

3 Month Report 2010/2011



CARL ZEISS MEDITEC

**Telephone Conference
11 February 2011**

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

Safe harbour statement



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1 Key Results 3M 2010/2011

2 Details of business performance

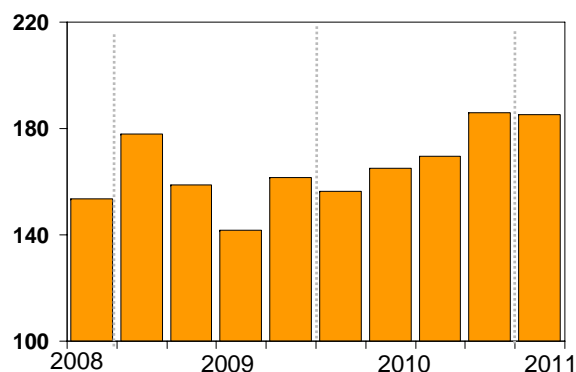
3 Outlook

Successful start in FY10/11



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Quarterly revenue confirms considerably positive trend



Key takeaways:

- **Strong growth in all regions**
- **SBU Microsurgery and SBU Ophthalmic Systems** with double digit growth
- **q-o-q : revenue increased by 18.6%** over PY (constant currency: +12.3%)
- **Higher EBIT margin (13%)** compared to PY. Significant improvement in gross margin allowed us to overcompensate an increase of operating expenses.
- **Strong balance sheet** (318m Cash, >70 % Equity ratio, no debt)
- **Guidance**
Revenue for **FY 10/11 : 720m – 750m**, EBIT margin: further improvement above PY

Our Focus

Innovation. New markets. Customer care.

Strong performance in SBU MS and OS as well as in APAC



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Key financials / Background	3M 2009/2010 and 3M 2010/2011	Change
<ul style="list-style-type: none"> Overall good growth in all regions and SBUs OS and MS Benefit from currency translation effects 	<p>Net sales</p>	<p>▲ +18.6%</p>
<ul style="list-style-type: none"> Increase of EBITDA and EBIT due to strong topline despite investments 	<p>EBITDA</p> <p>EBIT</p>	<p>▲ +28.1%</p> <p>▲ +28.5%</p>
<ul style="list-style-type: none"> Net income and EPS improved 	<p>Net Income</p> <p>EpS</p>	<p>▲ +21.8%</p> <p>▲ +21.8%</p>
<ul style="list-style-type: none"> Decrease in cash flow from operating activities mainly due to increase in inventories and accounts receivables 	<p>Operating Cash flow</p>	<p>▼ -128.8%</p>

