

Carl Zeiss Meditec AG



CARL ZEISS MEDITEC



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

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Agenda

1 Carl Zeiss Meditec Overview

2 Key Success Factors

3 Financial Performance 2010/2011

4 Outlook



Carl Zeiss Meditec Performed Well in 2010/2011 and Kept on Growing



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In spite of increasing uncertainties of overall economic conditions, we exceeded our sales forecast: **€758.8 million; +12.1%**

EBIT rose disproportionately by **+19.4%**; **EBIT margin** increased by 0.8 %-pts to **+13.6%**

All business regions with strong growth momentum: **Americas +11.5%**; **EMEA +7.9%**; **Asia/Pacific +18.1%**

All strategic business units contributed to revenue growth: **Ophthalmic Systems +7.2%**; **Surgical Ophthalmology +6.0%**; **Microsurgery +20.0%**

In 2010/2011, we invested **11.1%** of revenue in new innovations and solutions

Management will propose **€0.30 dividend per share** to the Annual General Meeting

With our well-balanced business set-up and our strong global presence we are well positioned and benefit from stable long-term demographic trends

Acquisition and integration of IOL and ODV business of IMEX:
further expansion and consolidation of our distribution activities in Spain

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Focus on Key Success Factors Yields First Results



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We consider the following areas key to our success:

Innovation

- major source of competitive differentiation

Customer Focus

- basis for long-term growth
- service is a profitable recurring business opportunity

New Markets

- geographical expansion (into rapidly developing economies)
- new areas of business (like surgical oncology)

Our Employees

- make success happen

Excellent Processes

- efficient and effective business management

A Number of New Innovations Were Introduced to the Market



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ReLEX[®] smile:

First minimally invasive procedure for the correction of vision defects



OPMI[®] PENTERO[®] 900:

Surgical microscope for neuro and spinal surgery with innovative assistance and support systems



VISALIS[®] 500:

A modular system for treating cataracts and for retinal surgery



OPMI LUMERA[®] 700:

Surgical microscope specifically designed for high-end ophthalmic surgery



BLUEMIXS[™] 180 Injector:

allows for quick and safe implantation of micro-incision IOLs



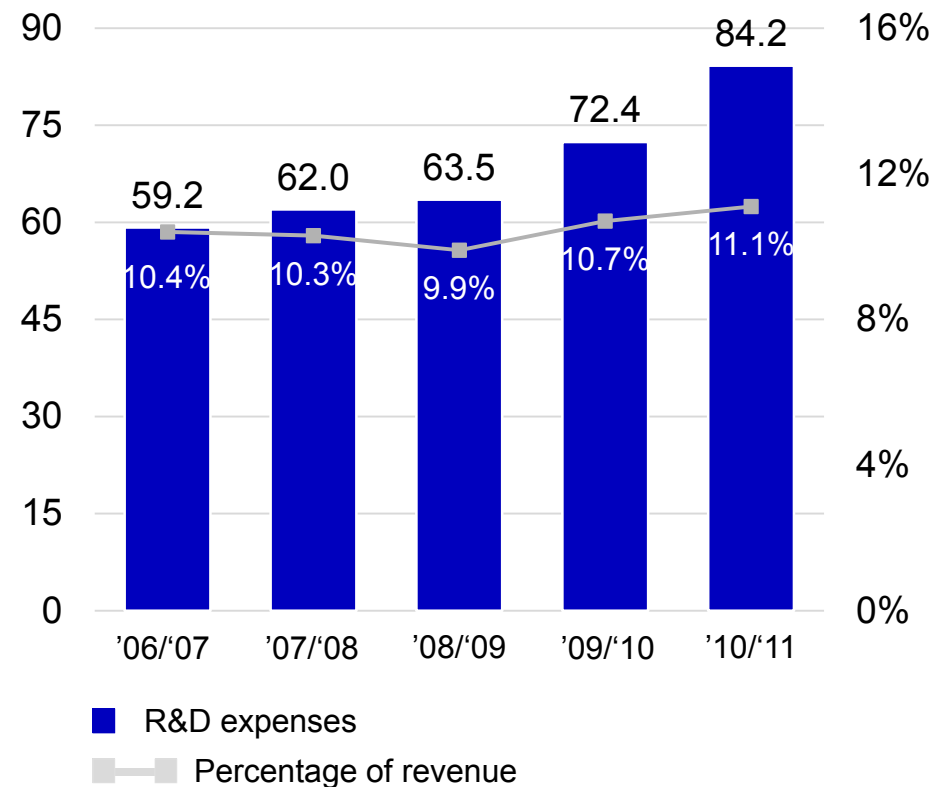
OPMI[®] VARIO 700:

Versatile microscope for spinal, ear, nose and throat, plastic and reconstructive surgery and neurosurgery

Our Investment in Research and Development Ensures our Innovation Leadership Position



