Global presence / Emerging markets

1

**Well-balanced and globally oriented**

2

**Early presence in emerging markets**

Highest market dynamics  
(growth +30 %)

3

**Next step: CARIn**

Establishment of a new Center of  
Application & Research in India (CARIn)



# Customer orientation



CARL ZEISS MEDITEC

1

**Global Service & Customer Care expanded** – across SBUs & locations

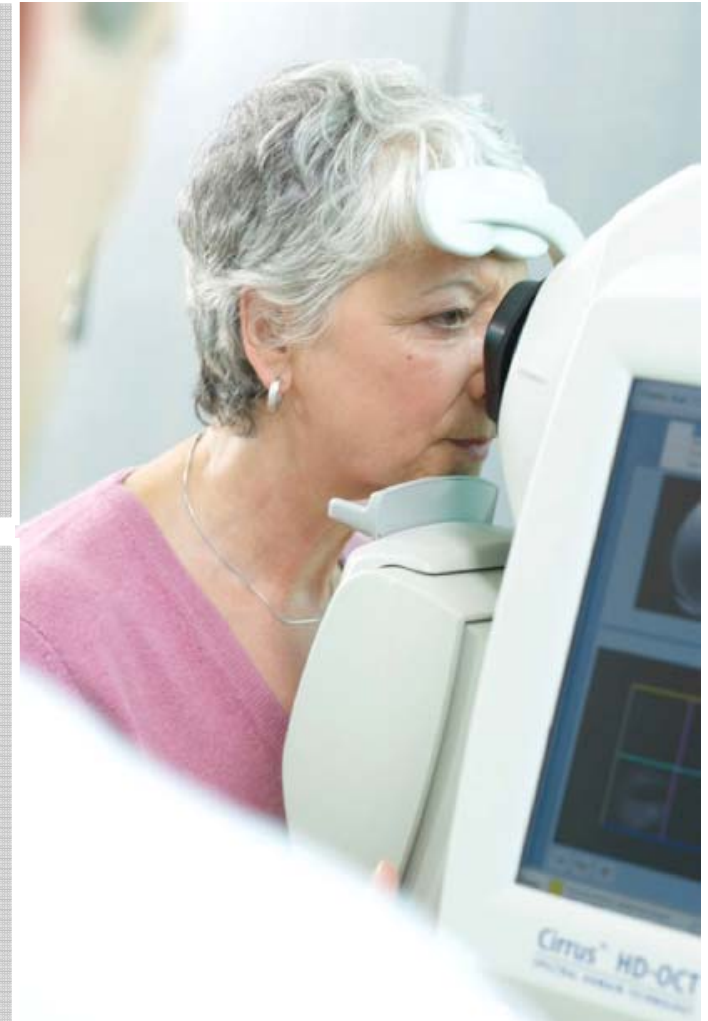
Next step:  
Increase service revenue

2

**Early customer integration in R&D**

**Specificly address customer needs with products, systems and solutions**

Next step: Expand solution business and leverage our product portfolio



1

