

Carl Zeiss Meditec



**Deutsche Bank
German & Austrian
Corporate Conference**

June 2009

Did you know that ...



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... **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 Financials

3 Looking to the future

Innovation is built into our DNA



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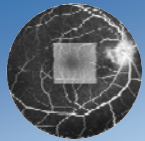
We at Carl Zeiss Meditec aim to
make life better for as many people as possible.
That is the purpose behind our innovation.

In the last 160 years we have set up
a large number of milestones in
ophthalmology and microsurgery.

We are convinced:
All human beings have the right to **sight, mobility and an active life** –
throughout their lives.

Innovation is geared towards value creation

For health care professionals and patients we create value in three dimensions:



precision

We develop gold standards aimed at raising precision levels in diagnosis and treatment.



simplicity

Our products are designed with the medical workflow in mind. This allows the doctor to devote his full attention to his work and his patients.



outcomes

Our solutions allow our customers to achieve the best possible clinical results and obtain high levels of patient satisfaction.

We offer our customers an extensive portfolio

Hospitals, clinics,
ambulatory surgery centers

Private practitioners

Microsurgery



Surgical microscope
OPMI® Pentero®



Surgical microscope
OPMI® Sensera®



IORT:
INTRABEAM®

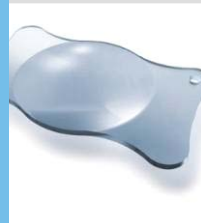
Surgical Ophthalmology



Femtosecond
laser system: VisuMax®



Surgical microscope
OPMI Lumera®



Intraocular lens
*AT.LISA

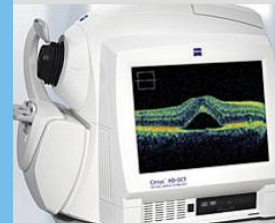
Ophthalmology



Optical biometry:
IOLMaster®



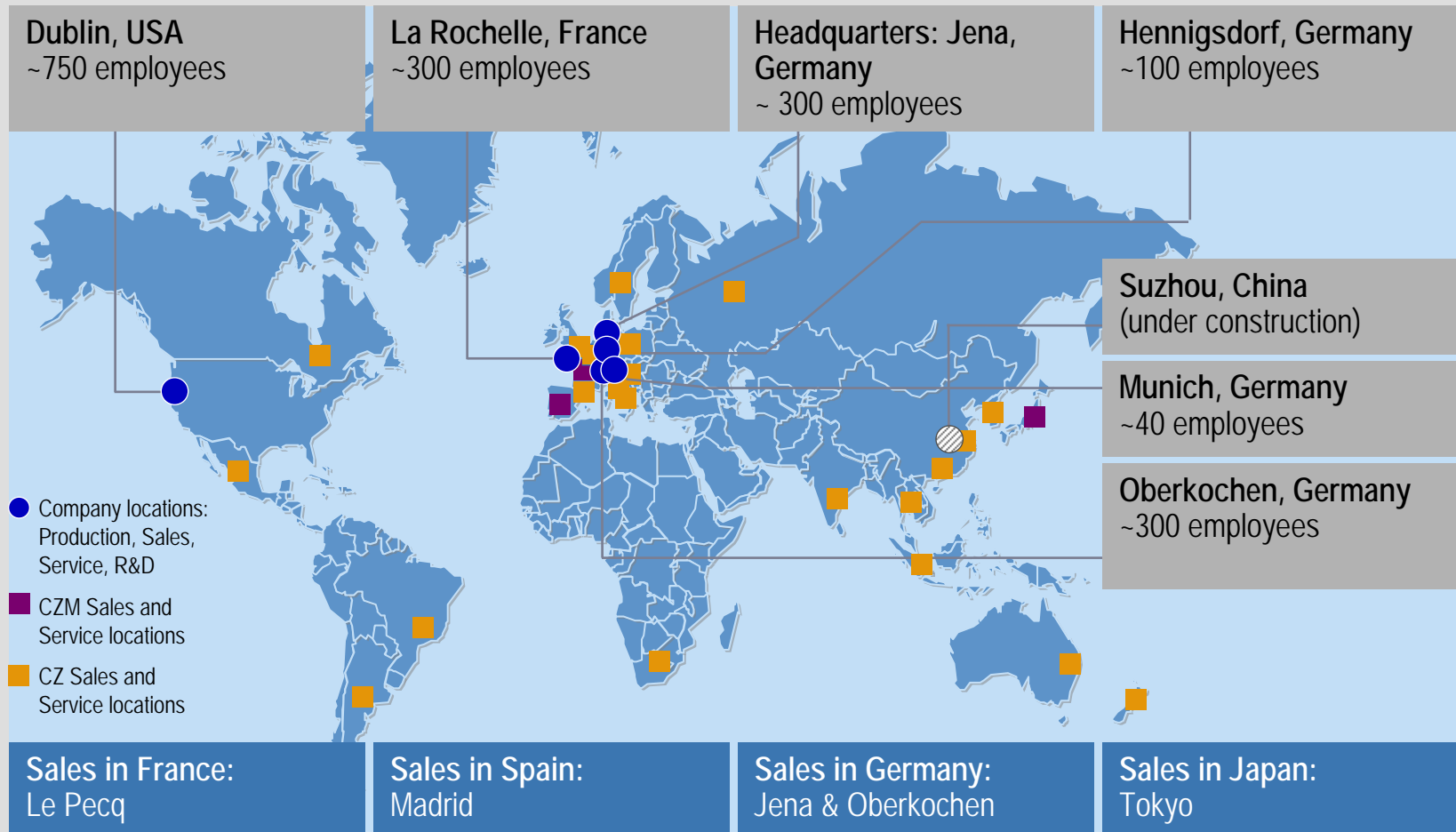
VISULAS
Trion



OCT:
Cirrus™ HD-OCT



Roughly 1,300 of our 2,100+ employees work outside Germany





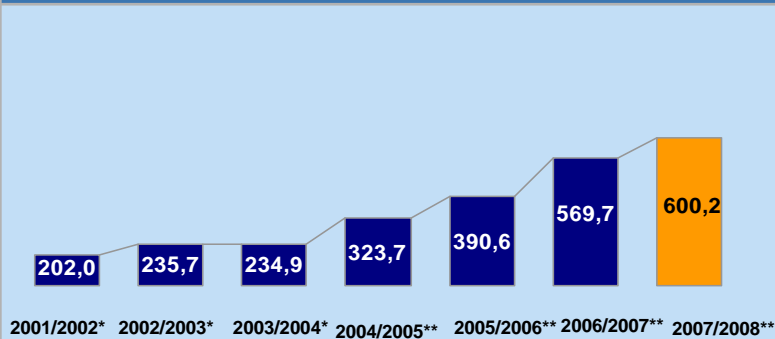
1 Carl Zeiss Meditec at a glance

2 **Financials**

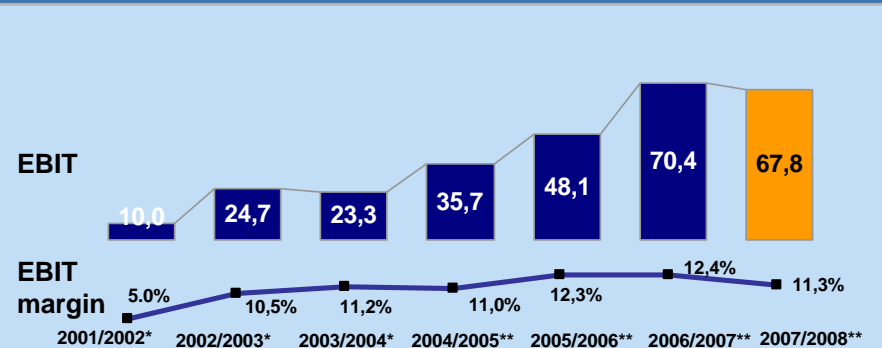
3 Looking to the future

Clear strategy – successful business development

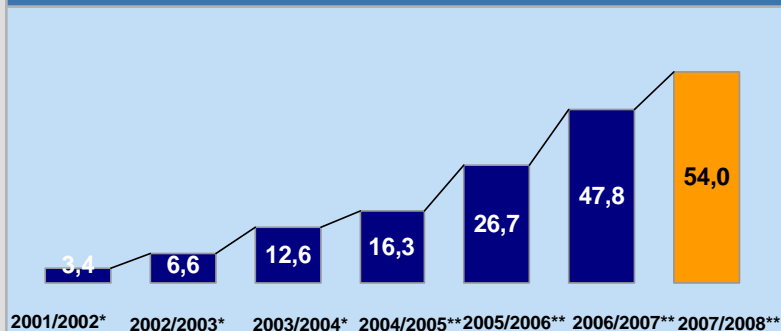
Revenue FY 01/02 – FY 07/08



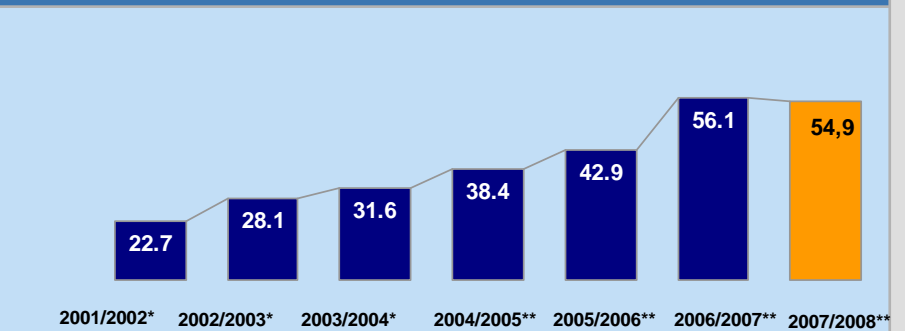
EBIT and EBIT margin FY 01/02 - FY 07/08



Net income FY 01/02 - FY 07/08



Operating cash flow FY 01/02 - FY 07/08



* Figures according to US GAAP

** Figures according to IFRS

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

Financial year 2007/2008 at a glance



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600.2

Revenue
in € million

54.0

Consolidated net income
after minorities
in € million

0.66 & 0.18

Earnings & dividend
per share in €

70.0

Equity ratio
as %