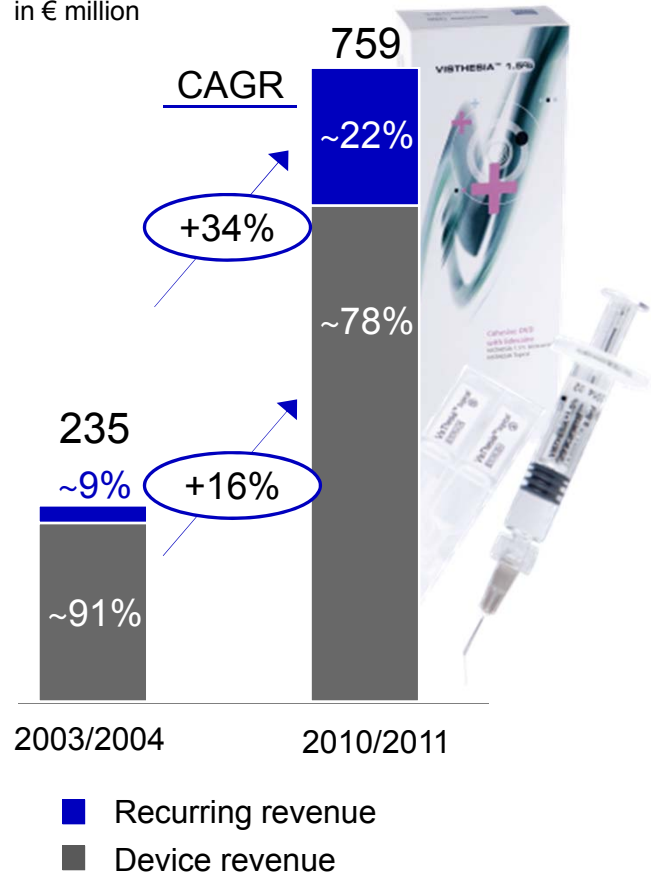
R&D expenses and R&D ratio to revenue
in € million



- Tradition for gold standards
- Very close collaboration with customers to develop:
 - new products and solutions
 - more efficient treatments
- R&D expenditure increased by 16.4% to €84.2 million (prev. year: €72.4 million)
- R&D ratio increased to 11.1% (prev. year: 10.7%)
- 14.5% of total workforce were employed in R&D

More Recurring Revenue has Allowed for Profitable Growth and Less Cyclicalty

Recurring and device revenue¹⁾
in € million



- IOLs, various consumables (viscoelastics, phaco cassettes, RL treatment packs, drapes, etc.) as well as service (repair, support, etc.) are sources of recurring revenue



¹⁾ Rounded figures

New Markets have Driven the Company's Growth for Several Years



CAGR 2007 - 2011

+2.2%

EMEA



CAGR 2007 - 2011

+6.0%

Asia/Pacific



CAGR 2007 - 2011

+18.1%

➤ Highest growth momentum comes from Asia/Pacific

- For many years, we have been present in sizable and fast growing markets
- Highest growth potential in Southeast Asia, China, India and Latin America
- Ongoing investment in products and sales structures

Initiatives:

- R&D center in India develops products tailored to suit individual market needs
- R&D center in China addresses the fastest growing market for mid-range products
- Customer training program in China enhances customer loyalty
- Increase sales coverage in China
- Leverage of economic growth in Latin America by expanding our sales organization

Customer Focus is the Basis for Long-term Growth and a Business Opportunity in Itself



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Strengthening of Global Service & Customer Care

- Improved customer satisfaction
- Improved customer service level through training and certification of service technicians
- Focus on service has increased revenue continuously

Early Involvement of Customers in Research and Development

- Customers are routinely involved in all phases of product development (example: FORUM data management solution)
- R&D centers in Europe, America and Asia support understanding specific market needs

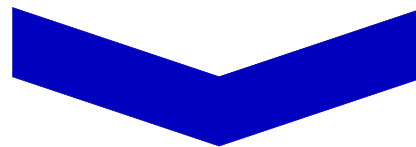
Investment in Sales Expansion for Surgical Ophthalmology in Spain and Portugal



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In 2011 Carl Zeiss Meditec acquired IOL/OVD business of IMEX via an asset deal

- In the past IMEX was the exclusive partner of Carl Zeiss Meditec for its Surgical Ophthalmology business in Spain and Portugal
- IMEX successfully built up the Surgical Ophthalmology business for more than 10 years
- **September 2011**: the Asset purchase agreement for the acquisition of the IOL/OVD business was signed
- Closing of the transaction took place **early November 2011** as planned
- Purchase price: **€17 million** (€9 million fix + €8 million earn out)