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



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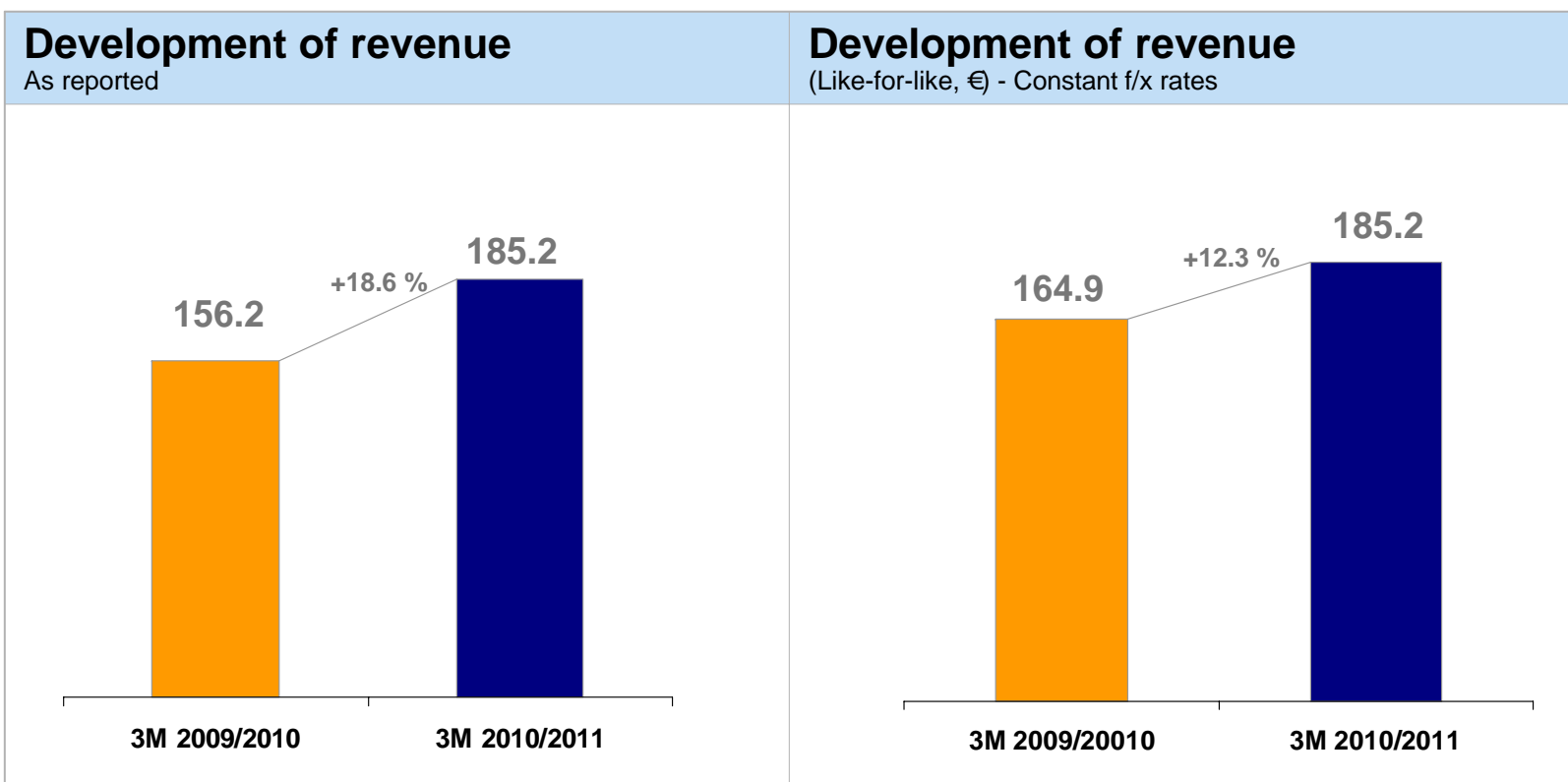
2 Details of business performance

3 Outlook

Reported growth rate benefits from positive currency effects



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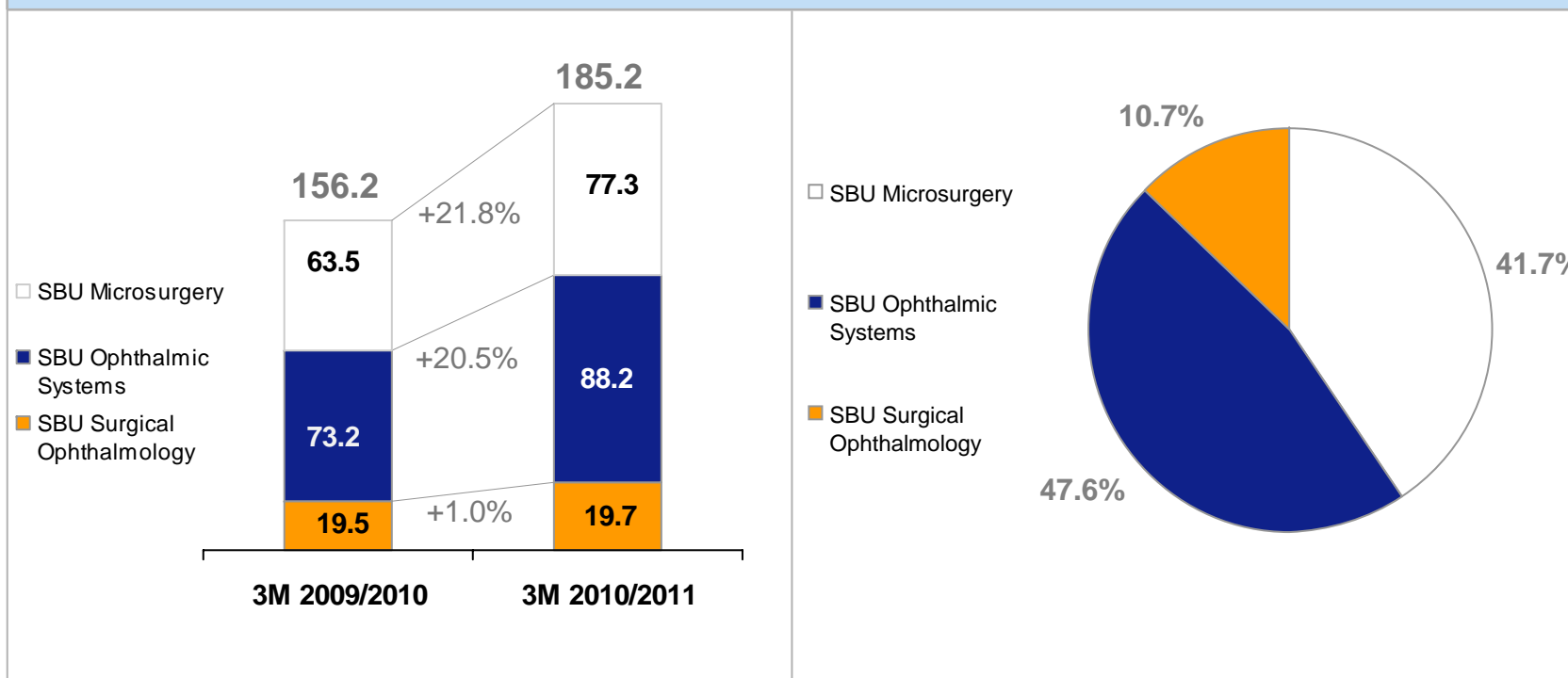


