9 Month Report 2013/2014
Carl Zeiss Meditec

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Group highlights in the first 9 months of financial year 2013/2014

€ 674 million

Revenue up by almost 4 % after first nine months 2013/2014. Currency effects continue to impair growth

Adjusted for currency effects, Carl Zeiss Meditec achieves revenue growth of 7.3 % in first nine months. Once again, "Surgical Ophthalmology" achieved the highest growth rate within the Group.

€ 72 million

R&D ratio remains high at 10.7 %. Further product innovations launched as key to sustainable growth

The launch of the OPMI LUMERA® 700 and RESCAN™ 700 saw the introduction of the first ophthalmic surgery microscope with integrated OCT technology, which offers surgeons a whole new range of intraoperative visualization possibilities by combining two established ZEISS gold standards.

13.7 %

EBIT margin down slightly compared with previous year; we shall adhere to our medium-term target of 15 %, subject to more supportive exchange rates

The EBIT margin is down slightly after the first nine months of 2013/2014, compared with the previous year's margin of 14.4 %. We shall adhere to our medium-term target of an EBIT margin of 15 % – if the exchange rate environment fails to improve, however, achieving the target could take longer than originally planned.

14.4 %

"Asia/Pacific" region achieves highest regional growth rate of approx. 14 % adjusted for currency effects

Strongest growth driver in this region was China; very positive development in South Korea and Australia.

22 %

Once again, "Surgical Ophthalmology" achieved the highest growth rates of approx. 22 %

"Surgical Ophthalmology" continues to benefit from a persistently strong demand for standard and premium IOLs, with an organic growth rate well into the double digits.

Content

Ladies and Gentlemen,
dear Shareholders,

Carl Zeiss Meditec generated revenue of about € 674 million in the past nine months of financial year 2013/2014. Based on constant exchange rates, this equates to growth of 7.3 percent. However, as was already the case in previous quarters, negative currency translation effects reduced revenue growth substantially by 3.5 percent, which means that, at the end of the day, growth compared to the same period of the previous year was 3.8 percent. Earnings before interest and taxes (EBIT) amounted to € 92.1 million, which approximated the previous year's level. The EBIT margin of 13.7 percent was slightly lower than in the same period of the previous year, when it totaled 14.4 percent.

All three strategic business units (SBUs) contributed to growth (adjusted for currency effects). Once again, the **"Surgical Ophthalmology"** SBU grew the most. Thanks to continuing high demand on the market for innovative intraocular lenses and the acquisition of Aaren Scientific, this SBU's revenues at the end of the third quarter were up by around 22 percent year-on-year. The **"Microsurgery"** SBU continued to have the strongest revenues, and improved its revenues slightly year-on-year despite a strong negative impact from currency translation. After adjustment for currency effects, business with surgical microscopes and visualization solutions grew by 5.9 percent. This growth is positive in view of the very reserved start to the year in this business unit. Revenues in the **"Ophthalmic Systems"** SBU in the first nine months were at around the same level as in the previous year, with a continued strong negative impact from exchange rates. Revenues in this SBU were up by 3.6 percent (adjusted for currency effects) on a market which continues to be characterized by intense competition.

Revenues by region show that, adjusted for currency effects, the **"APAC" ("Asia/Pacific")** region generated the highest growth rate. Revenues in this region were up by 6.8 percent, and after adjustment for currency translation this corresponds to double-digit growth of 14.4 percent. An overall stable development was achieved in the Americas. Although revenues fell by 2.9 percent in the reporting currency, after adjustment for currency translation they were up slightly by 0.7 percent. The balance for the **"EMEA"** region **("Europe, Middle East, Africa")** is more positive. However, as was already the case in prior quarters, the total growth rate of 7.7 percent stems from highly heterogeneous growth on the individual markets: Germany achieved a slight increase. Revenue in Southern Europe continued to recover. Business in Russia continued to slump, which is also attributable to the major state tenders in the same period of the previous year.

On the whole, our nine-month figures are very satisfactory. We can ascertain positive growth in large parts of our business and in all regions – albeit to different extents. Our business portfolio has a broad footing and coupled with our company's global presence this has helped us once again to compensate for individual problem zones. Carl Zeiss Meditec pioneers innovations – and that's just what our customers want. As a result, a key factor will be to use our prowess for innovations to create real added value with customer-oriented solutions.

We shall adhere firmly to our objective to increase revenue at least in line with market growth. At the current time, the Company's management forecasts total revenue of between € 910 and € 940 million, which would correspond to overall growth of 0.4 to 3.7 percent.

We are holding to our target of achieving an EBIT margin of 15 percent. We plan to reach this target by 2015. However, since setting this target in 2010 the relevant exchange rates for our company, in particular Japanese Yen to the Euro, have changed very negatively. If exchange rates fail to improve in the coming financial year, it could thus take longer than originally planned to reach our target.

