9 Month Report 2012/2013
Carl Zeiss Meditec

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9 Months 2012/2013 at a glance

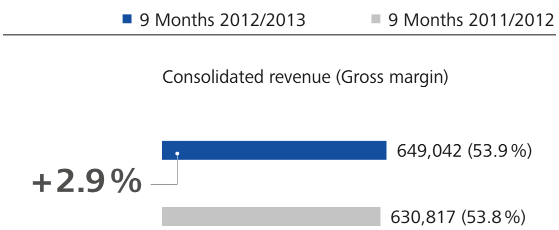
Highlights

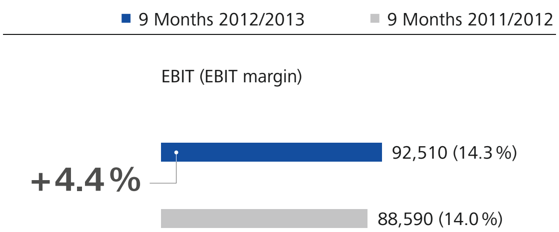
- Surgical Ophthalmology once again grew significantly, achieving a double-digit increase in revenue of 16.2 %
- Given the slowed momentum in the market, Microsurgery increased by 1.7 %
- Ophthalmic Systems closed with a slight revenue growth of 0.2 % thanks to a positive third quarter
- EBIT margin improves to 14.3 %
- The Company's management confirms its annual target for the current financial year of € 880 to € 910 million total revenue

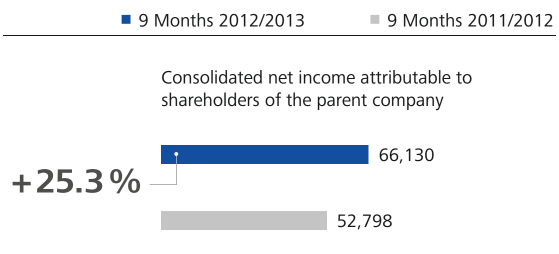
Business development

(Unless specified otherwise, figures in € '000)

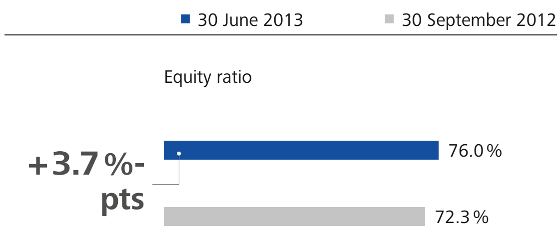
Revenue and net income

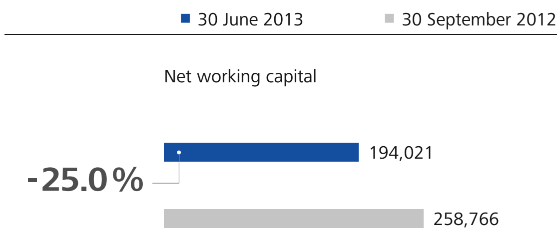


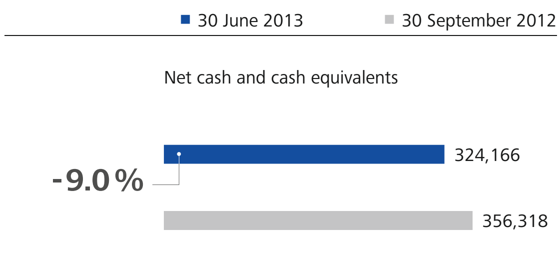




Key ratios in the statement of financial position and statement of cash flows







Content

Ladies and Gentlemen,
dear Shareholders,

Even with a slight downturn in the market Carl Zeiss Meditec is continuing to grow after the past 9 months, increasing its revenue by almost 3 percent compared to the previous year. Our three business units developed at varying rates, however. We recorded total revenue of € 649 million. As expected, growth was thus slower compared with the extraordinary growth rates of the previous year; nevertheless, profitability remained at a good level. Our EBIT margin increased slightly, by 0.3 percentage points, to 14.3 percent.

Once again, Surgical Ophthalmology grew the most, increasing its revenue to € 92.7 million. This equates to growth of 16.2 percent and is due, among other things, to the good revenue growth achieved with intraocular lenses for minimally invasive cataract surgery in the premium segment.

Compared with the previous year, revenue growth in Microsurgery was significantly more moderate after nine months. The increase of 1.7 percent reflects how this SBU is drawing closer to the meanwhile more restrained market development in this segment. Revenue climbed to a total of € 289.5 million.

Following a weak start to the financial year, business in Ophthalmic Systems picked up again in the third quarter. This strategic business unit recorded slight revenue growth of 0.2 percent after 9 months, to € 266.8 million. The situation remains tense, however, due to the competitive situation.

In terms of development in the individual regions, it is clear that our well balanced, sound position worldwide continues to be reflected in a balanced distribution of revenue across our business regions.

The three sales regions – EMEA, the Americas and Asia/Pacific – were more or less level-pegging in terms of revenue growth. It was business as usual in the EMEA region, with the familiar picture from the previous quarters: the strong contribution to revenue and the solid growth in Germany, as well as the extraordinary growth in Russia and the Middle East, continued to offset the declines in Southern Europe. In the Americas region, very encouraging impetus for growth came, once again, from Latin America, while the U.S. market – in spite of a very positive third quarter – remained on a slight downward trend.

In the Asia/Pacific region, growth was driven primarily by Japan, China and the countries of Southeast Asia. The region's development continued to be hampered by the depreciation of the Japanese yen, however.

Overall, we are very satisfied with the result we are presenting to you after nine months. We expect to continue growth in the fourth quarter and to achieve our revenue target of € 880 to € 910 million. Even if market conditions are not easy, we consider our prospects of future business development to be good.

Going forward, it will be absolutely essential to turn our strategic R&D investments in Ophthalmic Systems into a positive business trend and to generate new growth. Furthermore it will be important to leverage growth potential in Microsurgery facing a restrained market development. This is because this field has a significant influence on the Company's operating result, due to its high level of profitability. Both these factors together, as well as the very positive trend that is expected to continue in Surgical Ophthalmology, shall be crucial for the next financial year. They shall also determine any further progress we make towards

achieving our unfaltering objective of an EBIT margin of 15 % in 2015. Based on the encouraging growth of Surgical Ophthalmology, it is likely that we will be able to achieve our target revenue share of 25 % recurring revenue by 2015 ahead of time.

So, although we certainly face some challenges, we also have definite cause for optimism: because Carl Zeiss Meditec has a solid position in the market and the R&D investment tailored to sustainability, a deliberate cost management and the well balanced position of the business worldwide shall continue to be the basis of a sound development well into the future.

