

Q2



6 Months 2010/2011 at a glance

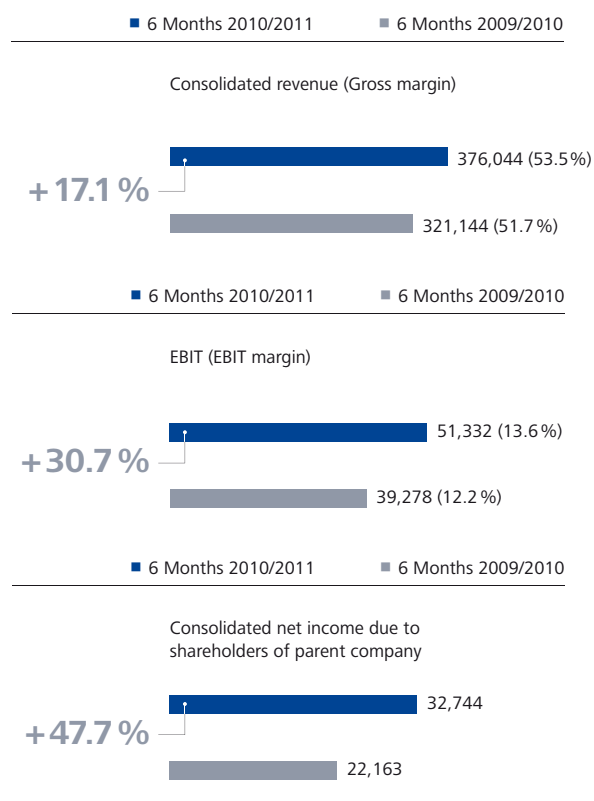
Highlights

- Impressive 17.1 % growth compared to the same period last year
- Two-digit growth rates in all SBUs
- EBIT margin after first half-year at 13.6%
- Positive performance in Japan despite natural disaster
- Guidance for financial year 2010/2011: € 720–750 million

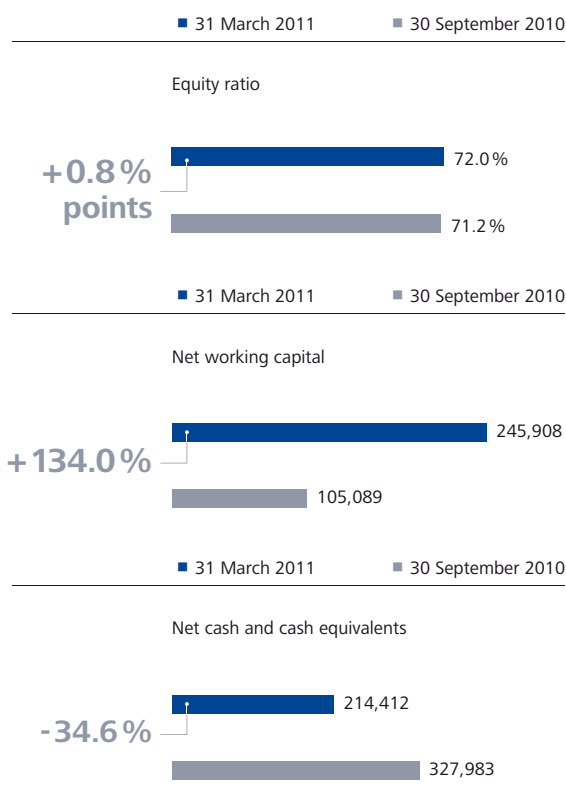
Business development

(Unless specified otherwise, figures in € '000)

Revenue and net income



Key ratios in the statement of financial position and statement of cash flows



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This Report does not constitute an offer to sell or solicitation of an offer to purchase any securities of Carl Zeiss Meditec Aktiengesellschaft in the United States of America or in any other jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Readers of this Report are requested to inform themselves about how to observe any such restrictions.

Ladies and Gentlemen,
Dear Shareholders,

In the first six months of 2010/2011 we continued our successful growth course and were even able to increase revenue compared to the first quarter of 2010/2011. We achieved two-digit growth rates in all three strategic business units. Group revenue stood at € 376.0 million. This corresponds to an increase of 17.1 % over the same period of the previous year.

Despite continued investments a further increase in efficiency was attained, and our efforts and investments in research and development will enable us to grow responsibly in the long term. In the first six months of 2010/2011 EBIT increased from € 39.3 million in the previous year to € 51.3 million. The EBIT margin stood at 13.6 %, compared to 12.2 % last year. Consolidated net income attributable to the shareholders of the parent company increased. In the first half-year of 2010/2011 the latter rose to € 32.7 million compared to € 22.2 million last year. Earnings per share in the parent company thus increased in the first six months of 2010/2011 from € 0.27 to € 0.40.

However, the latter part of the first half-year was overshadowed by the devastating natural disaster in Japan and its consequences for man and the environment. We, Carl Zeiss Meditec AG, as a globally-oriented enterprise feel especially strong connections to the people there. For many years our team of about 120 employees at the Tokyo location have been doing excellent work and making a substantial contribution to the success of our company.

In the face of this natural catastrophe it is all the more astounding and gratifying that the company has continued to grow steadily in Japan and contribute to the impressive growth of 28.0 % in the APAC region. This development would hardly have been possible without the extreme efforts of our Japanese employees. At this point we would like to express our sincere thanks to them.

But in other regions of the world we have also been able to post substantially increased growth rates. In the Americas region, for example, revenue increased by 16.4 % to € 124.0 million (previous year: € 106.5 million). In the future we will be able to look with gratification at the European, Middle East and Africa market, known as EMEA. Here our forecasts were confirmed – following a modest growth in the year-on-year comparison, the region was able to post a 9.0 % increase in revenue to almost € 130 million.

After the first half of our financial year we remain very optimistic and anticipate a revenue volume of between € 720 and 750 million. However, a degree of uncertainty must currently be seen in the Japanese region hit by the natural disaster.

