

# Carl Zeiss Meditec



**German Investment Conference**

21-23 September 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

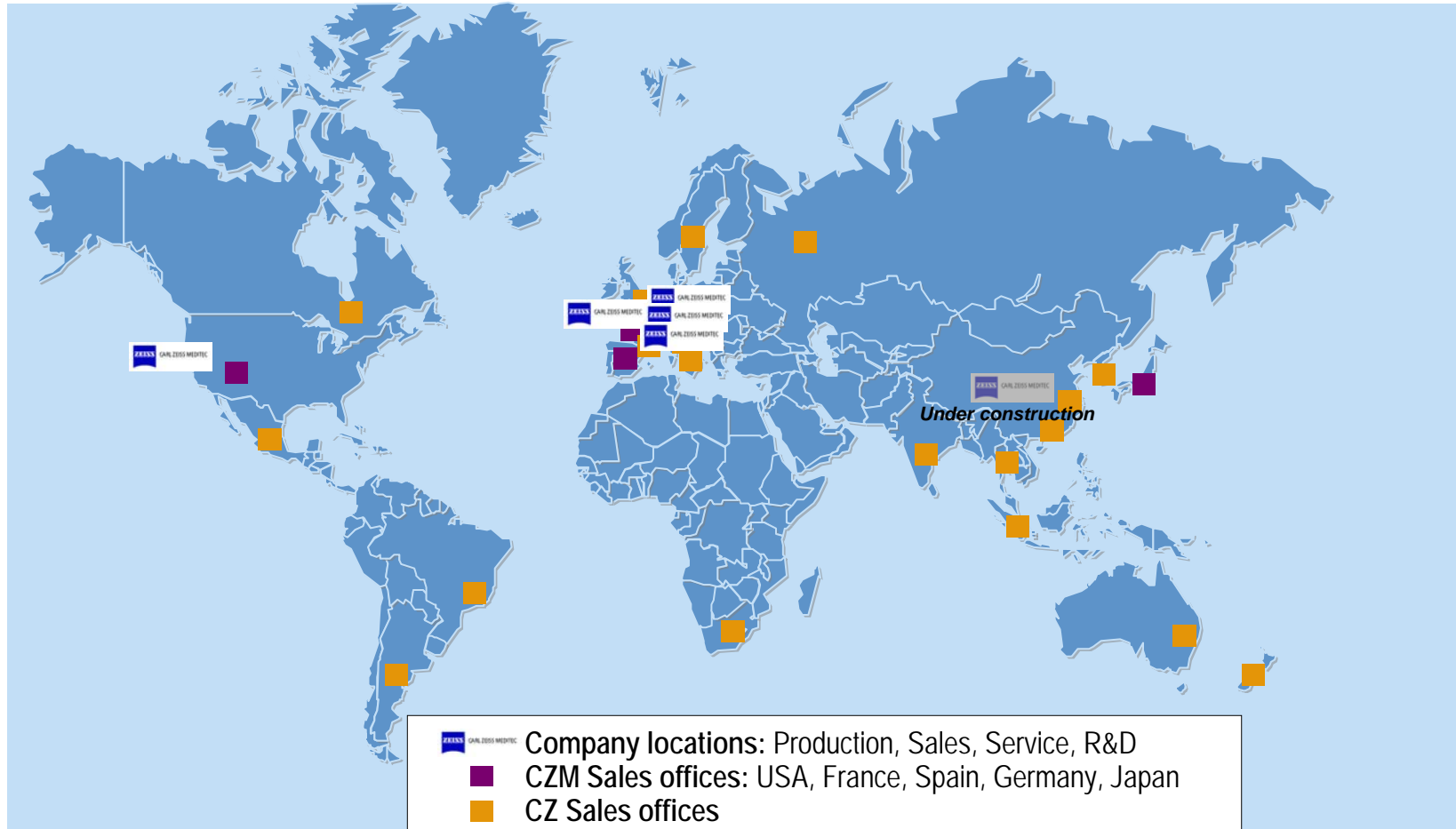
Throughout our company history we have created a large number of **gold standards in ophthalmology and microsurgery.**

**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



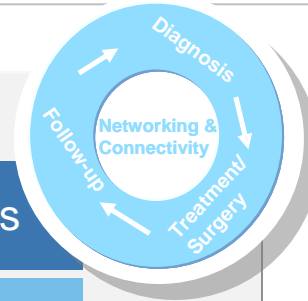
# Broad international base – close to our customer and backbone for our innovation