## Target-oriented HR development:

- Mentoring program
- Strategic successor planning

## Utilization of global and culturally diverse organization



2

## Global introduction of Lean Manufacturing

### Target costing

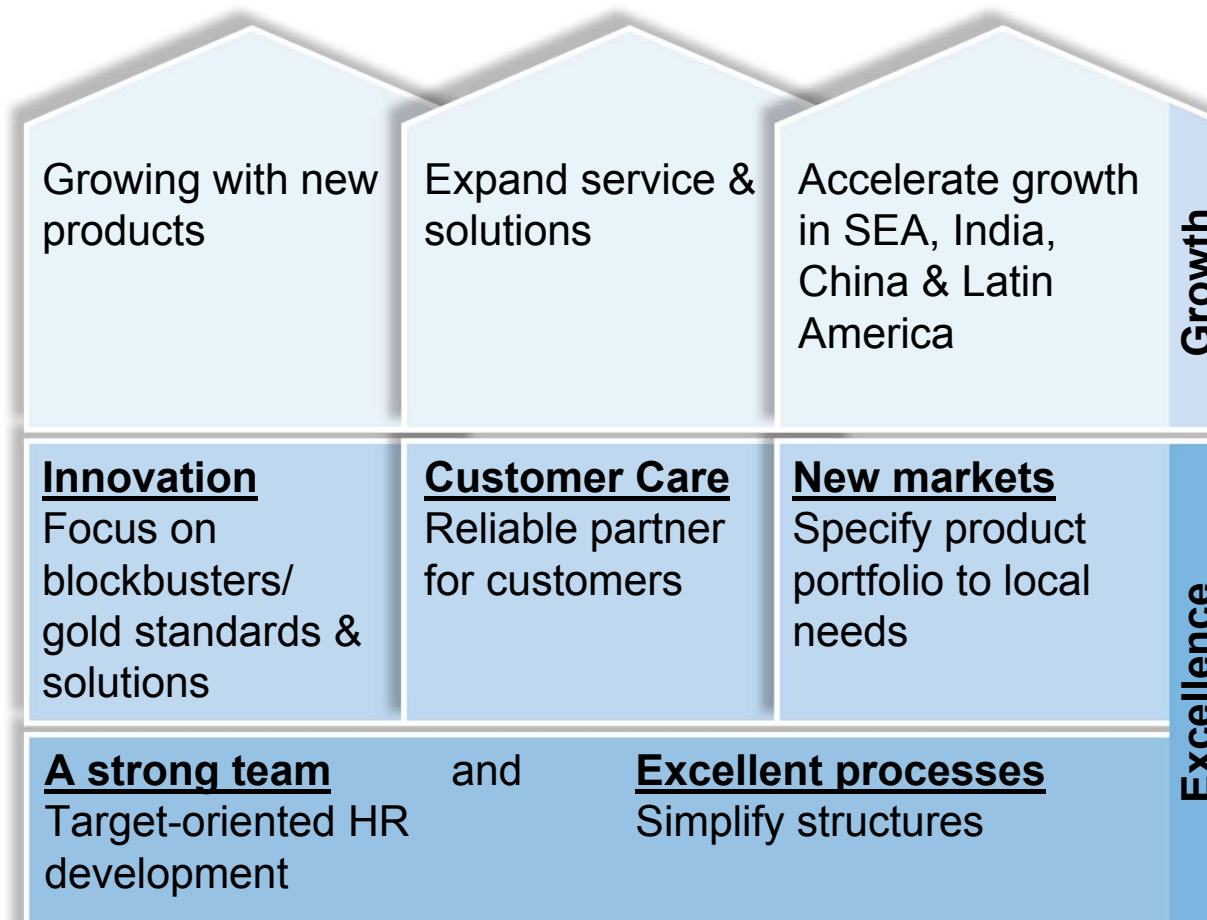
### Process harmonization to Best Practice



# MEGA 2015: Meditec Excellence and growth agenda



In addition to a focus on excellence in the five key areas, MEGA aims for company growth:



MEGA 2015 is a solid plan for the future



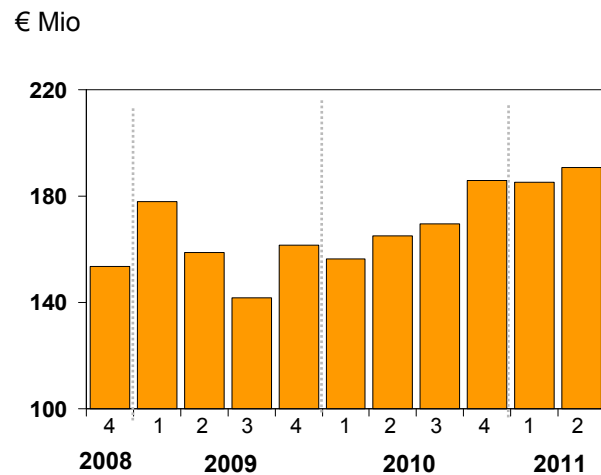
- 1 Carl Zeiss Meditec at a glance
- 2 Key success factors and the new company program MEGA 2015
- 3 Financials**
- 4 Looking to the future