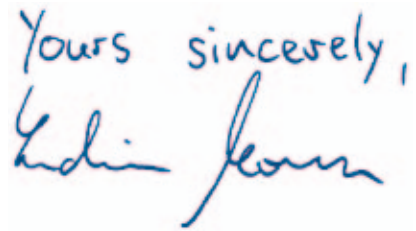
In addition, we have resolved to further increase EBIT profitability established in the past few years from 12.8 % in the financial year 2009/2010 to 15 % by the year 2015. The half-year figure shows that we have made good progress on our course towards this target.

The balanced strategic positioning of Carl Meditec AG has proved expedient: our business permits us to participate in market growth and even exceed it in certain areas.

We profit from the world's growth regions and are often able to compensate for setbacks in other regions.

We are thus looking to the future from a strong position and will make every effort to continue this growth course.

Jena, May 2011



Yours sincerely,
Ludwin Monz

Dr. Ludwin Monz
President and Chief Executive Officer



Management report for the consolidated interim financial statements

Business development

1 Summary

Carl Zeiss Meditec AG, Jena, Germany, is the parent company of the Carl Zeiss Meditec Group ("Carl Zeiss Meditec", "Group", "Company"), which comprises additional subsidiaries.

No changes were made with respect to the Group's reporting entity or the structure of its financial statements in the first three months of 2010/2011.

2 Results of operations

2.1 Presentation of results of operation

Table 1: Summary of key ratios in the consolidated income statement (figures in € '000)

	6 Month 2009/2010	6 Month 2010/2011	Change
Revenue	321,144	376,044	+17.1 %
<i>Gross margin</i>	51.7 %	53.5 %	+1.8 % points
EBITDA	47,413	61,248	+29.2 %
<i>EBITDA margin</i>	14.8 %	16.3 %	+1.5 % points
EBIT	39,278	51,332	+30.7 %
<i>EBIT margin</i>	12.2 %	13.6 %	+1.4 % points
Earnings before income taxes	37,287	52,861	+41.8 %
<i>Tax rate</i>	32.6 %	32.2 %	-0.4 % points
Consolidated net income attributable to shareholders of the parent company	22,163	32,744	+47.7 %
Earnings per share, attributable to the shareholders of the parent company in the current financial year	€ 0.27	€ 0.40	+48.1 %

2.2 Revenue

In the first six months of the financial year 2010/2011 Carl Zeiss Meditec generated consolidated revenue of € 376.0 million (previous year: € 321.1 million). Our company can thus post an impressive 17.1 % growth in revenue compared to the same period of the previous year. In the first half of the financial year we benefited from increased worldwide demand in all three strategic business units. On a comparable basis, i. e. if exchange rates had remained constant, this would have meant growth of 12.5 %.

a) Consolidated revenue by strategic business unit

In the first half of the current financial year 46.1 % of Carl Zeiss Meditec revenue – the lion's share – was generated in the "Ophthalmic Systems" strategic business unit. The share of the "Microsurgery" SBU increased to 41.9 % (previous year: 40.6 %) whilst the "Surgical Ophthalmology" SBU generated 12.0 % (previous year: 12.8 %) of consolidated revenue.

Figure 1: Share of strategic business units in consolidated revenue in the first six months of the financial year 2010/2011, in percent

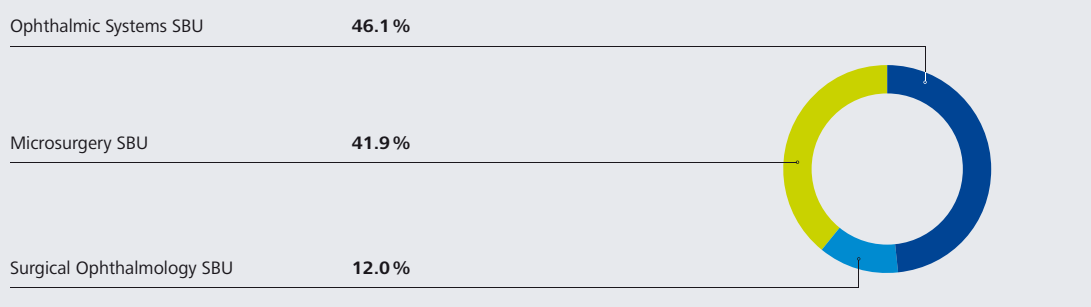


Figure 2: Consolidated revenue by strategic business unit (figures in € '000)

	6 Months 2010/2011	6 Months 2009/2010	
Surgical Ophthalmology SBU	45,256	41,058	+10.2%
Ophthalmic Systems SBU	173,367	149,564	+15.9%
Microsurgery SBU	157,421	130,522	+20.6%
Consolidated revenue	376,044	321,144	

In the first half of the current financial year there was a further increase in the extremely good sales figures of the previous year for the OPMI® Pentero®, OPMI® VARIO and OPMI LUMERA® surgical microscopes. In addition, a sustained increase was also recorded in the demand for the INTRABEAM® intraoperative radiation therapy system which received the German Innovation Prize. As a result, revenue of our “Microsurgery” SBU increased by 20.6% in the first six months of the financial year.

The substantial increase in revenue of 15.9% in comparison to the reference period of the previous year was recorded in the “Ophthalmic Systems” SBU. This figure was attributable in particular to the high demand for the Cirrus™ HD-OCT diagnostic system. This SBU likewise contributed to a significant increase in revenue for the IOLMaster® and Humphrey® Field Analyzer (HFA II-). Furthermore, the VisuMax® femtosecond laser also made a respectable contribution to revenue in this business unit.

“Surgical Ophthalmology” – the youngest business unit of our group with attractive development potential – was able to post substantial growth compared to the previous year. In the past financial half-year 2010/2011 this SBU reported growth of 10.2%. Growth of almost 19% was achieved in the second quarter alone.

The chart below shows consolidated revenue by strategic business unit based on constant exchange rates.