I would like to thank you for the trust you have placed in us, and would be very pleased if you continue to provide us with your support.

Jena, August 2014

Yours sincerely,

Ludwin Monz

Dr. Ludwin Monz
President and CEO
Carl Zeiss Meditec AG

Consolidated management report for the interim financial statements

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.

The following changes occurred with respect to the Group's reporting entity and the structure of its consolidated financial statements in the first nine months of financial year 2013/2014:

At the end of the first quarter Carl Zeiss Meditec assumed 100 percent of the shares in the distribution and service company Optronik A.S. in Turkey. Carl Zeiss Meditec assumed Optronik's business activities with effect from 30 December 2013, as contractually agreed.

Furthermore, on 7 January 2014 Carl Zeiss Meditec acquired 100 % of the shares in US intraocular lens manufacturer, Aaren Scientific Inc., which is domiciled in Ontario/California. Aaren Scientific Inc. is a company engaged in the research, development, manufacture and global distribution of intraocular lenses and other ophthalmic surgery products for cataract surgery. Aaren Scientific Inc. has been integrated in the strategic business unit **"Surgical Ophthalmology"** and supplements the existing locations Berlin in Germany and La Rochelle in France. This acquisition is an important strategic step for Carl Zeiss Meditec in terms of generating further growth in the "Surgical Ophthalmology" SBU in future.

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, unless otherwise stated)

	9 Months 2012/2013	**9 Months 2013/2014**	Change
Revenue	649,042	673,723	+3.8 %
Gross margin	*53.9 %*	*53.5 %*	*-0.4 %-pts*
EBITDA	106,620	105,593	-1.0 %
EBITDA margin	*16.4 %*	*15.7 %*	*-0.7 %-pts*
EBIT	93,440	92,145	-1.4 %
EBIT margin	*14.4 %*	*13.7 %*	*-0.7 %-pts*
Earnings before income taxes	105,000	91,498	-12.9 %
Tax rate	*32.2 %*	*32.9 %*	*+0.7 %-pts*
Consolidated net income after non-controlling interests	66,446	57,462	-13.5 %
Earnings per share after non-controlling interests	€ 0.82	€ 0.71	-13.5 %

2.2 Consolidated revenue

Carl Zeiss Meditec increased its consolidated revenue in the first nine months of financial year 2013/2014, from € 649.0 million in the same period of the previous year, to € 673.7 million. Thus, revenue increased by 3.8 %. Adjusted for currency effects, growth in revenue was significantly higher at 7.3 %.

All three strategic business units and the three regions contributed to growth, after adjustment for currency effects, albeit to different extents. The highest growth rates were achieved in particular by the strategic business unit **"Surgical Ophthalmology"** and, at a regional level, by the **"Asia/Pacific"** region.

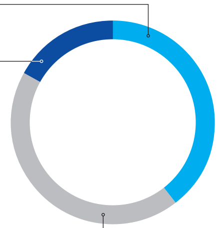
Currency effects had an adverse effect on growth, especially in the **"Asia/Pacific"** region.

a) Consolidated revenue by strategic business unit

Due to its significant growth, the **"Surgical Ophthalmology"** SBU's share of total revenue has now increased to 16.8 % after the first nine months of the current financial year (previous year: 14.3 %). The **"Ophthalmic Systems"** SBU accounted for 39.6 % (previous year: 41.1 %) of consolidated revenue, while the **"Microsurgery"** SBU accounted for 43.6 % (previous year: 44.6 %).

Figure 1: Share of strategic business units in consolidated revenue in the first nine months of financial year 2013/2014

Ophthalmic Systems SBU	**39.6 %**
Surgical Ophthalmology SBU	**16.8 %**
Microsurgery SBU	**43.6 %**



Revenue in the **"Ophthalmic Systems"** SBU decreased slightly by 0.1 % to € 266.5 million after the first nine months (previous year: € 266.8 million). The environment remains difficult due to intense competition, particularly in the diagnostic instruments sector. At the same time, revenue growth continues to be impacted by persistently high exchange rate losses: revenue grew by 3.6 %, based on constant exchange rates. The refractive laser business continued to develop well.

The **"Surgical Ophthalmology"** SBU increased its revenue again in the double digit range by 22.2 % (adjusted for currency effects: 22.1 %) and generated 9-month revenue of € 113.3 million (previous year: € 92.7 million). Even without taking the consolidation of Aaren Scientific Inc. into account, the SBU achieved a clear double-digit percentage organic growth rate. This business remained largely unaffected by exchange rate fluctuations. The business unit continued to benefit in particular from the growing demand for innovative intraocular lenses and multifocal and toric premium lenses for minimally invasive cataract surgery. The AT LISA® tri toric lens, an advancement of the AT LISA® tri, with additional astigmatism correction, has established itself very successfully in the market within the first few months of its launch.