# Most successful half year in history



CARL ZEISS MEDITEC

## CZM continues positive trend in second quarter



## Key takeaways:

- Strong development in all regions
- Good performance in JP despite of natural disaster
- Double-digit growth in all SBU's
- 6-month-revenue increased by 17.1% over PY (constant currency: +12.5%)
- High EBIT margin (13.6%)  
Higher volume, significant improvement in gross margin and positive contribution by JP
- Strong balance sheet (72 % Equity ratio, no debt)
- Guidance confirmed

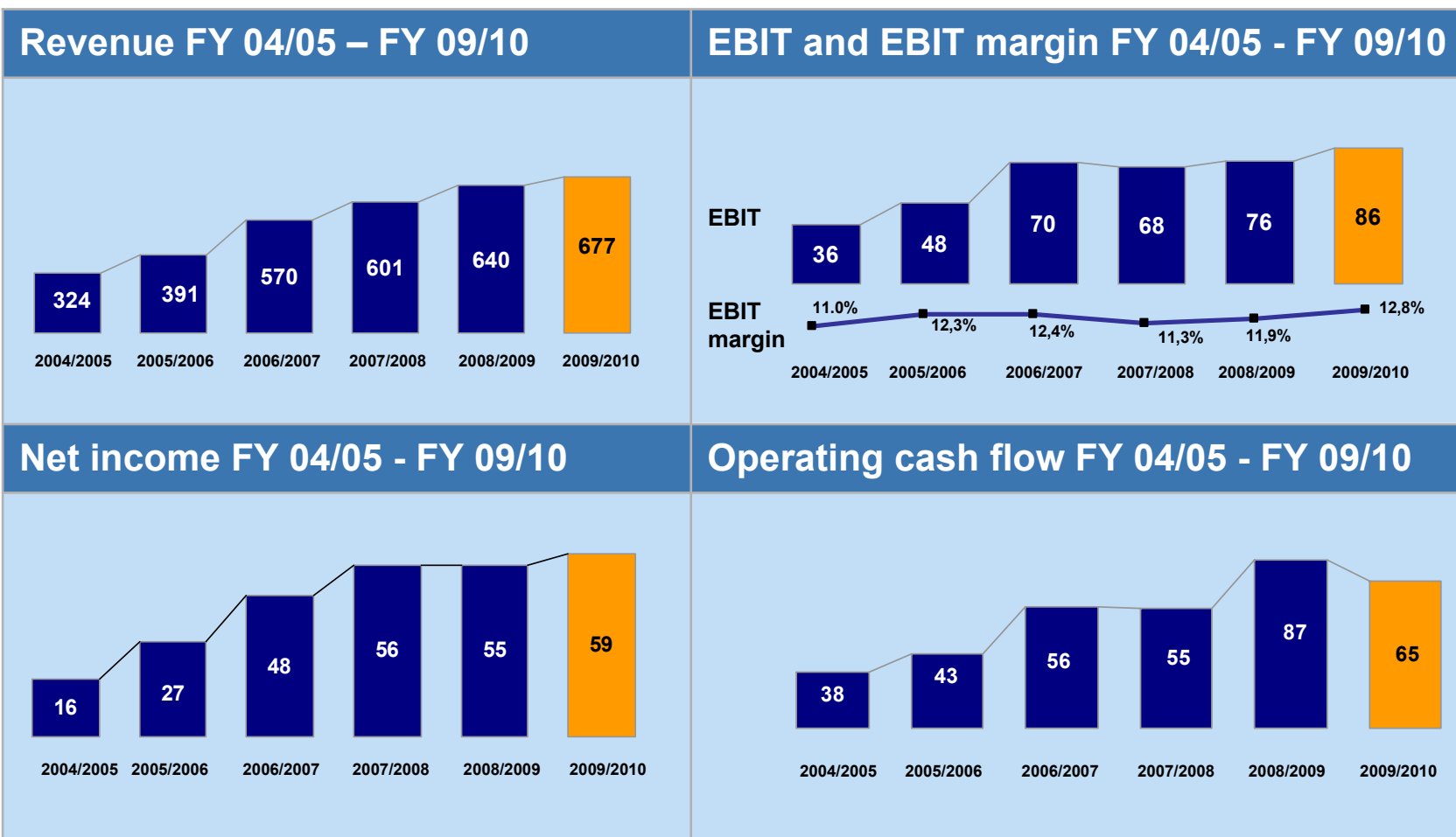
## Our Focus

Innovation. Customer care. New markets.

