



CARL ZEISS MEDITEC

Carl Zeiss Meditec AG

Annual General Meeting

Jena, 9 March 2007

Geschäftsbericht 2005/2006



ZEISS CARL ZEISS MED



Ophthalmology

Worldwide leading provider of system solutions to diagnose and treat the 4 main eye disorders:

- Refraction
- Cataract
- Glaucoma
- Retinal disorders

Neuro / ENT surgery

Worldwide leading provider of surgical microscopes and visualisation solutions for the treatment of :

- Tumours
- Vascular diseases
- Functional disorders



Additional growth businesses

- intraoperative radiation therapy
- visualisation solutions for doctors in private practice



1. Business development 2005/2006

Successful FY 2005/2006: Profitability growing even faster than revenue



CARL ZEISS MEDITEC

Key business figures in 2004/2005 and 2005/2006 financial years

Consolidated revenue

(as reported)

323.7

+20.7%

390.6

Consolidated revenue

(in organic terms, e.g. adjusted for acquisitions and currency effects)

249.2

+13.7%

283.4

EBIT

35.7

+34.6%

48.1

Consolidated net income

20.1

+34.6%

29.7

Earnings per share

€0.54

+51.9%

€0.82

Figures in € million, unless specified otherwise.

Rounding differences to figures reported in € '000 are possible

FY 2004/2005

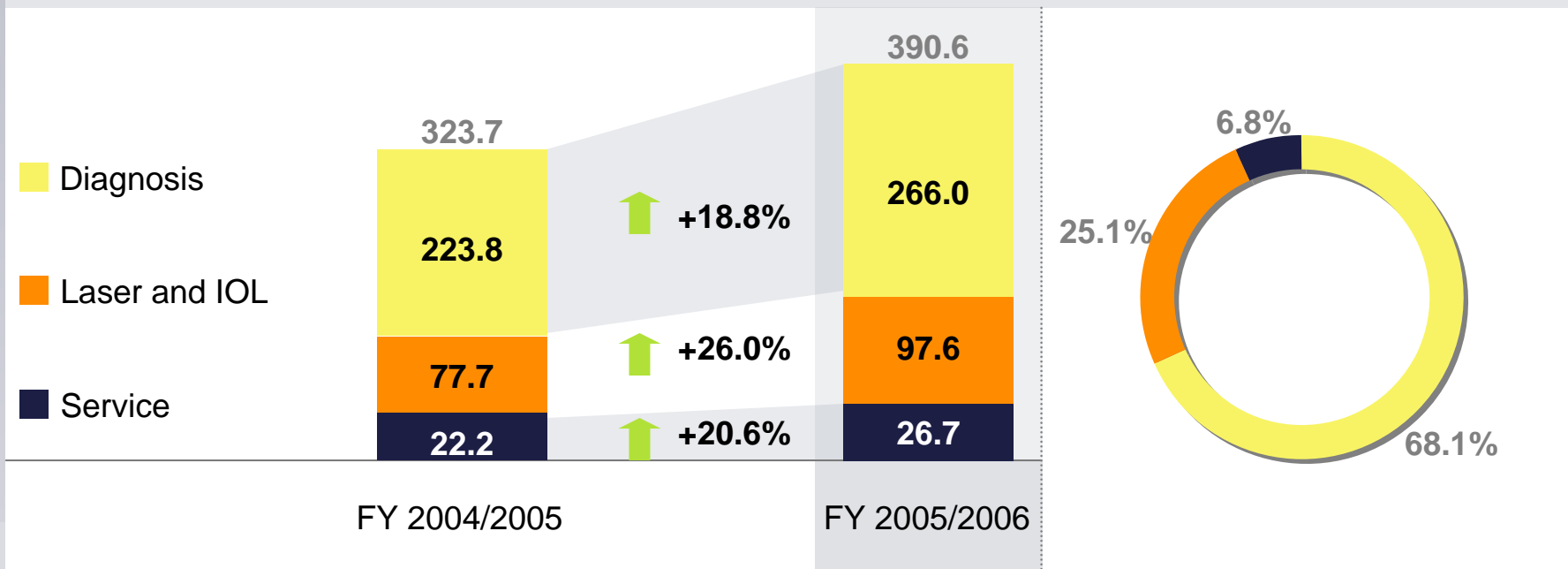
FY 2005/2006

Revenues increasing in all business segments



CARL ZEISS MEDITEC

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



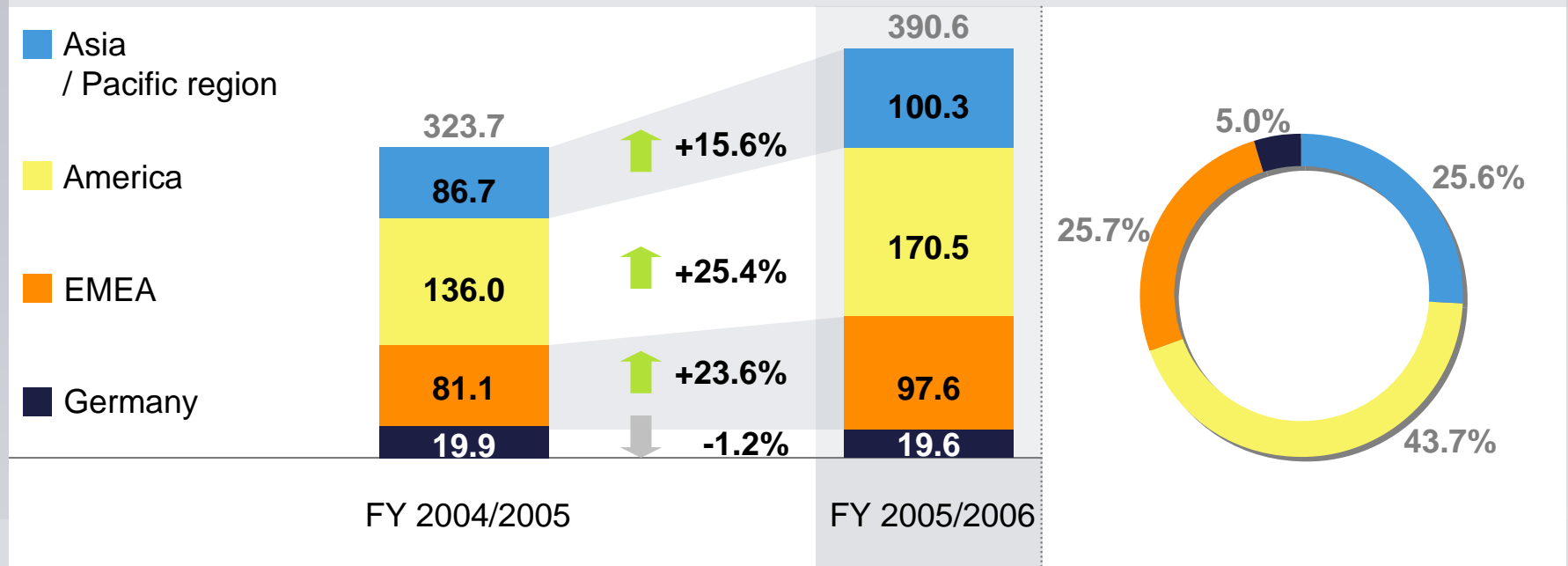
Figures in € million, unless specified otherwise.
Rounding differences to figures reported in € '000 are possible

Strong growth especially in America and Europe



CARL ZEISS MEDITEC

Revenue by region and contribution of each region to consolidated revenue



Figures in € million, unless specified otherwise.
Rounding differences to figures reported in € '000 are possible

Sound balance sheet structure further improved in 2005/2006



CARL ZEISS MEDITEC

Structure of consolidated balance sheet as of 30 September 2005 and 2006

Balance sheet total



Equity ratio



Net debt



= Liabilities less cash & cash equivalents less restricted cash less Group treasury of Carl Zeiss AG

Net cash and cash equivalents



= Cash at bank and in hand + restricted cash + receivables from Carl Zeiss AG Group treasury less liabilities to the Group Treasury of Carl Zeiss AG less interest-bearing liabilities

