

Carl Zeiss Meditec AG



CARL ZEISS MEDITEC

Analysts' Conference
16 December 2010

Dr. Ludwin Monz, CEO
Dr. Christian Müller, CFO

Safe harbour statement



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Agenda



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1 **Creating what's to come**

2 Convincing facts

3 Success factors

4 FY 2009/2010 in detail

5 Looking to the future



Creating
what's to come.

Creating what's to come



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Our goal is to drive progress in medicine:

We improve quality of life by offering solutions for the diagnosis and treatment of diseases.

- Our products are characterized by utmost **precision**.
- We strive for **simplicity** and ease-of-use so that doctors can focus on their patients instead of on technology.
- We enable doctors to achieve the best possible **outcomes** for their patients, never forgetting that the patient could also be one of us.

Creating
what's to come.



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Successful financial year: Revenue and result in excess of expectations



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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

Outlook

- Company program MEGA 2015
- Continue to exceed market growth
- M&A opportunities
- EBIT margin up to 15 % until 2015

Financial year 2009/10 at a glance



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



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Success factors of Carl Zeiss Meditec:



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Innovation is built into our DNA, to the benefit of our customers

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

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

Success factors of Carl Zeiss Meditec: Close to the customer (with Customer Care)



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1

Global Service & Customer Care expanded – across SBUs & locations

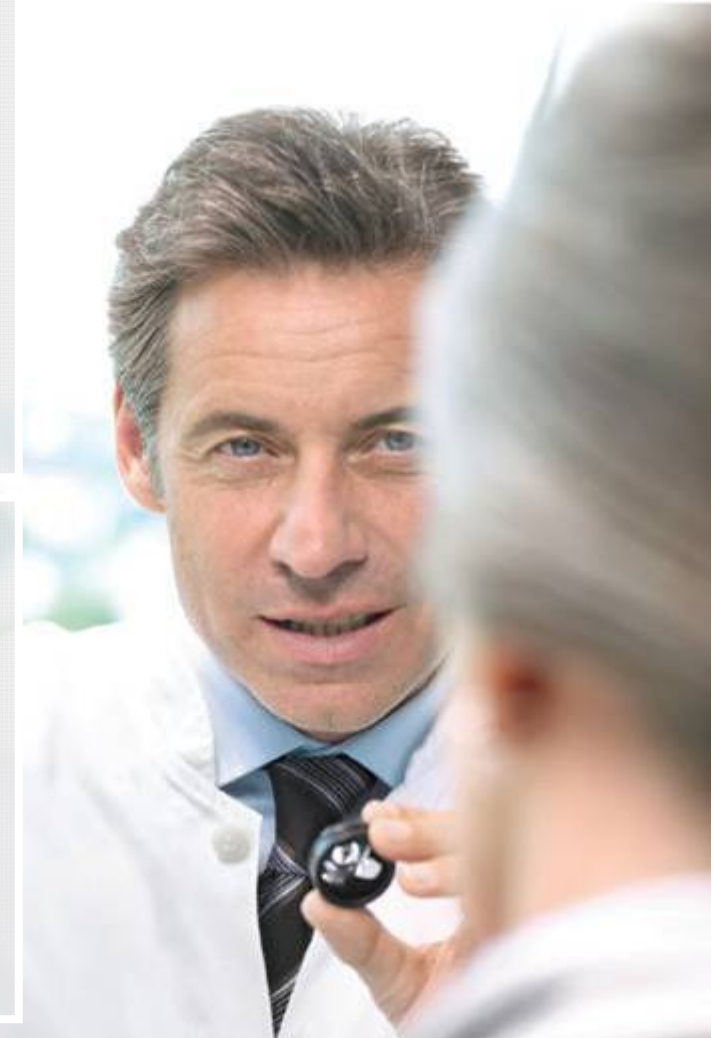
Next step:
Increase service revenue
(recurring revenue share from service,
IOL, others => 25%)

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



Success factors of Carl Zeiss Meditec: Acting globally – addressing new markets



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1

Well-balanced and globally oriented

(Revenue: APAC: 28.9 %,
EMEA 35.9 %, Americas 35.2 %)

2

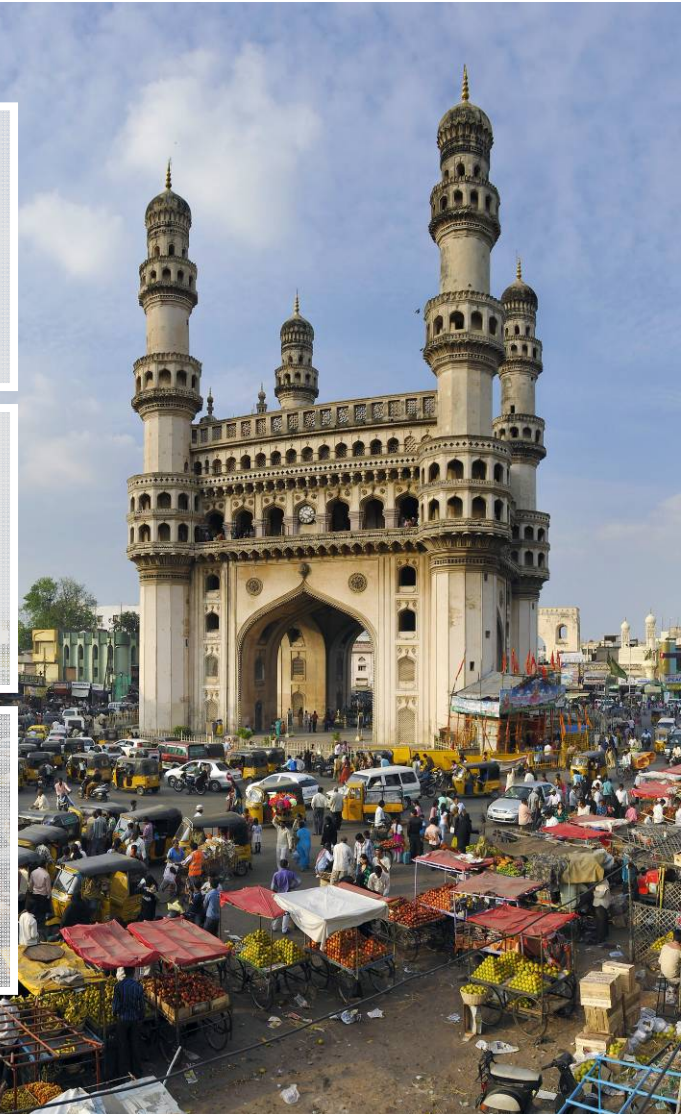
Early presence in emerging markets

Highest market dynamics
(growth +30 %)