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



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## 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

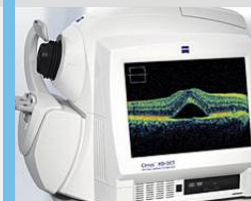
### Ophthalmology



Optical biometry:  
IOLMaster®

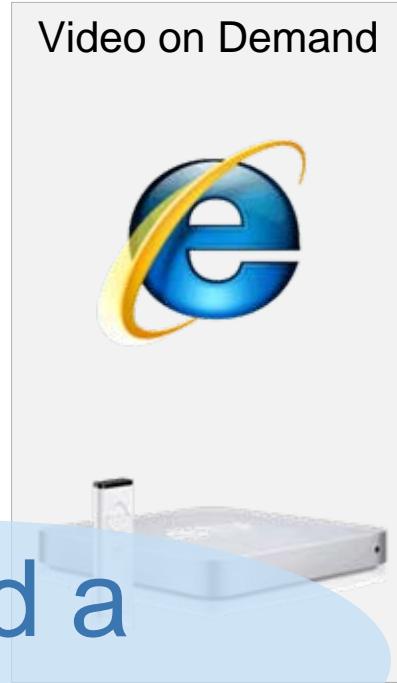
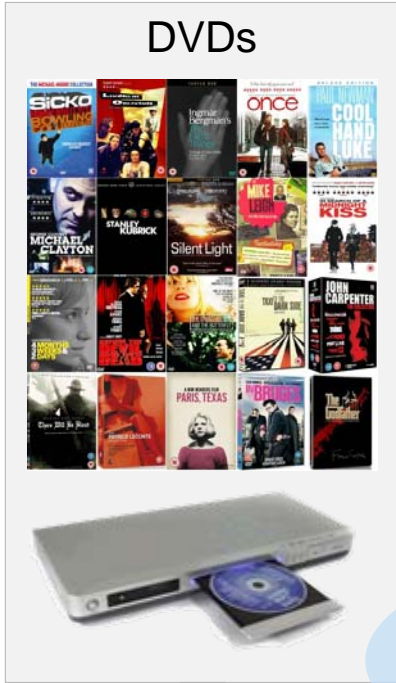


VISULAS  
Trion



OCT:  
Cirrus™ HD-OCT

# 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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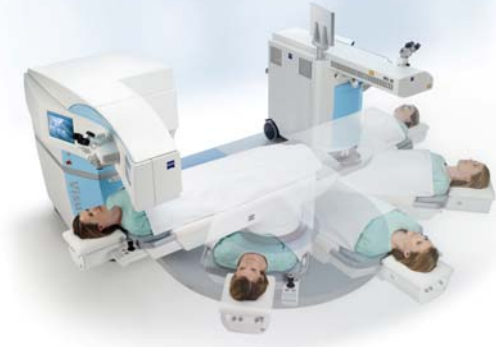
- ZEISS Ophthalmic Data Management Solution