*Figures in € million, unless specified otherwise.
Rounding differences to figures reported in € '000 are possible*





30 September 2005 30 September 2006

Operating cash flow increases due to positive business development



CARL ZEISS MEDITEC

Consolidated cash flow statement FY 2004/2005 and 2005/2006 (overview)

1	Cash flow from operating activities		42.9 38.4
2	Cash flow from investing activities		-108.0 -26.1
3	Cash flow from financing activities		-19.3 68.9
	Change in cash and cash equivalents		-3.4 0.3

Main influencing factors

1	<ul style="list-style-type: none"> + Improved consolidated net income + Depreciation and amortisation (mainly due to PPA of acquisitions) - Trade receivables and inventories 	2	<ul style="list-style-type: none"> + Block purchase of Ioltech shares + Investments (e.g.: IT) + Transfer of pension obligations ("CTA") <p>(Last year: acquisition of Ioltech and LDT)</p>	3	<ul style="list-style-type: none"> Dividend payment to Carl Zeiss Meditec shareholders and to Carl Zeiss Japan Co. Ltd. and repayment of current liabilities
---	--	---	--	---	---

Figures in € million, unless specified otherwise.
Rounding differences to figures reported in € '000 are possible

 FY 2004/2005

 FY 2005/2006

Innovation is our driving force: "Young" products account for nearly half our revenue



CARL ZEISS MEDITEC

R&D expenses in the 2005/2006 FY:

€38.3 million (previous year: €31.8 million)

Employees in R&D:

233 (previous year: 214)

Main focus of R&D:

- 1 Continuous development of existing product portfolio
- 2 Development of new products
- 3 Combination of diagnosis and treatment
- 4 Basic research:
Ongoing investigation and evaluation of new technologies



We attach importance to responsible management



CARL ZEISS MEDITEC

Balance between economic interests and social needs

Social commitment means to us:

- Continually enhancing the efficiency of our products.
- Supporting the personal and professional development of our employees.
- Consistently observing the rules of good corporate governance
- Supporting international aid programmes.



Vision 2020: The Right to Sight

Objective: to eliminate preventable blindness in the world and to give everyone the right to sight.

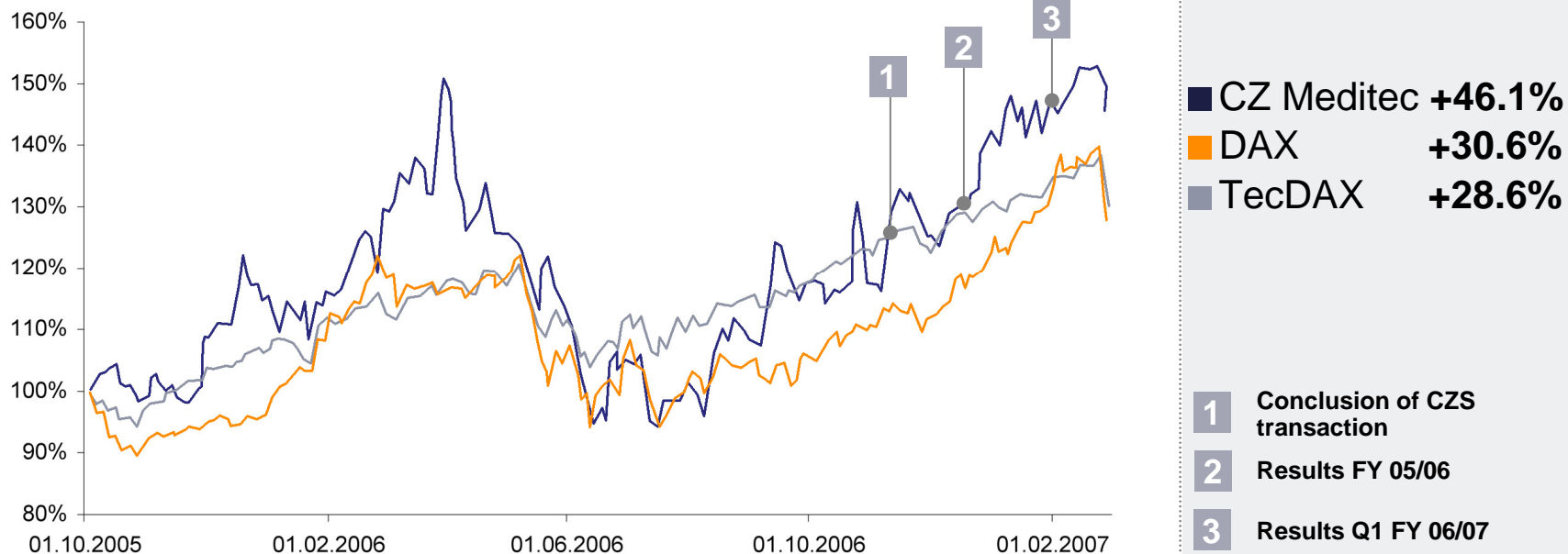
- Help in establishing and developing effective medical provision
- Passing on medical expertise
- Current projects in India, Nepal, Indonesia and Nigeria