3

Next step: CARIn

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



Success factors of Carl Zeiss Meditec: Strong team & excellent processes



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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

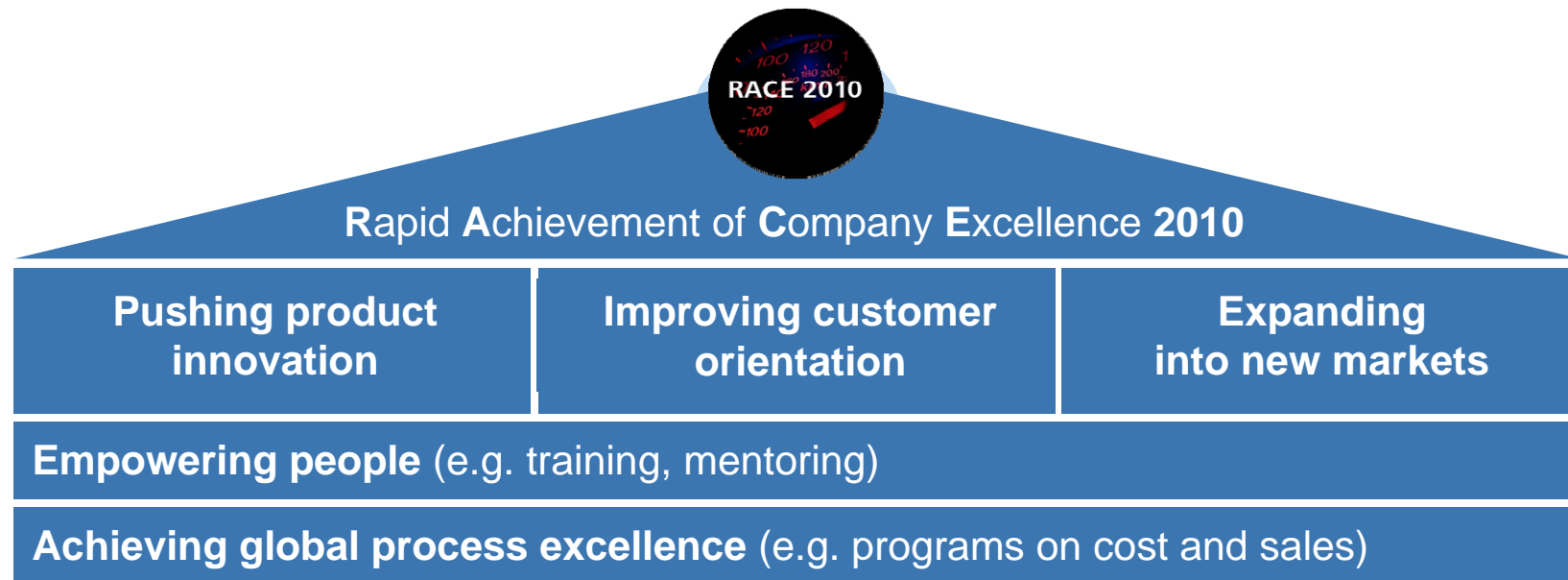
Process harmonization to Best Practice



RACE 2010 is the framework – a program that has paid off



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**Progress was monitored by set of KPIs
(number of new product launches, net promoter score,
Revenue share in new markets,)**



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APAC region, SBUs Surgical Ophthalmology and Microsurgery are our growth drivers



