

Carl Zeiss Meditec



Roadshow

March 2010

Did you know that ...



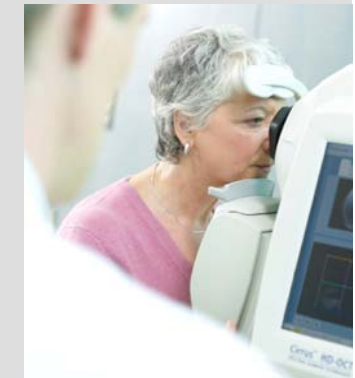
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... **40 %** of the people will have Cataract, **5 %** Glaucoma and **10 %** AMD, that is 2/3 and the rest will have a refractive error (glasses)?



... **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 Financials

3 Looking to the future

Striving to improve people's life with innovations – fulfilling our strong brand promise



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We at Carl Zeiss Meditec aim to
make life better for as many people as possible.

MISSION

As all human beings have the right to **sight, mobility and an active life** – throughout their lives.

Our track record is 160 years of excellence in quality.

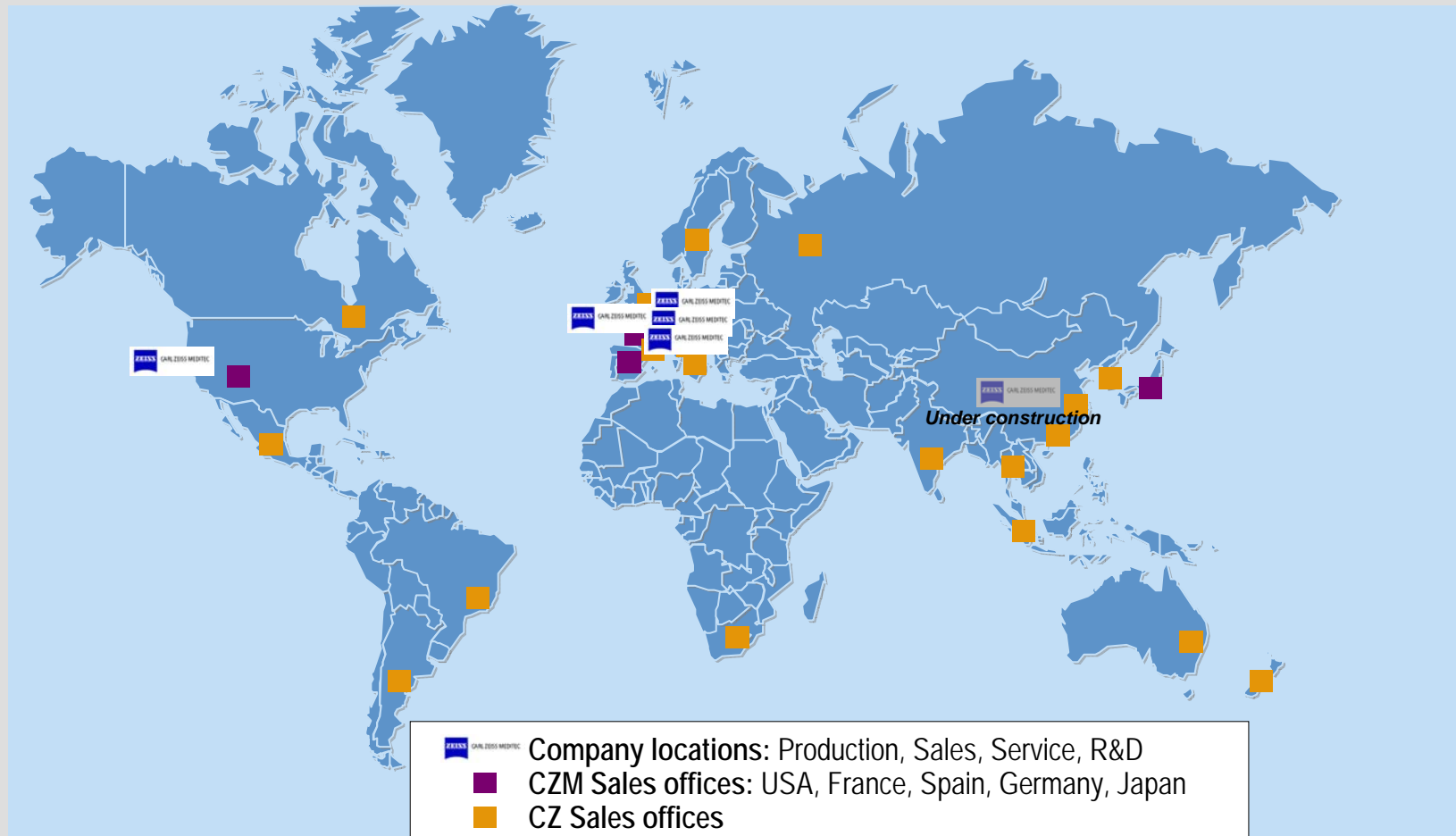
QUALITY

Throughout our company history we have created a large number of **gold standards in ophthalmology and microsurgery.**