The **"Microsurgery"** SBU increased its revenue by 1.5 % to € 293.9 million in the first nine months (previous year: € 289.5 million). Here again, currency effects had significant impact. Based on constant exchange rates, this strategic business unit recorded growth of 5.9 %. The strongest sales drivers were the surgical microscopes for neurosurgery and ENT surgery.

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

	9 Months 2013/2014 / 9 Months 2012/2013	
Ophthalmic Systems SBU	**266,504** 266,826	-0.1 %
Surgical Ophthalmology SBU	**113,325** 92,735	+22.2 %
Microsurgery SBU	**293,894** 289,481	+1.5 %
Consolidated revenue	**673,723** 649,042	

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

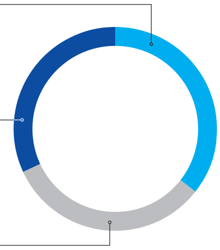
	9 Months 2013/2014 / 9 Months 2012/2013	
Ophthalmic Systems SBU	**266,504** 257,235	+3.6 %
Surgical Ophthalmology SBU	**113,325** 92,790	+22.1 %
Microsurgery SBU	**293,894** 277,586	+5.9 %
Consolidated revenue	**673,723** 627,611	

b) Consolidated revenue by region

The Carl Zeiss Meditec Group has a very balanced range of business activities worldwide, with each of its three strategic business regions generating around one third of its total revenue. After the first nine months 35.8 % of consolidated revenue was attributable to the region **"Europe, Middle East and Africa" ("EMEA")**. The **"Americas"** and **"Asia/Pacific" ("APAC")** regions accounted for 31.9 % and 32.3 %, respectively, of the Group's total revenue.

Figure 4: Share of regions in consolidated revenue in the first nine months of financial year 2013/2014

EMEA	**35.8 %**
Americas	**31.9 %**
Asia/Pacific	**32.3 %**



Revenue in the **"EMEA"** region increased by 7.7 % in the first nine months (adjusted for currency effects: 7.7 %), to a total of € 241.4 million (previous year: € 224.1 million). The core markets Germany, France and UK exhibited a positive trend. The countries of Southern Europe such as Spain, Italy, Greece and Portugal grew respectively. Middle East also made a positive contribution to revenue. Revenue growth in Russia – which contributed significantly to this region's revenue growth in the past two years, due to government investment schemes – was curtailed, as expected, by the expiry of these investment schemes.

In the **“Americas”** region, the Carl Zeiss Meditec Group generated revenue of € 214.7 million, resulting in slightly lower consolidated revenue compared with the previous year's total of € 221.1 million (-2.9 %), due mainly to unfavorable foreign exchange rate fluctuations. Based on constant exchange rates, business in this region grew slightly, by 0.7 %. Business in the USA was largely stable, however. The countries of South America continued to grow significantly.

The **“APAC”** region recorded the strongest growth in the past financial year at 14.4 %, adjusted for currency effects. However, currency effects continued to have a noticeable impact in this region, due, in particular, to the considerable volatility of the Japanese yen in the first nine months. Nevertheless, the region increased its revenue by 6.8 % in the first nine months, from € 203.8 million to € 217.6 million. China, South Korea and Australia proved to be the region's strongest growth drivers.

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

	9 Months 2013/2014	9 Months 2012/2013	
EMEA	**241,391**	224,142	+7.7 %
Americas	**214,745**	221,119	-2.9 %
Asia/Pacific	**217,587**	203,781	+6.8 %
Consolidated revenue	**673,723**	649,042	

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

	9 Months 2013/2014	9 Months 2012/2013	
EMEA	**241,391**	224,191	+7.7 %
Americas	**214,745**	213,228	+0.7 %
Asia/Pacific	**217,587**	190,192	+14.4 %
Consolidated revenue	**673,723**	627,611	

2.3 Gross profit

Gross profit amounted to € 360.1 million at the end of the first nine months of the current financial year (previous year: € 349.8 million). The corresponding margin for the period under review is 53.5 % (previous year: 53.9 %).

2.4 Functional costs

Functional costs amount to € 268.0 million in the first nine months of the current financial year (previous year: € 256.3 million). The ratio of functional costs to revenue remained almost constant, however, compared with the previous year, at 39.8 % (previous year: 39.5 %).

- **Selling and marketing expenses:** Selling and marketing expenses increased slightly in the first nine months of the current financial year, from € 154.8 million to € 163.8 million. The increase in selling and marketing expenses is primarily attributable to higher personnel expenses, the acquisitions of Aaren Scientific Inc. and Optronik A.S. and higher costs of trademark licenses proportionate to revenue. In relation to revenues, selling and marketing expenses increased to 24.3 % (previous year: 23.9 %).