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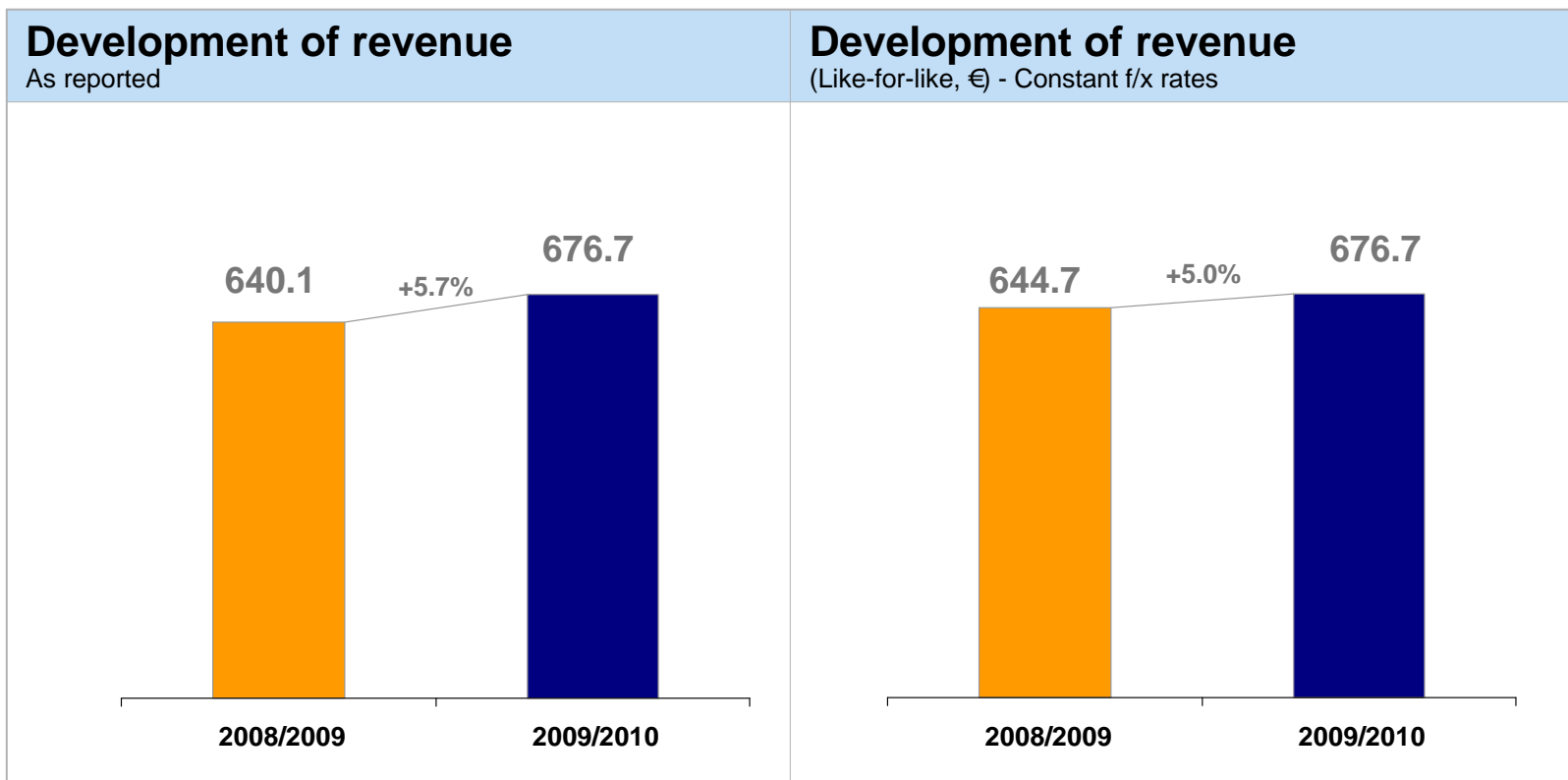
Key financials / Background	2008/09	and	2009/10	Change
<ul style="list-style-type: none"> Overall good growth mainly driven by APAC, SBUs SO and MS 	640.1		676.7	▲ +5.7%
	Net revenue			
<ul style="list-style-type: none"> Increase in EBIT margin due to COGS improvement and more favorable product mix 	92.4 (14.4%)		107.7 (15.9%)	▲ +16.5%
	EBITDA			
	76.1 (11.9%)		86.7 (12.8%)	▲ +14.0%
	EBIT			
<ul style="list-style-type: none"> Net income – affected by currency hedges and low interest income, one-off gain from sell-off of pharma business 	50.5 €0.62		54.9 €0.68	▲ +8.6%
	Net Income EpS			▲ +9.7%
<ul style="list-style-type: none"> Strong cash flow – affected by increased inventories 	87.4		65.2	▼ -25.4%
	Operating Cash flow			

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

Small positive impact from currency



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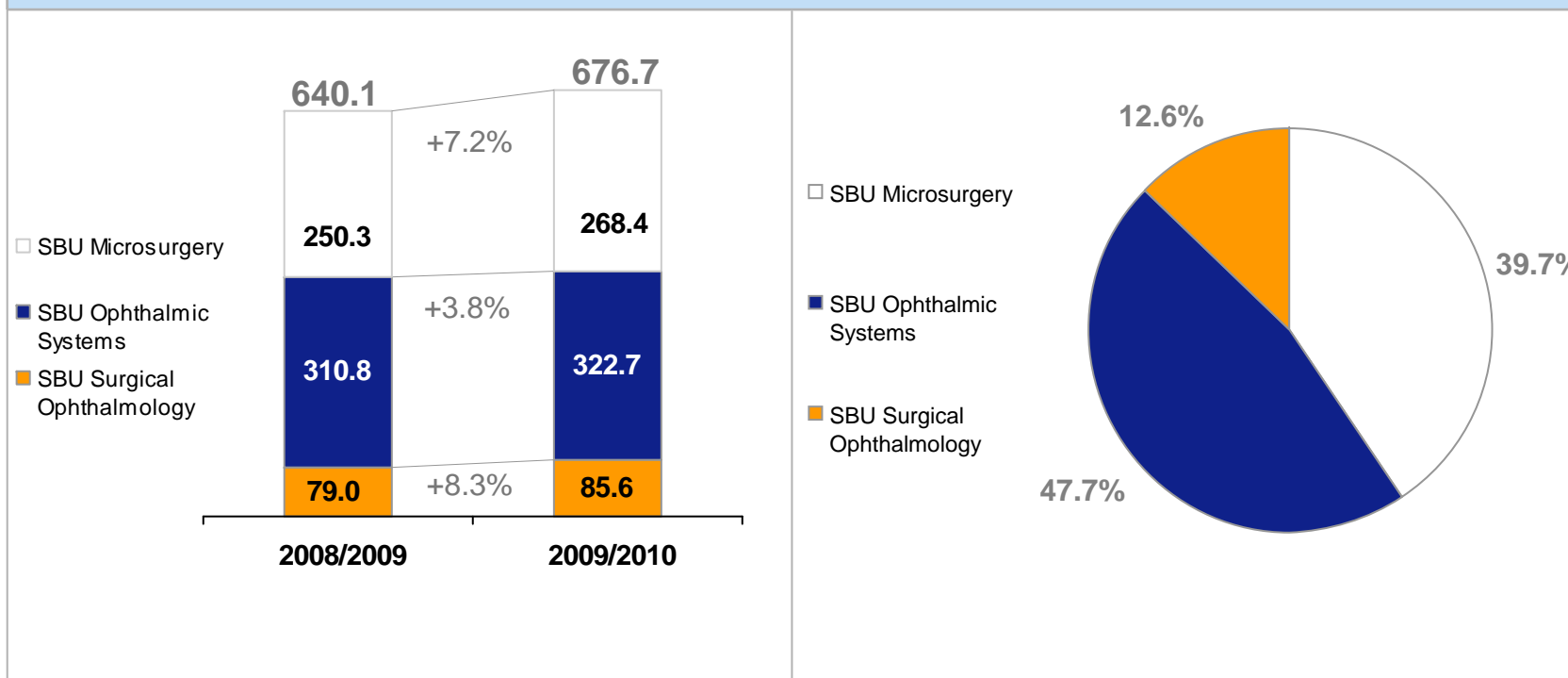