Our brand is a truly valuable asset. On first sight it stands for the highest quality standards, precision and robustness, on second sight for simplicity, efficiency and value-added.

BRAND

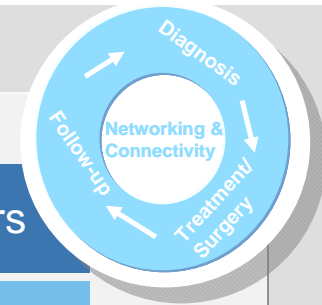
Broad international base – close to our customer and backbone for our innovation



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



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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®



Surgical microscope OPMI Lumera®



Intraocular lens *AT.LISA

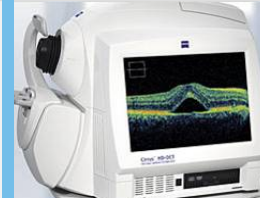
Ophthalmology



Optical biometry: IOLMaster®



VISULAS Trion



OCT: Cirrus™ HD-OCT

My Home Entertainment Problem

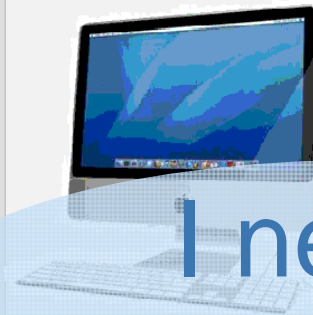


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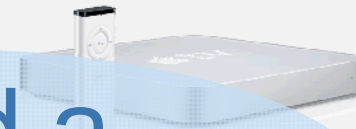
DVDs



MP3s



Video on Demand



Video recorder



I need a solution....



What does it mean in the Eye Care Practice & OR?



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Introducing Specific Examples:

- ZEISS Ophthalmic Data Management Solution



- ZEISS Toric Solution



- ZEISS Refractive Laser Solution



ZEISS Ophthalmic Data Management Solution

Enabling our customers a smooth workflow



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Centrally schedule procedures &
Enter patient name once



Automatically populate
all instruments and
patient info



Reliable data transfer



ZEISS Toric Solution

- what does it mean?



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Surgeon Benefits:

- Integrated Workflow
- Enhanced predictability of refractive outcomes
- ZEISS premium toric IOLs –perfect solution for a wide range of patients
- Enhanced implantation process
- Accurate positioning of the toric IOL for excellent results

Patient Benefits:

- Excellent refractive outcomes, the possibility of life without glasses
- Optimal astigmatism correction for clear vision
- Diagnostic data available in the OR – the doctor has patient information at his fingertips



ZEISS VisuMax All-in-one

Entire procedure with just one device



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Two possibilities:

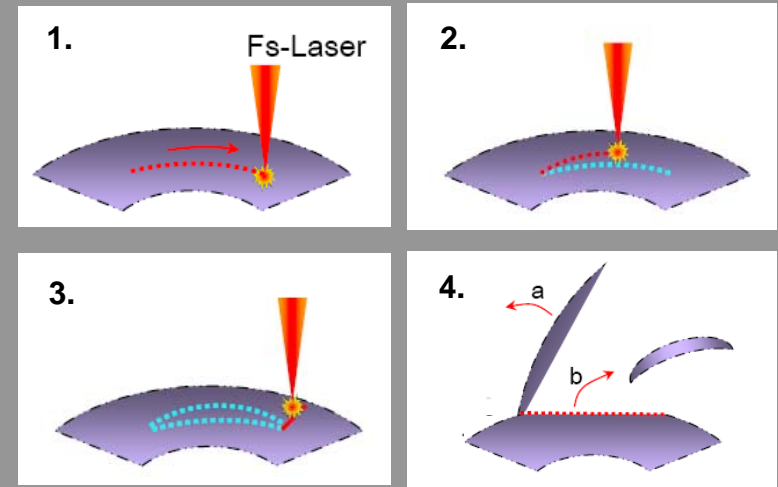
- **FLEx**: Femtosecond Lenticule Extraction
- **SMILE**: Small incision lenticule Extraction