- **General and administrative expenses:** Expenses in this area amounted to € 31.8 million in the first nine months (previous year: € 30.4 million). This increase is mainly due to the acquisitions of Aaren Scientific Inc. and Optronik A.S. The share of these expenses in revenue remained constant compared with the previous year, at 4.7 % (previous year: 4.7 %).

- **Research and development expenses (R&D):** Carl Zeiss Meditec continued to invest in R&D in order to further develop its product portfolio and ensure further growth. R&D expenses increased slightly in the first nine months, to € 72.3 million (previous year: € 71.1 million). The R&D ratio remained almost the same as in the previous year, at 10.7 % (previous year: 11.0 %).

2.5 Development of earnings

The Carl Zeiss Meditec Group uses earnings before interest and taxes (EBIT = operating result) as a key performance indicator. **EBIT** amounted to € 92.1 million for the period from October to June. This represents a slight decrease of 1.4 % year-on-year € 93.4 million). The **EBIT margin** was 13.7 % (previous year: 14.4 %).

Earnings before interest, taxes, depreciation and amortization **(EBITDA)** were almost the same as for the first nine months of the previous year, at € 105.6 million (previous year: € 106.6 million). The **EBITDA margin** was thus 15.7 % (previous year: 16.4 %).

Exchange rate gains from forward rate fixing were at € 0.09 million on 30 June 2014 and thus fell significantly year-on-year (previous year: € 12.2 million). In the third quarter of the current financial year, the result on currency transactions was negative due to the valuation of currency forward contracts.

The **tax rate** increased slightly year-on-year, from 32.2 % to 32.9 %. Generally, an average annual tax rate of between 32 % and 34 % is assumed.

In the first nine months basic **consolidated net income**[1] amounted to € 57.5 million (previous year: € 66.4 million). **Non-controlling interests** accounted for € 3.9 million of this (previous year: € 4.8 million). In the past nine months, basic **earnings per share of the parent company** thus amount to € 0.71 (previous year: € 0.82). This corresponds to an decrease of 13.5 % over the equivalent period last year. The main reason for this was the negative result on currency hedging in the third quarter, as opposed to a high gain from currency hedging in the previous year.

3 FINANCIAL POSITION

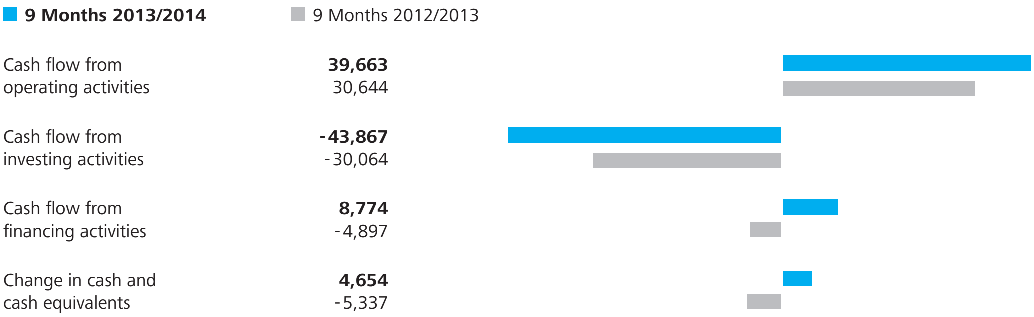
3.1 Statement of cash flows

The Carl Zeiss Meditec Group's statement of cash flows shows the origins and use of the cash flows during the reporting period. The statement of cash flows is also presented with adjustments for the effects of the acquisitions of Aaren Scientific Inc. and Optronik A.S. A distinction is made between cash flows from operating activities and cash flows from investing and financing activities.

Changes in individual items in the income statement and the statement of financial position are recorded in the statement of cash flows. In contrast, the consolidated statement of financial position presents the figures as they stood at the end of the reporting period on 30 June 2014. 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.

[1] Attributable to shareholders of the parent company

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



Cash flow from operating activities amounted to € 39.7 million in the reporting period (previous year: € 30.6 million). The higher cash inflow compared with the previous year is mainly attributable to a decrease in trade receivables compared with the increase in the previous year. A considerable contracting effect had the higher decrease in trade payables compared to the same period in the previous year and higher tax payments than in the previous year.

In the reporting period **cash flow from investing activities** amounted to € -43.9 million (previous year: € -30.1 million). It should be noted, that there was a higher outflow of cash during the first nine months of this financial year than in the previous year, due mainly to the acquisition of the longstanding distribution partner Optronik A.S. in Turkey and the U.S. intraocular lens manufacturer Aaren Scientific Inc.