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Strong growth in MS and OS, weak performance in SO



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



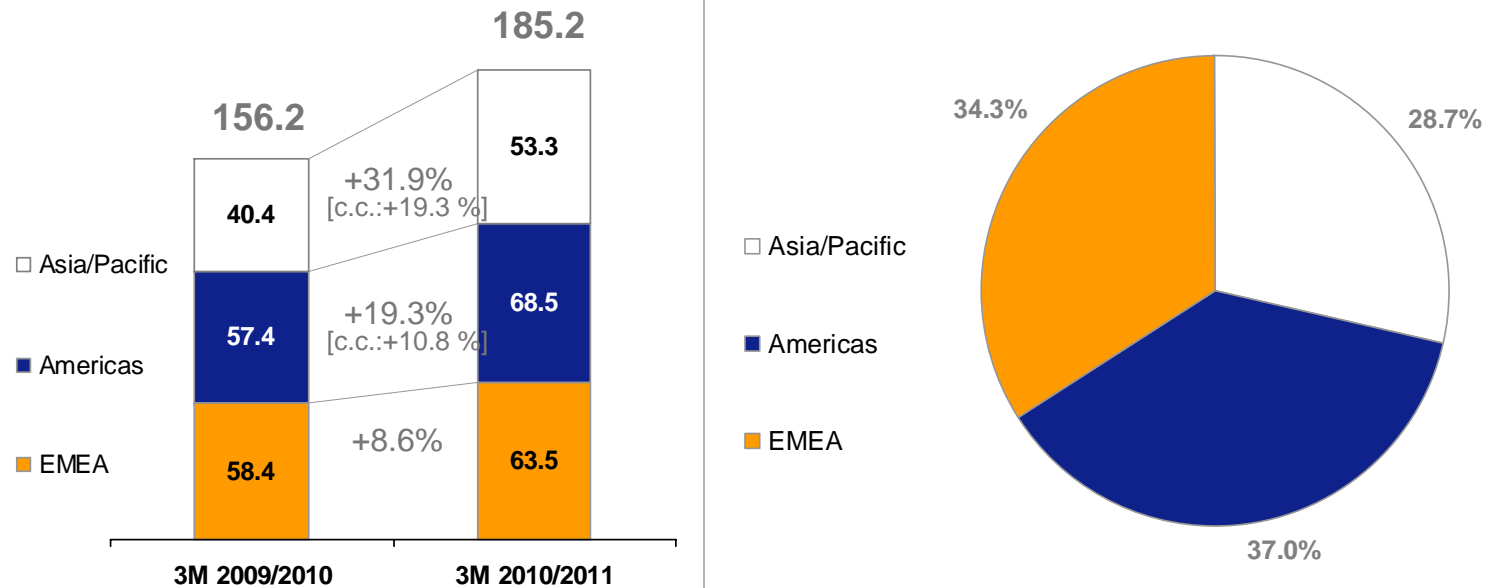
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Almost all regions with double-digit growth