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SBU Microsurgery and SBU Surgical Ophthalmology with strong growth



Revenue by business unit and contribution of each unit to consolidated revenue

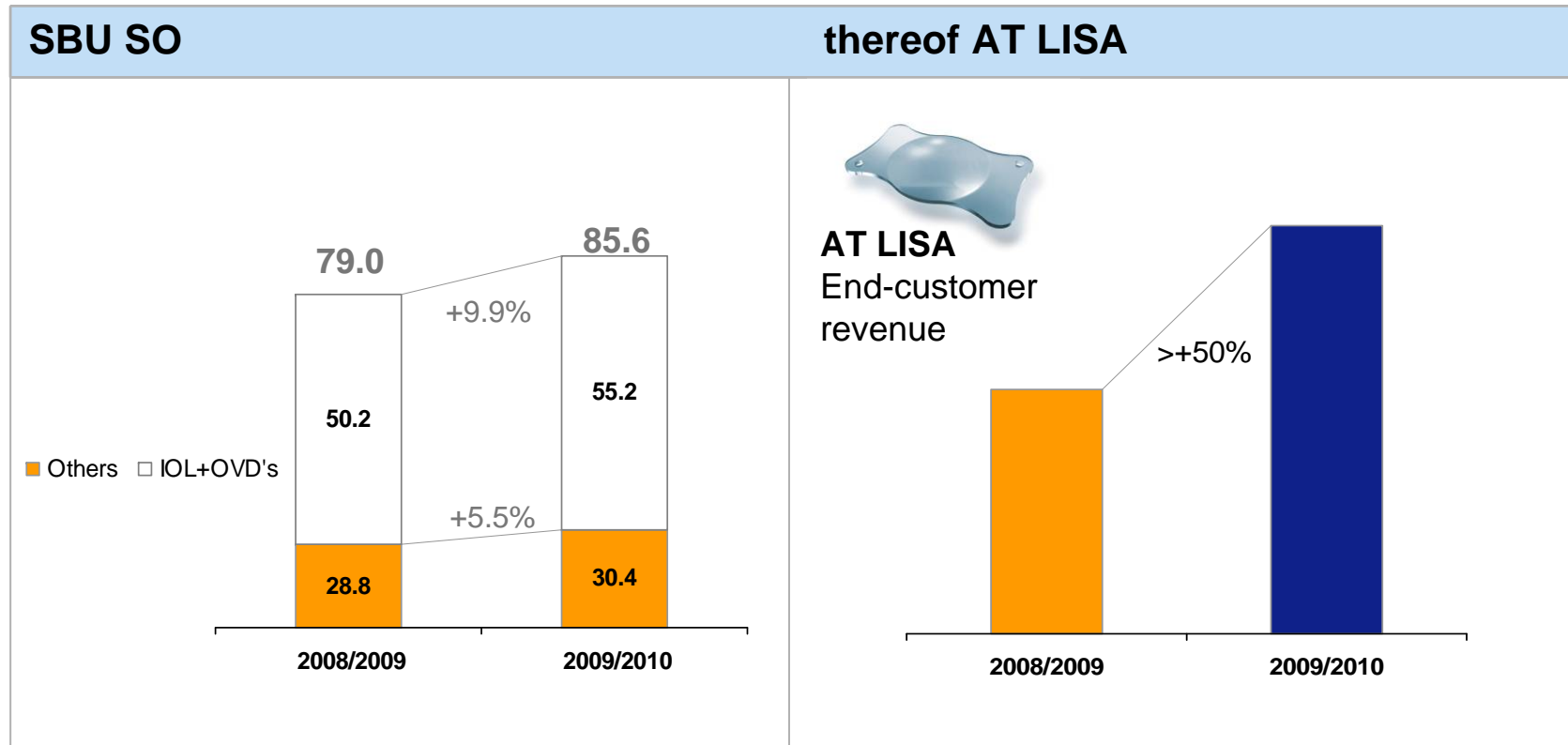


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Premium lenses with more than 50 % growth