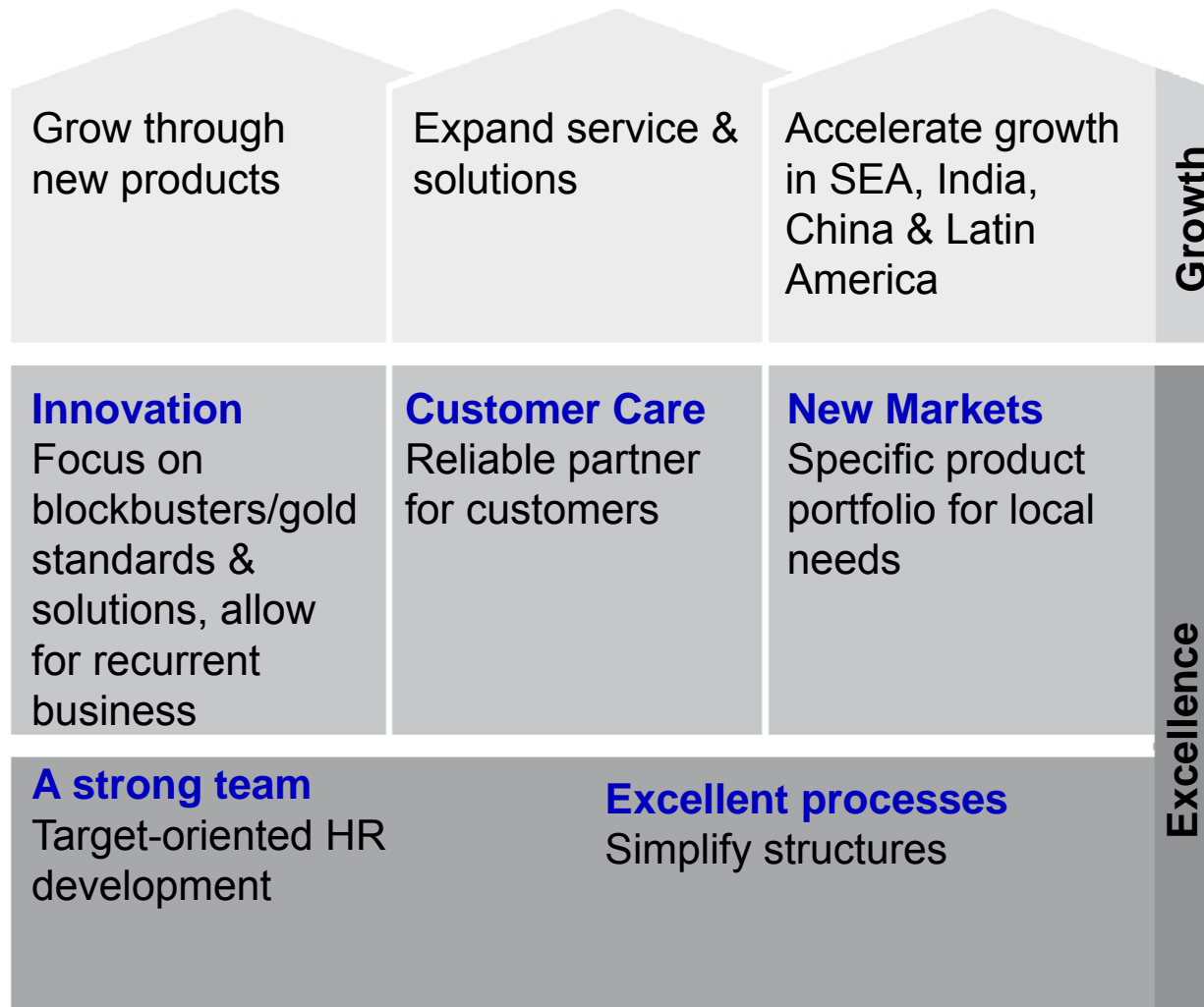
Merging of IMEX and Carl Zeiss Meditec's sales forces strengthens CZM's sales, service and support network in Spain/Portugal

The acquisition allows to offer diagnostic and surgical equipment, as well as the IOLs and OVDs for surgical ophthalmology procedures to our Iberian customers from a single source

With the MEGA Company Program, Carl Zeiss Meditec is focused on Key Success Factors



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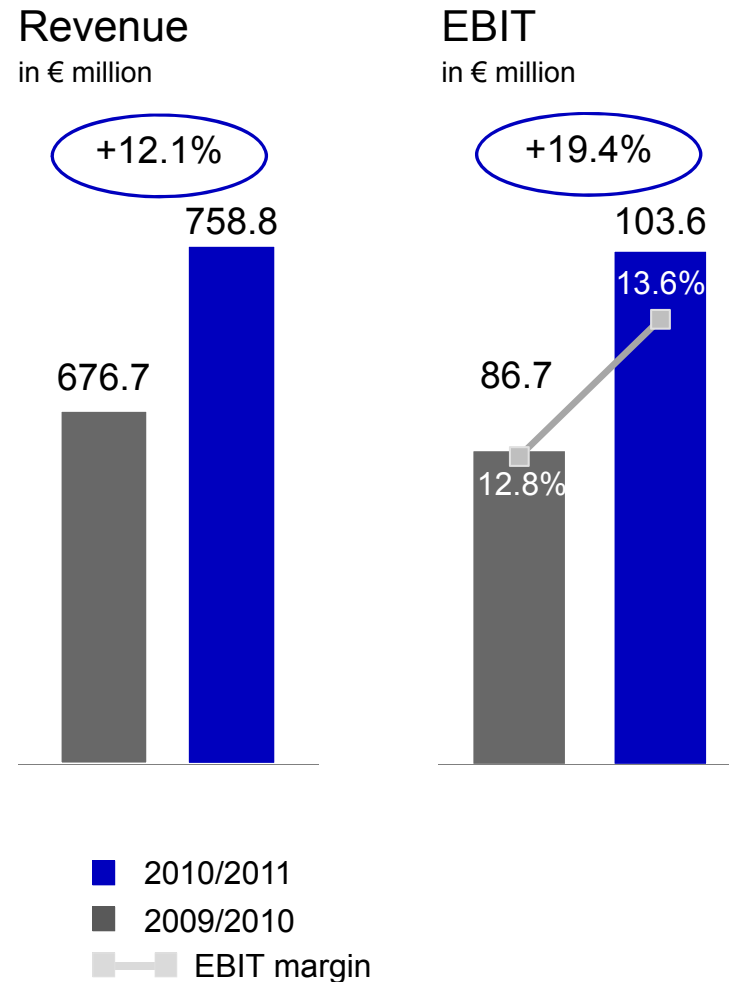
- The MEGA program, which already shows proven success will be continued
- We see several growth opportunities in the areas of innovation, customer care and new markets
- We will continue to perfect company excellence

