

# Annual Financial Statements 2008/2009



Successful in FY 2008/2009

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Dr. Ludwin Monz, Member of the Board  
Analyst's Conference  
December, 14, 2009

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- 1. Key Results 2008/2009**
- 2. Behind figures: CZM on its way to a Solution Provider**
- 3. Details of business performance**
- 4. Outlook**

# CZM's FY 08/09 Results



## Key topics

- Successful performance in a difficult and challenging environment
- Double-digit revenue growth in "APAC" balanced out situation in the US and EMEA
- Good revenue growth in SBU "Surgical Ophthalmology"
- Successful implementation of corporate program RACE 2010

## Key figures

- Revenue growth of 6.6 %
- EBIT margin at 11.9 %
- Strong operating cash flow (+60% vs. prior year)
- Dividend: EUR 0.18 per share
- Solid balance sheet structure and strong cash position maintained

## Outlook

- Achieve or exceed market growth
- EBIT on 2008/2009 level
- Innovation. Expand in new markets. Intensify customer care.
- M&A opportunities

# Well balanced portfolio



Key financials / Main reasons	2007/08	and	2008/09	Change
<ul style="list-style-type: none"> <li>APAC as growth driver</li> <li>Some exchange rate windfall</li> </ul>	600.2		640.1	▲ + 6.6%
<ul style="list-style-type: none"> <li>EBITDA and EBIT growth, no neglect of necessary investments</li> </ul>	80.9 (13.5%)	EBITDA	92.4 (14.4%)	▲ + 14.2%
	68.2 (11.4%)	EBIT	76.1 (11.9%)	▲ + 11.5%
<ul style="list-style-type: none"> <li>Lower interest rates, changed regional profit distribution, and PY one-off tax effects resulting in reduced net income and EPS</li> </ul>	54.0 €0.66	Net Income EpS	50.5 €0.62	▼ - 6.5% ▼ - 6.1%
<ul style="list-style-type: none"> <li>Strong increase in cash flow from operating activities</li> </ul>	54.9		87.4	▲ + 59.2%

All figures in millions of € unless stated otherwise |  
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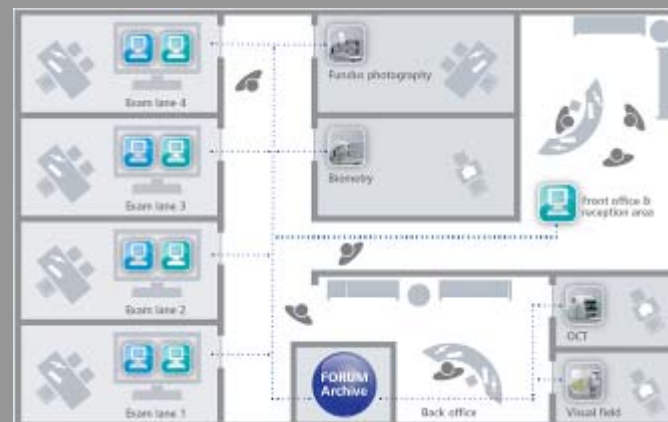
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# Broad-based opportunity



Customer looking for integrated solutions to meet their...