- ZEISS Toric Solution



- ZEISS Refractive Laser Solution

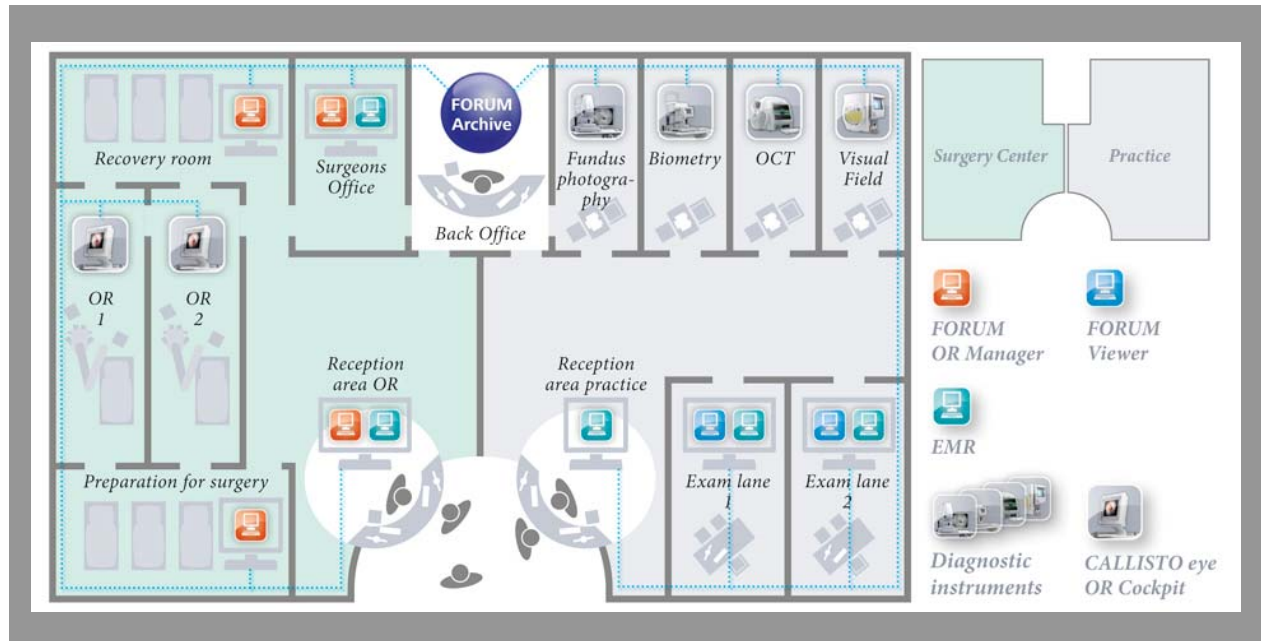


# ZEISS Ophthalmic Data Management Solution

## Enabling our customers a smooth workflow



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### Benefits:

- Simplify ophthalmic image and data management
- Enhanced practice and surgery workflow
- Scalable to the needs of practices of every size and scope
- Use of the globally recognized DICOM standard
- Complement to Electronic Medical Record (EMR)

# ZEISS Toric Solution

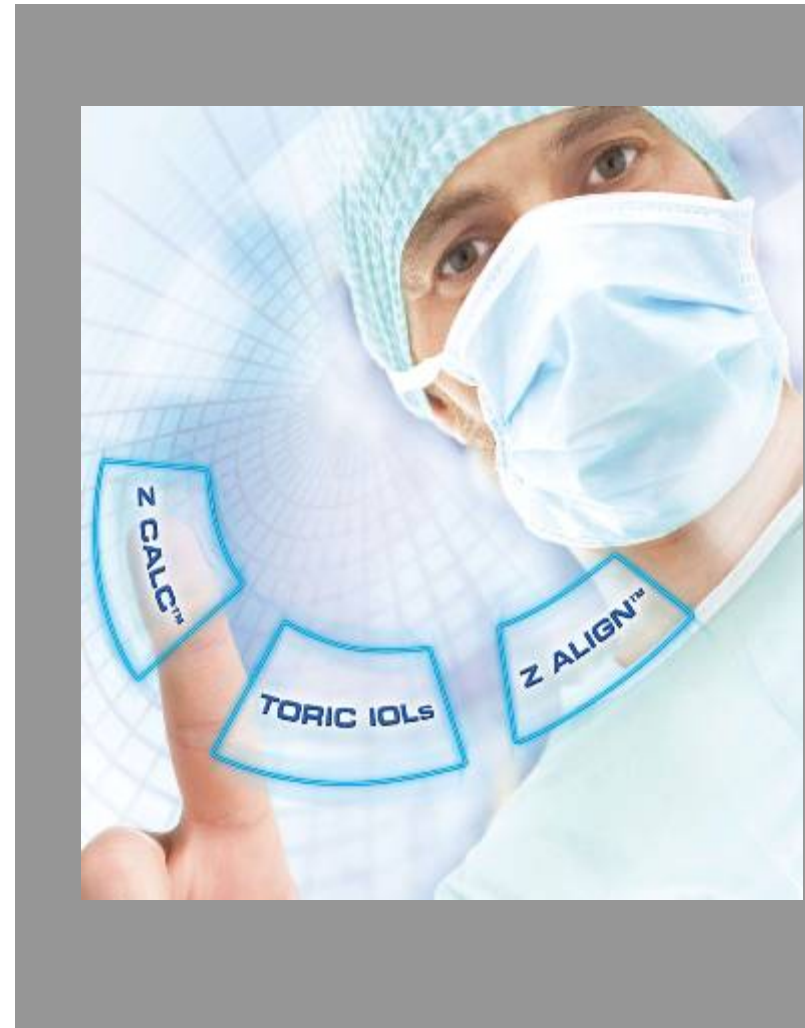
## - what does it mean?