Benefits to the doctor:

- Method is truly minimally invasive
- Method can be employed independently of individual corneal characteristics

Benefits to the patient:

- Direct treatment success & no dry eyes
- Optimal ergonomometry





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Slow start in FY, but stable margin despite lower revenue



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Key takeaways:

- Market conditions remain volatile
- Stable EBIT-margin due to improved cost position
- Lower revenue compared to PY mainly due to strong revenue quarter Q1 08/09 driven by a backlog effect and negative currency translation
- Good growth in IOL business (+10%) with new innovative products
- Gross margin improved to 50,7% (PY: 50,3%)
- Order backlog up by 7,4%
- Operating cash flow increased compared to previous year
- Strong balance sheet (> 250m Cash, >70 % Equity ratio, no debt)
- M&A pipeline filling up
- With strong product pipeline and solution provider approach well positioned

Our Focus

Innovation. New markets. Customer care.

Comparison to FY 08/09, unsatisfactory start in FY 09/10



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Key financials / Main reasons	Q1 2008/09 and Q1 2009/10	Change
<ul style="list-style-type: none"> Slight increase in SBU SO, decrease in all regions Negative currency translation effects from strong Euro vs. USD and Yen 		-12.2%
<ul style="list-style-type: none"> Margins (EBIT, EBITDA) relatively stable due to improved cost Absolute EBIT and EBITDA influenced by lower revenues 		-9.7% -13.1%
<ul style="list-style-type: none"> Decrease in EBIT and lower interest rate result in reduced net income 		-11.3% -12.5%
<ul style="list-style-type: none"> Increase in cash flow from operating activities 		+ 92.5%

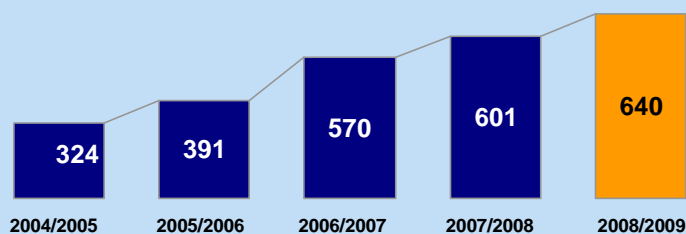
All figures in millions of € unless stated otherwise |
Rounding differences to figures reported in € '000 are possible

Our track record: Successful, sustainable and stable

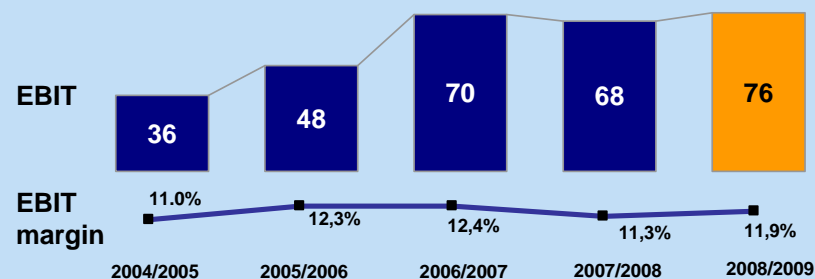


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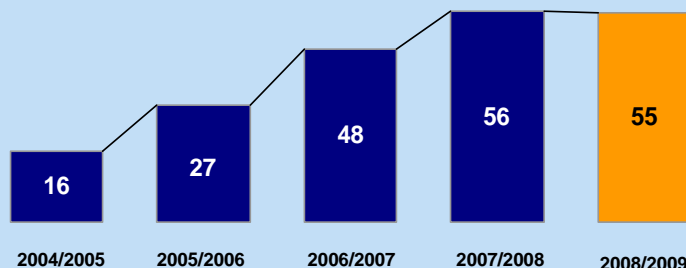
Revenue FY 04/05 – FY 08/09



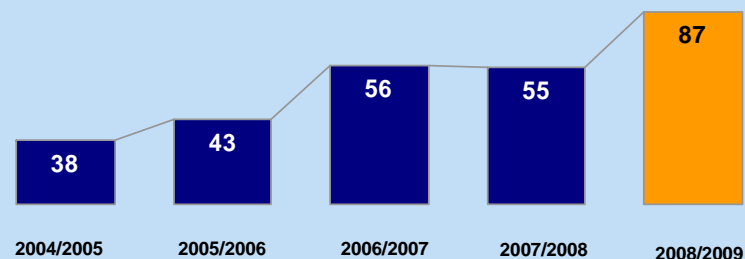
EBIT and EBIT margin FY 04/05 - FY 08/09