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Strong Double-digit Sales Growth and Disproportionate Increase in EBIT



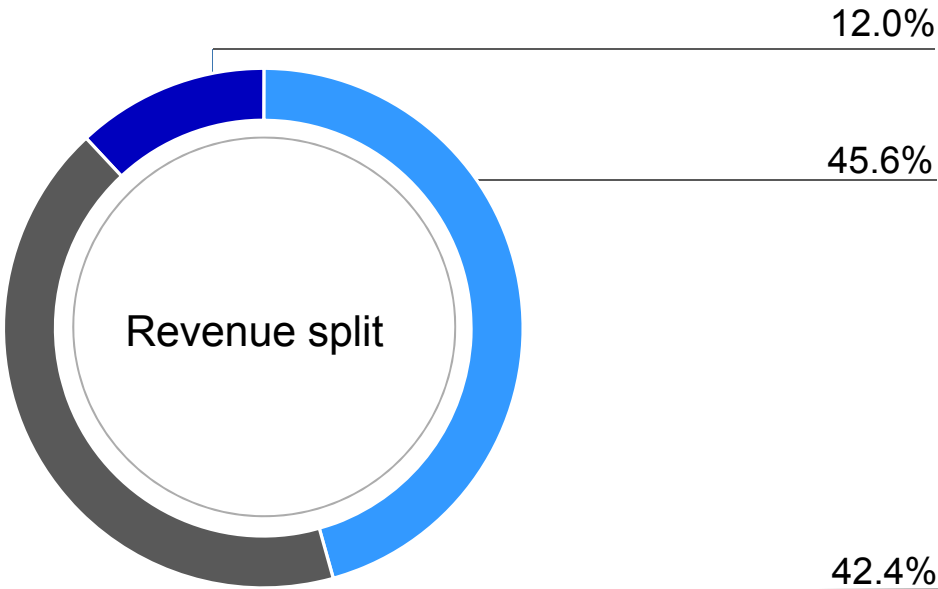
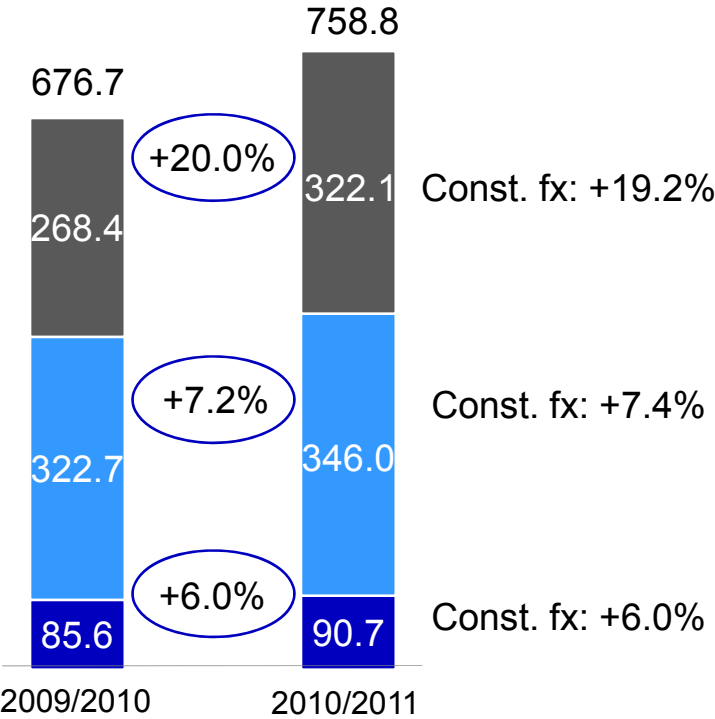
- Sales growth based on constant currencies: +11.9%
- All strategic business units and all regions contributed to sales growth
- Strongest growth in Asia/Pacific and the Microsurgery SBU
- EBIT margin rose to 13.6% (prev. year: 12.8%) due to:
 - Increased business volume (economies of scale)
 - Favorable development of product mix
 - Improved COGS position