### 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:

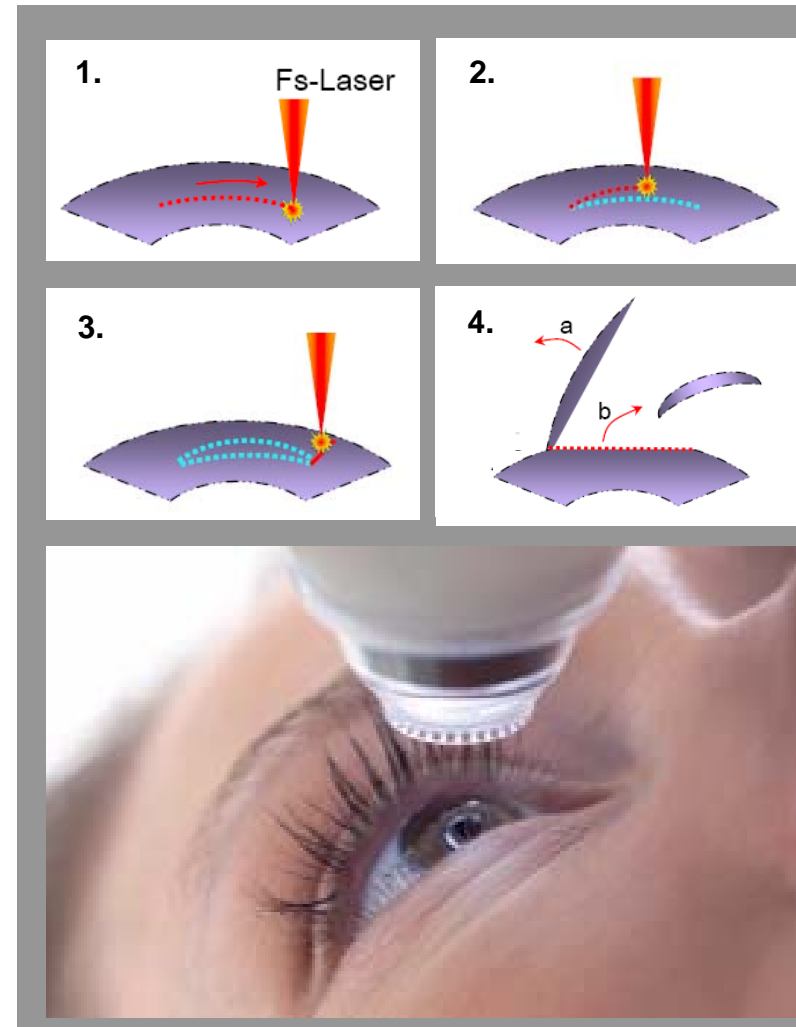
- **FLEX:** Femtosecond Lenticule Extraction
- **SMILE:** Small incision lenticule Extraction

## 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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# Strong Q3 accelerates positive development



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## Key takeaways

- Ongoing **strong development in APAC**, further improvement in Americas, still some uncertainty in EMEA
- **YTD 9months: revenue increased by 2.6%** over PY (constant currency: +3.6%), **q-o-q: 20% up** over PY (constant currency: +14%)
- **Higher EBIT-margin** compared to PY due to better gross margin and stable cost position
- **Strong balance sheet** (> 320m Cash, 70 % Equity ratio, no debt)
- **Guidance**  
Revenue for **FY 09/10 : 660m – 670m**, EBIT-margin: ca. 40BP above PY

## Our Focus

Innovation. New markets. Customer care.