Net income FY 04/05 - FY 08/09



Operating cash flow FY 04/05 - FY 08/09



Figures according to IFRS, except for FY 2004/2005 US-GAAP

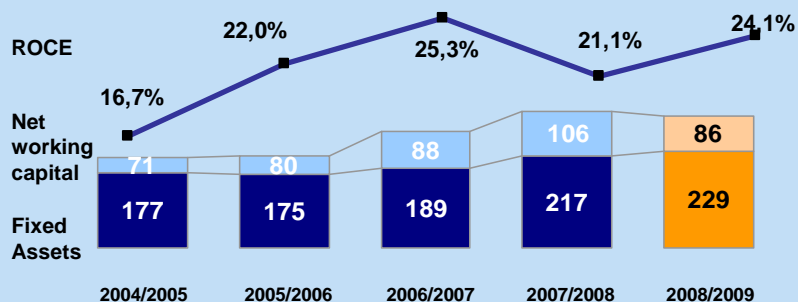
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... with focus on ROCE and Free Cash Flows

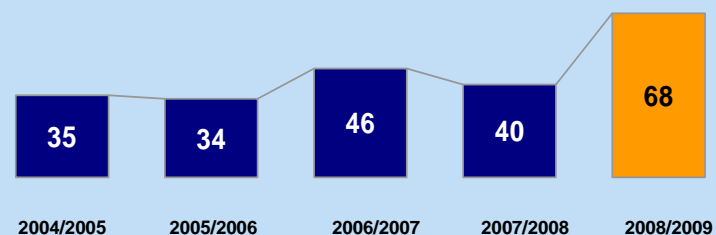


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Fundamental value creation



Free Cash Flow



- Market Cap: 0,9bn EUR
- Net Cash: EUR ~250m
- EV: EUR ~670m

Figures according to IFRS, except for FY 2004/2005 US-GAAP
 $ROCE = \frac{EBIT}{Net\ Working\ Capital + Fixed\ Assets}$

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Company has sound action plan RACE 2010

We will continue to follow it in 2010



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Rapid Achievement of Company Excellence 2010

Pushing product innovation <i>Measured by e.g. Blockbuster rate per SBU</i>	Improving customer orientation <i>Measured by e.g. net promoter score</i>	Expanding into new markets <i>Measured by e.g. new markets revenue rate</i>
<ul style="list-style-type: none"> ▪ Create new gold standards (blockbusters) ▪ Driving additional growth (service and solution business) 	<ul style="list-style-type: none"> ▪ Designing products to target customer needs ▪ Providing networking, connectivity and service ▪ Driving product portfolio on a better margin mix 	<ul style="list-style-type: none"> ▪ Addressing & leveraging emerging markets (products, supply chain) ▪ Considering external growth opportunities ▪ Secure brand value
Empowering people (e.g. training)		<i>Measured by e.g. mentored employees</i>
Achieving global process excellence		<i>Measured by e.g. Warranty Rate</i>

Our highlights in FY 2009/2010



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▪ Full launch FORUM	October 2009
▪ AT LISA violet light filtering	January 2010
▪ IOL Master 500	January 2010
▪ Lumera 700 – Resight	February 2010
▪ VisuMax “All-in-One” Procedure	April 2010
▪ Launch first product from China production	April 2010
▪ Expected results of clinical trials for IORT	June 2010
▪ Set up Research Application Center in India	September 2010
▪ Expansion Phaco line	September 2010



What we expect for 2010



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Conditions in world financial markets remain challenging

Our prospects and approach:

- Maintaining and expanding our market position, strong focus on emerging markets
- Ongoing investments in R&D and sales
- Company program "RACE 2010"

We are financially and strategically fit:

- Strong balance sheet with significant free cash position
- Strong Cash flow
- Worldwide presence, customer-oriented, broad product portfolio
- Innovation leader with blockbuster projects
- Unique brand equity

FY 2009/2010 outlook:

- Market growth 0-5%/per SBU and region
- Achieve at least market growth
- Keeping EBIT margin at current level and increase it with top line growth

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



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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 Asia Pacific
- 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



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Thank you for your attention