Dear Shareholders, I invite you to stay with us on this exciting and promising journey.

Jena, August 2013

Yours sincerely,

Dr. Ludwin Monz
President and CEO
Carl Zeiss Meditec AG

Consolidated management report for the interim financial statements

BUSINESS DEVELOPMENT

1 Summary

Carl Zeiss Meditec AG, Jena, Germany, is the parent company of the Carl Zeiss Meditec Group ("Carl Zeiss Meditec", the "Group", the "Company"), which comprises additional subsidiaries.

No changes were made with respect to the Group's reporting entity or the structure of its financial statements in the first nine months of 2012/2013.

2 Results of operations

2.1 Presentation of results of operations

Table 1: Summary of key ratios in the consolidated income statement (figures in € '000)

	9 Months 2011/2012	9 Months 2012/2013	Change
Consolidated revenue	630,817	649,042	+2.9 %
Gross margin	*53.8 %*	*53.9 %*	*+0.1 %-pts*
EBITDA	102,661	105,690	+3.0 %
EBITDA margin	*16.3 %*	*16.3 %*	*0.0 %-pts*
EBIT	88,590	92,510	+4.4 %
EBIT margin	*14.0 %*	*14.3 %*	*+0.3 %-pts*
Earnings before income taxes	82,091	104,591	+27.4 %
Tax rate	*30.8 %*	*32.2 %*	*+1.4 %-pts*
Consolidated net income after non-controlling interests	52,798	66,130	+25.3 %
Earnings per share after non-controlling interests	€ 0.65	€ 0.81	+25.3 %

2.2 Consolidated revenue

In the first nine months of financial year 2012/2013 Carl Zeiss Meditec posted consolidated revenue of € 649.0 million, corresponding to an increase of 2.9 % year-on-year (previous year: € 630.8 million). Based on constant exchange rates, revenue growth in the reporting period amounts to 4.6 %.

a) Consolidated revenue by strategic business unit

Microsurgery increased its revenue by 1.7 % (adjusted for currency effects: 4.1 %), from € 284.7 million to € 289.5 million, thus accounting for 44.6 % (previous year: 45.1 %) of total consolidated revenue. Compared to the previous year, growth was significantly more moderate. However, the revenue development reflects how this SBU is drawing closer to the generally slowed market dynamics in this segment. Microsurgery continues to benefit from the strong demand for surgical microscopes.

Business in **Ophthalmic Systems** picked up again in the third quarter, following a weak start to the financial year. Thus, this strategic business unit closed the first nine months of the current financial year with a slight revenue growth of 0.2 %, whereby the competitive situation remains tense (adjusted for currency effects: 1.6 %). The SBU thus recorded revenue of € 266.8 million (previous year: € 266.3 million). The SBU's share of consolidated revenue now amounts to 41.1 % (previous year: 42.2 %).

The **Surgical Ophthalmology** strategic business unit once again grew significantly, achieving a double-digit increase in revenue of 16.2 % in the first nine months of the current financial year (adjusted for currency effects: 16.2 %), from € 79.8 million to € 92.7 million, thus accounting for 14.3 % (previous year: 12.7 %) of consolidated revenue. This business unit continued to benefit in particular from the growing demand for intraocular lenses for minimally invasive cataract surgery in the premium segment. In this regard, in particular the innovative intraocular lens AT LISA® tri, which was recently launched on the market, again recorded encouraging growth.

Figure 1: Share of strategic business units in consolidated revenue in the first nine months of financial year 2012/2013

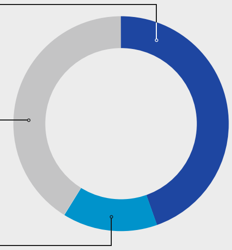


Figure 2: Consolidated revenue by strategic business unit (figures in € ‘000)

■ **9 Months 2012/2013** ■ 9 Months 2011/2012

	9 Months 2012/2013	9 Months 2011/2012	Change
Microsurgery	**289,481**	284,693	+1.7 %
Ophthalmic Systems	**266,826**	266,308	+0.2 %
Surgical Ophthalmology	**92,735**	79,816	+16.2 %
Consolidated revenue	**649,042**	630,817	

Figure 3: Consolidated revenue by strategic business unit based on constant exchange rates (figures in € ‘000)

■ **9 Months 2012/2013** ■ 9 Months 2011/2012

	9 Months 2012/2013	9 Months 2011/2012	Change
Microsurgery	**289,481**	277,992	+4.1 %
Ophthalmic Systems	**266,826**	262,571	+1.6 %
Surgical Ophthalmology	**92,735**	79,801	+16.2 %
Consolidated revenue	**649,042**	620,364	

b) Consolidated revenue by region

Carl Zeiss Meditec continues to have a very well balanced regional presence.

The **EMEA** business region accounted for 34.5 % (previous year: 34.5 %) of total consolidated revenue. Revenue in this business region increased by 3.0 % in the first nine months (adjusted for currency effects: 3.0 %), to € 224.1 million (previous year: € 217.7 million). The picture here remains mixed. The declines in a number of countries, particularly in Southern Europe were once again overcompensated for by the continued positive development of business and the substantial contribution to revenue from Germany, the persistently strong growth in Russia and the good growth overall in the Middle East.

With revenue of € 221.1 million (previous year: € 215.0 million), the **Americas** business region contributed a further third (34.1 %; previous year: 34.1 %) of consolidated revenue. While Carl Zeiss Meditec continued to achieve very good growth rates overall in South America, the USA remained on a slightly downward trend, in spite of a positive third quarter. Overall, however, the Americas region recorded revenue growth of 2.8 % (adjusted for currency effects: 2.4 %) compared with the previous year.

Once again, the **Asia/Pacific** region showed the greatest potential for growth. Business in this region grew by 9.1 %, based on constant exchange rates. Due to the high volatility of the Japanese yen, currency effects were increasingly more noticeable, with the result that revenue growth in the reporting currency was 2.9 %. In total, revenue increased from € 198.1 million to € 203.8 million, accounting for 31.4 % (previous year: 31.4 %), or almost a third, of consolidated revenue. The greatest impetus for growth came from China, Japan, the countries of Southeast Asia, and Australia.