54.9

Operative cash flow
in € million

62.0

Investment in research
and development
in € million



Solid performance in a challenging environment: 2007/2008 targets achieved

Strategic highlights:

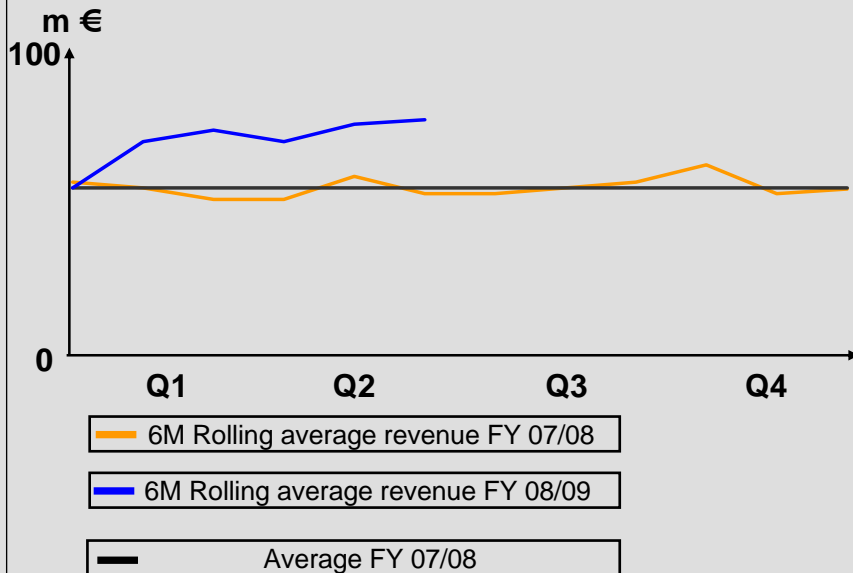
- Stable development and growth in a difficult environment
- Double-digit revenue growth in EMEA and Asia/Pacific balanced out difficult market situation in the US
- Changes to management board and introduction of RACE 2010 program to provide medium-term boost to growth and profitability

Financial highlights:

- Revenue (EUR 600.2 million) and EBIT margin of 11.3% in targetet range despite adverse development of currency translation
- Revenue growth 5.4%
- Earnings per share € 0.66 (+8% vs. previous year)
- Dividend: € 0.18 per share
- Solid balance sheet structure and strong cash flow

CZM succeeds in countering the crisis in H1 2008/2009

6M Rolling average revenue demonstrates positive trend



Key takeaways:

- Operating cash flow increased compared to previous year, despite crisis
- IOL business performs well despite tough economic environment
- Ongoing investment in R&D and sales (e.g.: ramp-up of IOL business)
- Dividend payment: 30 % of net income FY 07/08
- Strong balance sheet (> 200m Cash, 70 % Equity ratio, no debt)

Our Focus

Innovation. Expand in new markets. Intensify customer care.