- Clinical needs
- Workflow needs
- Economic needs



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



CARL ZEISS MEDITEC

## Introducing Specific Examples:

- ZEISS Ophthalmic Data Management Solution



- ZEISS Toric Solution



- ZEISS Refractive Laser Solution



# Connectivity is only part of a Solution



# ZEISS Ophthalmic Data Management Solution

Enabling our customers a smooth workflow



Centrally schedule procedures &  
Enter patient name once



Automatically populate  
all instruments and  
patient info

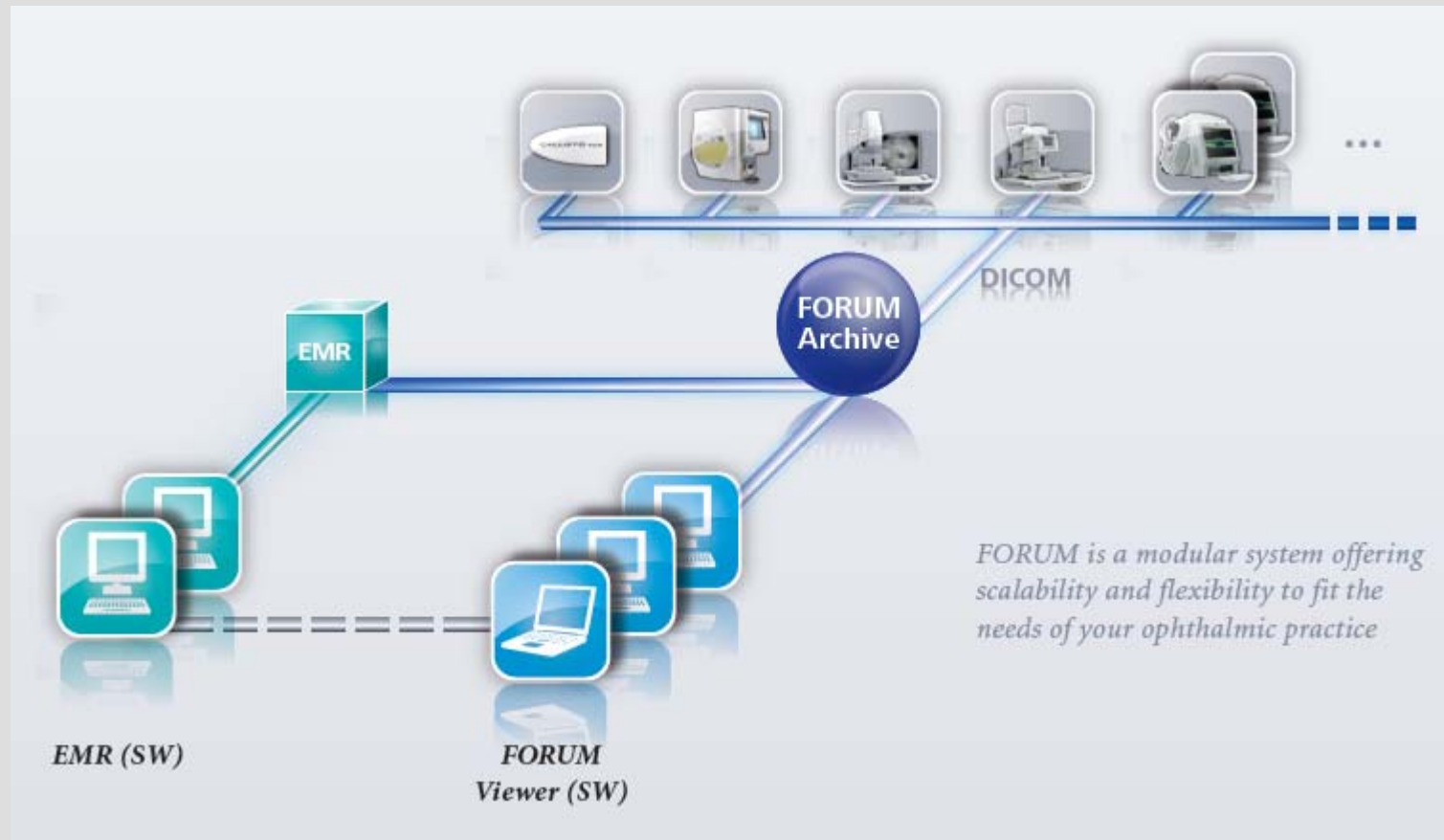


Reliable data transfer



# ZEISS Ophthalmic Data Management Solution

## Connecting Instruments with the EMR and Imaging Results from Anywhere



# ZEISS Ophthalmic Data Management Solution FORUM – what does it mean?



Trailblazing in Ophthalmology:  
the FORUM Data Management System:

## **Benefits to the doctor:**

- Fast and convenient data access from any location
- Improved workflow
- Seamless integration into existing IT environments

## **Benefits to the patient:**

- Reduced waiting time
- Reliable diagnostic thanks to data information on one screen
- Meaningful patient information



# Cases of Cataract & Astigmatism are growing



## Cataract:

- Clouding of the eye lens
- Like looking through a dirty window
- With 15 million cases each year, cataract surgery is the most common form of eye surgery in the world