Admission to the TecDAX technology index



CARL ZEISS MEDITEC

Shareholders reward successful growth of Carl Zeiss Meditec



Relative performance of Carl Zeiss Meditec shares compared to the DAX, MDAX and TecDAX (period 01 October 2005 to 01 March 2007)



2. AGM Agenda

Agenda*

1. **Presentation of the adopted annual financial statements, approved consolidated financial statements (each including management report) for FY 2005/2006 and Supervisory Board report**
2. **Resolution on the distribution of the balance sheet profit for FY 2005/2006**
3. **Resolution on the discharge of the Management Board members for FY 2005/2006**
4. **Resolution on the discharge of the Supervisory Board members for FY 2005/2006**
5. **Appointment of auditor for FY 2006/2007**
6. **Appointment of group auditor for FY 2006/2007**
7. **Resolution on authorisation to purchase Company's own shares**
8. **Resolution on changes to articles of association:**
 - *Determining the variable remuneration of the Supervisory Board (Article 19 (1) Sentence 3 of the Articles of Association)*
 - *Authorisation to restrict shareholders' right to speak and ask questions at the Annual General Meeting*

**The following list is an overview
For precise details of the content of the individual topics please see the GM agenda*



3. Business development in Q1 2006/2007

Successful start to FY 2006/2007: Operative growth and Carl Zeiss Surgical account for leap in revenue and earnings



CARL ZEISS MEDITEC

Key business figures in Q1 2005/2006 and 2006/2007

Consolidated revenue (as reported)	95.1	↑ +42.8%	135.8
EBIT	11.4 (12.0%)	↑ +48.2%	16.9 (12.4%)
Consolidated net income after minority interest	6.0	↑ +68.9%	10.1
Earnings per share	€0.18	↓ -11.1%	€0.16
	Q1 2004/2005		Q2 2005/2006

Figures in € million, unless specified otherwise.
Rounding differences to figures reported in € '000 are possible



4. Carl Zeiss Meditec and Carl Zeiss Surgical combine their strengths

Optimised position within health sector

Following our take-over of Carl Zeiss Surgical we are excellently positioned to service what we believe will be the three key health topics of the 21st century:

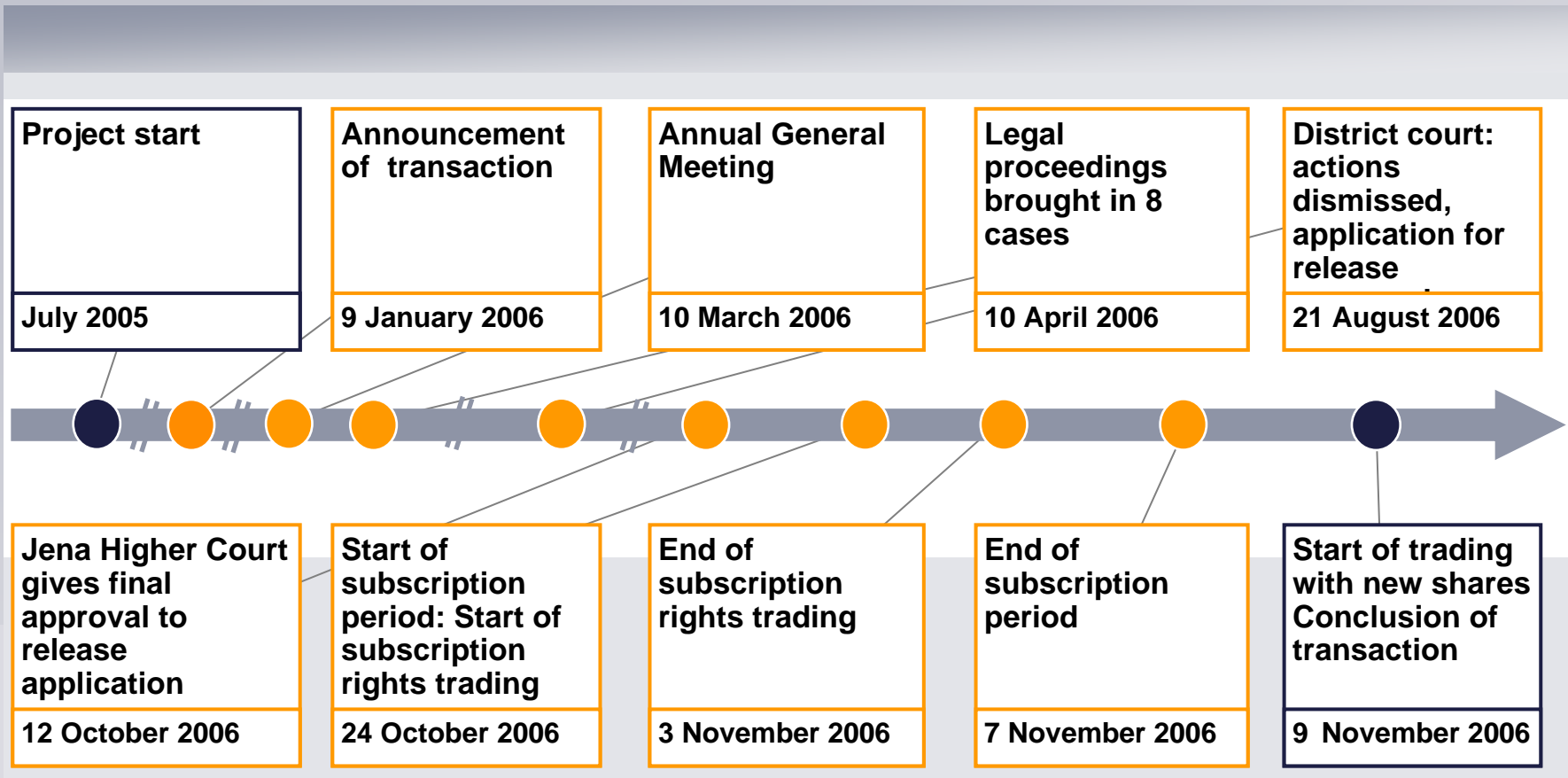
- 1 Loss of vision
- 2 Loss of mobility
- 3 Loss of cognitive abilities



Carefully prepared - successfully concluded: The Carl Zeiss Surgical transaction



CARL ZEISS MEDITEC



Together we are stronger

- **Shared technology platforms**
for ophthalmology and neuro/ENT surgery
- **Improved sales and service presence**
to offer better customer care to ophthalmologists and neurosurgeons
- **Increased efficiency in purchasing and approvals**
through the amalgamation of two globally operating units



**Eine neue Dimension
in der Medizintechnik.**

Verlust der Sehkraft, Verlust der Hörsicht
und Verlust der kognitiven Fähigkeiten
sind die drei größten Gesundheitsprobleme
der Menschheit von morgen – Heraus-
forderungen, denen sich die Carl Zeiss
Meditec bereits heute stellt. Mit unseren
innovativen Produkten und Dienstleis-
tungen verbessern wir die Lebensqualität
von Menschen in aller Welt.