Figure 3: Consolidated revenue by strategic business unit based on constant exchange rates (figures in € '000)

	6 Months 2010/2011	6 Months 2009/2010	
Surgical Ophthalmology SBU	45,256 41,182		+9.9%
Ophthalmic Systems SBU	173,367 156,489		+10.8%
Microsurgery SBU	157,421 136,479		+15.3%
Consolidated revenue	376,044 334,150		

b) Consolidated revenue by region

Figure 4: Consolidated revenue by region (figures in € '000)

	6 Months 2010/2011	6 Months 2009/2010	
Asia/Pacific Region	122,024 95,348		+28.0%
Americas	124,024 106,546		+16.4%
EMEA	129,996 119,250		+9.0%
Consolidated revenue	376,044 321,144		

The "Asia/Pacific region" ("APAC") is exhibiting a particularly impressive growth rate. Revenue in the reporting period increased from € 95.3 million in the same period of the previous year to € 122.0 million. This represented an increase of 28.0%. Despite the devastating natural disaster and its consequences, we have observed astonishingly stable demand behavior in Japan. Key sales generators in the APAC region were the OPMI® Pentero® and OPMI LUMERA® surgical microscopes, together with the Humphrey® Field Analyzer (HFA II-i) and Cirrus™ HD-OCT diagnostic systems.

Thanks to the substantial increase of 9.0% over the same period of the previous year, in which it had posted relatively modest growth, in the first half of 2010/2011 the region "European, Middle East and Africa" ("EMEA") resumed its position as one of the regions with the highest revenue. After the first six months of 2010/2011 revenue rose to € 130.0 million (previous year: € 119.3 million). The bulk of revenue was generated by the Cirrus™ HD-OCT, IOLMaster®, Humphrey® Field Analyzer (HFA II-i) diagnostic systems and the IOL product line AT LISA®.

A likewise gratifying development in the first half of the financial year was observed by Carl Zeiss Meditec in the “Americas” region. Total revenue amounted to € 124.0 million (previous year € 106.5 million). Compared to the same period of the previous year this represents an increase of 16.4 %. Besides the Cirrus™ HD-OCT, Humphrey® Field Analyzer (HFA II-i) and IOLMaster®, the lion’s share of revenue in this region is attributable to the OPMI® Pentero® and OPMI LUMERA® surgical microscopes.

The following chart shows consolidated revenue by region in the reporting period based on constant exchange rates.

Figure 5: Consolidated revenue by region based on constant exchange rates (figures in € '000)

	6 Months 2010/2011	6 Months 2009/2010	
Asia/Pacific Region	122,024	103,570	+17.8%
Americas	124,024	111,224	+11.5%
EMEA	129,996	119,356	+8.9%
Consolidated revenue	376,044	334,150	

2.3 Gross profit

In the first half of the 2010/2011 financial year gross profit increased to € 201.3 million (previous year: € 166.0 million). This caused the gross margin to increase by 1.8% points in the reference period to 53.5%. The main causes were the increased contribution of high-margin countries and products, cuts in manufacturing costs and economies of scale.

2.4 Functional costs

Functional costs increased by € 23.5 million to € 150.3 million compared to the first six months of the previous year. This 18.5% increase is mainly attributable to the significant increase in production and sales volumes.

- **Selling and marketing costs:** after an increase of 19.7% selling and marketing costs had reached the absolute value of € 90.7 million (previous year € 75.8 million) at the end of the first financial half-year. This increase is mainly based on higher marketing costs, especially in the IORT sector, and a volume-related increase in commissions and freight costs.
- **General and administrative costs:** expenses of € 20.5 million (previous year: € 17.0 million) were generated by this sector in the reporting period. This corresponds to 5.5% of revenue (previous year: 5.3%).
- **Research and development costs:** in order to further expand and consolidate our core competencies in the development of cutting edge technologies, in the past financial half-year we further increased our expenditure in this field to € 39.1 million (previous year: € 34.0 million). Our research and development cost ratio thus remained constant at 10.4% (previous year: 10.6%).

2.5 Development of earnings

The entirely pleasing development of Carl Zeiss Meditec worldwide revenue is also reflected in its development of earnings. EBITDA increased in the reporting period to € 61.2 million (previous year: € 47.4 million), corresponding to a 1.5 % point improvement in the EBITDA margin to 16.3 % (previous year: 14.8 %). EBIT rose by an impressive 30.7% to € 51.3 million (previous year: € 39.3 million) and thus faster than the Carl Zeiss Meditec consolidated revenue. As a result we were able to post a significantly higher EBIT margin compared to the first half-year 2009/2010 from 12.2 % to 13.6 %.

Due to higher interest income compared to the previous half-year, interest income/interest expenses (net) amounted to € -0.9 million (previous year: € -1.5 million).

The tax rate in the reporting period stood at 32.2 % (previous year: 32.6 %).

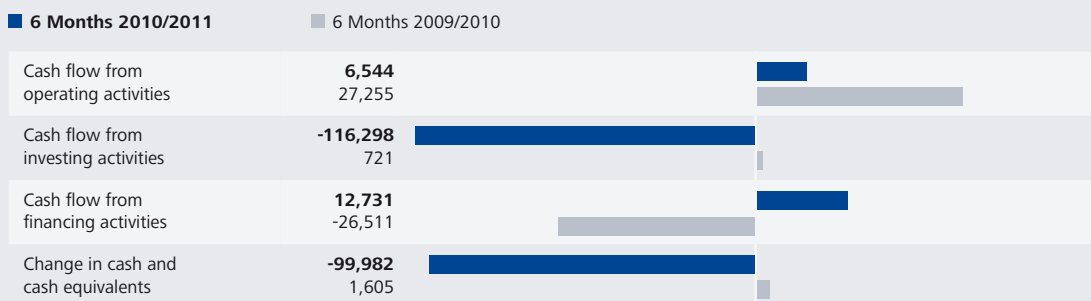
In the reporting period € 32.7 million (previous year: € 22.2 million) of consolidated net income are attributable to the shareholders of the parent company. The share of net income attributable to non-controlling interests is € 3.1 million (previous year: € 3.0 million). The basic¹ earnings per share in the first six months of 2010/2011 increased to € 0.40 (previous year: € 0.27).