Normal sight



Sight with cataract

## Astigmatism:

- Deformation of the cornea, leads to astigmatism
- 40% of all cataract patients have significant astigmatism, but are not being treated -> 80% of patients with astigmatism are not being treated



Normal sight



Sight with astigmatism

# ZEISS Toric Solution – an Integrated Approach to Cataract Surgery



# 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 Refractive Laser Solution

## Bringing new swing to refractive surgery



- A seamlessly coordinated systems solution for perfect refractive surgical workflow
- Fast and exact preoperative exams, precise flaps, highly accurate corrections and best treatment results
- Pivoting patient table eliminates patient transfers altogether
- Intuitive VisuMax software lets surgeons fully focus on the procedure



# ZEISS VisuMax AiO

## An Outlook



Two possibilities:

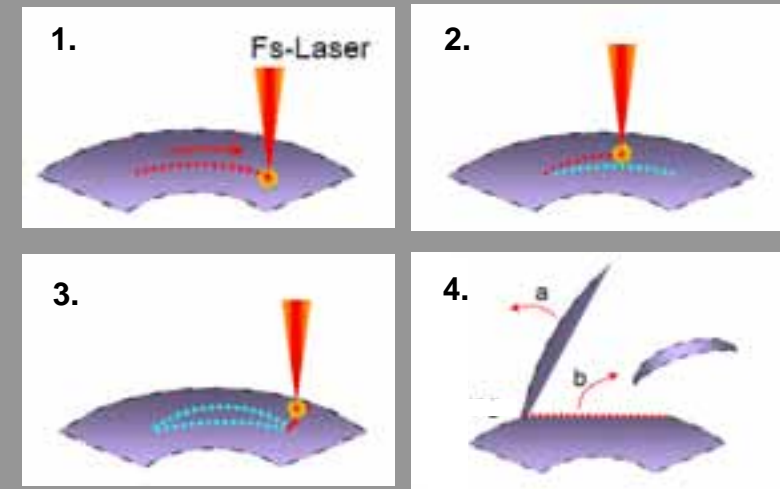
- **FLEx**: femtosecond Lenticule Extraction
- **SMILE**: Small incision lenticule extraction

### Benefits to the doctor:

- Refractive surgery performed on intact eye
- Entire procedure with just one device
- Method is truly minimally invasive
- Method can be employed independently of individual corneal characteristics