Aufteilung in der Augenheilkunde und
Kultur darüber hinaus angesprochene
Perspektiven im Wachstumsmarkt der
Neuro- / Hör-, Nasen- und Ohren-
Chirurgie. Bedacht sind wir in der Lage,
selbst Spezialprodukten auch komplexe
Lösungen für das umfassende Managen-
ment wichtiger Erkrankungen anzubieten.

Carl Zeiss Meditec AG
Phone: +49 3641 23 00
Fax: +49 3641 23 01 13
www.meditec.zeiss.com
meditec@meditec.zeiss.com

Als eines der 10 größten börsennotierten
Medizintechnik-Unternehmen Europas
verfügen wir über eine einzigartige

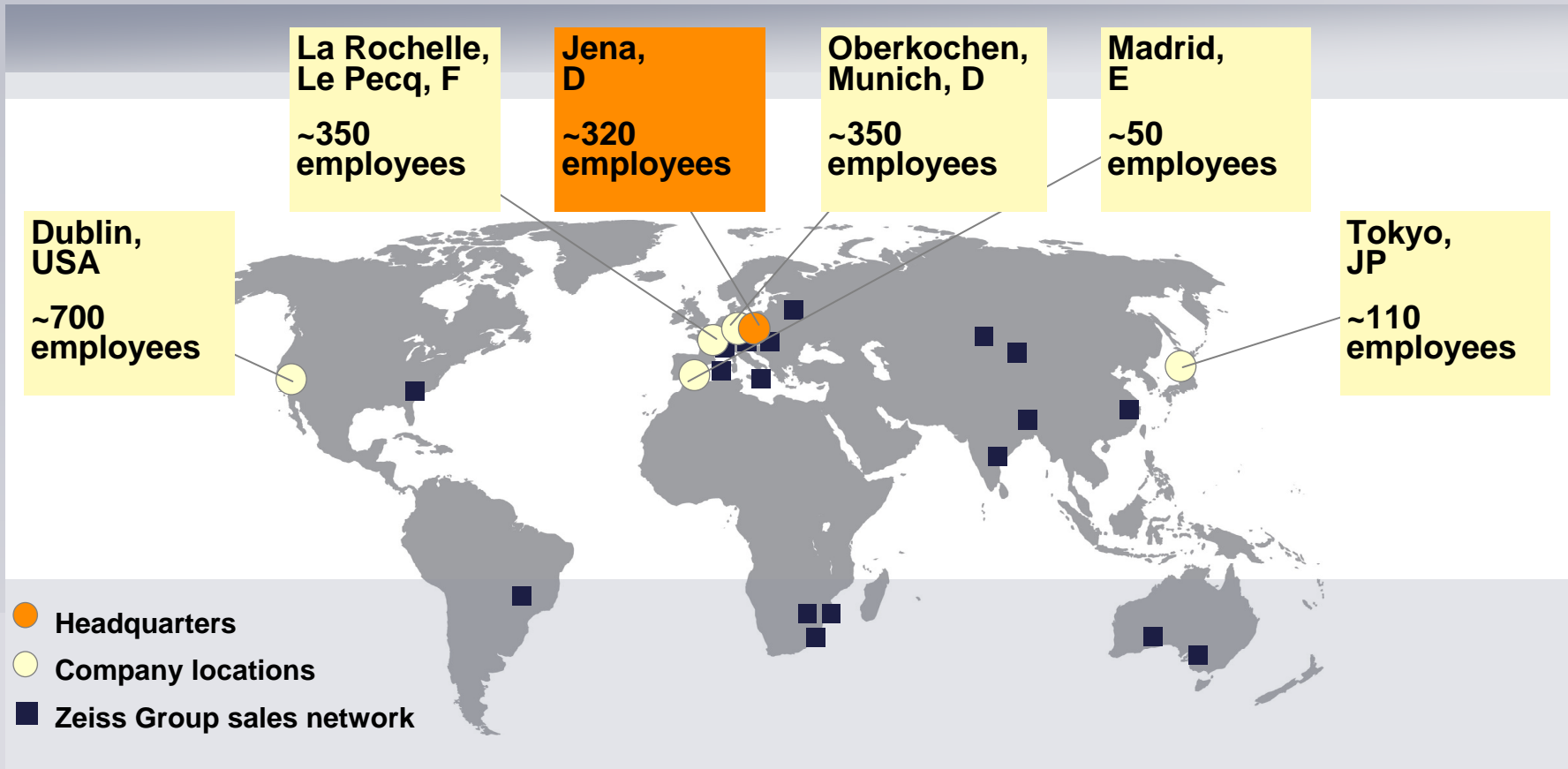
Auf diese Weise schaffen wir lebendige
Werte – nicht nur für Ärzte und Patienten
in aller Welt, sondern auch für unsere
Aktionäre und Mitarbeiter.