3 Financial position

3.1 Statement of cash flows

The Carl Zeiss Meditec Group's statement of cash flows shows the origin and utilization of cash flows during a financial quarter. A distinction is made between cash flows from operating activities and cash flows from investing and financing activities. The statement of cash flows merely records the changes in individual items in the income statement and the statement of financial position that occurred after the respective date of first-time consolidation. In contrast, the consolidated statement of financial position presents the figures as they stood at the end of the reporting period 31 March 2011. As a result, the statements in the analysis of the financial position may differ from the presentation of net assets based on the consolidated statement of financial position.

Figure 6: Summary of key ratios in the consolidated statement of cash flows (figures in € '000)



¹ Attributable to shareholders of the parent company

In cash flow from operating activities there was a cash inflow of € 6.5 million (previous year: € 27.3 million) in the first half-year 2010/2011. The reasons for this development were a significant increase in trade receivables, and in inventories to quickly satisfy growing demands.

Negative cash flow from investing activities in the reporting period stood at € -116.3 million (previous year: € 0.7 million). This cash outflow is almost entirely attributable to the one-year fixed-term deposit of € 110.0 million which is included in this position.

Cash flow from financing activities amounted to € 12.7 million in the period under review (previous year: € -26.5 million). This is mainly attributable to the later dividend payment this year. The full repayment of the LDT loan was included in the previous year's figure.

3.2 Key ratios relating to financial position

Table 2: Key ratios relating to financial position (figures in € '000)

Key ratio	Definition	30 September 2010	31 March 2011	Change
Cash and cash equivalents	Cash-in-hand and bank balances	313,516	213,534	-31.9 %
Net cash	Cash-in-hand and bank balances + treasury receivables from Group treasury of Carl Zeiss AG ./. treasury payables to Group treasury of Carl Zeiss AG	327,983	214,412	-34.6 %
Net working capital	Current assets ./. cash and cash equivalents ./. treasury receivables from Group treasury of Carl Zeiss AG ./. current liabilities excl. treasury payables to Group treasury of Carl Zeiss AG	105,089	245,908	+134.0 %
Working capital	Current assets ./. current liabilities	433,072	460,320	+6.3 %

Table 3: Key ratios relating to financial position

Key ratio	Definition	6 Months 2009/2010	6 Months 2010/2011	Change
Cash flow per share	Cash flow from operating activities Weighted average number of shares outstanding	€ 0.34	€ 0.08	-76.0 %
Capex ratio	Investment in property, plant and equipment Consolidated revenue	0.7 %	0.8 %	+0.1 % points

4 Net assets

4.1 Presentation of net assets

The following chart shows the development of key items in the consolidated statement of financial position:

Figure 7: Structure of the consolidated statement of financial position (figures in € '000)

Assets	30 September 2010	31 March 2011
Goodwill	113,068	112,566
Noncurrent assets*	120,752	118,023
Cash and cash equivalents	313,516	213,534
Current assets**	293,867	427,615
Consolidated total assets	841,203	871,738

Liabilities and equity	30 September 2010	31 March 2011
Equity	598,982	627,410
Noncurrent liabilities	67,910	63,499
Current liabilities	174,311	180,829
Consolidated total liabilities	841,203	871,738

* excluding goodwill

** excluding cash and cash equivalents

ASSETS

Goodwill

This item of Carl Zeiss Meditec AG's statement of financial position amounted to € 112.6 million as of 31 March 2011 and stood at a similar level to 30 September 2010 (€ 113.1 million).

Inventories

In response to the high level of orders received and the continued good development at demand, inventories increased by 11.0% to € 132.3 million (30 September 2010: € 119.2 million) in the first six months of the financial year 2010/2011. This build-up of inventories is to enable despatch to respond quickly to the demand for Carl Zeiss Meditec products.

Trade receivables incl. receivables from related parties

This balance sheet item increased mainly due to the extremely good development of revenue as of 31 March 2011 to € 156.1 million (30 September 2010: € 133.9 million).

Cash and cash equivalents

In the period under review cash and cash equivalents fell to € 213.5 million (previous year: € 313.5 million). This is mainly attributable to the medium-term investment of € 110.0 million in fixed-term deposits which due to the residual term of under one year were shown under current assets.

LIABILITIES AND EQUITY

Equity

In the first half of the financial year 2010/2011 there was a further increase in the disclosed equity as of 31 March 2011 by an absolute value of € 28.4 million to € 627.4 million (30 September 2010: € 599.0 million). The equity ratio therewith rose to 72.0% (30 September 2010: 71.2%).

Trade payables

The item "Trade payables" in the statement of financial position was slightly reduced from € 28.7 million (30 September 2010) to € 27.1 million mainly due to the payment of outstanding liabilities from the first six months 2010/2011. Liabilities due to related parties, however, increased from € 3.6 million to € 14.5 million.

4.2 Key ratios relating to net assets

Table 4: Key ratios relating to net assets

Key ratio	Definition	30 September 2010	31 March 2011	Change
Equity ratio	Shareholders' equity Total assets	71.2 %	72.0 %	+0.8 % points
Rate of inventory turnover	Cost of goods sold (annualized) Average inventories	2.9	2.8	-3.4 %
Days of sales outstanding (DSO)	Trade receivables incl. receivables from related parties Consolidated revenue x 360 days	71.2 days	74.7 days	+4.9 %

5 Orders on hand

At the end of the first half of the financial year 2010/2011 it is clear that the trend to short-term order placement by the customers continues, particularly in the ophthalmic sector. The current level of orders on hand, however, confirms our optimistic forecasts with a clear increase to € 85.2 million (previous year: € 66.0 million).

6 Events of particular significance

There were no events of particular significance in the reporting period.