All Strategic Business Units Contributed to Growth



Revenue by business unit

in € million



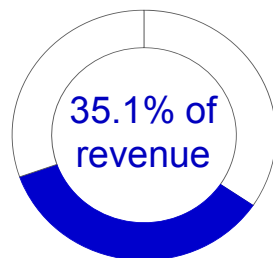
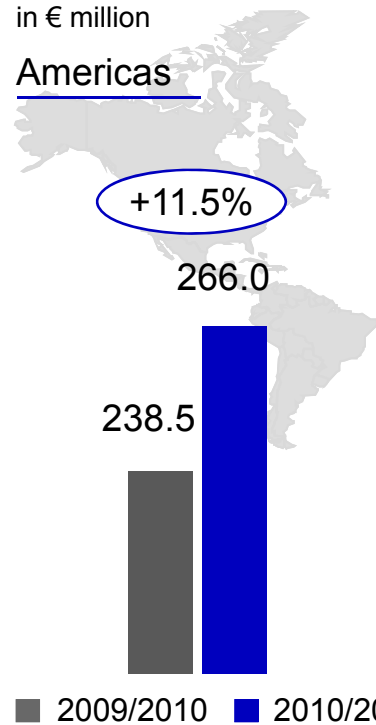
- Surgical Ophthalmology SBU
- Ophthalmic Systems SBU
- Microsurgery SBU

APAC as Main Growth Driver | Solid Development in Americas

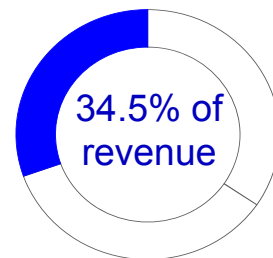
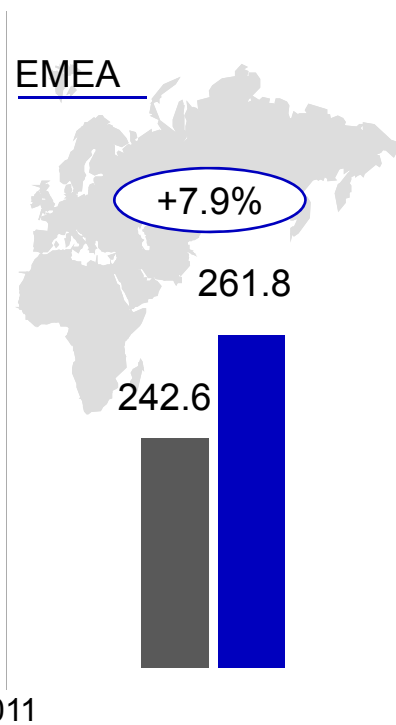
Revenue by region

in € million

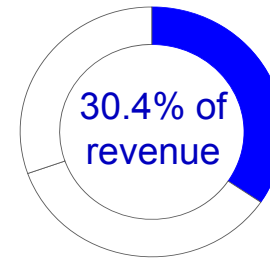
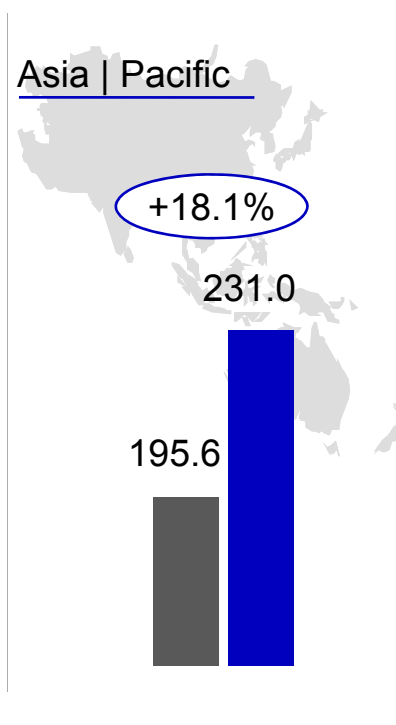
Americas



EMEA



Asia | Pacific



- Currency-adjusted growth:
 - Americas: 14.3%
 - EMEA: 7.9%
 - APAC: 14.1%
- Strong growth momentum from India and China as well as from South America
- Well-balanced revenue split across all regions
- In spite of the natural and nuclear disaster in early 2011, Japan showed strong performance