Cash flow from financing activities in the first nine months of the current financial year amounts to € 8.8 million (previous year: € -4.9 million). The difference here is mainly due to a reduction of treasury receivables and liabilities from the treasury of Carl Zeiss Financial Services.

3.2 Key ratios relating to financial position

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

Key ratio	Definition	30 September 2013	**30 June 2014**	Change
Cash and cash equivalents	Cash-in-hand and bank balances	6,286	10,940	+74.0 %
Net cash	Cash-in-hand and bank balances + Treasury receivables from Group treasury of Carl Zeiss AG[2] ./. Treasury payables to Group treasury of Carl Zeiss AG	351,839	275,630	-21.7 %
Net working capital	Current assets including financial investments ./. Cash and cash equivalents ./. Treasury receivables from Group treasury of Carl Zeiss AG[3] ./. Current liabilities excl. treasury payables to Group treasury of Carl Zeiss AG	316,377	328,358	+3.8 %
Working capital	Current assets ./. Current liabilities	528,216	493,988	-6.5 %

Table 3: Key ratios relating to financial position

Key ratio	Definition	9 Months 2012/2013	**9 Months 2013/2014**	Change
Cash flow per share	Cash flow from operating activities / Weighted average number of shares outstanding	€ 0.38	€ 0.49	+29.4 %
Capex ratio	Investment (cash) in property, plant and equipment / Consolidated revenue	1.3 %	1.4 %	+0.1 %-pts

[2] 30 September 2013, including financial investments of € 149 million; 30 June 2014, including financial investments of € 118 million

[3] 30 September 2013, excluding financial investments of € 149 million; 30 June 2014, excluding financial investments of € 118 million

4 NET ASSETS

4.1 Presentation of net assets

Total assets amounted to € 1,001 million as of 30 June 2014 (30 September 2013: € 983 million).

ASSETS

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

	30 September 2013	**30 June 2014**
Goodwill	121,046	**153,452**
Non-current assets (excluding goodwill)	126,569	**161,003**
Current assets	735,459	**686,766**
Consolidated total assets	983,074	**1,001,221**

Noncurrent assets increased due to the increase in goodwill associated with the acquisition of Optronik A.S. and Aaren Scientific Inc. and to the increase in intangible assets, from € 247.6 million on 30 September 2013 to € 314.5 million on 30 June 2014.

There were significant changes in current assets as of 30 June 2014 (€ 686.8 million; 30 September 2013: € 735.5 million), attributable mainly to the reduction of treasury receivables from Carl Zeiss Treasury (€ 275.5 million, 30 September 2013: € 352.4 million), mainly from the acquisition of Optronik A.S. and Aaren Scientific Inc. Trade receivables decreased from € 150.0 million as of 30 September to € 138.0 million.

LIABILITIES AND EQUITY

Figure 9: Structure of the consolidated statement of financial position: liabilities (all figures in € '000)

	30 September 2013	**30 June 2014**
Non-current liabilities	60,517	**78,440**
Current liabilities	207,243	**192,778**
Equity	715,314	**730,003**
Consolidated total assets	983,074	**1,001,221**

The equity recognized in Carl Zeiss Meditec's consolidated statement of financial position amounts to € 730.0 million as of 30 June 2014 (30 September 2013: € 715.3 million). The equity ratio is 72.9 % (30 September 2013: 72.8 %) and thus remains high.

Noncurrent liabilities amounted to € 78.4 million as of 30 June 2014 (30 September 2013: € 60.5 million). Under current liabilities (€ 192.8 million; 30 September 2013: € 207.2 million) trade payables and liabilities to related parties decreased, due, among other things, to effects relating to the end of the reporting period.

4.2 Key ratios relating to net assets

Table 4: Key ratios relating to net assets

Key ratio	Definition	30 September 2013	30 June 2014	Change
Equity ratio	Equity (incl. non-controlling interests) / Total assets	72.8 %	72.9 %	+0.1 %-pts
Rate of inventory turnover	Cost of goods sold / Average inventories	2.9	2.6	-0.3
Trade receivables as a portion of revenue in the last 12 months	Trade receivables as of the end of the reporting period (net) (including non current receivables) / Rolling revenue of the last twelve months as of the balance sheet date	24.1 %	22.3 %	-1.8 %-pts

5 ORDERS ON HAND

As of 30 June 2014 orders on hand of the Carl Zeiss Meditec Group amounted to € 108.7 million, which corresponds to a slight increase of 0.7 % compared with the previous year (30 June 2013: € 107.9 million).

6 EVENTS OF PARTICULAR SIGNIFICANCE

At the end of the first quarter Carl Zeiss Meditec acquired its longstanding business partner Optronik A.S. in Turkey, which is domiciled in Ankara. In the past Optronik A.S. was the Company's exclusive distribution partner; it shall now be integrated into the global distribution and service network.

