

The financial year at a glance

2002/2003



CARL ZEISS MEDITEC

The financial year 2002/2003 was an important and successful period for Carl Zeiss Meditec AG on its path into the future. We are proud that the Company has thus succeeded in counteracting the general trend by consolidating its market position and greatly increasing profitability.

from the letter to the shareholders

▶ *Strategic milestones*

- | | |
|---|------------------------------------------------------------------------------------------------------------------------------------------------|
| ▶ | <i>Rapid and successful conclusion of the integration process</i> |
| ▶ | <i>Successful implementation of the growth strategy</i> |
| ▶ | <i>Founding of the Japanese subsidiary</i> |
| ▶ | <i>Streamlining and optimising of Group structure</i> |
| ▶ | <i>Focus on core business:
Sale of peripheral operations Aesthetic and Dental</i> |
| ▶ | <i>Significant enhancement of profitability in the core business
compensates for losses arising from the sale of peripheral operations</i> |
| ▶ | <i>Implementation of new product strategy</i> |
| ▶ | <i>Successful capital increase</i> |

▼ Overview of business growth

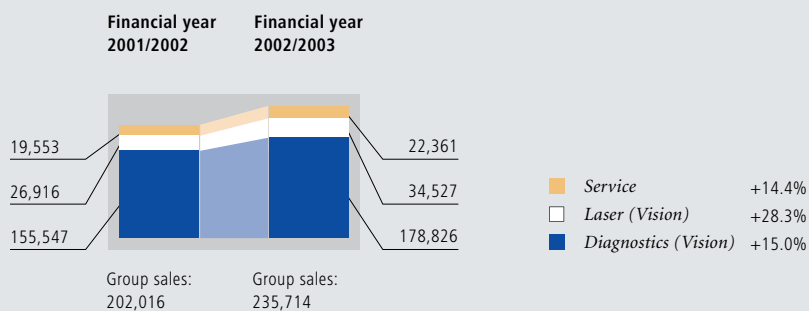
(in € '000)	Financial year 2001/2002	Financial year 2002/2003	Change
Group sales¹	202,016	235,714	▲ +16.7%
Earnings before interest and taxes (EBIT)¹	10,016	24,723	▲ + 146.8%
<i>EBIT margin¹</i>	5.0%	10.5%	▲ + 5.5 Pts.%
Consolidated net income from continuing operations (core business)¹	4,654	10,754	▲ + 131.1%
<i>EpS continuing operations¹</i>	€ 0.22	€ 0.41	▲ + 86.4%
Consolidated net income from discontinued operations (Aesthetic and Dental)	(1,273)	(4,196)	▼ - 229.6%
<i>EpS discontinued operations</i>	(0.06)	(0.16)	▼ - 166.7%
Consolidated net income	3,381	6,558	▲ + 94.0%
<i>Total EpS</i>	0.16	0.25	▲ + 56.3%
Cash and cash equivalents	7,183	45,015	▲ + 526.7%
Trade accounts receivable	40,156	30,344	▼ - 24.4%
<i>Days of Sales Outstanding (DSO)</i>	87.0 days	59.1 days	▼ - 32.1%
<i>Net working capital</i>	44,939	41,413	▼ - 7.8%
Liabilities	98,304	81,298	▼ - 17.3%
<i>Net Debt</i>	82,957	24,194	▼ - 70.8%
<i>Equity ratio</i>	49.2%	59.0%	▲ + 9.8 Pts.%
Cash flow from operating activities	22,718	28,056	▲ + 23.5%