7 Employees

As of 31 March 2011 the Group had a total worldwide workforce of 2,245 (31 March 2010: 2,153).

8 Research and development

Again in the first half of the financial year 2010/2011 the Carl Zeiss Meditec Group further intensified its research and development activities, boosting its expenses by an additional € 5.1 million to a total of € 39.1 million (previous year: € 34.0 million). With these consistently high investments the Group wants to maintain and strengthen its innovative power. Accordingly, the R&D ratio remained constant and as of 31 March 2011 amounted to 10.4 % (previous year: 10.6 %).

At the end of the reporting period the number of employees involved in research and development increased to 362 (previous year: 359). This corresponds to a share of 16.1 % (previous year: 16.7 %) in the total workforce of the Carl Zeiss Meditec Group.

Research and development at Carl Zeiss Meditec focuses mainly on:

- examining new technological concepts in terms of their clinical relevance and effectiveness. The concept of “evidence-based medicine” plays a major role in this, i.e. proving the efficacy of the developed diagnostic and treatment methods is extremely important to us.
- the continuous development of the existing product portfolio.
- the development of new products and product platforms based on the available basic technologies and
- networking systems and equipment to increase the efficiency of diagnosis and treatment and to improve treatment results for patients.

9 Outlook

We benefit from diverse external factors such as stable medium- and long-term global trends which favor the medical technology sector in general and our business in particular. These are demographic trends such as the further growth of the world’s population and the increasing effects of ageing in large parts of the world. A further driver for growth is the increasing significance attached to health by modern and wealthy societies, generating investments which are essential for the development of the medical technology market. Finally, the global economic recovery is likely to continue – albeit at a slower rate. We see potential in the Asian-Pacific Region, which will gain in importance in the medium- and long-term due to economic trends. In the past few years we have experienced double-digit growth here, and in future we will be further expanding our activities in the marketing, development, procurement and manufacture of our products in this region.

Following an excellent first half-year 2010/2011 Carl Zeiss Meditec is looking at its long-term future from a strong position.

There has been a further strong increase in revenue. We thus have reason for continued optimism. As it stands today, Carl Zeiss Meditec AG can anticipate a consolidated revenue of € 720 to 750 million for the financial year 2010/2011. One question mark remains the development in the Japan region after the natural disaster, although the demand immediately following the tragic events in March has remained extremely stable.

Carl Zeiss Meditec AG has set itself further ambitious growth targets for the future. Our corporate program MEGA 2015 is making a major contribution to realizing this goal. The agenda sets the course with all major milestones for further boosting profitability and ensuring the sustained growth of Carl Zeiss Meditec. Like its predecessor, MEGA is based on the principle of continued excellence in five areas critical to success: innovation, customer orientation, expansion into new markets, a strong team and outstanding processes. Besides excellence in these fields we want to exploit additional growth opportunities, mainly in the areas of innovation, customer focus and new markets.

Directors' holdings and Directors' dealings

1 Directors' holdings – shareholdings of members of the executive bodies of Carl Zeiss Meditec AG

Table 5: Directors' holdings – number of Carl Zeiss Meditec shares held by members of the Company's executive bodies

		No. of Carl Zeiss Meditec shares (30 April 2011)
Management Board		
Dr. Ludwin Monz	Shares	1,000
Dr. Christian Müller	Shares	2,000
Thomas Simmerer	Shares	–
Supervisory Board		
Dr. Michael Kaschke	Shares	6,000
Dr. Markus Guthoff	Shares	1,900
Dr. Wolfgang Reim	Shares	10,000
Thomas Spitzenpfeil	Shares	–
Wilhelm Burmeister	Shares	1,419
Franz-Jörg Stündel	Shares	839
Company		
Carl Zeiss Meditec AG	Shares	–

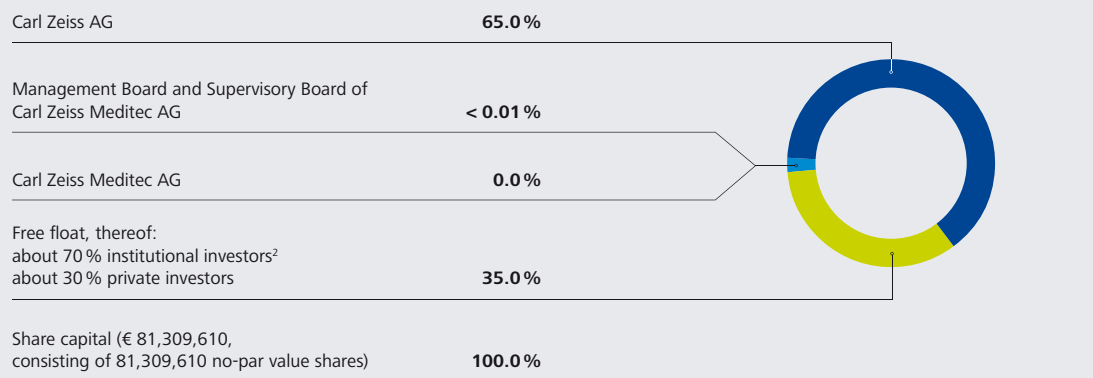
2 Directors' dealings – notifiable securities transactions by members of the executive bodies of Carl Zeiss Meditec AG in the first six months of 2010/2011

In the first six months of the financial year 2010/2011 members of the Management Board and Supervisory Board did not execute any notifiable securities transactions pursuant to Section 15a German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*).

The details of all securities transactions executed by members of the Management Board and Supervisory Board are published immediately after their disclosure on the Company's website at www.meditec.zeiss.com/ir | **Corporate Governance | Directors' Dealings** in accordance with the prevailing legal requirements of Section 15b WpHG. The publication documents and the relevant disclosures are forwarded to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*).

