

Carl Zeiss Meditec AG



**8th European Medtech and
Healthcare Service Conference**

Ludwin Monz; Patrick Kofler

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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

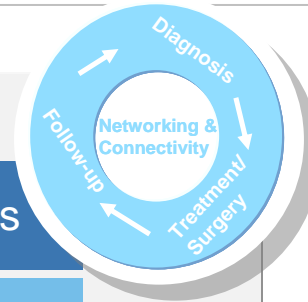
Sales: €677 million, EBIT margin: 12.8%,
ROCE 25.6% in fiscal year 2009/2010



Offering the most extensive portfolio in the industry – Maximizing customer benefit



CARL ZEISS MEDITEC



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

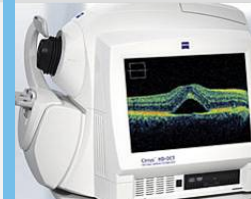
Ophthalmology



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

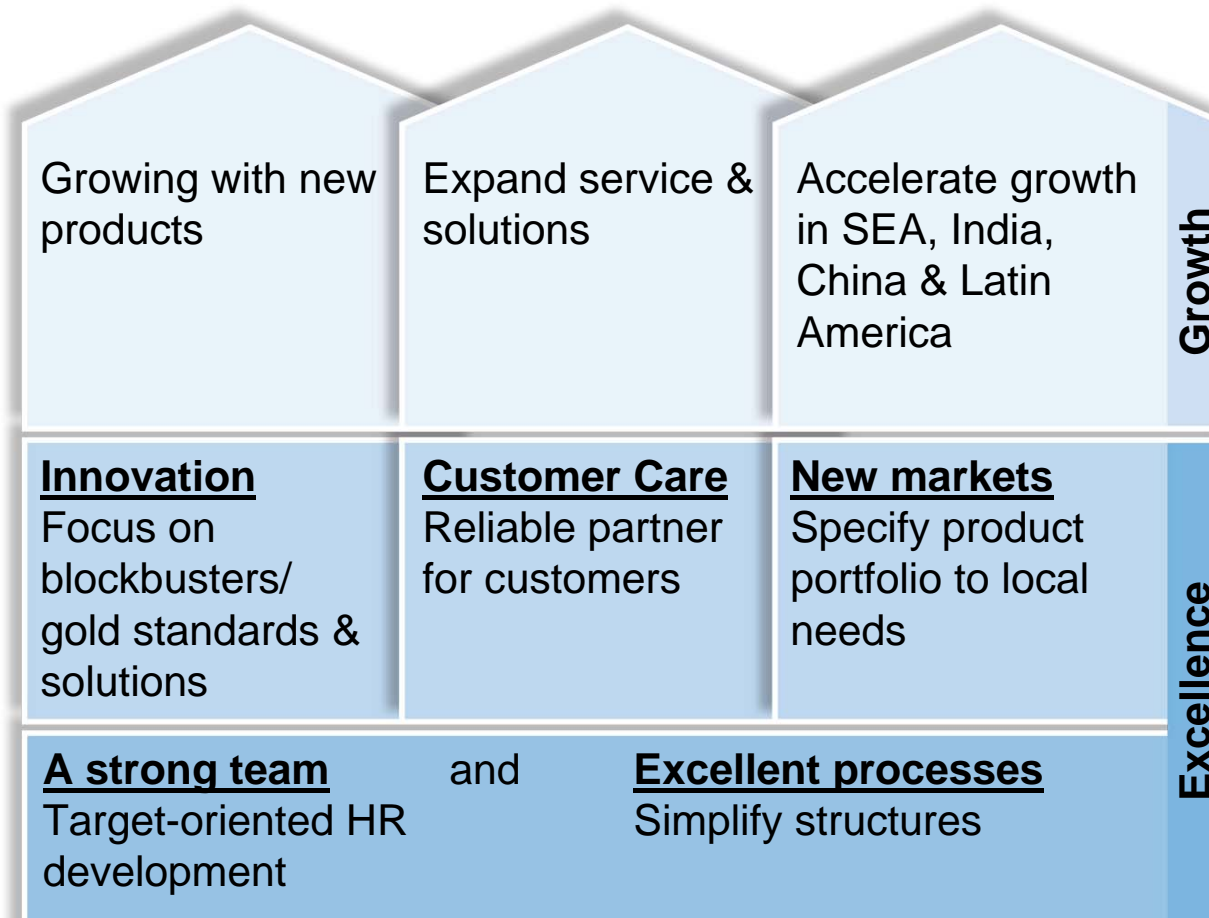
Process harmonization to Best Practice



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

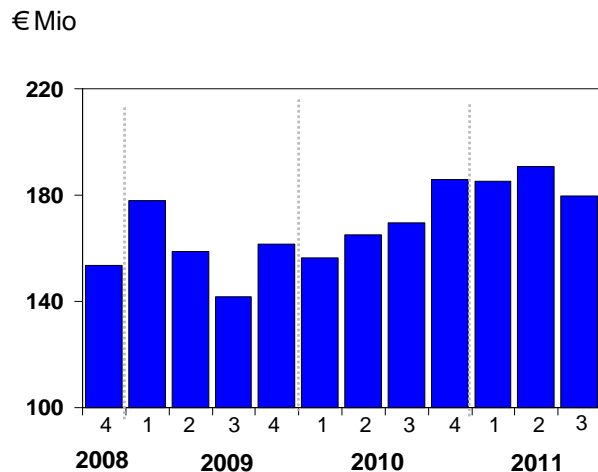


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Carl Zeiss Meditec performance continues to be strong



CZM revenue significantly over prior year



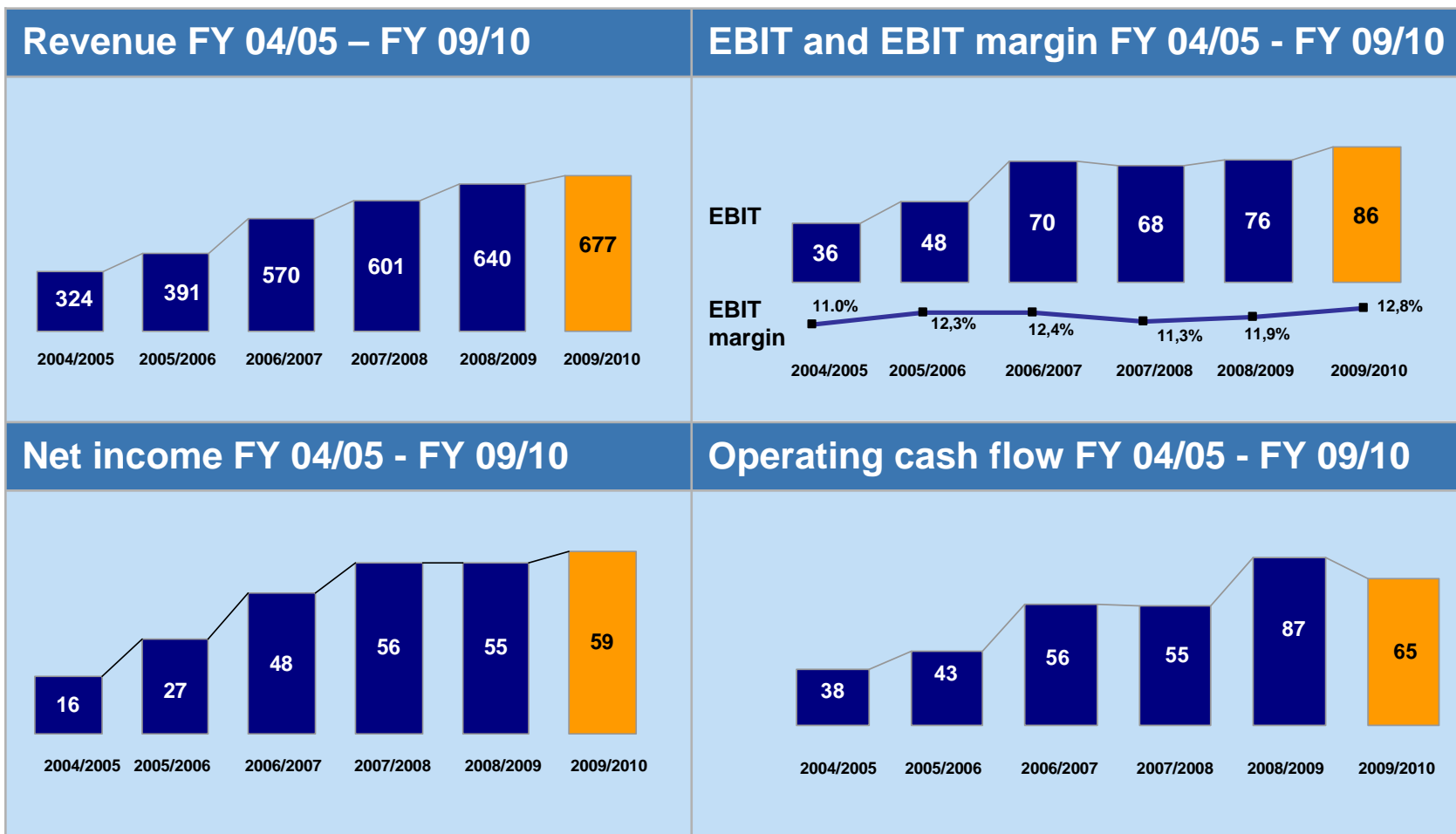
Key takeaways:

- **9-month-revenue increased by 13.2% over PY** (constant currency: +11.8%)
- All regions and business units contribute to growth
- Strongest growth in SBU Microsurgery (20,8%). APAC remains to be regional driver.
- **Profitability rises to 13.6% (Ebit-margin)**
Mainly attributable to volume effects and gross margin improvements
- **Strong balance sheet** (72,2 % Equity ratio, no debt)
- **Although markets are uncertain in the light of the debt crisis, guidance unchanged**

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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Due to our stable strategic setup we are optimistic about the longer term development of CZM



Why we are optimistic about our future perspectives

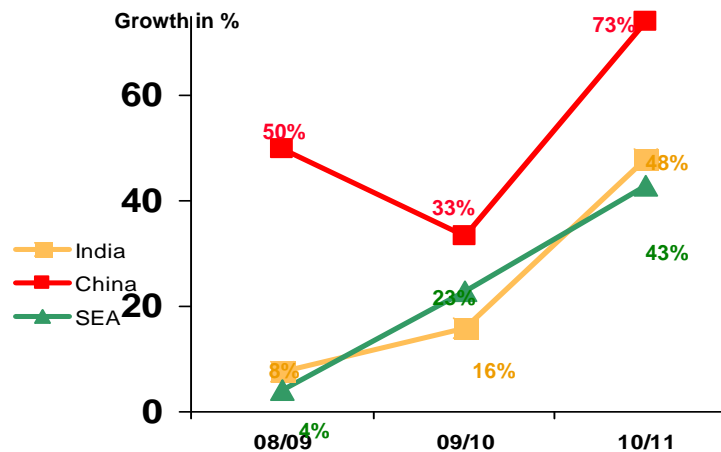
- Ophthalmology is a stable and predictable market which benefits from demographic trends
- We have a diverse business set-up and have invested in new products (e.g. radiotherapy)
- Our set-up in Asia allows us to participate in the growth of the rapidly developing economies (China, India, SEA)



Population age 65 and older [%]

	2010	2025	2050
WORLD	7	10	16
Europe	16	21	26
North America	13	18	21
Latin America & Caribbean	6	10	19
Asia	7	10	18
Africa	3	4	7
Oceania	10	15	19

Growth rates in India, China and SEA 2009-2011



Source: 2010 World Population Data Sheet and United Nations Population Division

We confirm our guidance for FY 2010/11

What to expect from FY 2010/11

- The turbulences of global economy cause some uncertainty
- We confirm our revenue guidance: FY 10/11 €720-750m
- Compared to PY, EBIT will be further improved in FY 10/11 on our course towards margin of up to 15% by 2015

What to expect longer term

- We will continue to implement our company program MEGA 2015
- We are prepared to react to changes of the economic environment
- We continue to work on M&A opportunities



The moment innovation and passion
lead to the best vision for the patient.
This is the moment we work for.



We make it visible.