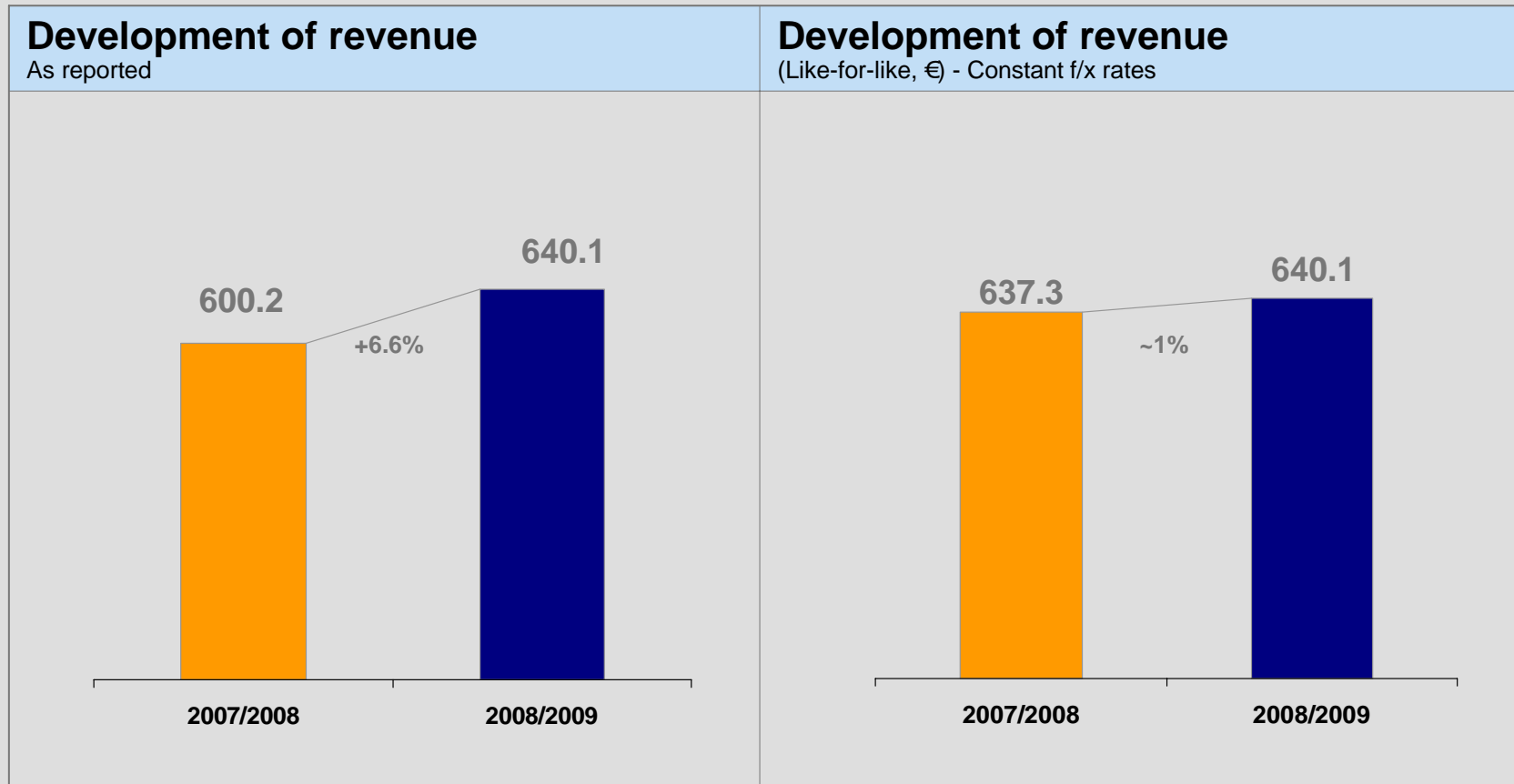
### Benefits to the patient:

- Noiseless procedure
- Direct treatment success
- All steps of the procedures are performed on a single device
- Avoiding dry eyes after surgery
- Optimal ergonomometry



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# Successful development in a adverse environment; some windfall from exchange rate