Local operations all over the world ensure that we are close to our customers



CARL ZEISS MEDITEC

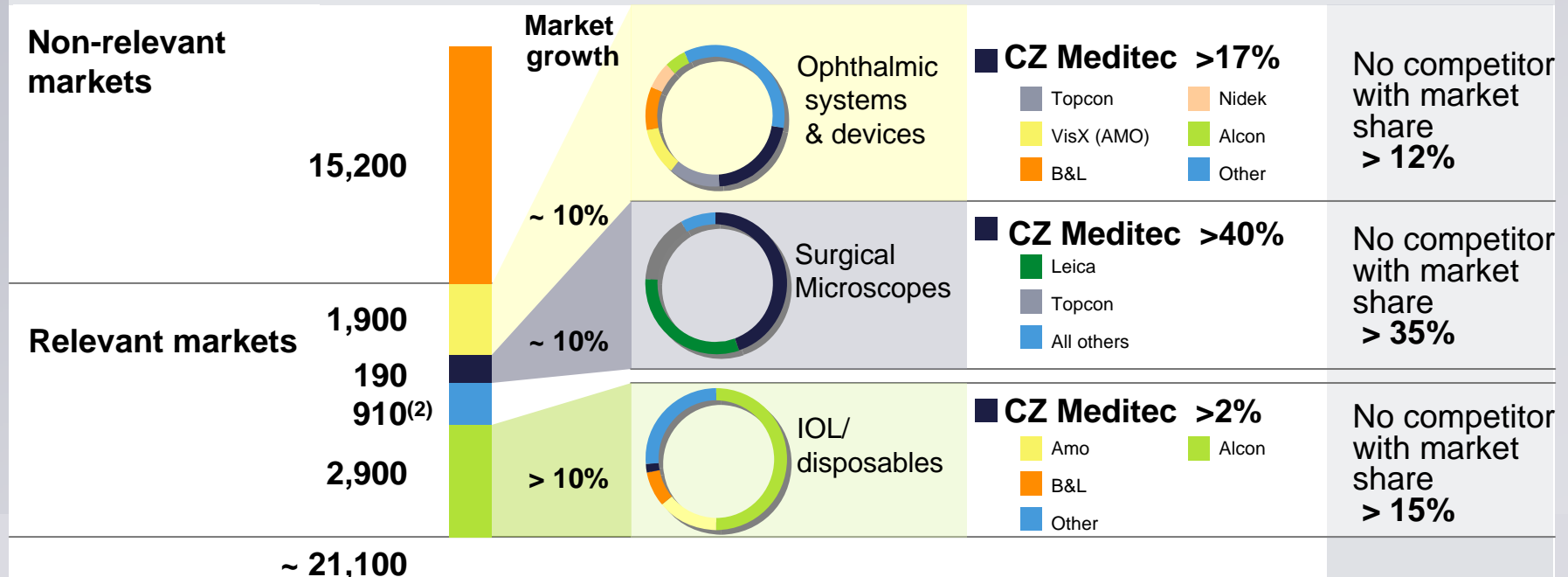


Market leader in ophthalmic systems and devices



CARL ZEISS MEDITEC

Ophthalmic market⁽¹⁾



Notes:

1. Market volumes and market shares in 2005. All figures in US\$ million.
2. Other systems and devices (phaco systems and other devices)