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

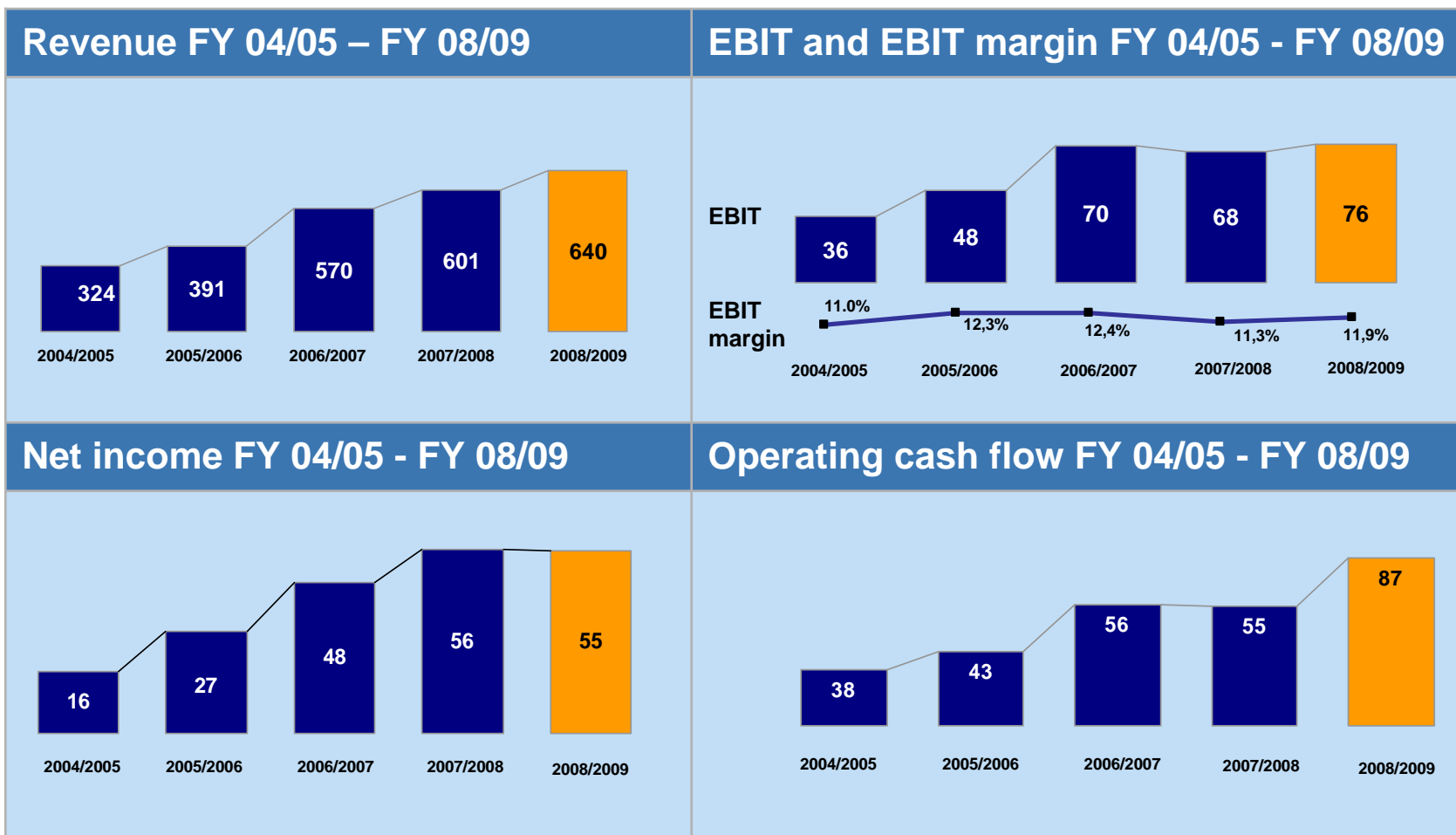


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Key financials / Background	9M 2008/09 and 9M 2009/10	Change
<ul style="list-style-type: none"> <li>Overall good growth mainly driven by APAC, SBUs SO and MS</li> <li>Slightly negative currency translation effects from Euro vs. USD and Yen</li> </ul>	<p>Net sales</p>	<p>▲ +2.6%</p>
<ul style="list-style-type: none"> <li>Increase in EBIT-margin due to COGS improvement and more favorable product mix</li> </ul>	<p>EBITDA EBIT</p>	<p>▲ +11.0%</p> <p>▲ +11.8%</p>
<ul style="list-style-type: none"> <li>Net income – effected by currency hedges and low interest income</li> </ul>	<p>Net Income EpS</p>	<p>▲ +0.6%</p> <p>▲ +2.5%</p>
<ul style="list-style-type: none"> <li>Strong Cash flow – effected by currency impacts on working capital</li> </ul>	<p>Operating Cash flow</p>	<p>▼ -22.9%</p>