Strong development in H1 due to well balanced portfolio



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Key financials / Main reasons	H1 2007/08 and	2008/09	Change
<ul style="list-style-type: none"> Robust growth in all regions Positive currency translation effects from strong USD and Yen vs. Euro 	299.4	336.8	▲ + 12.5%
<ul style="list-style-type: none"> Increase of EBITDA and EBIT due to topline growth and despite high investments Negative currency translations effect on expenses in USD and JPY vs. EUR 	38.4 (12.8%) 32.2 (10.7%)	EBITDA 46.7 (13.9%) EBIT 38.9 (11.5%)	▲ + 21.6% ▲ + 20.8%
<ul style="list-style-type: none"> Net income and EPS lower due to decreased interest rates; Tax rate slightly increased due to regional profit distribution; Last year's tax rate influenced by positive one-time effects. 	24.5 €0.30	Net Income 23.6 €0.29 EpS	▼ - 3.4% ▼ - 3.0%
<ul style="list-style-type: none"> Strong increase in cash flow from operating activities 	16.7	27.7	▲ + 66.2%

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RACE 2010 – Outline of our plan



Rapid Achievement of Company Excellence 2010

Pushing innovation	Improving customer orientation	Expanding into new markets
<ul style="list-style-type: none">■ Innovation roadmaps focusing on trends and markets■ Target: creating new gold standards	<ul style="list-style-type: none">■ Becoming a trusted partner for solutions■ Service to function as differentiator	<ul style="list-style-type: none">■ Addressing emerging markets■ Considering external growth opportunities
Empowering people		
Achieving global process excellence		

Long-term trends in our markets remain positive

- Aging population drives demand
- Healthcare spending in Emerging markets provides funds
- Quality of life considerations will drive personal spending

Short-term outlook is volatile

- We continue to see contradictory trends but remain confident regarding Carl Zeiss Meditec's prospects due to our
 - Strong balance sheet with € 200m Cash
 - Good development of operating cash flow in H1
 - Focused investments in R&D and Sales
 - Deliver sustainable profitability in a challenging environment
 - Attractive dividend yield

Why are we convinced that we will win in the downturn?



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Our Chances	Our Approach
<ul style="list-style-type: none">▪ Strong balance sheet with significant free cash position	<ul style="list-style-type: none">▪ Focus on inventory management
<ul style="list-style-type: none">▪ Innovation leader	<ul style="list-style-type: none">▪ Accelerate blockbuster projects
<ul style="list-style-type: none">▪ Strong position worldwide	<ul style="list-style-type: none">▪ Increase market penetration/ win market share
<ul style="list-style-type: none">▪ Presence in emerging markets	<ul style="list-style-type: none">▪ Accelerate entrance in emerging countries
<ul style="list-style-type: none">▪ Company program “RACE 2010”	<ul style="list-style-type: none">▪ Increase efficiency and productivity
<ul style="list-style-type: none">▪ Strong brand name “ZEISS”	<ul style="list-style-type: none">▪ Even more close contact to customers

Our take home messages



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OUR MARKET:

- Stable, with good solid growth
- Driven by mega trends
- Attractive market segments with high entry barriers

OUR OFFERING TO THE CUSTOMER:

- Solutions for screening, diagnosis, (micro)surgery and follow-up
- Most complete eye-care portfolio
- Focus on workflow and image management solutions
- Product philosophy driven by simplicity, precision and outcomes

OUR COMPETITIVE POSITION:

- Unique brand equity
- Trendsetter with well-established gold-standards
- Global presence in sales, customer-care, engineering and manufacturing
- Excellent footing in emerging markets

Our take home messages



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OUR FINANCIAL PERFORMANCE:

- Solid and profitable growth since 2002
- Recurring revenue share increasing
- Strong equity and cash position, no debt

OUR GROWTH PLANS & SHORT-TERM POTENTIAL:

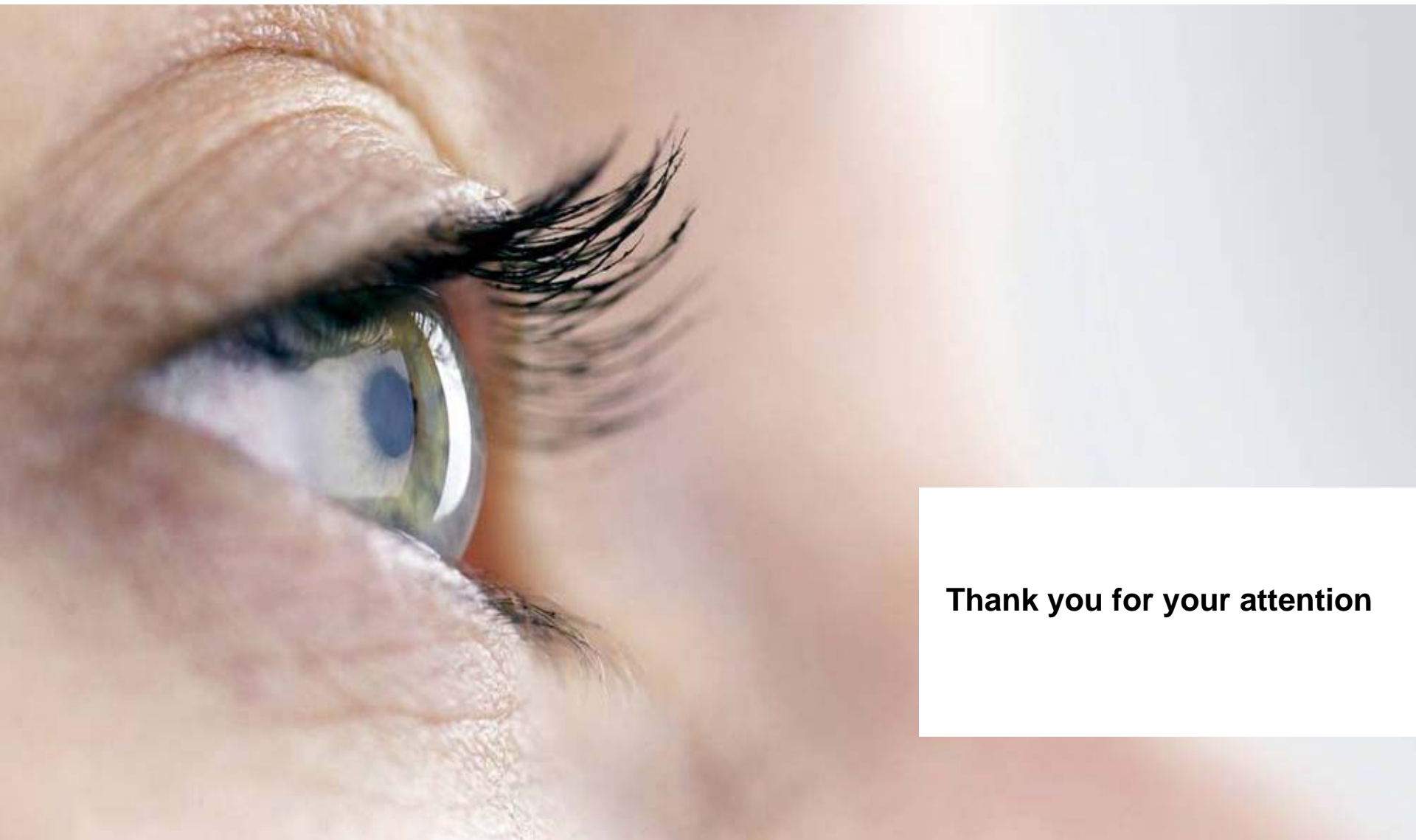
- Next generation of gold-standard products
- Further expanding our business in Asia Pacific
- Becoming the leading workflow solution provider
- Screening for portfolio completion opportunities

OUR STOCK:

- Growth and value stock
- Attractive dividend yield



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Thank you for your attention