On 7 January 2014 Carl Zeiss Meditec acquired the US manufacturer of intraocular lenses, Aaren Scientific Inc., which is domiciled in Ontario/California. Aaren Scientific is integrated in the strategic business unit "Surgical Ophthalmology" and supplements the existing locations Berlin in Germany and La Rochelle in France. This acquisition is an important strategic step for Carl Zeiss Meditec in terms of generating further growth in the "Surgical Ophthalmology" SBU in future.

No further events of material significance for the net assets, financial position and results of operations of the Company occurred in the first nine months of financial year 2013/2014.

7 SUPPLEMENTARY REPORT

No events of material significance for the Group's net assets, financial position and earnings occurred after the end of the first nine months of financial year 2013/2014. The development of business at the beginning of the last quarter of financial year 2013/2014 validates the statements made in the "Outlook" below.

8 EMPLOYEES

As of 30 June 2014, the Group had a workforce of 2,947 worldwide (30 June 2013: 2,541). The increase is due in particular to the acquisition of Aaren Scientific Inc.

9 RESEARCH AND DEVELOPMENT

Research and development plays an important role within the Carl Zeiss Meditec Group. The Carl Zeiss Meditec Group has the necessary resources to secure the Company's future earnings strength with its research and development activities. The Company shall therefore continue to offer innovations in future that make leading technologies available for our customers, enable improvements in efficiency and continuously enhance treatment results for patients.

The Carl Zeiss Meditec Group once again further expanded its research and development activities in the first nine months of the current financial year, and invested a total of € 72.3 million (previous year: € 71.1 million) in research and development. At 10.7 % of sales revenue the R&D ratio remained almost constant in comparison to the previous year (11.0 %).

As of 30 June 2014, there were 431 research and development employees Group-wide (30 June 2013: 407). This corresponds to 14.6 % (30 June 2013: 16.2 %) of the Carl Zeiss Meditec Group's entire workforce.

Research and development at Carl Zeiss Meditec mainly focuses on:

- examining new technological concepts in terms of their clinical relevance and effectiveness. The concept of “evidence-based medicine” plays a major role in this, 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.

Once again, a number of innovations were launched on the market during the reporting period:

MEL® 90 Excimer Laser

The MEL® 90 is a new and improved excimer laser for laser vision correction. It enables a reduction in the depth of ablation and treatment times, and also ensures even greater reproducibility at the same time. The MEL® 90 guarantees gentle correction and excellent predictability, even in patients with very high or very low ametropia. The shorter treatment time increases comfort for both the patient and the surgeon.

ZEISS Cataract Suite markerless

The ZEISS Cataract Suite markerless enables a comprehensive, end-to-end workflow for cataract surgery with astigmatism correction, with all components working together in perfect harmony. It incorporates components such as the ZEISS IOLMaster® 500 for quick reference images of the eye, the comprehensive data management system FORUM®, the OR assistance system CALLISTO eye®, right through to the OPMI LUMERA® 700 surgical microscope. Surgeons can therefore devote their full attention to the surgical procedure and patients benefit from a more comfortable treatment.

VISALIS® 500 with APM™ mode

The new ultrasound modulation APM™ (Advanced Power Modulation) for the VISALIS® 500, the phacoemulsification device, is proving impressive in medical tests by significantly reducing phaco energy and increasing anterior chamber stability. For the patient this means better treatment outcomes and faster recovery of the eye after surgery, as well as a significantly shorter treatment time.

AT LISA® tri toric 939MP

The toric trifocal intraocular lens expands the Company's range of premium intraocular lenses. The AT LISA® tri toric 939MP is the first preloaded trifocal toric intraocular lens on the market. Following the extremely successful launch of the AT LISA® tri 839MP last year, ophthalmologists can now also give cataract patients with astigmatism an almost natural visual experience without glasses in the near, distance and intermediate range. Based on the LISA concept and its product platform, the AT LISA® tri toric also offers very good light transmission, as well as an innovative enhancement of asymmetric light distribution: for the patient this means very good vision, even in difficult light conditions, the preservation of contrast sensitivity and the reduction of halos and undesirable glare effects, which is particularly important at night.

OPMI LUMERA® 700 and RESCAN™ 700

This system for integrated intraoperative OCT imaging combines two of ZEISS's gold standard technologies. The system incorporates the OPMI LUMERA® 700 surgical microscope with the integrated OCT camera RESCAN™ 700. The system provides surgeons with top-quality OCT images of the eye, without the need for the surgeon to interrupt the operation to capture the images. The OCT images are superimposed over the microscope image in the eyepiece as three-dimensional real-time images, thus giving a view of anatomical details below the surface and making it possible to identify even transparent structures of the anterior and posterior segments of the eye. This means that the necessary preoperative OCT information is constantly available during the surgical procedure. Continuous OCT scanning also helps to improve the treatment results, as the surgeon can monitor progress and can review the outcome during the operation. The new device thus provides a better foundation for making decisions during surgery.