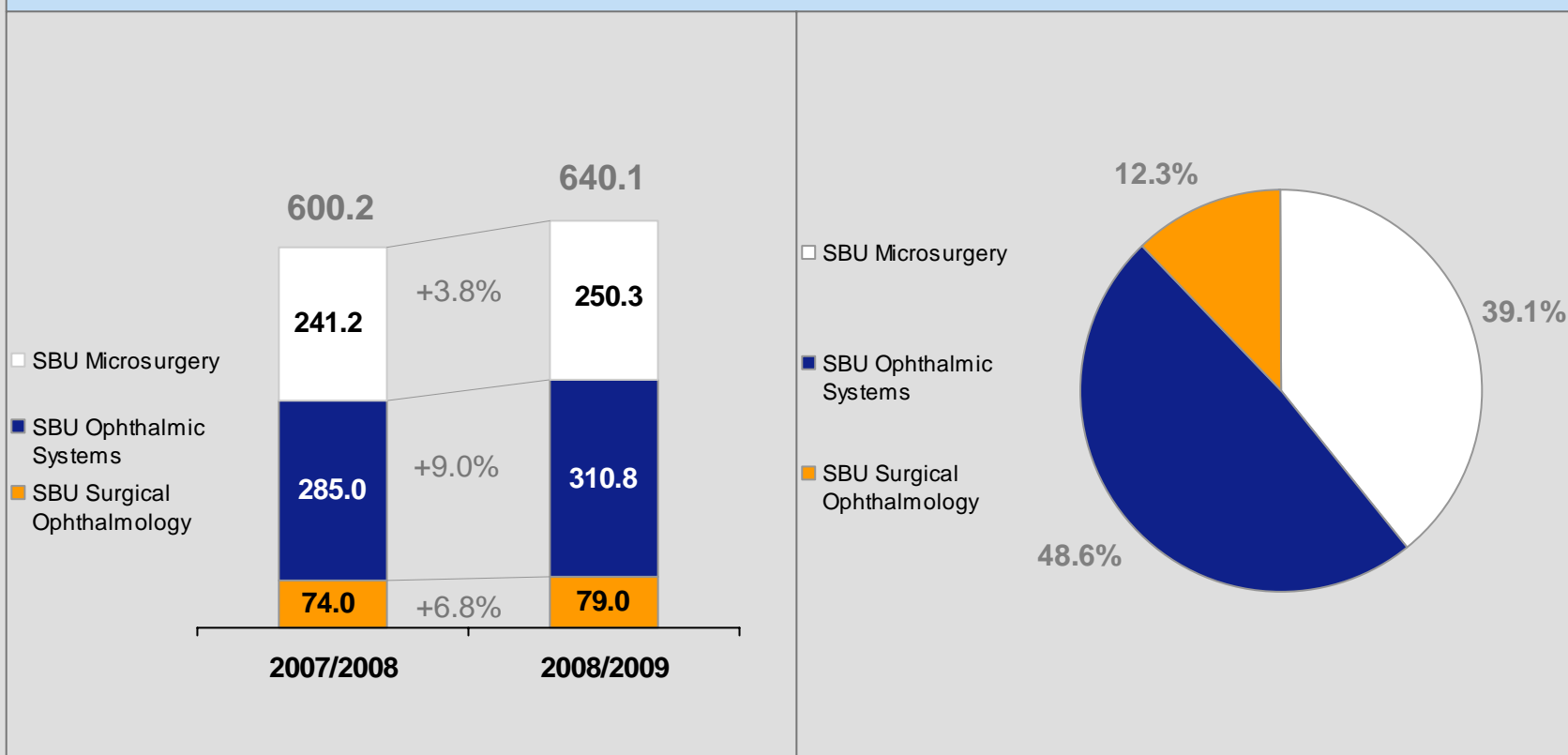


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# Reported growth in all SBUs



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

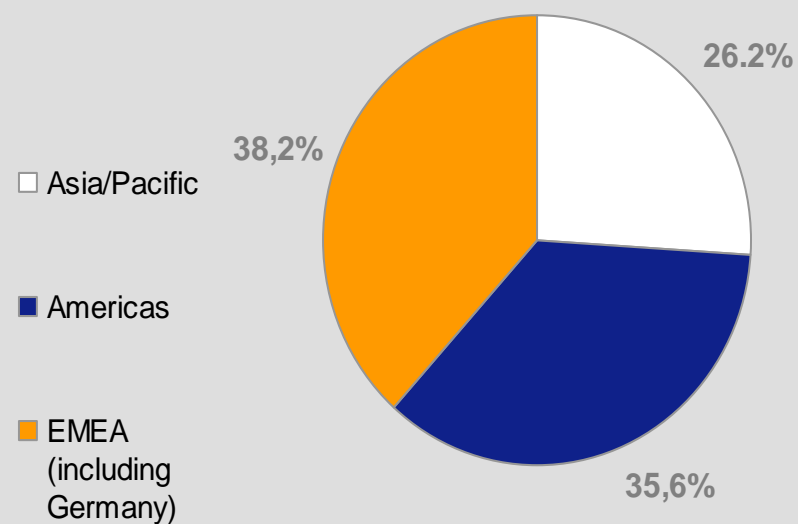
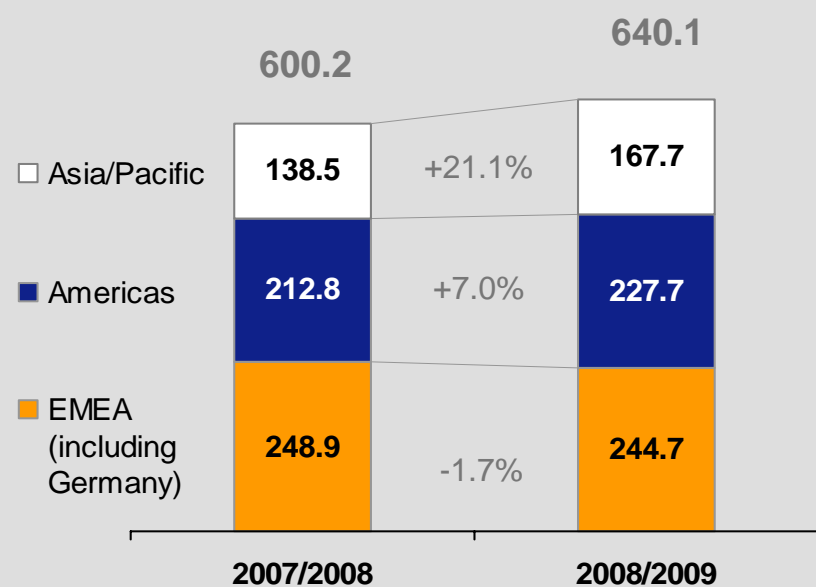