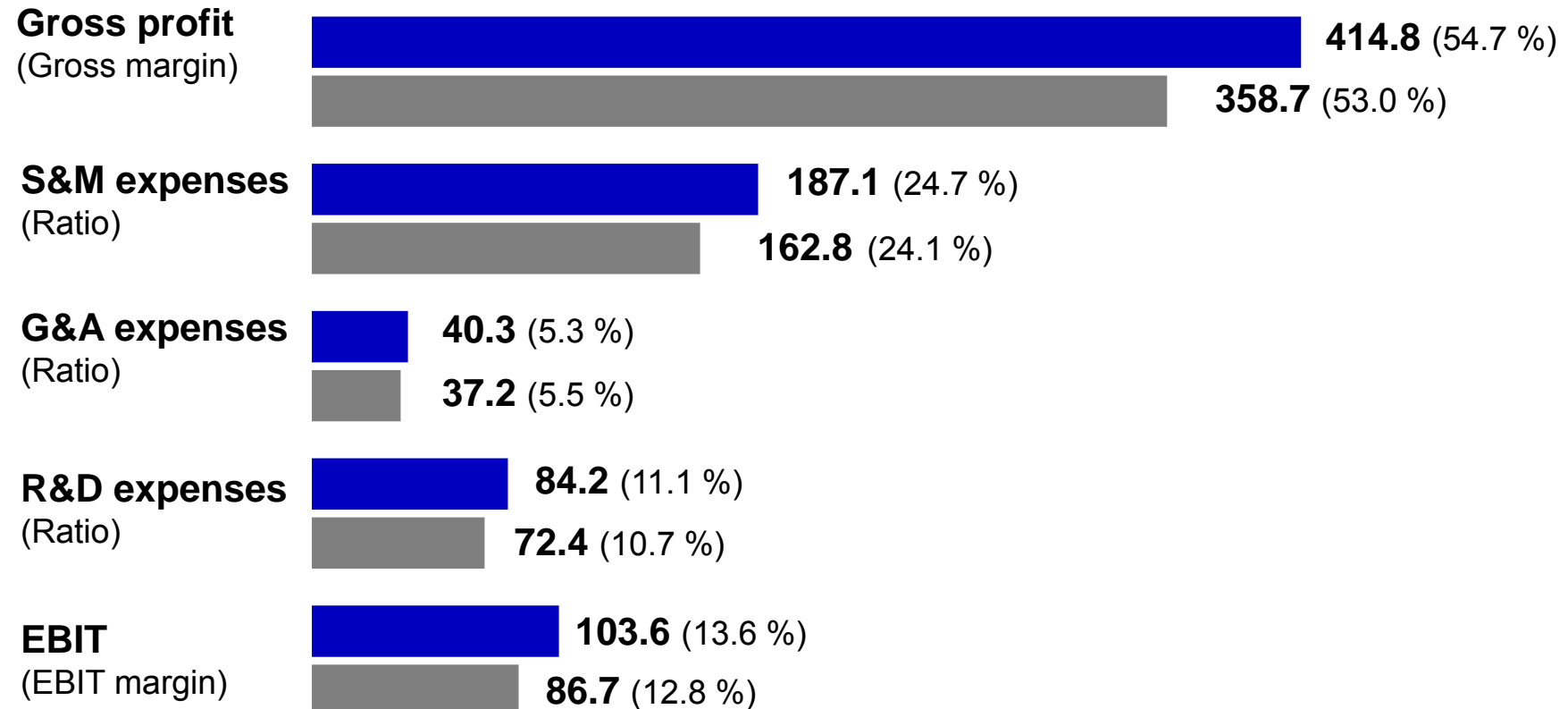
Increased EBIT Margin in Spite of Further Investments in Innovation and S&M¹⁾