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Revenue by region and contribution of each region to consolidated revenue



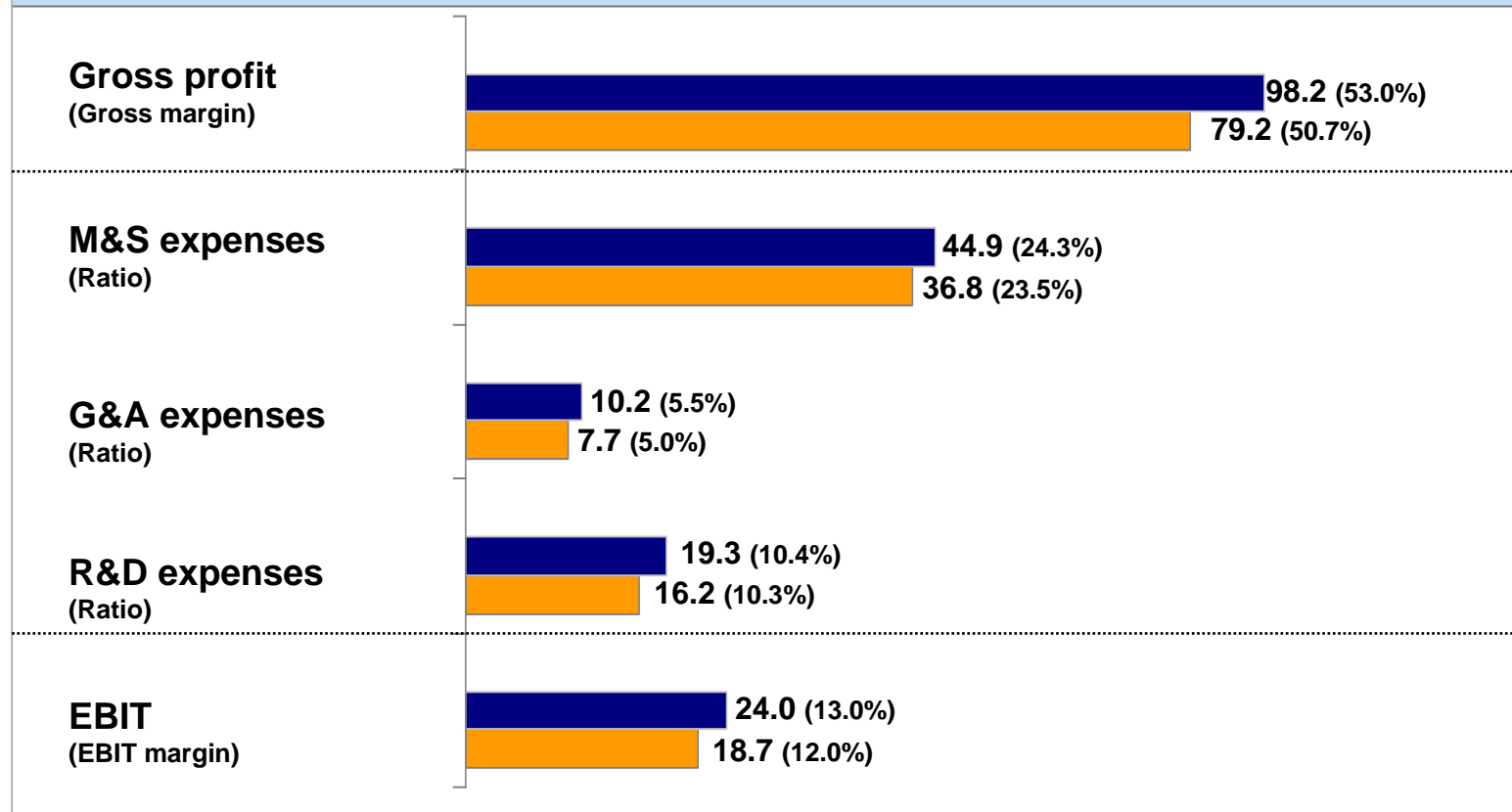
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Gross margin improvement led to higher EBIT margin, despite ongoing investment in innovation



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Development of major items of the income statement