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# Focus on APAC pays off: Double-digit growth



## Revenue by region and contribution of each region to consolidated revenue

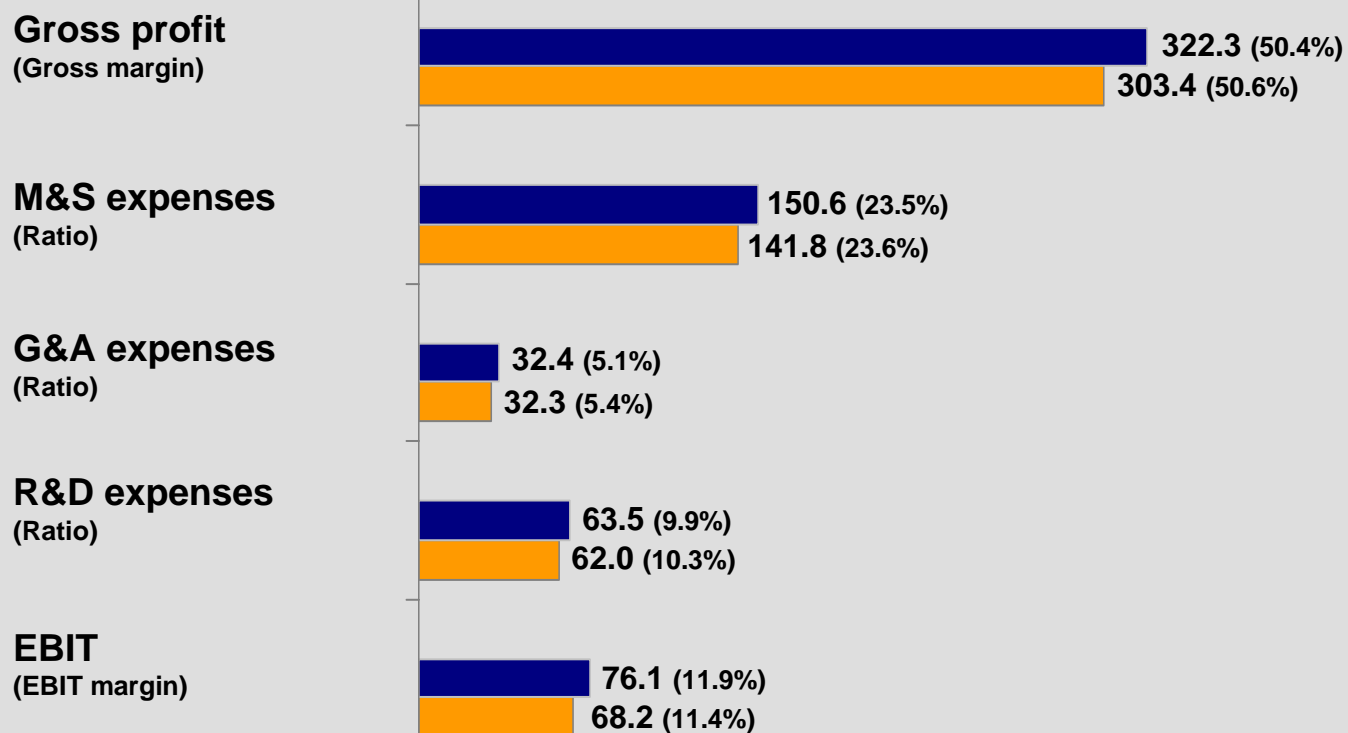


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# Ongoing spending in R&D and customer care in focus