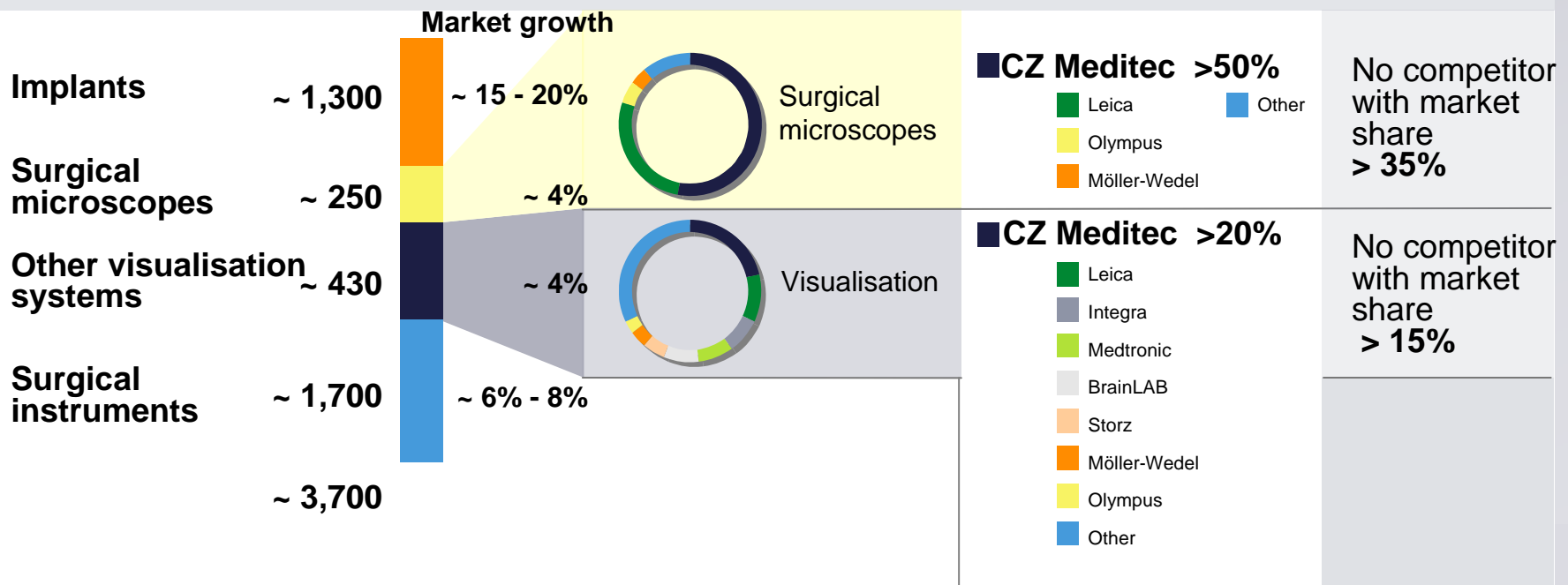
Sources: Market reports, company reports and CZ Meditec estimates

No. 1 in surgical microscopes and visualisation solutions for ophthalmic surgery and neuro/ENT surgery



CARL ZEISS MEDITEC

Neuro/ENT surgery market⁽¹⁾



Notes:
1. Market volumes and market shares in 2005.
All figures in US\$ million.

Sources: Market reports, company reports and CZ Meditec estimates



5. Outlook

Attractive growth options for Carl Zeiss Meditec



CARL ZEISS MEDITEC

Focus of our strategy

- **Expansion of product portfolio, particularly in the fields of ophthalmic and neuro/ENT surgery**
- **Expansion of system solution business in field of neuro/ENT surgery, mirroring ophthalmology**
- **Opening up of new market segments in neuro/ENT surgery**
- **Good growth potential in field of intraoperative radiation therapy**

Outlook 2006/2007: Attractive and steady growth



CARL ZEISS MEDITEC

Focal points

- **Boost to selected research and development activities**
- **Expansion of our global sales presence**
- **Optimisation and restructuring of the product portfolio in of implants and consumables**
- **Assessment of external growth options**

Goals

- **Growth which at least matches the average market growth of our individual markets of ophthalmology and neuro/ENT surgery**
- **Increase in profitability**

Thank you for your attention



Lösungen für die Medizintechnik von Carl Zeiss Meditec.