¹ For both financial years without discontinued operations Aesthetic and Dental

Group sales by business segment

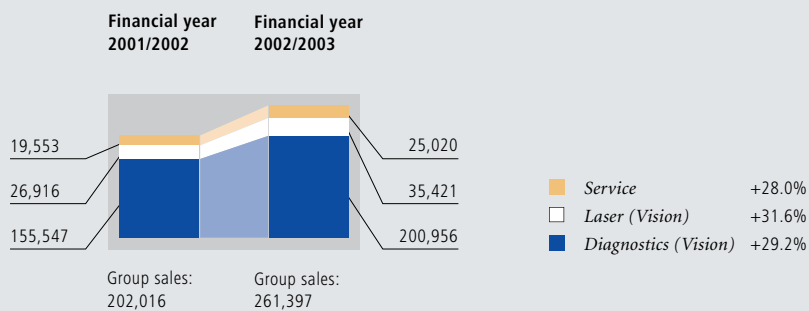
Group sales
by business unit

(in € '000)

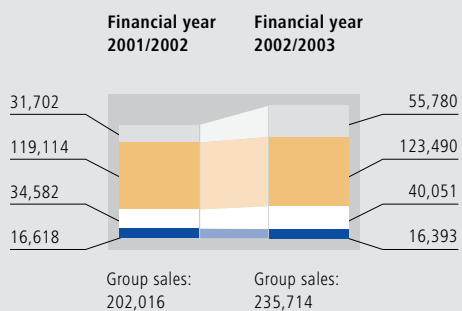


Group sales
by business unit
on constant
currency base

(in € '000)



Group sales by region

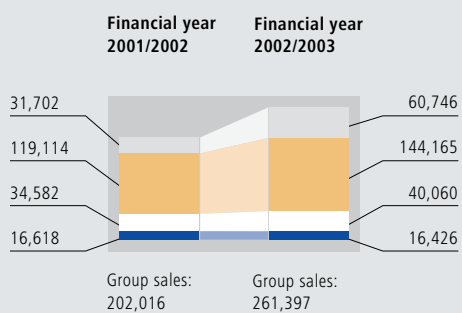


Asia/Pacific*	+76.0%
Americas	+3.7%
Europe (w/o Germany)	+15.8%
Germany	-1.4%

(* including Africa)

◀ Group sales by region

(in € '000)



Asia/Pacific*	+91.6%
Americas	+21.0%
Europe (w/o Germany)	+15.8%
Germany	-1.2%

(* including Africa)

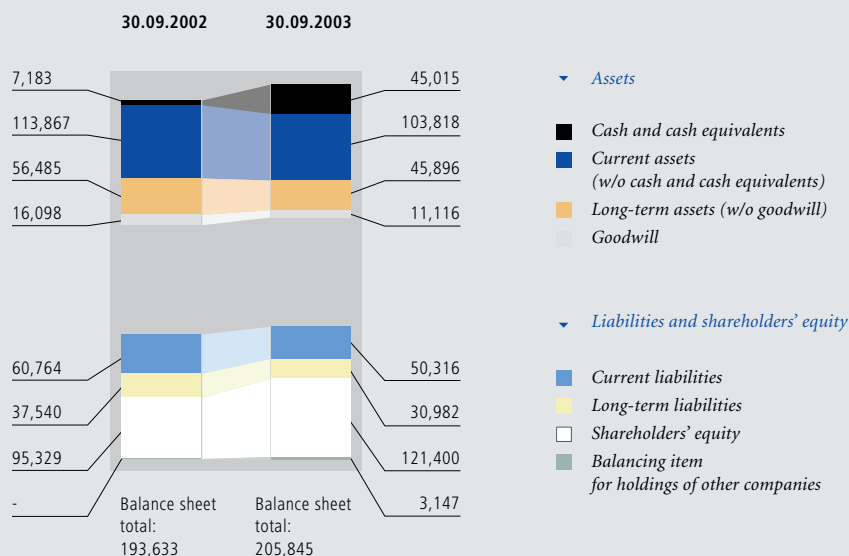
◀ Group sales by region on constant currency base

(in € '000)

Net worth

Consolidated
balance sheet
structure at Carl Zeiss
Meditec AG as of
30 September 2002
and 2003

(in € '000)