// OPHTHALMIC
SOLUTIONS
MADE BY CARL ZEISS



Appendix

All SBUs and regions drive growth



Key financials / Background	9M 2009/2010 and 9M 2010/2011	Change
<ul style="list-style-type: none"> Revenue growth due to positive market development during 9 months reporting period and good market position of CZM positive currency effects (+1,4%, 7m € YTD) 	<p>Net sales</p>	<p>▲ +13.2%</p>
<ul style="list-style-type: none"> Increase of EBITDA and EBIT due to strong topline and improved gross margin 	<p>EBITDA EBIT</p>	<p>▲ +23.7% ▲ +26.2%</p>
<ul style="list-style-type: none"> Net income and EPS improved due to strong EBIT supported by positive financial result 	<p>Net Income EpS</p>	<p>▲ +44,6% ▲ +48,0%</p>
<ul style="list-style-type: none"> Decrease in cash flow from operating activities mainly due to an increase in trades receivable and inventories, increase in income tax paid 	<p>Operating Cash flow</p>	<p>▼ -77.3%</p>

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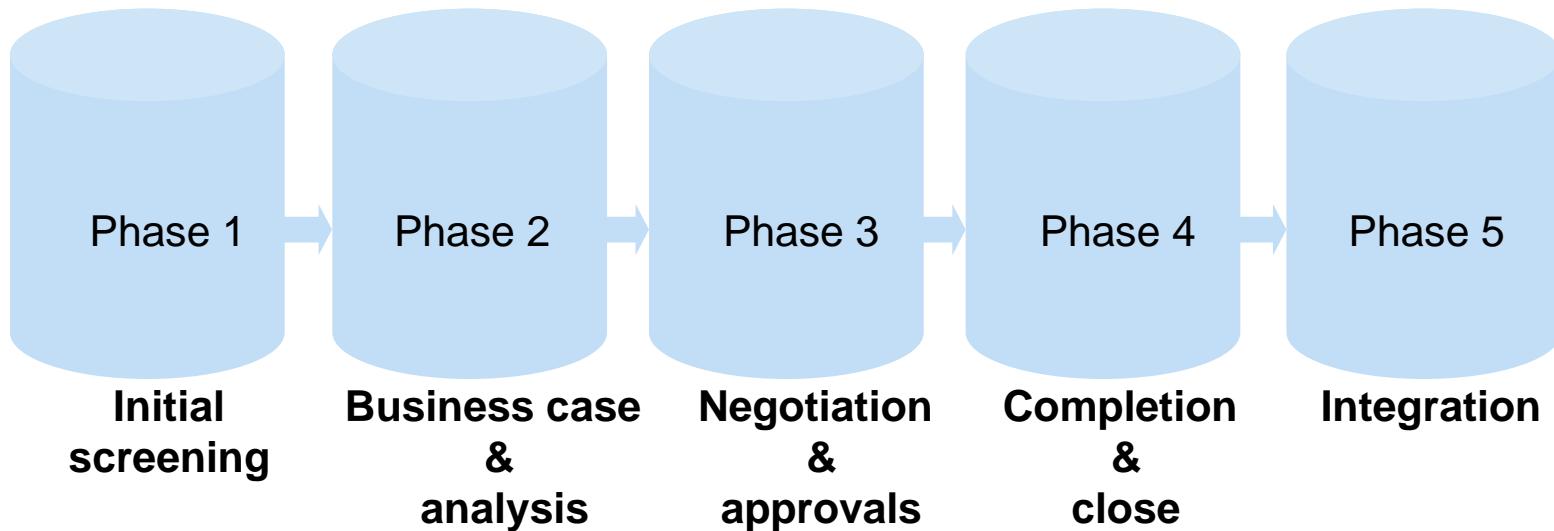
Successful financial year 2009/10: Revenue and result in excess of expectations

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

30 Aug 2011	Commerzbank Sector Conference Week, Frankfurt a. M.
7/8 Sep 2011	Goldman Sachs European MedTech & Healthcare Services Conference, London
13 Sep 2011	Morgan Stanley Global Healthcare Conference, New York
27 Sep 2011	Jefferies Global Healthcare Conference, London
29 Sep 2011	UniCredit German Investment Conference, München
08 Dec 2011	Annual Financial Statements

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