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Income statement

in € million



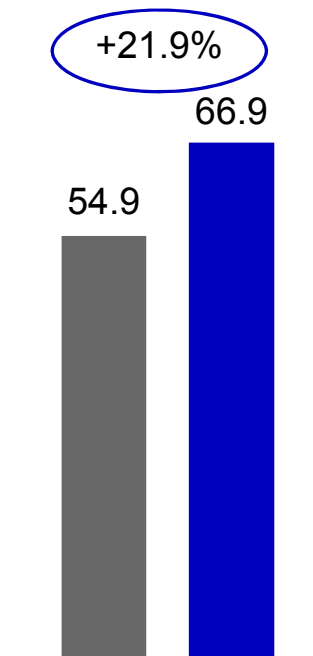
■ 2010/2011

■ 2009/2010

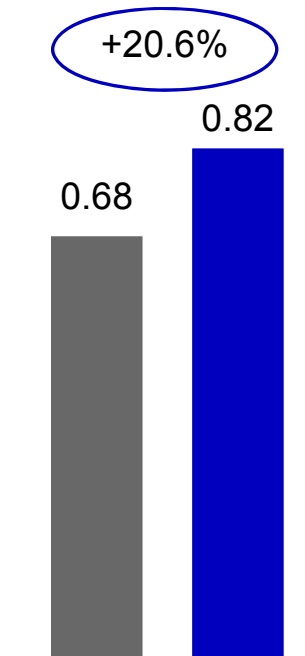
¹⁾ Sales and Marketing

Earnings Growth Almost 22%

Net income
in € million



Earnings per share
in €

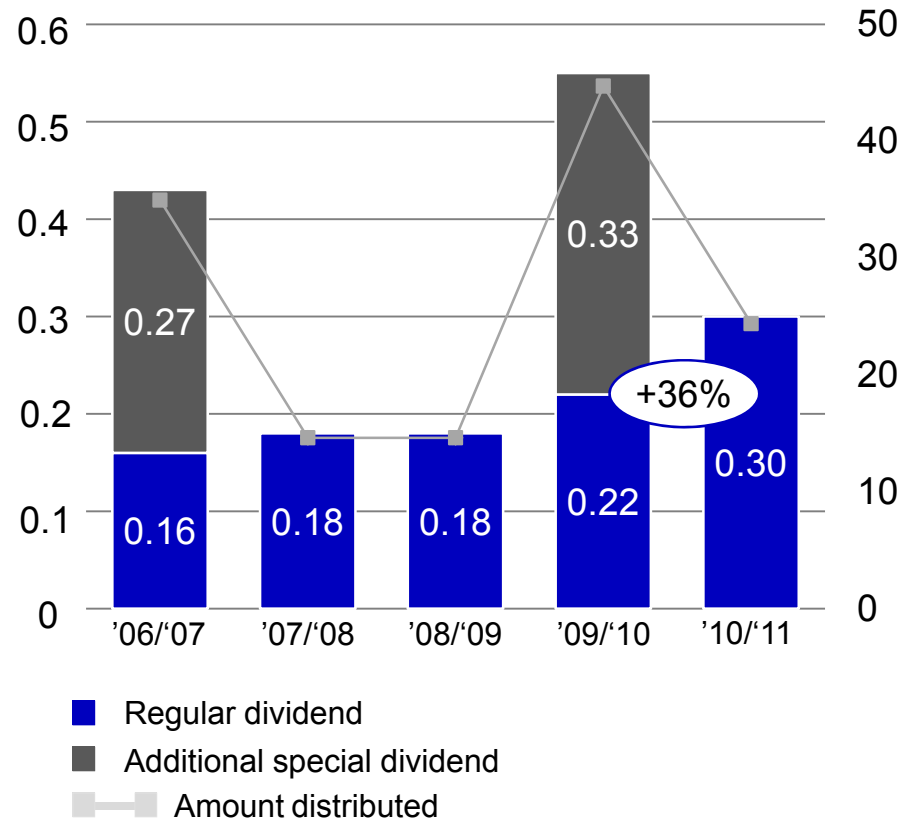


- Net income and EPS improved due to strong operational performance

■ 2010/2011
■ 2009/2010

Positive Development also Reflected in Dividend Policy

Dividend | Amount distributed
in € | in € million



- €0.30 per share will be proposed to the Annual General Meeting for FY '10/'11 (prev. year: €0.22 + €0.33¹⁾)
- The payout ratio amounts to 36.5% (prev. year: 32.6% + special dividend)
- Dividend yield is 2.6%

¹⁾ For FY 06/07, an additional special dividend of € 0.27 and for FY 09/10 of €0.30 per share were distributed to shareholders

Robust Liquidity Situation



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Cash Flow Statement

in € million

Operating
Cash flow

37.5

65.2

Cash flow
from investing
activities

-120.3

-8.5

Cash flow
from financing
activities

-39.8

55.0

Change in
cash and cash
equivalents

-118.9

113.5

■ 2010/2011
■ 2009/2010

- Due to double-digit revenue growth and the market launch of new products, we stocked up inventories
- A/R increase due to sales peak in September
- €110 million investment in fixed-term deposit
- Dividend payment of €44.7 million (prev. year: €14.6 million)
- Decrease in CZ treasury receivables €10.7 million (prev. year: €76.3 million)

Healthy Financial Situation



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	Sept. 30, 2010	Sept. 30, 2011	Reasons
Equity ratio	71.2%	73.1%	<ul style="list-style-type: none"> • Net income overcompensated equity decrease resulting from dividend distribution
Net cash	€ 328.0 mn	€203.1 mn	<ul style="list-style-type: none"> • Fixed-term deposit of € 110 million shown under other current assets • Dividend payment
Days of sales outstanding (DSO)	71.2 days	84.5 days	<ul style="list-style-type: none"> • Increase in trade receivables attributable to the high level of demand in the fourth quarter
Rate of inventory turnover (ITO)	2.9	2.7	<ul style="list-style-type: none"> • Inventories stockpiled to ensure fulfilment of growing demand

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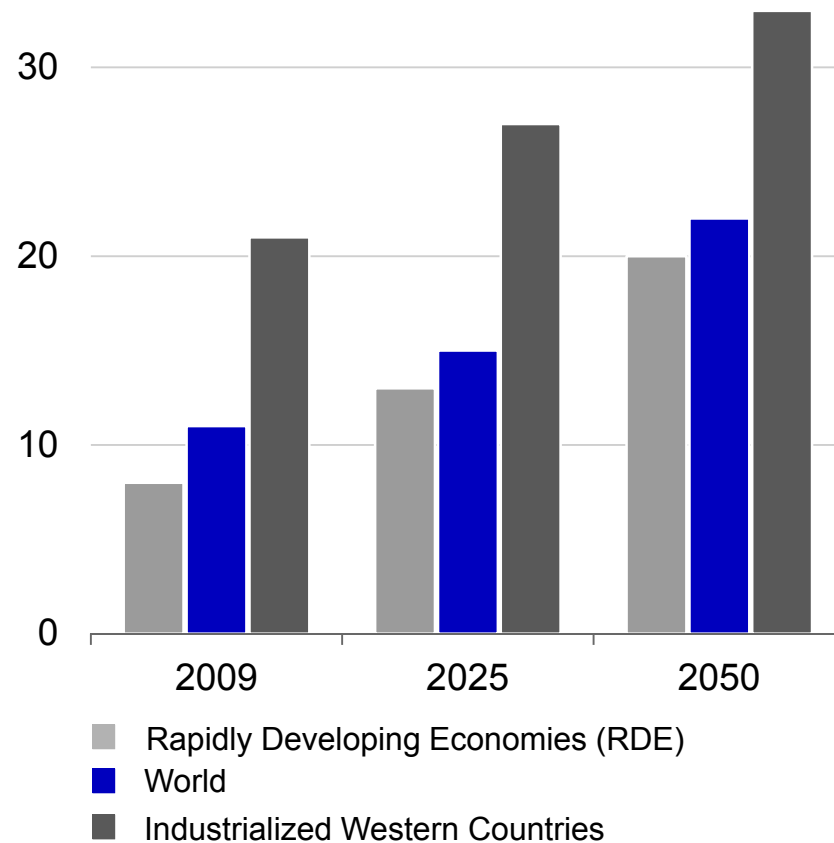
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Outlook: We Are in a Growth Market. Demographic Trends Support Us Long Term