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3M 2009/2010

3M 2010/2011

Healthy financial set-up



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Key ratios			
	30/09/2010	31/12/2010	Reasons
Equity ratio	71.2%	72.3%	Positive business development
Net cash <i>(Cash and cash equivalents + Treasury receivables ./. Treasury payables)</i>	€ 328.0m	€ 323.2m	Increase in inventories and account receivables, payments to CTA
	3M 2009/2010	3M 2010/2011	
ROCE	20.6%	24.9%	Increase due to higher profitability
Days of sales outstanding (DSO)	70.0 days	68.7 days	Strong Q1 performance



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Our key success factors



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1

Innovation

2

Customer orientation

3

**Global presence /
New markets**

4

**Strong team and
excellent processes**

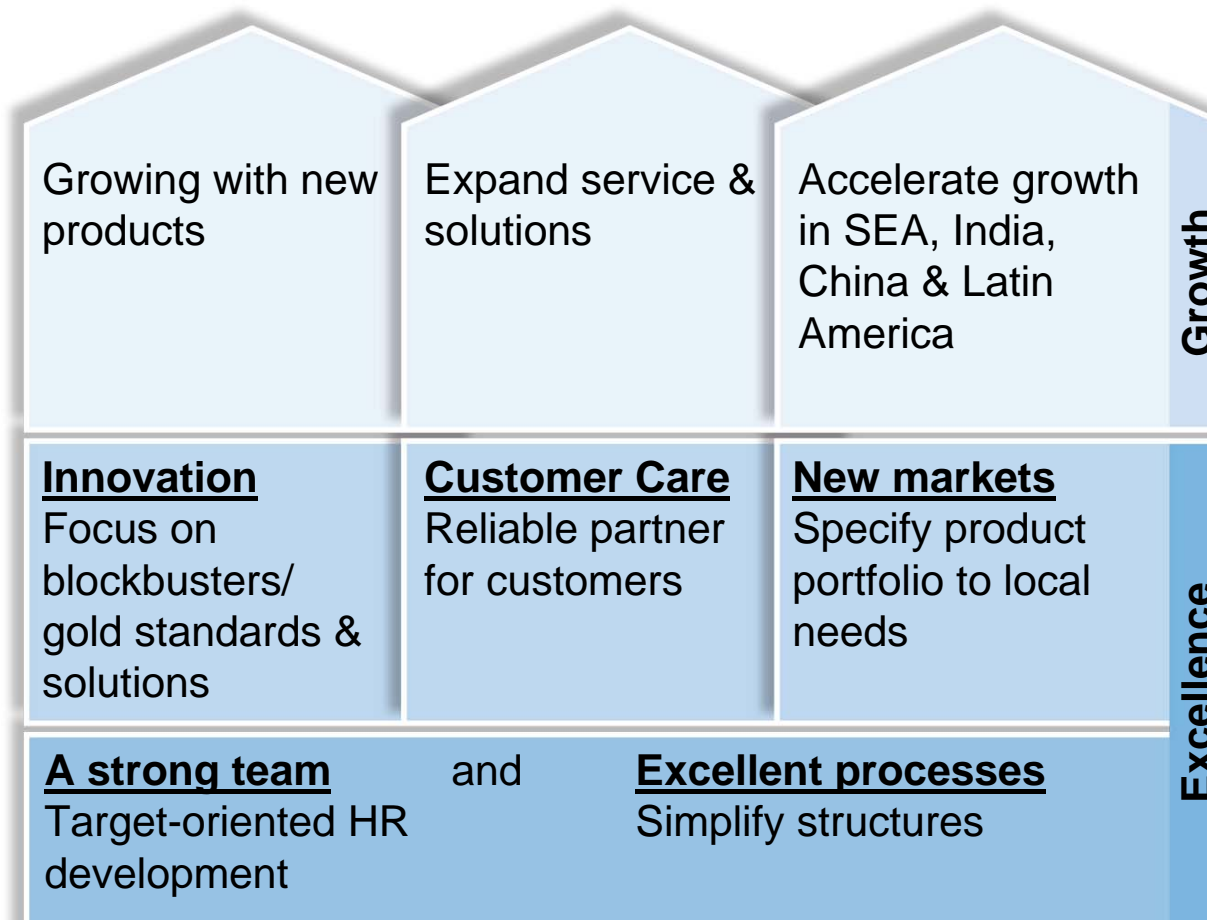


MEGA 2015: Meditec Excellence and Growth Agenda



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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

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



Q+A Session



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

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