Figure 4: Share of regions in consolidated revenue in the first nine months of financial year 2012/2013

EMEA	**34.5 %**
Americas	**34.1 %**
Asia/Pacific	**31.4 %**

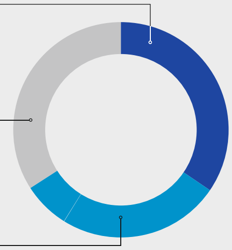


Figure 5: Consolidated revenue by region (figures in € ’000)

	9 Months 2012/2013 / 9 Months 2011/2012	
EMEA	**224,142** 217,653	+3.0 %
Americas	**221,119** 215,034	+2.8 %
Asia/Pacific	**203,781** 198,130	+2.9 %
Consolidated revenue	**649,042** 630,817	

Figure 6: Consolidated revenue by region based on constant exchange rates (figures in € '000)

	9 Months 2012/2013 / 9 Months 2011/2012	
EMEA	**224,142** 217,643	+3.0 %
Americas	**221,119** 215,877	+2.4 %
Asia/Pacific	**203,781** 186,844	+9.1 %
Consolidated revenue	**649,042** 620,364	

2.3 Gross profit

Gross profit increased to € 349.5 million in the first nine months of the current financial year (previous year: € 339.6 million). The gross margin thus amounts to 53.9 % (previous year: 53.8 %).

2.4 Functional costs

Functional costs amount to € 257.0 million in the first nine months of the current financial year (previous year: € 251.0 million).

- **Selling and marketing expenses:** Expenses in this area amount to € 155.0 million in the first nine months of financial year 2012/2013 (previous year: € 153.5 million). The ratio as a proportion of consolidated revenue is 23.9 % (previous year: 24.3 %).
- **General and administrative expenses:** In the first nine months of the reporting year, administrative expenses amounted to € 30.7 million (previous year: € 30.0 million). The administrative cost ratio thus remained stable, at 4.7 % (previous year: 4.8 %).
- **Research and development costs:** In order to maintain and improve its position as one of the world's leading medical technology suppliers, Carl Zeiss Meditec continued to drive forward its research and development activities in the first nine months of the new financial year. In the period under review the Company invested € 71.3 million (previous year: € 67.5 million). The research and development ratio remained high, at 11.0 % (previous year: 10.7 %).

2.5 Development of earnings

Carl Zeiss Meditec continues to have a solid footing thanks to its broad product range and balanced regional presence. In the past nine months the extremely positive development of earnings in Microsurgery and Surgical Ophthalmology compensated the rather weak result in Ophthalmic Systems.

EBITDA in the reporting period amounted to € 105.7 million (previous year: € 102.7 million). The **EBITDA margin** remained the same as the previous year, at 16.3 % (previous year: 16.3 %). Earnings before interest and taxes **(EBIT)** increased by 4.4 % from October to the end of June, from € 88.6 million in the comparable period of the previous year, to € 92.5 million. Accordingly, the EBIT margin improved slightly by 0.3 percentage points, from 14.0 % to 14.3 %.

The **financial result** of € 12.1 million (previous year: € 6.5 million) is mainly attributable to the valuation and realization of existing hedges and is positive, particularly in the third quarter, as a result of the favorable development of exchange rates compared to the hedge rate.

The **tax rate** declined in the first nine months of financial year 2012/2013, to 32.2 % (fiscal year 2011/2012: 34.2 %).

Consolidated net income attributable to shareholders of the parent company increased in the period under review, to € 66.1 million (previous year: € 52.8 million).

The **share of net income attributable to non-controlling interests** was up slightly compared with the same period of the previous year, at € 4.8 million (previous year: € 4.0 million).

Basic[1] **earnings per share** in the first nine months of financial year 2012/2013 increased to € 0.81 (previous year: € 0.65).

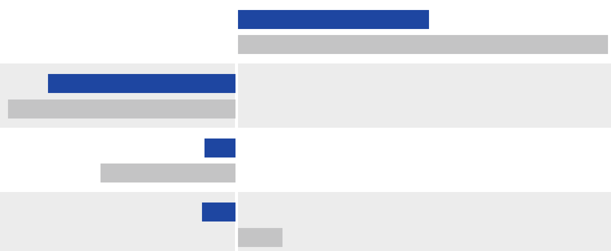
3 Financial position

3.1 Statement of cash flows

The Carl Zeiss Meditec Group's statement of cash flows shows the origin and utilization of the cash flows during the first nine months of the current financial year. A distinction should be made here between cash flows from operating activities and cash flows from investing and financing activities. The statement of cash flows merely records the changes in individual items in the income statement and the statement of financial position that occurred after the respective date of first-time consolidation. The consolidated statement of financial position, on the other hand, presents the figures as they stood at the end of the reporting period, 30 June 2013. As a result, the statements in the analysis of the financial position may differ from the presentation of net assets based on the consolidated statement of financial position.

Figure 7: Summary of key ratios in the consolidated statement of cash flows (figures in € '000)

	9 Months 2012/2013	9 Months 2011/2012
Cash flow from operating activities	**30,644**	59,327
Cash flow from investing activities	**-30,064**	-36,448
Cash flow from financing activities	**-4,897**	-21,587
Change in cash and cash equivalents	**-5,337**	7,085



Cash flow from operating activities led to a total cash inflow of € 30.6 million in the first nine months of the current financial year (previous year: € 59.3 million). The lower cash inflow compared with the previous year is primarily attributable to the greater increase in trade receivables at the end of the reporting period, as well as to a greater degree of inventory stockpiling, due, among other things, to the start of the new series production in optical coherence tomography.

Cash flow from investing activities amounted to € -30.1 million in the reporting period, compared with € -36.4 million the previous year. The higher amount of cash outflow in the previous year's period resulted mainly from the acquisition of the IOL/OVD business of IMEX Clinic S.L., Spain in financial year 2011/2012, and investments in a new management and production building for the production of intraocular lenses in Berlin. In addition, fixed-term deposits increased by € 10 million in the same period of the previous year. The cash outflow in the reporting period is mainly the result of the increase in fixed-term deposits by 20 million euros.

Cash flow from financing activities amounted to € -4.9 million in the first nine months of 2012/2013 (previous year: € -21.6 million). This mainly had a positive effect due to the decrease in receivables from related parties. At the same time there was a cash outflow, equivalent to the dividend payment, of € 32.5 million.