# Our track record: Successful, sustainable and stable



CARL ZEISS MEDITEC



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

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



- 1 Carl Zeiss Meditec at a glance
- 2 Key success factors and the new company program MEGA 2015
- 3 Financials
- 4 Looking to the future**

# We are optimistic in our forecasts for FY 10/11



CARL ZEISS MEDITEC

## Where we come from:

- Ophthalmology is a stable and predictable market which benefits from demographic trends
- Our set-up in Asia allows us to participate in the growth of the rapidly developing economies (China, India, SEA)
- Carl Zeiss Meditec managed to achieve significant growth even during the crisis (FY 08/09: +6,5%; FY09/10: +5,7%)

## Our goals:

- Revenue guidance FY 10/11 € 720-750m
- EBIT further improvement in FY 10/11 and margin up to 15% by 2015

## What we are going to do:

- MEGA 2015 company program
- Continuous search for M&A opportunities



# Carl Zeiss Meditec AG



CARL ZEISS MEDITEC



**Deutsche Bank  
German & Austrian  
Corporate Conference**

Dr. Christian Müller, CFO



# Appendix

# Strong growth in all SBUs - positive result in JP despite natural disaster



CARL ZEISS MEDITEC

Key financials   Background	6M 2009/2010 and 6M 2010/2011	Change
<ul style="list-style-type: none"> <li>Overall good growth in all regions and all SBUs</li> <li>Benefit from currency effects</li> </ul>	<p>Net sales</p>	<p>▲ +17.1%</p>
<ul style="list-style-type: none"> <li>Increase of EBITDA and EBIT due to strong topline, improved gross margin and contribution by JP performance</li> </ul>	<p>EBITDA</p> <p>EBIT</p>	<p>▲ +29.2%</p> <p>▲ +30.7%</p>
<ul style="list-style-type: none"> <li>Net income and EPS improved due to strong operational performance supported by positive financial result</li> </ul>	<p>Net Income</p> <p>EpS</p>	<p>▲ +42,8%</p> <p>▲ +48,1%</p>
<ul style="list-style-type: none"> <li>Decrease in cash flow from operating activities mainly due to an increase in accounts receivable and inventories to quickly satisfy growing demands</li> </ul>	<p>Operating Cash flow</p>	<p>▼ -76.2%</p>