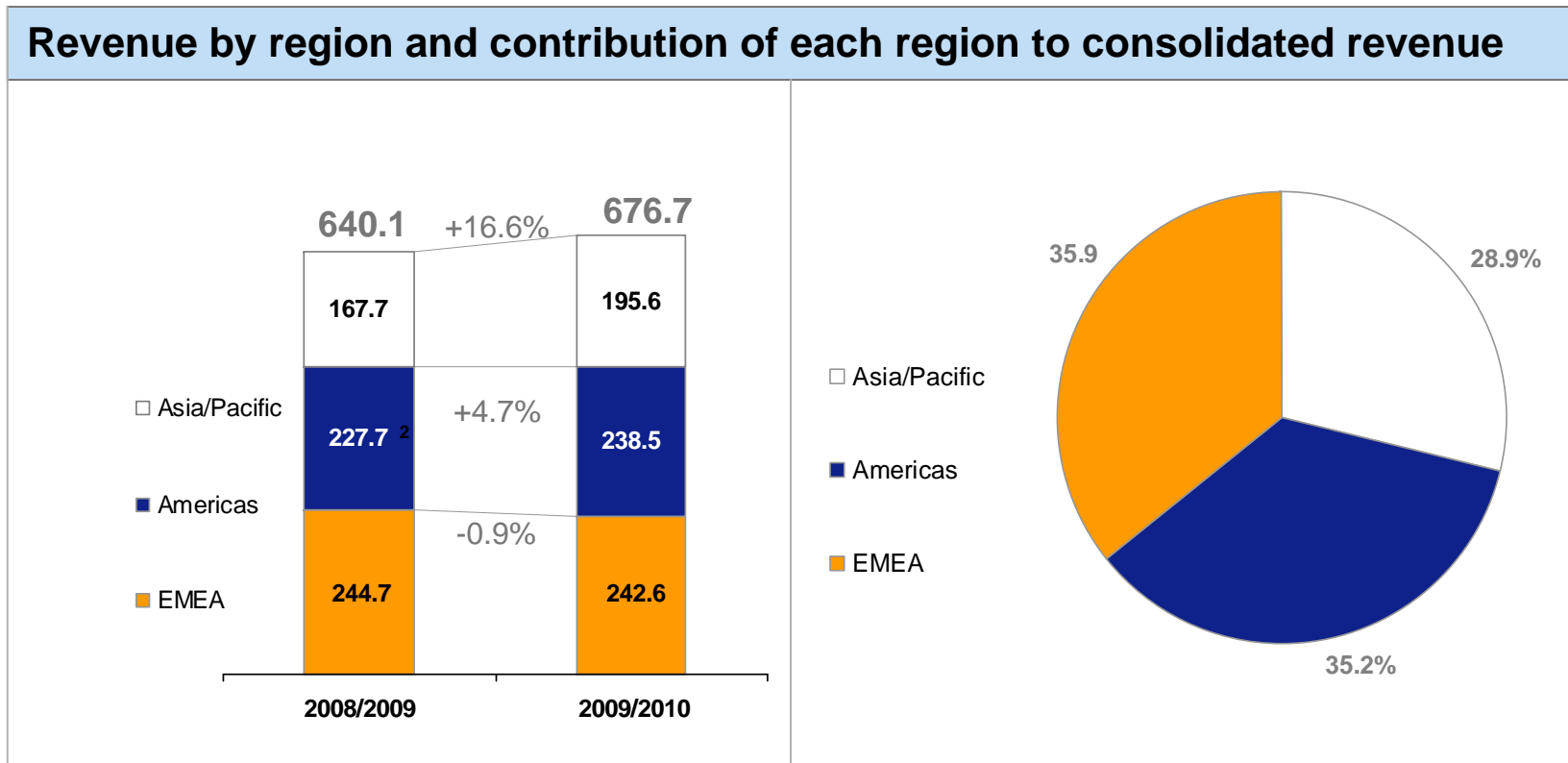


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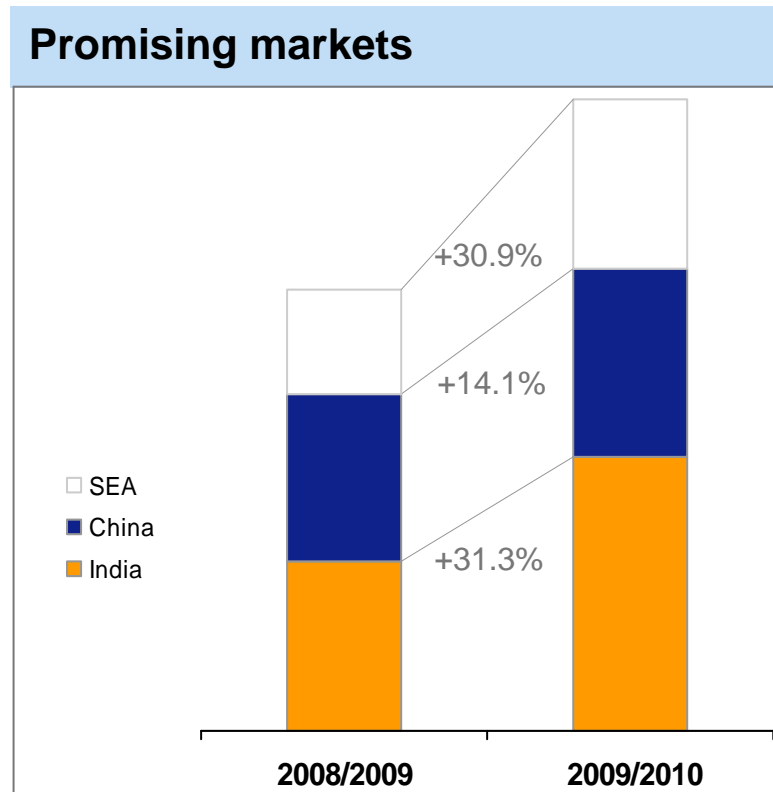
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APAC as key driver, robust development in Americas