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

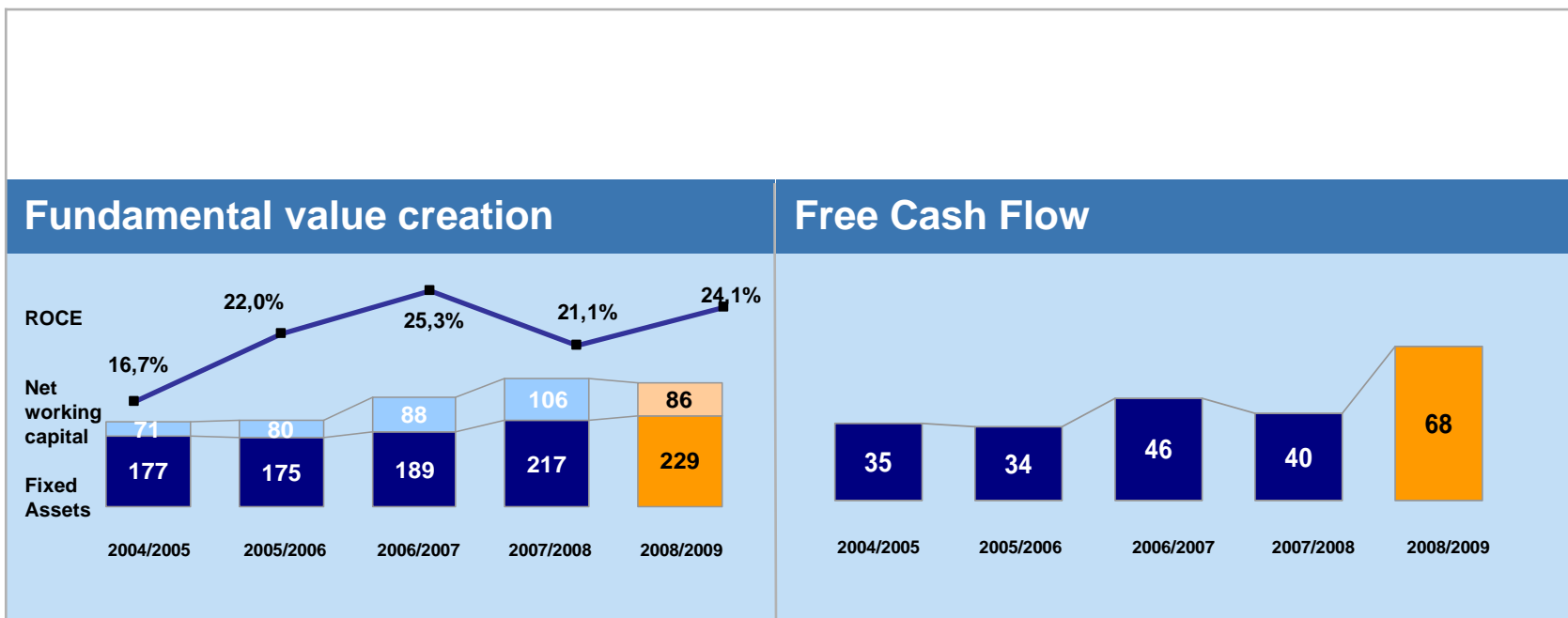
# Our track record: Successful, sustainable and stable



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

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Rounding differences to figures reported in € '000 are possible

# ... with focus on ROCE and Free Cash Flows



- Market Cap: 0,9bn EUR
- Net Cash: EUR ~320m
- EV: EUR ~670m

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

All figures in millions of € unless stated otherwise |  
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**With RACE we have built a sound basis - it is time to continue this with a new program in FY 10/11**



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**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



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- |  |                |   |
|--|----------------|---|
| ▪ 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 |   |



# What we expect for 2nd half of 2010

## Conditions in world financial markets seems to be stabilizing

### Our prospects and approach:

- Maintaining and expanding our market position, strong focus on emerging markets
- Ongoing investments in R&D and sales
- Follow-up Company program

### 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

### Outlook:

- Revenue for FY 09/10 660m – 670m, EBIT-margin: approx. 40BP above PY
- Plan to grow faster in the following FY than FY 09/10



# A comprehensive eye care portfolio by the global market leader

## 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

## 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**



## Financial Calendar

16 Dec 2010	Annual Financial Statements 2009/2010
16 Dec 2010	Analysts' Conference, Frankfurt a. M.

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