VISUPLAN® 500

Ophthalmologists and opticians have been provided with another way to optimize workflows with the launch of the ZEISS non-contact tonometer, VISUPLAN® 500. This device works with a small puff of air and enables physicians to examine their patients without the use of anesthetic or fluorescent dye. The technology is used to detect high intraocular pressure in patients, and thus the associated risk of contracting glaucoma, at an early stage of the examination process. Another advantage for the physician is that measurements can be routinely carried out at the practice very early on by practice or clinical staff, as part of preliminary assessments. The ZEISS VISUPLAN® 500 makes it easy to delegate measurement, as the measurement results are user-independent.

10 OUTLOOK

Carl Zeiss Meditec anticipates further growth in the medical technology market, as the main growth drivers – such as the growing global population, the rising number of older people, and the increasing proportion of the global population with access to medical care – shall endure.

If nothing else, the development of the global economy shall influence the growth of the medical technology industry. Private customers or public budgets may postpone their investment decisions until the future, or make them prematurely.

Based on the Company's balanced regional presence, its broad product portfolio and substantial investments in research and development, and in spite of imponderable macroeconomic conditions, the management assumes that there will be further revenue growth in the next two financial years that is at least on a par with the expected market growth for this industry.

The **"Ophthalmic Systems"** SBU is characterized by growing competitive pressure. Having largely redesigned our model range in optical coherence tomography at the beginning of the past financial year, as well as launching product innovations with refractive lasers, such as the ReLEx® smile procedure and the new excimer laser MEL® 90, we are in a strong position. At the same time we are expecting further product enhancements, with which we aim to maintain our competitive position. We are therefore working very hard to bring innovative products to market quickly and launch them successfully.

The **"Surgical Ophthalmology"** SBU continued to grow in the past three months. We expect this growth to continue in the financial year. To achieve this we need to exploit and exhaust any potential that remains in the markets in which we operate and further strengthen our market position through innovations. MICS lenses, which are already well established in the market, shall play a key role in this, as well as the injectors suitable for implantation. Carl Zeiss Meditec's AT LISA® tri, in combination with the BLUEMIXS™ 180 injector, are the only preloaded trifocal intraocular lenses which are capable of microincision surgery on the market. The recently launched toric version of the AT LISA® tri for astigmatism patients also continued to perform very well. The portfolio in the field of "Surgical Ophthalmology" has also been significantly expanded by the acquisition of Aaren Scientific Inc. at the beginning of the second quarter. Carl Zeiss Meditec therefore has an even more extensive product range for ophthalmic surgery, which, with the extended range of intraocular ranges, is the broadest in the industry. As a result, we are confident that we will be able to further increase our market shares in the current financial year.

We have an extraordinarily strong market position in the **"Microsurgery"** SBU. With our surgical microscopes OPMI® Pentero® for neuro, spinal and plastic surgery, the OPMI LUMERA® for surgical procedures on the eye, which we recently combined successfully with our OCT technology into a new system, and the OPMI® VARIO, which is used in ENT surgery and other areas, we are well diversified and are exploiting the associated market opportunities to an even greater degree by upgrading the products in terms of additional supporting applications for the user. We expect the "Microsurgery" SBU to continue to make significant contributions to earnings in future. We are confident that we will be able to defend our market shares in the current financial year.

As a global Group, our continued aim in the years ahead shall be to maintain as balanced a distribution of revenue as possible across our individual markets. Carl Zeiss Meditec currently generates around one third of its revenue in each of its three strategically important business regions: **"EMEA"**, the **"Americas"** and **"APAC"**.

Given the generally favorable conditions for market development in the medium and long term, and the good strategic position of the Company, the Group's management assumes that revenue will continue to grow in the current financial year, provided that general economic conditions remain stable. We anticipate revenue growth that is at least on a par with the market growth expected for the industry.

The management's current prediction for this financial year continues to be total revenue of between € 910 and € 940 million, which would equate to total growth of 0.4 % to 3.7 %.

A crucial advantage for even greater stability of our overall business is a higher proportion of revenue with case-number-dependent products and services (recurring revenue), since there is generally less fluctuation in these areas than in the capital goods business, for example. From a current perspective, we expect a further increase in recurring revenue in financial year 2013/2014. In the medium term we still aim to increase this share of revenue to around 30 % of consolidated revenue.

In the first quarter the EBIT margin amounted to 13.7 %. We shall adhere to our medium-term target of an EBIT margin of 15 %. Since setting this target in 2010, however, there have been some very unfavorable developments in exchange rates (especially EUR/JPY with a devaluation of more than 20 % in the same period of the previous year). If the exchange rate environment does not improve, it could take longer to reach this target, as matters stand, than originally planned.