[1] Attributable to shareholders of the parent company

3.2 Key ratios relating to financial position

Table 2: Key ratios relating to financial position (figures in € '000)

Key ratio	Definition	30 September 2012	30 June 2013	Change
Cash and cash equivalents	Cash-in-hand and bank balances	9,526	4,189	-56.0 %
Net cash	Cash-in-hand and bank balances + Treasury receivables from Group treasury of Carl Zeiss AG ./. Treasury payables to Group treasury of Carl Zeiss AG + Financial investments[2]	356,318	324,166	-9.0 %
Net working capital	Current assets including financial investments[2] ./. Cash and cash equivalents ./. Treasury receivables from Group treasury of Carl Zeiss AG ./. Current liabilities excl. treasury payables to Group treasury of Carl Zeiss AG	258,766	194,021	-25.0 %
Working capital	Current assets ./. Current liabilities	495,084	518,187	+4.7 %

Table 3: Key ratios relating to financial position (figures in € '000)

Key ratio	Definition	9 Months 2011/2012	9 Months 2012/2013	Change
Cash flow per share	Cash flow from operating activities / Weighted average number of shares outstanding	€ 0.75	€ 0.38	-49.3 %
Capex ratio	Investment (cash) in property, plant and equipment / Consolidated revenue	2.1 %	1.2 %	-0.9 %-pts

[2] € 120 million as of 30 September 2012, included under the item "Other assets" in the statement of financial position; € 140 million as of 30 June 2013, included under the item "Treasury receivables" in the statement of financial position

4 Net assets

4.1 Presentation of net assets

The following chart summarizes the development of key items in the consolidated statement of financial position:

Figure 8: Structure of the consolidated statement of financial position (figures in € ’000)

Assets	30 June 2013	30 September 2012
Goodwill	**121,476**	121,627
Noncurrent assets*	**123,570**	132,417
Cash and cash equivalents**	**328,609**	250,915
Current assets***	**363,511**	457,916
Consolidated total assets	**937,166**	962,875

Liabilities and equity	30 June 2013	30 September 2012
Equity	**712,378**	695,797
Noncurrent liabilities	**50,855**	53,331
Current liabilities	**173,933**	213,747
Consolidated total liabilities	**937,166**	962,875

* excluding goodwill
** including treasury receivables
*** excluding cash and cash equivalents and treasury receivables

The total assets of Carl Zeiss Meditec as of 30 June 2013 amounted to € 937.2 million (30 September 2012: € 962.9 million).

On the asset side, other current financial assets decreased due to the expiry of the fixed-term deposits totaling € 120 million. At the same time, treasury receivables increased, due, among other things, to new fixed-term deposits of € 140 million. The distribution of the dividend reduced liquidity and thus decreased the item Treasury receivables in the statement of financial position, by € 32.5 million. Inventories increased during the first nine months of financial year 2012/2013, to € 157.3 million (30 September 2012: € 143.0 million), due, among other things, to the stockpiling of inventories as part of a comprehensive model change in the area of optical coherence tomography at the end of the year.

The equity in Carl Zeiss Meditec’s consolidated statement of financial position increased after the first nine months of the current financial year, to € 712.4 million (30 September 2012: € 695.8 million). The equity ratio increased to 76.0 % as of 30 June 2013 (30 September 2012: 72.3 %) and thus remained at a very comfortable level. Trade payables were lower at the end of the reporting period (30 June 2013), at € 28.8 million, than on 30 September 2012 (€ 36.9 million).

4.2 Key ratios relating to net assets

Table 4: Key ratios relating to net assets

Key ratio	Definition		30 September 2012	30 June 2013	Change
Equity ratio	Equity / Total assets		72.3 %	76.0 %	+3.7 %-pts
Rate of inventory turnover	Cost of goods sold (annualized) / Average inventories		2.9	2.7	-6.9 %
Days of sales outstanding (DSO)	Trade receivables including receivables from related parties / Consolidated revenue (annualized)	x 360 days	76.8 days	80.2 days	+4.4 %

5 Orders on hand

As of 30 June 2013, the Carl Zeiss Meditec Group's orders on hand increased to € 107.9 million (30 June 2012: € 103.1 million).

6 Events of particular significance

No events of material significance for the Company's net assets, financial position and results of operations occurred during the first nine months of financial year 2012/2013.

7 Employees

As of 30 June 2013, the Group had a workforce of 2,541 worldwide (30 June 2012: 2,448).

8 Research and development (R&D)

The Carl Zeiss Meditec Group once again further expanded its research and development activities in the first nine months of financial year 2012/2013, and invested a total of € 71.3 million (previous year: € 67.5 million) in R&D. The R&D ratio was 11.0 % (previous year: 10.7 %).

As of 30 June 2013, there were 407 research and development employees Group-wide. This corresponds to 16.0 % of the entire workforce of Carl Zeiss Meditec.

Research and development at Carl Zeiss Meditec mainly focuses on:

- Examining new technological concepts in terms of their clinical relevance and effectiveness, with the concept of "evidence-based medicine" playing an important role, i. e., we consider it extremely important to prove the efficacy of the developed diagnostic and treatment methods.
- The continuous development of the existing product portfolio;
- the development of new products and product platforms based on the available basic technologies and
- networking systems and equipment to increase the efficiency of diagnosis and treatment and to improve treatment results for patients.

In the reporting period Carl Zeiss Meditec therefore launched a whole new range of innovations, including in the area of applications and data management.

As a result, ophthalmologists can now analyse visual field data interactively, on any device, using the FORUM Glaucoma Workplace and the enhanced version of the FORUM Archive & Viewer 3.1, and, by combining structural and functional information, can improve their efficiency. From now on, customers shall also have mobile access to diagnostic patient data with the new FORUM Viewer App.

In addition, the new product CIRRUS™ photo 800/600 and the new model series Cirrus™ HD-OCT 5000/500 were launched in the area of optical coherence tomography in the first nine months of the current financial year.

CIRRUS™ photo 800/600
The new CIRRUS™ photo offers physicians and patients the opportunity to use the functions of two devices in a single application. It unites the rapid, precise OCT analysis with clear, informative images from the fundus camera. For physicians this leads to an improvement in the treatment process, and for patients it means more comfortable treatment.

Cirrus™ HD-OCT 5000/500
The new Cirrus™ HD-OCT 5000/500 is the successor to the previous model Cirrus™ HD-OCT 4000/400. It offers the highest resolutions and best visualization possibilities for complex applications, and also includes the new retina tracking system, Fast-Trac™. Now, if patients move during the scan, this does not affect the precision of the results.

9 Outlook

Including demographic changes and the resulting increase in the number of older people, as well as the improved access to basic medical care in rapidly developing economies (RDEs), the Company’s management is continuing to forecast good to excellent conditions, in the medium to long term, for continued increases in demand for products and system solutions from Carl Zeiss Meditec.