Shareholder structure

Figure 8: Shareholder structure of Carl Zeiss Meditec AG (as of 31 March 2011)



² Source: LionShares and own research

Consolidated income statement (IFRS)

for the period from 1 October 2010 to 31 March 2011

(Figures in € '000)	2 nd quarter 2010/2011 1 January 2011 – 31 March 2011	2 nd quarter 2009/2010 1 January 2010 – 31 March 2010	Financial year 2010/2011 1 October 2010 – 31 March 2011	Financial year 2009/2010 1 October 2009 – 31 March 2010
Revenue	190,800	164,917	376,044	321,144
Cost of goods sold	(87,690)	(78,105)	(174,750)	(155,110)
Gross profit	103,110	86,812	201,294	166,034
Selling and marketing expenses	(45,710)	(39,089)	(90,664)	(75,839)
General and administrative expenses	(10,275)	(9,243)	(20,518)	(16,990)
Research and development expenses	(19,839)	(17,830)	(39,110)	(33,987)
Other income	38	27	332	187
Other expense	(12)	(79)	(12)	(127)
<i>Earnings before interests, income taxes, depreciation and amortization</i>	<i>32,072</i>	<i>24,641</i>	<i>61,248</i>	<i>47,413</i>
<i>Depreciation and amortization</i>	<i>4,760</i>	<i>4,043</i>	<i>9,926</i>	<i>8,135</i>
Earnings before interests and income taxes	27,312	20,598	51,322	39,278
Results from investments accounted for using the equity method	(14)	(10)	(19)	(18)
Interest income	1,113	705	1,927	1,030
Interest expense	(1,557)	(1,261)	(2,815)	(2,527)
Foreign currency gains/(losses), net	2,763	(1,258)	1,064	(1,566)
Other financial result	756	550	1,382	1,090
Earnings before income taxes	30,373	19,324	52,861	37,287
Income tax expense	(9,103)	(6,773)	(17,002)	(12,174)
Net income	21,270	12,551	35,859	25,113
Attributable to:				
Shareholders of the parent company	18,982	10,864	32,744	22,163
Non-controlling interest	2,288	1,687	3,115	2,950
Profit/(loss) per share, attributable to the shareholders of the parent company in the current financial year (€):				
– Basic/diluted	0.23	0.13	0.40	0.27

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of comprehensive income (IFRS) for the period from 1 October 2010 to 31 March 2011

(Figures in € '000)	2 nd quarter 2010/2011 1 January 2011 – 31 March 2011	2 nd quarter 2009/2010 1 January 2010 – 31 March 2010	Financial year 2010/2011 1 October 2010 – 31 March 2011	Financial year 2009/2010 1 October 2009 – 31 March 2010
Net income	21,270	12,551	35,859	25,113
Fair value measurement of available-for-sale financial assets				
Recognized directly in equity	(118)	(34)	(89)	(51)
Changes in equity from investments accounted for using the equity method	1	–	1	–
Foreign currency translation	(12,024)	9,014	(7,343)	10,728
Other comprehensive income	(12,141)	8,980	(7,431)	10,677
Comprehensive income	9,129	21,531	28,428	35,790
Attributable to:				
Shareholders of the parent company	9,027	18,757	26,323	32,000
Non-controlling interest	102	2,774	2,105	3,790

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of financial position (IFRS) for the period ended 31 March 2011

(Figures in € '000)	31 March 2011	30 September 2010
ASSETS		
Goodwill	112,566	113,068
Intangible assets	28,145	33,942
Property, plant and equipment	37,751	39,906
Investments accounted for using the equity method	0	68
Investments	364	364
Deferred tax assets	47,438	41,568
Noncurrent trade receivables	3,074	3,673
Other noncurrent assets	1,251	1,231
Total noncurrent assets	230,589	233,820
Inventories	132,322	119,216
Trade receivables	109,589	98,113
Accounts receivable from related parties	43,458	32,069
Treasury receivables	12,057	24,727
Tax refund claims	5,347	8,751
Other current financial assets	115,318	2,329
Other current non-financial assets	9,524	8,571
Securities	0	91
Cash and cash equivalents	213,534	313,516
Total current assets	641,149	607,383
Total assets	871,738	841,203

The following notes to the consolidated financial statements are an integral part of the unaudited financial statements.

(Figures in € '000)	31 March 2011	30 September 2010
LIABILITIES AND EQUITY		
Share capital	81,310	81,310
Capital reserve	313,863	313,863
Retained earnings	224,390	191,646
Gains and losses recognized directly in equity	(20,957)	(14,536)
Equity before non-controlling interest	598,606	572,283
Non-controlling interest	28,804	26,699
Total equity	627,410	598,982
Provisions for pensions and similar commitments	12,554	14,093
Other noncurrent provisions	13,905	15,001
Noncurrent financial liabilities	8,935	9,069
Noncurrent leasing liabilities	15,602	16,681
Other noncurrent liabilities	6,284	6,536
Deferred tax liabilities	6,219	6,530
Total noncurrent liabilities	63,499	67,910
Current provisions	35,538	36,306
Current accrued liabilities	49,118	46,936
Current financial liabilities	3,036	3,385
Current portion of noncurrent financial liabilities	297	288
Current portion of noncurrent leasing liabilities	1,500	1,513
Trade payables	27,129	28,685
Current income tax liabilities	12,181	12,377
Accounts payable to related parties	14,487	10,899
Treasury payables	11,179	10,260
Other current liabilities	26,364	23,662
Total current liabilities	180,829	174,311
Total liabilities	871,738	841,203

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of cash flows (IFRS) for the period from 1 October 2010 to 31 March 2011