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

# Successful financial year 2009/10: Revenue and result in excess of expectations



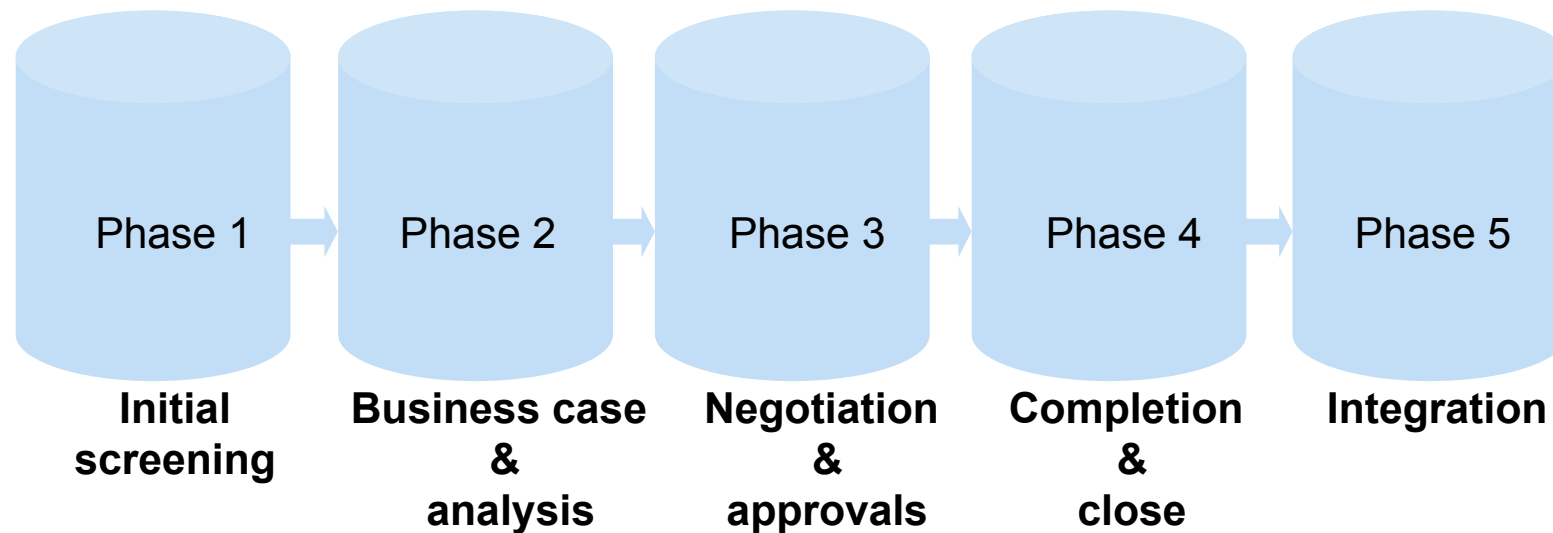
CARL ZEISS MEDITEC

<b>676.7</b> Revenue in € million	<b>54.9</b> Consolidated net income after non-controlling interest in € million	<b>0.68 &amp; 0.22</b> <b>(+ 0.33)</b> Earnings & dividend (special dividend) per share in €
<b>12.8</b> EBIT margin in %	<b>65.2</b> Operative cash flow in € million	<b>72.4</b> Investment in research and development in € million

## Key topics

- Emerged stronger from the crisis
- Again growing faster than the market
- Double-figure growth in APAC
- High level of incoming orders
- Successful conclusion of RACE 2010
- Unprecedented level of R&D investments

# Our M&A process



➔ Typically 5-7 targets in phase 1, 2-3 in phase 2, max 2 in phase 3-5

# A comprehensive eye care portfolio by the global market leader



CARL ZEISS MEDITEC

## 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



CARL ZEISS MEDITEC

## 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 Emerging Markets
- 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



---

## Financial Calendar

23 May 2011	German Mid Cap Investment Conference, New York + Boston
7/8 June 2011	Morgan Stanley 2011 European MedTech & Services, London
12 Aug 2011	Q3 Publication
08 Dec 2011	Annual Financial Statements

## Contact

Patrick Kofler, Director Investor Relations

Tel.: +49 (0) 36 41 / 2 20 - 1 15

Fax: +49 (0) 36 41 / 2 20 - 1 17

Email: [investors@meditec.zeiss.com](mailto:investors@meditec.zeiss.com)

Web: [www.meditec.zeiss.com](http://www.meditec.zeiss.com)

# Safe harbour statement



CARL ZEISS MEDITEC

*This presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Carl Zeiss Meditec AG or any present or future member of its group nor should it or any part of it form the basis of, or be relied upon in connection with, any contract to purchase or subscribe for any securities in Carl Zeiss Meditec AG or any member of its group or commitment whatsoever.*

*All information contained herein has been carefully prepared. Nevertheless, we do not guarantee its accuracy or completeness and nothing herein shall be construed to be a representation of such guarantee.*

*The information contained in this presentation is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements as a result of, among others, factors, changing business or other market conditions and the prospects for growth anticipated by the management of Carl Zeiss Meditec AG. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Carl Zeiss Meditec AG does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of this presentation.*

*This presentation is for information purposes only and may not be further distributed or passed on to any party which is not the addressee of this presentation. No part of this presentation must be copied, reproduced or cited by the addressees hereof other than for the purpose for which it has been provided to the addressee.*

***This document is not an offer of securities for sale in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.***