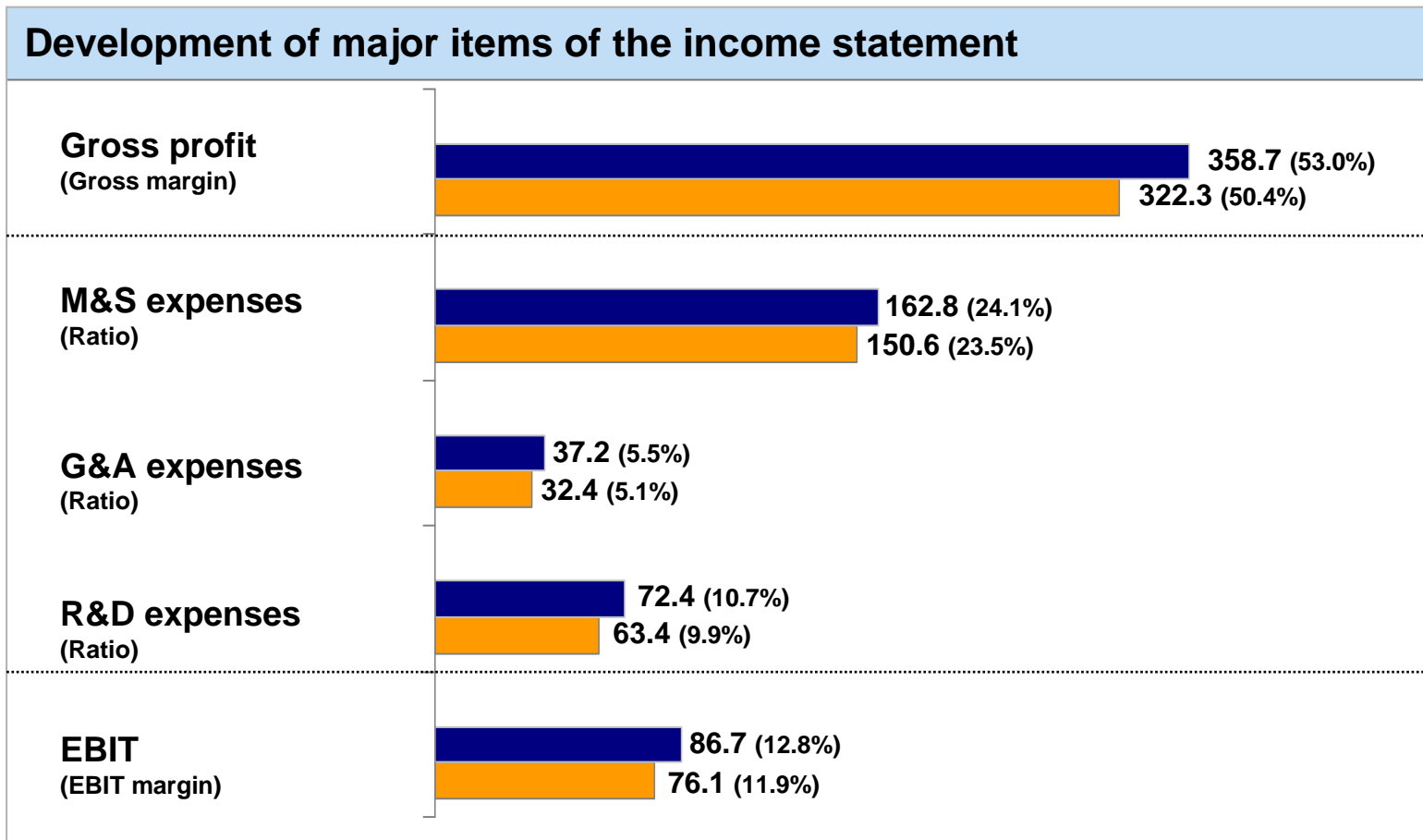
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China and India on a path of strong and sustainable growth



All figures in millions of € unless stated otherwise |
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Good gross margin improvement leads to higher EBIT margin



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2008/2009

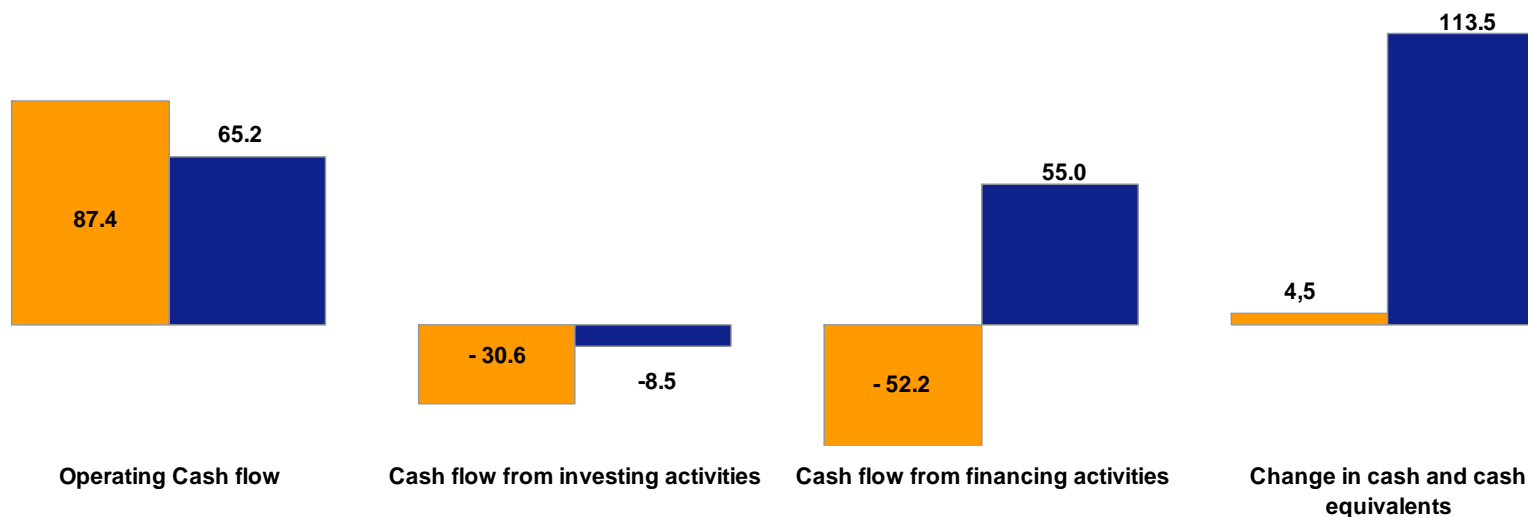
2009/2010

Strong operating cash flow secured



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Summary of consolidated cash flow statement (2008/2009 and 2009/2010)



Main influencing factors

+ Net income
- Increase in trade receivables
- Increase in inventories

+ Sale of pharma business
- Acquisition of assets from Welch Allyn (2008/2009)