Following a weak start to the financial year, business in Ophthalmic Systems picked up significantly in the past few months. However, at the moment it is impossible to make a definite forecast as to whether the target for Ophthalmic Systems – to achieve growth on a par with market growth – will be achieved by the end of the current financial year. The competitive situation will probably remain tense in some fields of Ophthalmic Systems. Moreover, in line with anticipated restrained market development, lower growth rates are to be expected for Microsurgery. Both may tend to lead to a lower gross margin.

The Company’s management nevertheless assumes that the growth trend at Group level will be able to continue, given the good contributions to growth from Surgical Ophthalmology. The Company is therefore sticking firmly to its target of increasing revenue for the current financial year to within a range of € 880 million to € 910 million. This would correspond to growth of between two and almost six percent.

Compared with typical growth in the medical technology industry, Carl Zeiss Meditec has benefited, over the past few years, from substantially above-average growth rates, which exceeded the growth forecast for the medical technology industry. In the medium term we still anticipate revenue growth at least on a par with the market growth expected for the industry. We are adhering to our targets for 2015 of achieving an EBIT margin of 15 % and increasing the proportion of case-number-dependent roducts and services to 25 %.

The general economic environment and the resulting economic trends are highly important, and could have a material impact on the forecast from the current perspective. On the whole, however, we feel well equipped to face this challenge, due to our broad product range and the balanced distribution of our revenue across our various business regions.

DIRECTORS’ DEALINGS

1 Directors’ Dealings – notifiable securities transactions by members of the executive bodies of Carl Zeiss Meditec AG in the first nine months of financial year 2012/2013

In the first nine months of the current financial year members of the Management Board and one member of the Supervisory Board executed notifiable securities transactions pursuant to Section 15a German Securities Trading Act *(Wertpapierhandelsgesetz, WpHG)*.

On 21 May 2013, Supervisory Board member Dr Markus Guthoff sold 950 shares with a total value of € 23,154.00. On 17 May 2013 Management Board member Dr Christian Müller sold 2,000 shares with a total value of € 49,730.00. On 17 May 2013 Management Board member Dr Ludwin Monz also sold 1,000 shares with a total value of € 24,873.12.

On 22 January 2013 Supervisory Board member Jörg Heinrich sold 174 shares with a total value of € 4,069.86. On 18 January 2013, Supervisory Board member Dr Markus Guthoff sold 950 shares with a total value of € 22,460.16. In addition, Supervisory Board member Dr Michael Kaschke and his wife, Sylvia Kaschke, each sold 2,000 shares with a total value of € 47,140.00 and € 46,920.00, respectively, on 18 January 2013.

On 10 December 2012, the spouse of Supervisory Board Member Dr Wolfgang Reim, Julia Reim, sold 5,000 shares with a total value of € 109,000.87.

The details of all securities transactions executed by members of the Management Board and Supervisory Board are published immediately after their disclosure on the Company’s website at **www.meditec.zeiss.com/ir | Corporate Governance | Directors’ Dealings** in accordance with the prevailing legal requirements of Section 15b WpHG. The publication documents and the relevant disclosures are forwarded to the German Federal Financial Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin)*.

Consolidated income statement (IFRS) for the period from 1 October 2012 to 30 June 2013

(Figures in € '000)	**3rd quarter 2012/2013** 1 April 2013 – 30 June 2013	**3rd quarter 2011/2012** 1 April 2012 – 30 June 2012	**Financial year 2012/2013** 1 October 2012 – 30 June 2013	**Financial year 2011/2012** 1 October 2011 – 30 June 2012
Revenue	**206,085**	**199,019**	**649,042**	**630,817**
Cost of goods sold	(92,137)	(89,147)	(299,519)	(291,204)
Gross profit	**113,948**	**109,872**	**349,523**	**339,613**
Selling and marketing expenses	(50,210)	(49,115)	(154,994)	(153,533)
General and administrative expenses	(10,216)	(10,238)	(30,723)	(29,991)
Research and development expenses	(25,142)	(23,026)	(71,279)	(67,469)
Other expense	(17)	–	(17)	(30)
Earnings before interests, income taxes, depreciation and amortization	*33,012*	*31,526*	*105,690*	*102,661*
Depreciation and amortization	*4,649*	*4,033*	*13,180*	*14,071*
Earnings before interests and income taxes	**28,363**	**27,493**	**92,510**	**88,590**
Interest income	348	681	1,636	2,355
Interest expense	(1,855)	(1,429)	(4,684)	(4,304)
Foreign currency gains/(losses), net	6,667	(6,743)	12,155	(6,344)
Other financial result	1,355	620	2,974	1,794
Earnings before income taxes	**34,878**	**20,622**	**104,591**	**82,091**
Income tax expense	(10,679)	(6,551)	(33,680)	(25,247)
Net income	**24,199**	**14,071**	**70,911**	**56,844**
Attributable to:				
Shareholders of the parent company	23,883	13,507	66,130	52,798
Non-controlling interest	316	564	4,781	4,046
Profit/(loss) per share, attributable to the shareholders of the parent company in the current financial year (€): – Basic/diluted	**0.29**	**0.17**	**0.81**	**0.65**

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of comprehensive income (IFRS) for the period from 1 October 2012 to 30 June 2013

(Figures in € '000)	**3rd quarter 2012/2013** 1 April 2013 – 30 June 2013	**3rd quarter 2011/2012** 1 April 2012 – 30 June 2012	**Financial year 2012/2013** 1 October 2012 – 30 June 2013	**Financial year 2011/2012** 1 October 2011 – 30 June 2012
Net income	**24,199**	**14,071**	**70,911**	**56,844**
Other comprehensive income:				
Items, that may be reclassified subsequently to net income/loss:				
Foreign currency translation	(7,800)	15,415	(21,806)	13,750
Total of items that may be reclassified subsequently to net income/loss	**(7,800)**	**15,415**	**(21,806)**	**13,750**
Total of items that will not be reclassified to net income/loss	–	–	–	–
Other comprehensive income	**(7,800)**	**15,415**	**(21,806)**	**13,750**
Comprehensive income	**16,399**	**29,486**	**49,105**	**70,594**
Attributable to:				
Shareholders of the parent company	18,420	25,546	53,683	65,121
Non-controlling interest	(2,021)	3,940	(4,578)	5,473

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of financial position (IFRS) for the year ended 30 June 2013

(Figures in € '000)	30 June 2013	30 September 2012
ASSETS		
Goodwill	121,476	121,627
Other intangible assets	15,388	20,922
Property, plant and equipment	48,346	48,484
Investments	364	364
Deferred tax assets	42,284	47,198
Non-current trade receivables	4,073	4,393
Other non-current assets	13,115	11,056
Total non-current assets	**245,046**	**254,044**
Inventories	157,255	143,013
Trade receivables	125,880	136,662
Accounts receivable from related parties	62,949	42,718
Treasury receivables	324,420	241,389
Tax refund claims	1,302	2,380
Other current financial assets	6,475	124,064
Other current non-financial assets	9,650	9,079
Cash and cash equivalents	4,189	9,526
Total current assets	**692,120**	**708,831**
Total assets	**937,166**	**962,875**