## Development of major items of the income statement



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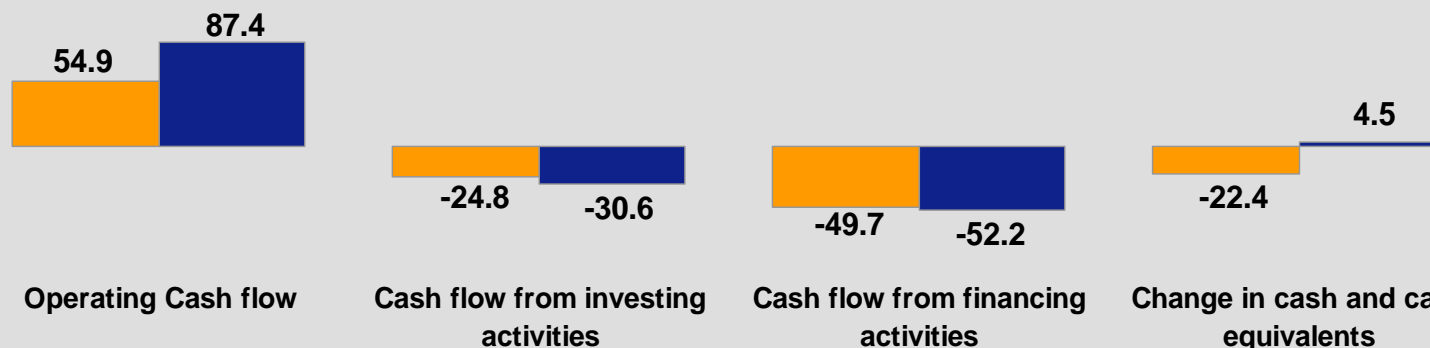
2007/2008

2008/2009

# Strong operating Cash flow secured



## Summary of consolidated cash flow statement (2007/2008 and 2008/2009)



## Main influencing factors

<ul style="list-style-type: none"> <li>+ Decrease in accounts receivables</li> <li>- Net income</li> <li>- Payment of trade payables</li> </ul>	<ul style="list-style-type: none"> <li>- Acquisition of assets of OEM supplier</li> </ul>	<ul style="list-style-type: none"> <li>- Dividend payment</li> <li>- Increase in deposits in CZ treasury</li> </ul>	
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2007/2008

2008/2009

## Strong balance sheet Ready for seizing M&A opportunities



Key ratios			
	30/09/2008	30/09/2009	Reasons
<b>Equity ratio</b>	70.0%	71.6%	Positive business development
<b>Net cash</b> <i>(Cash and cash equivalents + Treasury receivables ./ Treasury payables ./ interest-bearing liabilities)</i>	€ 210.4m	€ 252.0m	Strong operating Cash flow due to positive business development
<b>Days of sales outstanding (DSO)</b>	68.0 days	65.3 days	Restrictive management of cash collection
<b>Rate of inventory turnover (ITO)</b>	2.7	2.9	Slight decrease despite required high level of demo stocks

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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	Improving customer orientation	Expanding into new markets
<ul style="list-style-type: none"> <li>▪ Create new gold standards (blockbusters)</li> <li>▪ Driving additional growth (service and solution business)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Designing products to target customer needs</li> <li>▪ Providing networking, connectivity and service</li> <li>▪ Driving product portfolio on a better margin mix</li> </ul>	<ul style="list-style-type: none"> <li>▪ Addressing &amp; leveraging emerging markets (products, supply chain)</li> <li>▪ Considering external growth opportunities</li> <li>▪ Secure brand value</li> </ul>
<p><b>Empowering people</b> (e.g. training, mentoring)</p>		
<p><b>Achieving global process excellence</b> (e.g. programs on cost and sales)</p>		

# What we expect for 2010



## Conditions in world financial markets remain challenging

### Our prospects and approach:

- Stable market with good solid growth
- 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:

- Achieve and exceed market growth
- Keeping EBIT margin at current level and increase it with top line growth

# Q+A Session



Successful in FY 2008/2009



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