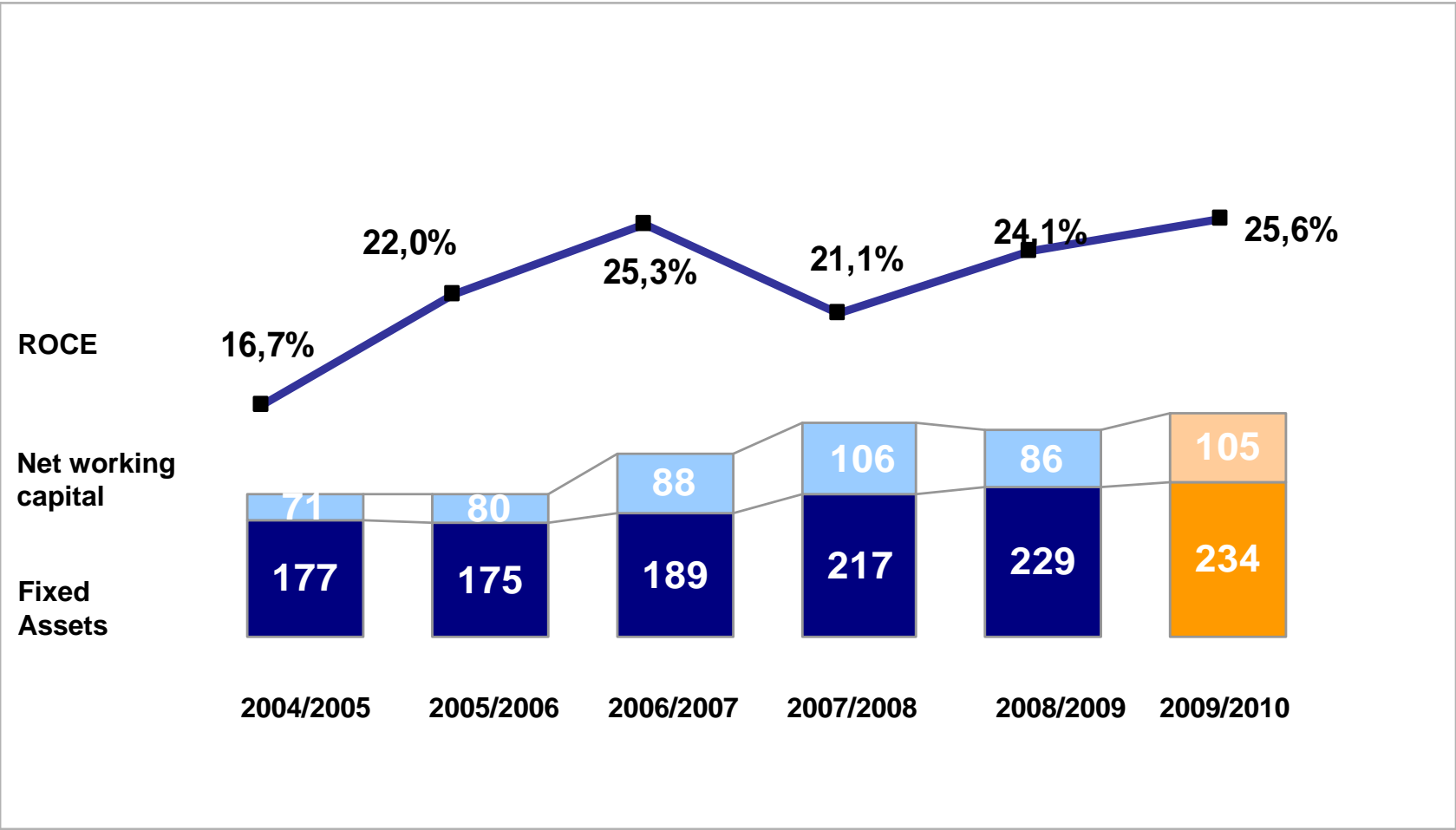
+ Decrease in Carl Zeiss treasury receivables
- Dividend payment
- Repayment of noncurrent financial liabilities

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2008/2009

2009/2010

Focus on ROCE



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

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Comfortable financial situation



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Key ratios			
	30/09/2009	30/09/2010	Reasons
Equity ratio	71.6%	71.2%	Dividend payment
Net cash <i>(Cash and cash equivalents + Treasury receivables ./. Treasury payables)</i>	€ 288.9m	€ 328.0m	Positive business development
ROCE	21,1%	23,5%	Increase due to higher profitability
Days of sales outstanding (DSO)	65.3 days	71.2 days	Increase in accounts receivables due to increased revenue in Q4
Rate of inventory turnover (DSO)	2.9	2,9	

Entering a new product segment through acquisition of technology



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Facts:

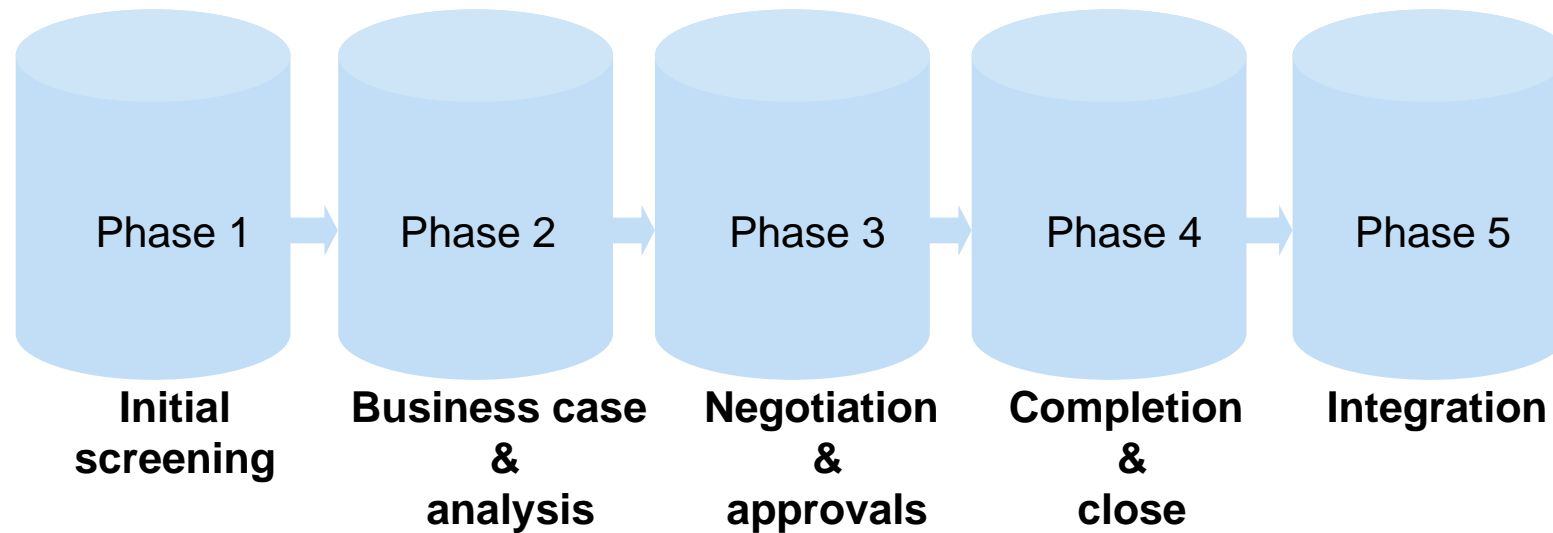
- Market introduction: October 2010
- Product for Europe and Asia
- Acquisition of technology from established company
- VISALIS 500 is part of the cataract and retina workplace
- Enhanced safety and efficiency
- Double-digit million revenue expected in the future