Population aged 60 or over, 2009 – 2050¹⁾
in %

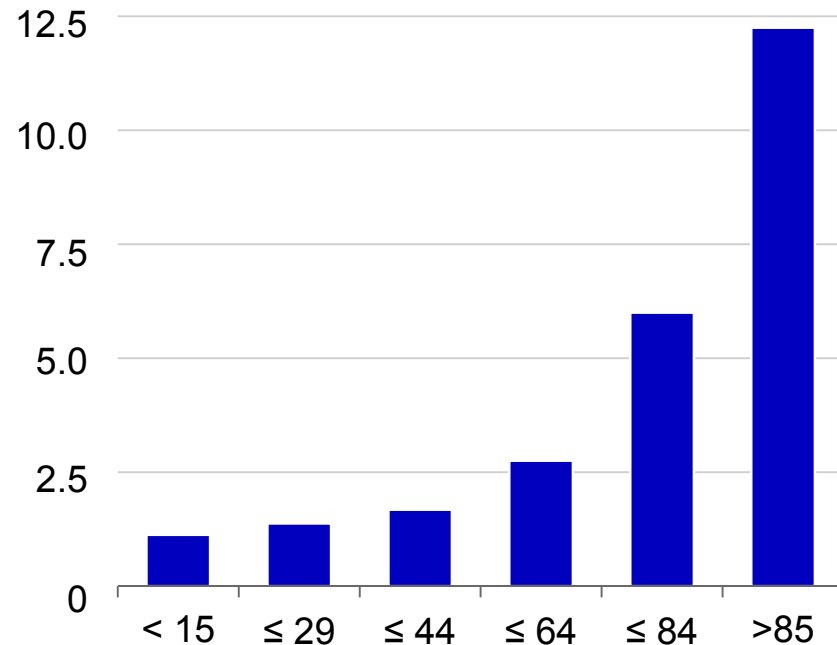


- Worldwide population continues to grow
- Better access to health care in RDEs
- Progress of demographic ageing
 - Around 1/3 of population of industrialized countries will be > 60 by 2050
 - In RDEs, people > 60 will have almost tripled by 2050
- Growing number of age-related eye diseases
 - Someone goes blind every second due to AMD²⁾ or glaucoma
 - Cataract is one of the leading cause of visual impairment worldwide. There are more than 19 million³⁾ cataract surgery a year

Source: ¹⁾ „World Population Ageing 2009“ - UN Population Division; ²⁾ Age-related macular degeneration; ³⁾ Market Scope 2010

Outlook: Cost Pressure in Health Care is Another Opportunity

Age-related annual healthcare cost per capita¹⁾
in thousands of €



- Increasing health care expenditures due to aging and growing population
- Growing demand for devices and solutions that enable efficient and cost-effective treatments
- Growing prosperity facilitates demand for innovative products improving patient outcomes

Source: Study by the HSH Nordbank, January 2010

¹⁾ in Germany

Outlook: Our Innovation Strategy Addresses Major Market Needs



Precision



Precision technologies enable **gold-standard products** for medical diagnosis and treatment

Simplicity



We make cutting edge technologies easy to use. Our **solutions** simplify medical workflows

Outcomes



Our products help doctors to achieve the **best possible clinical outcomes** for their patients



- We are well positioned for profitable growth in the future due to
 - stable long-term demographic trends
 - our innovative strength and broad product portfolio
 - our global presence both in sales and R&D, including RDEs
- Our confirmed goals until 2015 are:
 - to increase the share of recurring revenues to at least 25%
 - to increase profitability and reach an EBIT margin of 15%
- Short-term projections are more difficult as there are no clear signals on where the economy is headed: volatility expected to persist; however:
 - we are confident that we are well equipped to deal with any more turbulence
 - expect to exceed market growth



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

Thank you very much for your attention.

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- 5 Appendix



Events



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- February 14, 2012 3 Month Report
- February 14, 2012 Telephone Conference
- March 9, 2012 Annual General Meeting
- May 15, 2012 6 Month Report
- May 15, 2012 Telephone Conference
- August 14, 2012 9 Month Report
- August 14, 2012 Telephone Conference
- December 6, 2012 Annual Financial Statements 2011/2012
- December 6, 2012 Analysts' Conference, Frankfurt am Main

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