(Figures in € '000)	Financial year 2010/2011 1 October 2010 – 31 March 2011	Financial year 2009/2010 1 October 2009 – 31 March 2010
Cash flows from operating activities:		
Net income	35,859	25,113
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Income tax expenses	17,002	12,174
Interest income/expenses	888	1,497
Results from investments accounted for using the equity method	19	18
Depreciation and amortization	9,926	8,135
Gains/losses on disposal of fixed assets/financial assets	103	51
Interest received	1,792	684
Interest paid	(1,681)	(1,547)
Income tax reimbursement	5,431	2,520
Income taxes paid	(23,365)	(17,682)
Changes in working capital:		
Trade receivables	(25,074)	(13,064)
Inventories	(16,549)	(3,995)
Other assets	(4,213)	1,669
Trade payables	3,153	3,298
Provisions and financial liabilities	26	7,424
Other liabilities	3,227	960
Total adjustments	(29,315)	2,142
Net cash provided by operating activities	6,544	27,255
Cash flows from investing activities:		
Investment in property, plant and equipment	(2,477)	(1,831)
Investment in intangible assets	(290)	(598)
Investment in plan assets pension fund	(3,892)	(1,109)
Proceeds from fixed assets	312	119
Repayment of loans	(110,000)	–
Received initial payment from the intended sale of the pharma business	–	4,200
Reduction of the share capital of investments accounted for using the equity method	49	–
Acquisition of consolidated companies/business, net of cash acquired (2009/2010: Carl Zeiss Meditec S.A.S.: € 60 thsd.)	–	(60)
Net cash provided by/(used in) operating activities	(116,298)	721
Cash flows from financing activities:		
Repayments of short-term debt	(5)	–
Repayments of noncurrent financial liabilities	(142)	(234)
Repayments from noncurrent loans from related parties	–	(8,648)
(Increase)/decrease in treasury receivables	12,426	(4,713)
Increase/(decrease) in treasury payables	919	2,309
Change of leasing liabilities	(467)	(589)
Dividend payments to shareholders of Carl Zeiss Meditec AG	–	(14,636)
Net cash provided by/(used in) financing activities	12,731	(26,511)
Effect of exchange rate fluctuation on cash and cash equivalents	(2,959)	140
Net increase/(decrease) in cash and cash equivalents	(99,982)	1,605
Cash and cash equivalents, beginning of reporting period	313,516	199,995
Cash and cash equivalents, end of reporting period	213,534	201,600

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of changes in equity (IFRS)

(Figures in € '000)

	Share capital	Capital reserve	Retained earnings	Gains and losses recognized directly in Equity		Equity before non-controlling interest	Non-controlling interest	Total equity
				Reserves from currency conversion	Fair value reserve for afs financial instruments			
As of 1 October 2009	81,310	313,863	151,397	(25,568)	(156)	520,846	18,926	539,772
Fair value measurement of available-for-sale financial assets	–	–	–	–	(12)	(12)	–	(12)
Foreign currency translation	–	–	–	11,199	–	11,199	3,082	14,281
Changes in equity from investments accounted for using the equity method	–	–	–	–	1	1	–	1
Changes in value recognized directly in equity	–	–	–	11,199	(11)	11,188	3,082	14,270
Net income	–	–	54,889	–	–	54,889	4,747	59,636
Sum of comprehensive income for the period	–	–	54,889	11,199	(11)	66,077	7,829	73,906
Dividend payments	–	–	(14,636)	–	–	(14,636)	–	(14,636)
Acquisition of non-controlling interests	–	–	(4)	–	–	(4)	(56)	(60)
As of 30 September 2010	81,310	313,863	191,646	(14,369)	(167)	572,283	26,699	598,982
Fair value measurement of available-for-sale financial assets	–	–	–	–	(89)	(89)	–	(89)
Foreign currency translation	–	–	–	(6,333)	–	(6,333)	(1,010)	(7,343)
Changes in equity from investments accounted for using the equity method	–	–	–	–	1	1	–	1
Changes in value recognized directly in equity	–	–	–	(6,333)	(88)	(6,421)	(1,010)	(7,431)
Net income	–	–	32,744	–	–	32,744	3,115	35,859
Sum of comprehensive income for the period	–	–	32,744	(6,333)	(88)	26,323	2,105	28,428
As of 31 March 2011	81,310	313,863	224,390	(20,702)	(255)	598,606	28,804	627,410

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Notes to the consolidated interim financial statements

1. General Information

Accounting under International Financial Reporting Standards (IFRS)

Carl Zeiss Meditec AG prepared its consolidated financial statements as of 30 September 2010 in conformance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) London, as applicable in the EU as of that date. Accordingly, this interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

Accounting and valuation principles

The accounting and valuation principles applied for the interim financial statements as of 31 March 2011 correspond to those applied for the consolidated financial statements for financial year 2009/2010 with the exceptions described below. A detailed description of these methods was published in the notes to the consolidated financial statements as of 30 September 2010.

Recent pronouncements on accounting principles

The Group was obliged to apply the following standards and interpretations for the first time at the beginning of this financial year:

Date of issue	Standard/Interpretation	Amendment/New statutory regulation
3 July 2008	IFRIC 15 "Agreements for the Construction of Real Estate"	Essentially guidelines for deciding when an agreement falls under IAS 11 or IAS 18
27 November 2008	IFRIC 17 "Distributions of Non-cash Assets to Owners"	Measurement of non-cash assets
29 January 2009	IFRIC 18 "Transfer of Assets from Customers"	Accounting treatment of transferred assets, particularly in the energy sector
16 April 2009	Improvements to IFRSs (2009)	15 different amendments to 12 existing standards and interpretations
18 June 2009	Amendment to IFRS 2 "Share-based Payment"	Presentation of cash-settled share-based payments
9 October 2009	Amendment to IAS 32 "Financial instruments: Presentation"	Classification of rights issues
26 November 2009	IFRIC 19 "Redemption of Financial Liabilities through Equity Instruments"	Comments on the redemption of financial liabilities through equity instruments
28 January 2010	Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards"	Exemption of first-time IFRS users from the obligation to make additional disclosures concerning financial instruments resulting from IFRS 7

In the reporting period, the Group applied as mandatory the amendments arising from the “Improvements to IFRSs” (2009). The option for early application of the amendment to IFRS 8 was already made use of in the consolidated financial statements for financial year 2009/2010. As a result, the segment assets are not stated per business segment, as this information is not reported internally to the CEO, who is at the same time Chief Operating Decision Maker. This amendment therefore has no effect on the presentation of the financial statements.