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

(Figures in € '000)	30 June 2013	30 September 2012
LIABILITIES AND EQUITY		
Share capital	81,310	81,310
Capital reserve	313,863	313,863
Retained earnings	294,915	261,309
Gains and losses recognized directly in equity	(13,938)	(1,491)
Equity before non-controlling interest	676,150	654,991
Non-controlling interest	36,228	40,806
Total equity	**712,378**	**695,797**
Provisions for pensions and similar commitments	14,681	12,973
Other non-current provisions	10,831	12,583
Non-current financial liabilities	2,232	2,386
Non-current leasing liabilities	12,809	14,366
Other non-current non-financial liabilities	7,283	7,532
Deferred tax liabilities	3,019	3,491
Total non-current liabilities	**50,855**	**53,331**
Current provisions	28,597	29,728
Current accrued liabilities	59,708	65,126
Current financial liabilities	1,529	5,938
Current portion of non-current financial liabilities	456	6,432
Current portion of non-current leasing liabilities	1,858	1,787
Trade payables	28,765	36,935
Current income tax liabilities	8,756	10,723
Accounts payable to related parties	11,963	13,613
Treasury payables	4,443	14,597
Other current non-financial liabilities	27,858	28,868
Total current liabilities	**173,933**	**213,747**
Total liabilities	**937,166**	**962,875**

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of cash flows (IFRS) for the period from 1 October 2012 to 30 June 2013

(Figures in € '000)	**Financial year 2012/2013** 1 October 2012 – 30 June 2013	**Financial year 2011/2012** 1 October 2011 – 30 June 2012
Cash flows from operating activities:		
Net income	**70,911**	**56,844**
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Income tax expenses	33,680	25,247
Interest income/expenses	3,048	1,949
Depreciation and amortization	13,180	14,071
Gains/losses on disposal of fixed assets	(28)	136
Interest received	2,401	1,649
Interest paid	(1,291)	(1,579)
Income tax reimbursement	2,289	1,108
Income taxes paid	(33,820)	(30,137)
Changes in working capital:		
Trade receivables	(17,922)	(822)
Inventories	(21,317)	(12,184)
Other assets	(6,394)	235
Trade payables	(5,812)	(5,797)
Provisions and financial liabilities	(7,767)	5,665
Other liabilities	(514)	2,942
Total adjustments	(40,267)	2,483
Net cash provided by operating activities	**30,644**	**59,327**
Cash flows from investing activities:		
Investment in property, plant and equipment	(7,658)	(13,305)
Investment in intangible assets	(720)	(537)
Proceeds from fixed assets	221	153
Proceeds from fixed term deposits	120,000	–
Investments in fixed term deposits	(140,000)	(10,000)
Acquisition of IOL/OVD-business IMEX Clinic S.L., Spain	(1,907)	(12,759)
Net cash used in investing activities	**(30,064)**	**(36,448)**
Cash flows from financing activities:		
Change of short-term debt	58	198
Change of noncurrent financial liabilities	(6,382)	(307)
(Increase)/decrease in treasury receivables	45,443	(900)
Increase/(decrease) in treasury payables	(10,155)	5,112
Change of leasing liabilities	(1,337)	(1,297)
Dividend payments to shareholders of Carl Zeiss Meditec AG	(32,524)	(24,393)
Net cash provided by/(used in) financing activities	**(4,897)**	**(21,587)**
Effect of exchange rate fluctuation on cash and cash equivalents	(1,020)	5,793
Net increase/(decrease) in cash and cash equivalents	**(5,337)**	**7,085**
Cash and cash equivalents, beginning of reporting period	9,526	194,641
Cash and cash equivalents, end of reporting period	**4,189**	**201,726**

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of changes in equity (IFRS)

(Figures in € '000)	Share capital	Capital reserve	Retained earnings	Gains and losses recognized directly in equity Reserves from currency conversion	Equity before non-controlling interest	Non-controlling interest	Total equity
As of 1 October 2011	**81,310**	**313,863**	**213,832**	**(9,967)**	**599,038**	**35,031**	**634,069**
Foreign currency translation	–	–	–	8,476	8,476	1,253	9,729
Changes in value recognized directly in equity	**–**	**–**	**–**	**8,476**	**8,476**	**1,253**	**9,729**
Net income	–	–	71,870	–	71,870	4,522	76,392
Sum of comprehensive income for the period	**–**	**–**	**71,870**	**8,476**	**80,346**	**5,775**	**86,121**
Dividend payments	–	–	(24,393)	–	(24,393)	–	(24,393)
As of 30 September 2012	**81,310**	**313,863**	**261,309**	**(1,491)**	**654,991**	**40,806**	**695,797**
Foreign currency translation	–	–	–	(12,447)	(12,447)	(9,359)	(21,806)
Changes in value recognized directly in equity	**–**	**–**	**–**	**(12,447)**	**(12,447)**	**(9,359)**	**(21,806)**
Net income	–	–	66,130	–	66,130	4,781	70,911
Sum of comprehensive income for the period	**–**	**–**	**66,130**	**(12,447)**	**53,683**	**(4,578)**	**49,105**
Dividend payments	–	–	(32,524)	–	(32,524)	–	(32,524)
As of 30 June 2013	**81,310**	**313,863**	**294,915**	**(13,938)**	**676,150**	**36,228**	**712,378**

The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Notes to the consolidated interim financial statements

1. GENERAL INFORMATION

Accounting under International Financial Reporting Standards (IFRSs)

Carl Zeiss Meditec AG prepared its consolidated financial statements as of 30 September 2012 in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB), London, as applicable in the EU as of that date. Accordingly, this interim report has been prepared in accordance with IAS 34 "Interim Reporting".

Accounting and valuation principles

The accounting and valuation principles applied for the interim financial statements as of 30 June 2013 correspond to those applied for the consolidated financial statements for financial year 2011/2012, with the exceptions described below. A detailed description of these principles was published in the notes to the consolidated financial statements as of 30 September 2012.

Recent pronouncements on accounting principles

The Group was obliged to apply the following standards and interpretations for the first time at the beginning of this financial year:

Date of issue	Standard/Interpretation	Amendment/New statutory regulation
16 June 2011	Amendment IAS 1 "Presentation of Financial Statements"	Presentation of items of other comprehensive income

For all standards and interpretations applied for the first time there were no significant changes to the accounting and valuation methods, nor are such changes expected.

