

Carl Zeiss Meditec AG



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**Morgan Stanley
European MedTech &
Services Conference**
London

June 2011

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** 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



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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

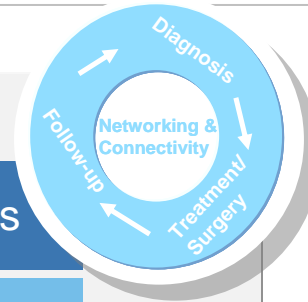
Sales: €677 million, EBIT margin: 12.8%,
ROCE 25.6% in fiscal year 2009/2010



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

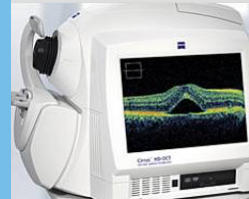
Ophthalmology



Optical biometry:
IOLMaster®



VISULAS
Trion



OCT:
Cirrus™ HD-OCT



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Our key success factors

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

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

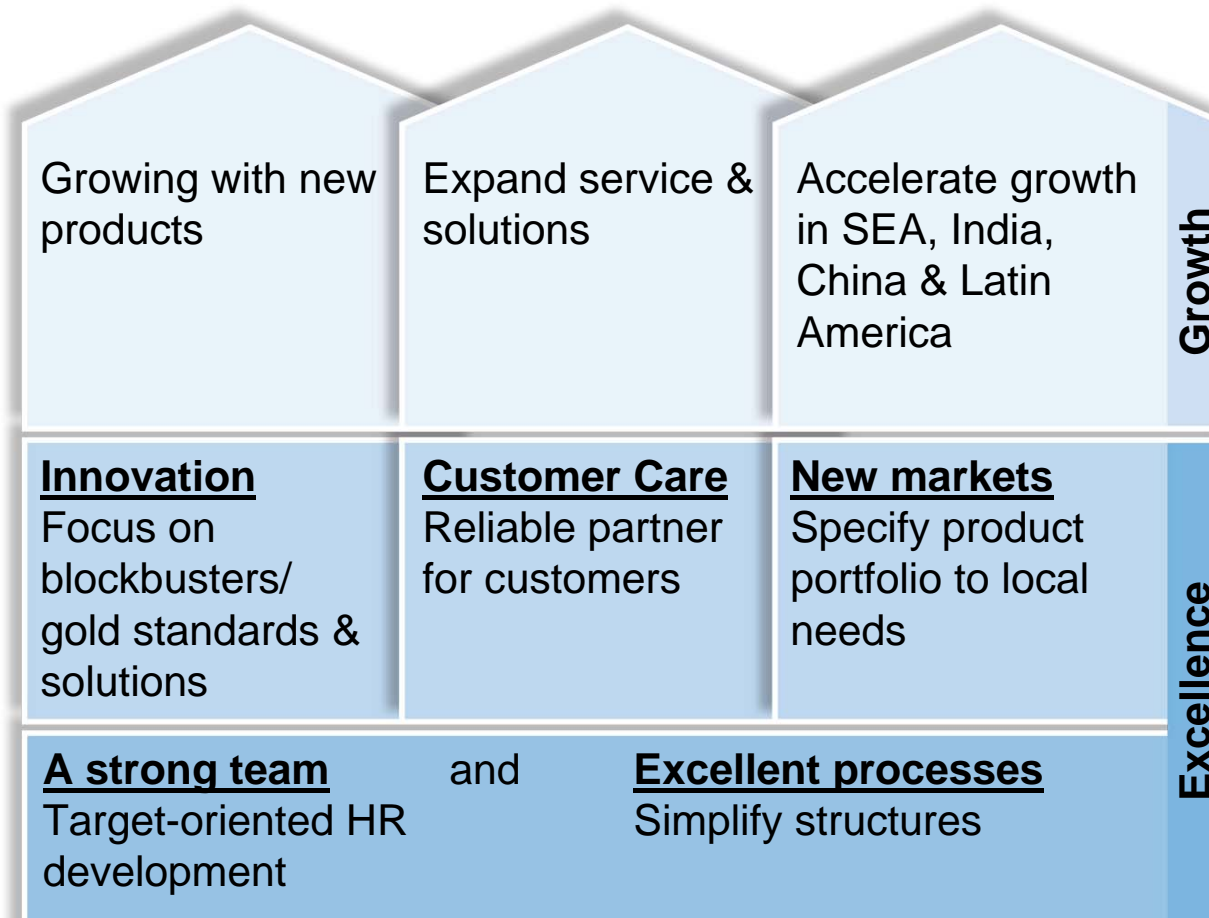
Process harmonization to Best Practice



MEGA 2015: Meditec Excellence and growth agenda



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



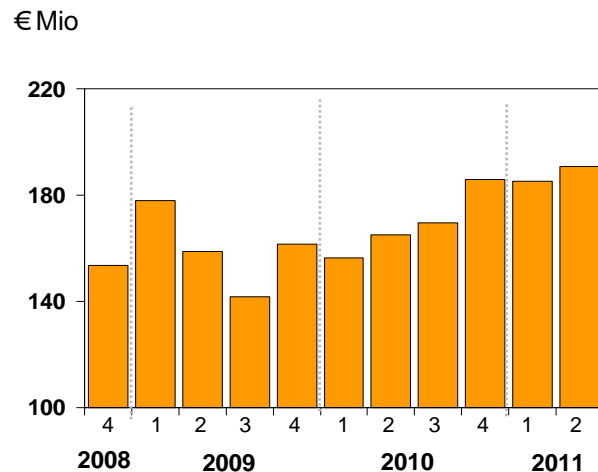
MEGA 2015 is a solid plan for the future



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Most successful half year in history

CZM continues positive trend in second quarter



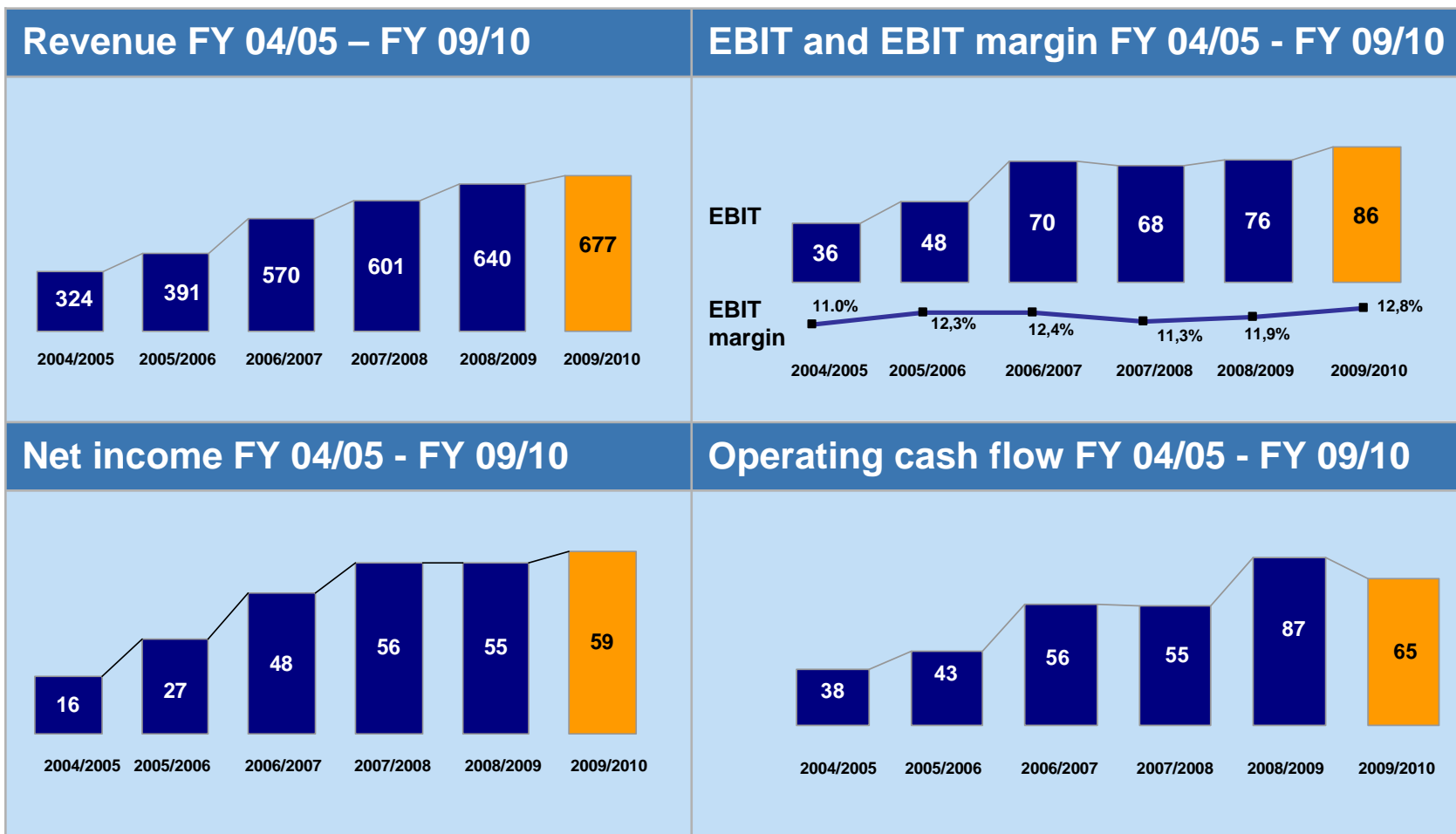
Key takeaways:

- 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



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



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We are optimistic in our forecasts for FY 10/11



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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



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Appendix

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



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

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



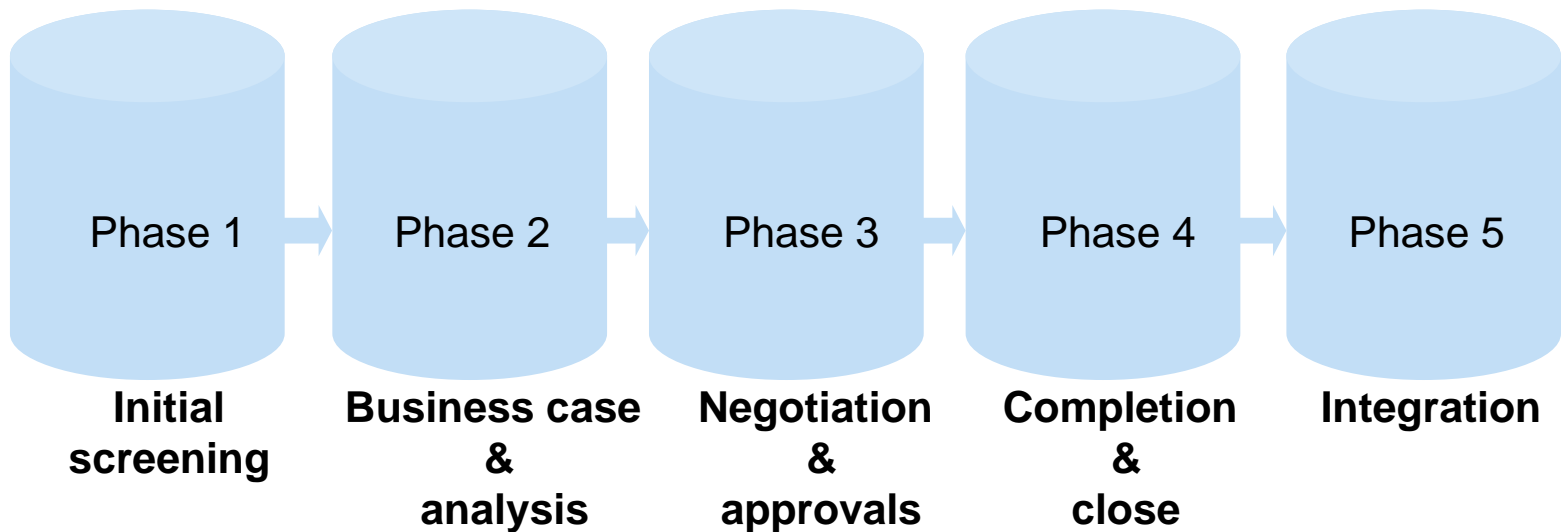
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676.7 Revenue in € million	54.9 Consolidated net income after non-controlling interest in € million	0.68 & 0.22 (+ 0.33) Earnings & dividend (special dividend) per share in €
12.8 EBIT margin in %	65.2 Operative cash flow in € million	72.4 Investment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

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



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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

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

7/8 June 2011	Morgan Stanley 2011 European MedTech & Services, London
12 Aug 2011	Q3 Publication
08 Dec 2011	Annual Financial Statements

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Safe harbour statement



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