Update on M&A: Our M&A process



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



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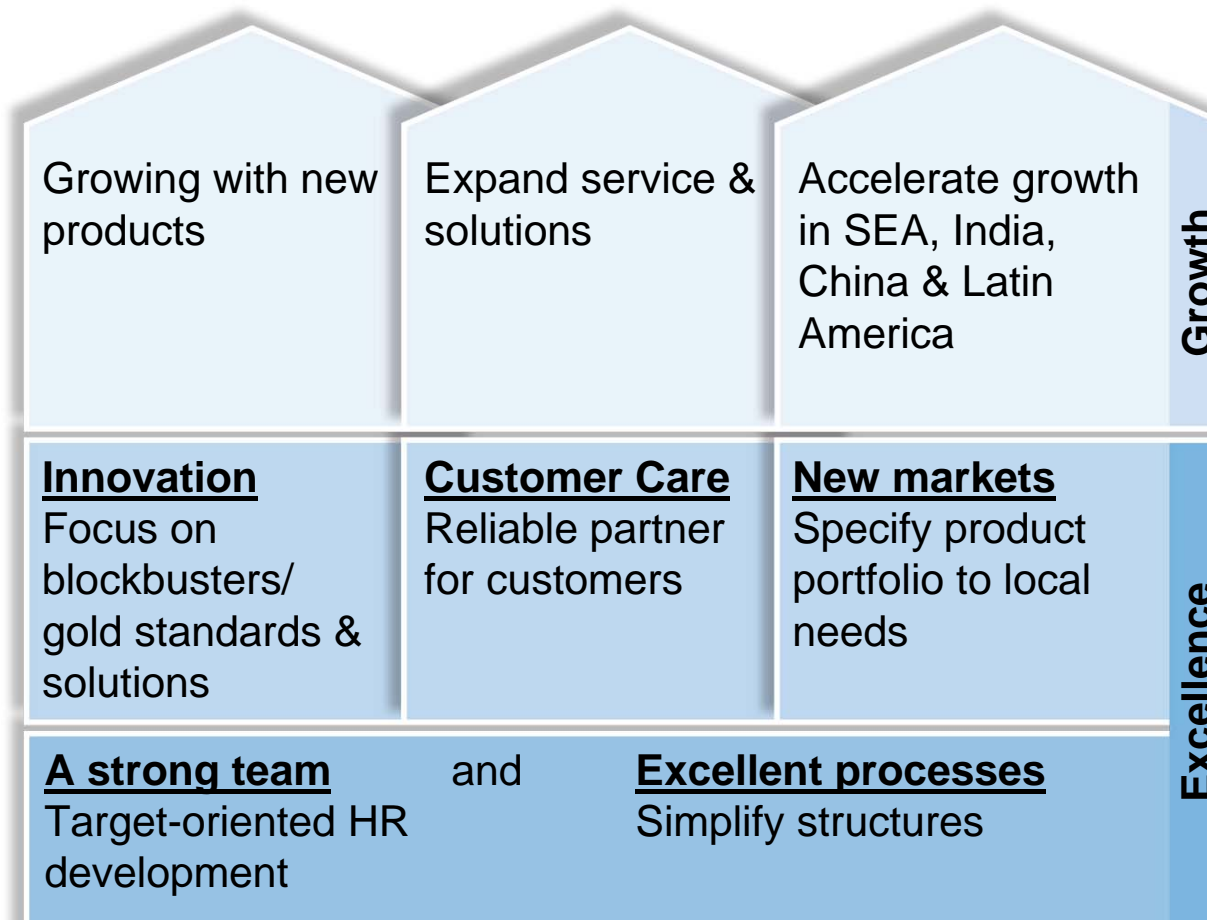
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5 **Looking to the future**

MEGA 2015: Meditec Excellence and growth agenda



We must now further expand the proven success factors and adapt them to growth targets:



MEGA 2015 is a solid plan for the future

We are optimistic in our forecasts for the next financial year



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1

MEGA 2015 company program

2

Continue to exceed market growth

3

M&A opportunities

4

EBIT margin up to 15 % until 2015





Dr. Ludwin Monz

President and CEO
Carl Zeiss Meditec AG since March 2010

„I took over at the helm of Carl Zeiss Meditec with a vision of actively driving and helping to structure medical progress.

*„**Creating what's to come**“ – this is the vision that we live every day at Carl Zeiss Meditec and in our dealings with our customers. We want to improve people's quality of life with our products and solutions, creating real additional benefits for doctors and patients.“*

Q+A Session



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**Thank you
for your interest
in Carl Zeiss Meditec**

Creating