The IASB and IFRS IC also issued the following standards, interpretations and revisions of existing standards; however, application of these is not yet mandatory for Carl Zeiss Meditec. The Company did not opt to apply these standards early:

Date of issue	Standard/Interpretation	Amendment/New statutory regulation	Date of first mandatory application	Adopted by the EU
12 November 2009	IFRS 9 "Financial Instruments"	Classification and measurement of financial assets	Financial years beginning on or after 1 January 2015	no
28 October 2010	Revision IFRS 9 "Financial Instruments"	Additional requirements for the accounting of financial liabilities	Financial years beginning on or after 1 January 2015	no
12 May 2011	IFRS 10 "Consolidated Financial Statements"	Accounting regulations for the presentation of consolidated financial statements and notes on the principle of control	Financial years beginning on or after 1 January 2014	yes
12 May 2011	IFRS 11 "Joint Arrangements"	Additional requirements for joint arrangements and their accounting treatment	Financial years beginning on or after 1 January 2014	yes

Date of issue	Standard/Interpretation	Amendment/New statutory regulation	Date of first mandatory application	Adopted by the EU
12 May 2011	IFRS 12 “Disclosure of Interests in Other Entities”	Enhanced disclosure requirements for subsidiaries, joint ventures and associates, as well as unconsolidated structured entities	Financial years beginning on or after 1 January 2014	yes
12 May 2011	IFRS 13 “Fair Value Measurement”	Guidance on measurement and disclosures on the measurement of fair value	Financial years beginning on or after 1 January 2013	yes
12 May 2011	IAS 27 “Separate Financial Statements”	Guidance on the accounting treatment of investments in subsidiaries, associates and joint ventures in separate financial statements	Financial years beginning on or after 1 January 2014	yes
12 May 2011	IAS 28 “Investments in Associates and Joint Ventures”	Guidelines for the accounting treatment of associates and principles for applying the equity method	Financial years beginning on or after 1 January 2014	yes
16 June 2011	Amendment IAS 19 “Employee Benefits”	Accounting treatment of defined benefit pension plans, definition of the individual types of employee benefits and enhanced disclosure requirements	Financial years beginning on or after 1 January 2013	yes
19 October 2011	IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	Accounting treatment of overburden removal costs during the production phase in surface mining	Financial years beginning on or after 1 January 2013	yes
16 December 2011	Amendments IFRS 32 “Financial Instruments: Presentation”	Enhancement of the provisions for offsetting financial assets and liabilities	Financial years beginning on or after 1 January 2014	yes
16 December 2011	Amendments IFRS 7 “Financial Instruments: Disclosures”	Additional disclosures relating to the offsetting of financial assets and liabilities	Financial years beginning on or after 1 January 2013	yes
13 March 2012	Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards”	Specification of the accounting treatment of government loans with a below-market rate of interest	Financial years beginning on or after 1 January 2013	yes
17 May 2012	Improvements to IFRSs (2009–2011)	Amendments to Standards IFRS 1, IAS 1, 16, 32 and 34	Financial years beginning on or after 1 January 2013	yes
28 June 2012	Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	Enhancement of transition regulations to IFRS 10, 11 and 12	Financial years beginning on or after 1 January 2013	yes
31 October 2012	Amendment to IFRS 10, IFRS 12 and IAS 27 “Investment Entities”	Special regulations for financial statements of investment entities	Financial years beginning on or after 1 January 2014	no
20 May 2013	IFRIC Interpretation 21: Levies	Accounting treatment of levies imposed by governments	Financial years beginning on or after 1 January 2014	no
29 May 2013	Amendment to IAS 36 “Impairment of Assets”	Amendment of recoverable amount disclosures for non-financial assets following the adoption of IFRS 13	Financial years beginning on or after 1 January 2014	no
27 June 2013	Amendment to IAS 39 “Financial instruments: Recognition and Measurement”	Novation of derivatives and continuation of hedge accounting	Financial years beginning on or after 1 January 2014	no

Carl Zeiss Meditec is not expected to apply any of the standards listed above until the date of first mandatory application. According to the current state of knowledge, the future application of these standards is only expected to have material effects on the accounting and valuation with respect to IFRS 9, 13 and IAS 19. The specific effects of the first-time application of IFRS 9 are currently still under review. The other standards listed shall, in some cases, also lead to more extensive notes to the financial statements.

IFRS 13 “Fair Value Measurement” defines a single IFRS framework for measuring fair value. It also establishes extensive disclosure requirements for fair value measurement. IFRS 13 is applicable for the first time for financial years beginning on or after 1 January 2013. The effects of the amendments are not quantifiable at the present time.

The amendment to IAS 19 “Employee Benefits” provides for the elimination of options to recognize actuarial gains and losses. Carl Zeiss Meditec AG has used the corridor method up until now. Under this method actuarial gains or losses are only recognized through profit or loss on a pro rata basis, if the accumulated actuarial gains or losses exceed 10 % of the higher of the present value of the defined benefit obligation and the fair value of the plan assets. In future only the immediate recognition in equity under “Other result” in the statement of comprehensive income shall be permissible for this. New regulations shall also apply for the manner of recognition, among other things, of expected returns on plan assets, and the definition of the individual types of employee benefits. The disclosure requirements in the notes to the financial statements shall also be enhanced. The amendments are applicable for the first time for financial years beginning on or after 1 January 2013. A first-time application on 30 September 2012 would have resulted in a reduction in equity of € 25,825 thousand, corresponding to the total of unrecognized actuarial losses existing as of 30 September 2012. The accounting treatment of partial retirement agreements shall also be amended. No further material effects arising from the first-time application of the amended IAS 19 are anticipated.

2. PURCHASE AND SALE OF BUSINESS OPERATIONS

Financial year 2012/2013

Carl Zeiss EyeTec GmbH, Aalen, Germany
With effect from 1 December 2012 Carl Zeiss Meditec AG assumed from Carl Zeiss EyeTec GmbH (CZ EyeTec GmbH), Aalen, Germany, the necessary assets for the continuation of this company’s existing business operations. CZ EyeTec GmbH helps Carl Zeiss Meditec to select qualified suppliers and develops and optimizes optometric diagnostic equipment in collaboration with Carl Zeiss Meditec. The relevant assets (approx. € 0.1 million) and the employees and the related personnel commitments (approx. € 0.5 million) were transferred to Carl Zeiss Meditec AG’s strategic business unit “Ophthalmic Systems”. The purchase price amounts to around € -0.4 million. The resulting receivable from CZ EyeTec GmbH was settled, pursuant to the purchase agreement, in the second quarter of financial year 2012/2013.