For all other standards and interpretations applied for the first time there were no significant changes to the accounting and valuation methods, nor are such changes expected.

Furthermore, the IASB and IFRIC issued the following standards, interpretations and amendments to existing standards after the date of the consolidated financial statements 2009/2010 whose adoption is not yet mandatory for Carl Zeiss Meditec. The Company has not applied these standards ahead of time:

Date of issue	Standard/Interpretation	Amendment/New statutory regulation	Date of first mandatory application	Adopted by the EU
7 October 2010	Amendment to IFRS 7 “Financial instruments: Disclosures”	Extended disclosure requirements for the transfer of financial assets	Financial years beginning on or after 1 July 2011	No
28 October 2010	Amendment to IFRS 9 “Financial instruments”	Additional requirements for accounting of financial assets	Financial years beginning on or after 01 January 2013	No
20 December 2010	Amendment to IAS 12 “Income tax”	Practical solution for the problem of recognition at carrying amount through utilization or disposal	Financial years beginning on or after 01 January 2012	No
20 December 2010	Amendment to IFRS 1 “First-time adoption of International Financial Reporting Standards”	Guidelines for the presentation of IFRS-compliant financial statements where functional currency is subject to severe hyperinflation, and restatement	Financial years beginning on or after 1 July 2011	No

All of the standards listed above shall not be applied by Carl Zeiss Meditec until financial year 2011/2012 or later. We do not anticipate the future application of these standards to have any material effect on the presentation of the financial statements.

Change in reporting entity:

Acri.Tec GmbH, Hennigsdorf, Germany

In the reporting period 2010/2011 Acri.Tec GmbH relinquished its at-equity participation in Advanced Research Institute GmbH with headquarters in Hennigsdorf – a joint venture conforming to IAS 31 with a 49% holding of voting rights.

2. Notes to the consolidated income statement

Operating segments

The Group has three operating segments, which are simultaneously its strategic business units (SBUs). The "Ophthalmic Systems" and "Ophthalmic Surgery" SBUs embrace comprise activities of Carl Zeiss Meditec in the ophthalmic market. Ophthalmic Systems include medical laser and diagnostic systems. The "Surgical Ophthalmology" segment combines the Company's activities in the field of intraocular lenses and consumables. The activities in the field of neuro, ear, nose and throat surgery are presented in the "Microsurgery" segment (the former Neuro/ENT surgery SBU). This SBU encompasses ophthalmic surgery, surgical visualization solutions and activities in the area of intra-operative radiation therapy. Internal management reports are evaluated by the CEO at least every quarter for each of the strategic business units.

The operating segments for the reporting period are as follows:

(in € '000)	Ophthalmic Systems		Surgical Ophthalmology		Microsurgery		Total	
	6 Months 2010/2011	6 Months 2009/2010	6 Months 2010/2011	6 Months 2009/2010	6 Months 2010/2011	6 Months 2009/2010	6 Months 2010/2011	6 Months 2009/2010
External revenue	173,367	149,564	45,256	41,058	157,421	130,522	376,044	321,144
EBIT	18,297	15,037	5,901	4,355	27,124	19,886	51,322	39,278
Reconciliation of segments' comprehensive income to the Group's period-end result:								
Comprehensive income of the segments							51,322	39,278
Consolidated earnings before interest and taxes (EBIT)							51,322	39,278
Financial result							1,539	(1,991)
Consolidated net income before tax							52,861	37,287
Income tax expense							(17,002)	(12,174)
Consolidated net income							35,859	25,113

There were generally no inter-segment sales between the segments.

The segment assets have not changed materially compared with the disclosures in the notes to the last consolidated annual financial statements. Nor is this the subject of internal management reports.

Related party disclosures

Revenue amounting to € 94,175 thousand resulted from relations with related parties in the reporting period 2010/2011 (previous year: € 70,711 thousand). The term "related parties" refers here to Carl Zeiss AG and its subsidiaries.

3. Notes to the consolidated statement of financial position

Cash and cash equivalents

In the period under review cash and cash equivalents fell to € 213,534 thousand (previous year: € 313,516 thousand). This is mainly attributable to the medium-term investment of € 110,000 thousand in fixed-term deposits which due to the residual term of under one year were shown under short-term assets.

4. Events after the end of the interim reporting period

There were no events of particular significance after the end of the reporting period, 31 March 2011.

5. Responsibility statement

To the best of our knowledge we declare that, according to the applied principles of proper reporting, the consolidated interim financial statements provide a true and fair view of the Group's net worth, financial position and results of operations, that the consolidated interim management report presents a true and fair view of the company's business, including the results and Group's position, and that the major opportunities and risks associated with its anticipated growth in the remaining part of the fiscal year are accurately described.



Dr. Ludwin Monz
 President and CEO



Dr. Christian Müller
 Management Board member



Thomas Simmerer
 Management Board member

Important financial dates

Date	Financial year 2010/2011
12 August 2011	9 Month Report
12 August 2011	Telephone conference
8 December 2011	Annual Financial Statements 2010/2011
8 December 2011	Analysts' Conference, Frankfurt am Main

Contact information

Carl Zeiss Meditec AG

Investor Relations
Patrick Kofler

Phone: +49 36 41 22 01 06
Fax: +49 36 41 22 01 17
investors@meditec.zeiss.com

Concept and editing:
Patrick Kofler

Visual concept and design:
Publicis Erlangen, Zweigniederlassung der PWW GmbH,
Erlangen, Germany
www.publicis.de

Translation service by:
Herold Fachübersetzungen, Bad Vilbel, Germany
www.heroldservice.de

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Carl Zeiss Meditec AG
Goeschwi-er Strasse 51 52
07745 ena
Germany

hone: 49 36 41 22 01 15
Fa : 49 36 41 22 01 17
investors meditec.-eiss.com
www.meditec.-eiss.com ir