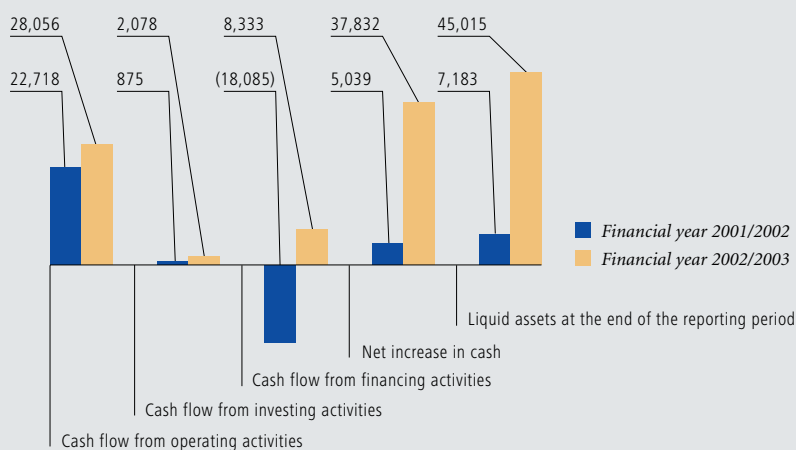


Key ratios of net worth

Key ratios
of net worth

Key ratios	Definition	30 September 2002	30 September 2003	Change over previous year
Equity ratio	Equity capital Balance sheet total	49.2%	59.0%	+9.8 percentage points
Net debt	Liabilities less cash and cash equivalents less accounts receivable from Carl Zeiss Group treasury	€ 82,957,000	€ 24,194,000	-70.8%
Inventory turnover	Cost of goods sold Average on inventories	3.3	3.4	+3.0%
Days of Sales Outstanding (DSO)	Trade accounts receivable Consolidated sales x 360 days	87.0 days	59.1 days	-32.1%
Equity/assets ratio	Equity capital Fixed assets	212.5%	358.1%	+145.6 percentage points

Financial position



◀ Consolidated cash flow statement (summary)
(in € '000)

Key ratios of financial position

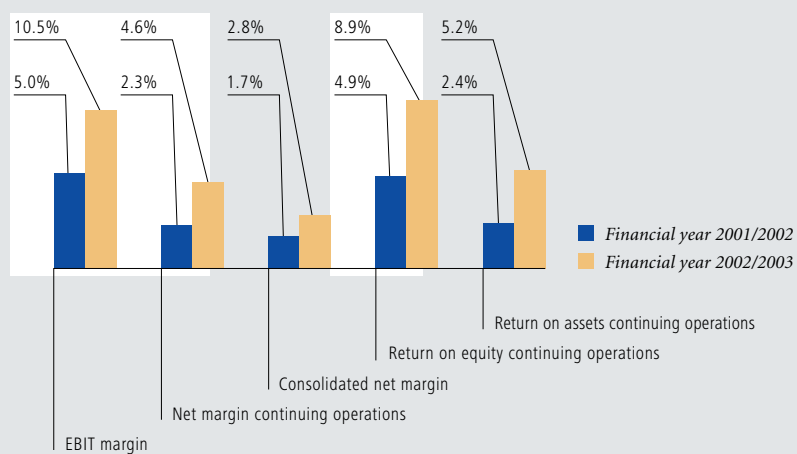
Key ratios (in € '000)	Definition	30 September 2002	30 September 2003	Change over previous year
Liquid funds	Cash at bank and in hand	7,183	45,015	+526.7%
Cash and cash equivalents	Cash at bank and in hand + accounts receivable (prev. year: liabilities) against Carl Zeiss Group treasury	5,562	57,067	+926.0%
Net working capital	Current assets less cash and cash equivalents less accounts receivable from Carl Zeiss Group treasury less current liabilities	44,939	41,413	-7.8%
Working capital ratio	Current assets Current liabilities	199.2%	295.8%	+96,6 percentage points

◀ Key ratios of financial position
(in € '000)

Key ratios of earnings position

Development
of key ratios
of earnings position

(in € '000)



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