This is a transaction under common control, as all companies involved are directly or indirectly majority-owned by Carl Zeiss AG. In line with the accounting method applied by Carl Zeiss Meditec, the transaction is carried at the prior carrying amounts. Accordingly, no hidden reserves or charges are disclosed. Consequently, the transaction does not give rise to any goodwill. Due to the small scope of the transaction in relation to the assets and liabilities of Carl Zeiss Meditec AG this purchase is considered insignificant.

Financial year 2011/2012

IMEX Clinic S.L., Paterna, Spain
On 21 September 2011, Carl Zeiss Meditec Iberia, S.A., concluded a purchase agreement with medical distribution and service company IMEX Clinic S.L., Paterna, Spain (IMEX), and Dismedica S.A., Las Arenas/ Bilbao, Spain, which regulated the purchase of assets and the transfer of employees in connection with the distribution and support of intraocular lenses (IOLs) and viscoelastics (OVDs).

The purchase price amounted to € 16.4 million and consisted, in addition to a fixed sum of € 9.0 million, of a discounted contingent earn-out component of € 3.6 million and a price for the assumed inventories of € 3.8 million. Pursuant to the agreement, the fixed price components were paid in two separate tranches of € 4.5 million, one at the beginning of October 2011, and the other at the date of acquisition. The agreed price for the inventories was paid in November 2011. The earn-out component is payable in three tranches over 30 months starting from the acquisition date, and shall depend on the success of the assumed business. The calculation of the earn-out is based on the achievement of defined revenue targets for the subsequent 30 months. This is based on the assumption that the gross margin is mainly stable during this period and there is no major fluctuation in the absorbed workforce. In the case of significant deviations from the expected gross margin and major fluctuations in employee numbers, the revenue-based earn-out shall be discounted. A calculation shall be performed based on the actual earnings contributions at the end of a period in each case, after one year, after two years and after thirty months following the acquisition date. The discounted expected earn-out of € 3.6 million results from an achievement of the target earnings contribution of 80 % or 87 %. The contractual margin of fluctuation of the earn-out has a lower limit of € 0 and, in the case of over-achievement of the specified targets, is not limited to € 3.6 million, but is theoretically infinite.

The fair value of the goodwill resulting from the acquisition is unchanged compared with 30 September 2012, at € 7.8 million. There was also no evidence of impairment for the assumed intangible assets and inventories in financial year 2012/2013 to 30 June 2013.

In December 2012 the first tranche of the earn-out component was paid to the seller in the amount of € 1.9 million. This basically corresponds, as anticipated, to a target achievement of around 82 %. There remains a contingent, discounted purchase price payment, pursuant to IFRS 3 B54 (g) (i), of € 2.0 million, which is based on the same expectation for the future earnings contribution as compared with 30 September 2012. This amount of € 2.0 million includes, since the acquisition date, expenses from the interest cost of the obligation of € 0.3 million, which were recognized in financial year 2011/2012 (€ 0.2 million) and in financial year 2012/2013 to 30 June 2013 (€ 0.1 million) under “Interest expenses”.

3. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Operating segments

The Group has three operating segments, which also represent the Group’s Strategic Business Units (“SBUs”). The **Ophthalmic Systems** and **Surgical Ophthalmology** SBUs comprise the activities of Carl Zeiss Meditec in the ophthalmic market. Ophthalmic Systems include medical laser and diagnostic systems. The Surgical Ophthalmology SBU unites the Company’s activities in the field of intraocular lenses and consumables. The activities in the field of neuro, ear, nose and throat surgery are presented in the **Microsurgery** segment (the former Neuro/ENT surgery SBU). Surgical visualization solutions in the area of ophthalmic surgery and activities in the field of intraoperative radiation are also allocated to this SBU. Internal management reports are evaluated by the CEO at least every quarter for each of the Strategic Business Units.

The operating segments for the reporting period are as follows:

(in € ’000)	**Ophthalmic Systems**		**Surgical Ophthalmology**		**Microsurgery**		**Total**	
	9 Months 2012/2013	**9 Months 2011/2012**	**9 Months 2012/2013**	**9 Months 2011/2012**	**9 Months 2012/2013**	**9 Months 2011/2012**	**9 Months 2012/2013**	**9 Months 2011/2012**
External revenue	266,826	266,308	92,735	79,816	289,481	284,693	649,042	630,817
EBIT	4,194	21,184	13,009	6,324	75,307	61,082	92,510	88,590
Reconciliation of the segments’ comprehensive income to the Group’s period-end result.								
Comprehensive income of the segments							**92,510**	**88,590**
Consolidated earnings before interest and taxes (EBIT)							**92,510**	**88,590**
Financial result							12,081	(6,499)
Consolidated earnings before income taxes							**104,591**	**82,091**
Income tax expense							(33,680)	(25,247)
Consolidated net income							**70,911**	**56,844**

Basicly there were no intersegment sales between the SBUs.

The segment assets show no significant changes compared with the disclosures in the notes to the last consolidated annual financial statements. Nor is this the subject of internal management reports.

Related party disclosures
In the reporting period 2012/2013, transactions with related parties result in revenue of € 173,392 thousand (previous year: € 160,000 thousand). The term “related parties” refers here to Carl Zeiss AG and its associated companies.

4. EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

There were no events of particular significance after the end of the reporting period 30 June 2013.

Important financial dates and contacts

1 FINANCIAL CALENDAR

Date	Financial year 2012/2013
5 December 2013	Annual Financial Statements 2012/2013
5 December 2013	Analyst's Conference, Frankfurt am Main

2 CONTACTS

Carl Zeiss Meditec AG

Investor Relations
Henriette Meyer

Phone: +49 36 41 22 01 06
Fax: +49 36 41 22 01 17
investors.meditec@zeiss.com

Concept and editing by:
Henriette Meyer, Lisa Boose

Visual concept and design by:
Publicis Erlangen, Zweigniederlassung der PWW GmbH, Erlangen, Germany
www.publicis.de

Translation service by:
Herold Fachübersetzungen, Bad Vilbel, Germany
www.heroldservice.de

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www.meditec.zeiss.com/ir

Carl Zeiss Meditec AG
Goeschwitzer Strasse 51–52
07745 Jena
Germany

Phone: +49 36 41 22 01 15
Fax: +49 36 41 22 01 17
investors.meditec@zeiss.com
www.meditec.zeiss.com/ir