If there are any significant changes in the economic environment currently forecast in the last quarter of the current financial year and should it thus become necessary to amend the statements made here on business development from today's perspective, we shall publish these amendments promptly and specify our expectations in more detail.

11 DIRECTORS' DEALINGS – NOTIFIABLE SECURITIES TRANSACTIONS BY MEMBERS OF THE EXECUTIVE BODIES OF CARL ZEISS MEDITEC AG IN THE FIRST NINE MONTHS OF FINANCIAL YEAR 2013/2014

In the first nine months of the current financial year no member of the Management Board or Supervisory Board and no individual closely related to a member of the Management Board or Supervisory Board executed any notifiable securities transactions pursuant to Section 15a German Securities Trading Act *(Wertpapierhandelsgesetz, WpHG)*.

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)*.

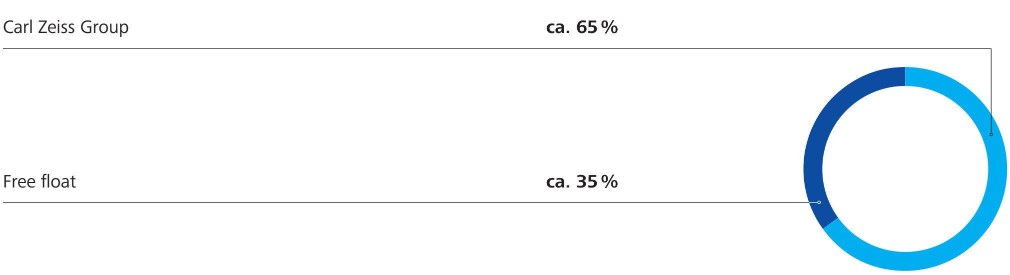
At the current time, no Company shares are held by members of the Management Board or Supervisory Board of Carl Zeiss Meditec AG.

12 VOTING RIGHTS ANNOUNCEMENTS

In accordance with Section 26 (1) WpHG Carl Zeiss Meditec published on 27 June 2014, that ODDO Asset Management, Paris, France, advised Carl Zeiss Meditec AG, Jena, Germany on 26 June 2014 pursuant to Section 21 (1) WpHG that on 25 June 2014 their share of voting rights in Carl Zeiss Meditec AG went above the threshold of 3 %. The percentage of voting rights amounted to 3.04 % (corresponding to 2,469,819 voting rights) on this date.

13 SHAREHOLDER STRUCTURE

Figure 10: Shareholder structure of Carl Zeiss Meditec AG (as of 30 June 2014)



Consolidated income statement (IFRS) for the period from 1 October 2013 to 30 June 2014

(Figures in € '000)

	3rd quarter 2013/2014 1 April 2014 – 30 June 2014	3rd quarter 2012/2013* 1 April 2013 – 30 June 2013	Financial year 2013/2014 1 October 2013 – 30 June 2014	Financial year 2012/2013* 1 October 2012 – 30 June 2013
Revenue	**212,801**	**206,085**	**673,723**	**649,042**
Cost of goods sold	(94,964)	(92,049)	(313,613)	(299,254)
Gross profit	**117,837**	**114,036**	**360,110**	**349,788**
Selling and marketing expenses	(54,542)	(50,145)	(163,819)	(154,801)
General administrative expenses	(10,474)	(10,112)	(31,837)	(30,410)
Research and development expenses	(24,336)	(25,089)	(72,309)	(71,120)
Other expenses	–	(17)	–	(17)
Earnings before interests, income taxes, depreciation and amortization	*32,585*	*33,322*	*105,593*	*106,620*
Depreciation and amortization	*4,100*	*4,649*	*13,448*	*13,180*
Earnings before interests and income taxes	**28,485**	**28,673**	**92,145**	**93,440**
Interest income	679	348	1,586	1,636
Interest expense	(1,363)	(1,855)	(4,493)	(4,684)
Foreign currency gains/(losses), net	(3,436)	6,667	93	12,155
Other financial result	631	1,181	2,167	2,453
Earnings before income taxes	**24,996**	**35,014**	**91,498**	**105,000**
Income tax expense	(7,792)	(10,699)	(30,147)	(33,773)
Net income	**17,204**	**24,315**	**61,351**	**71,227**
Attributable to:				
Shareholders of the parent company	17,989	23,999	57,462	66,446
Non-controlling interest	(785)	316	3,889	4,781
Profit/(loss) per share, attributable to the shareholders of the parent company in the current financial year (€): – Basic/diluted	**0.22**	**0.30**	**0.71**	**0.82**

* The prior-year figures are adjusted due to amended IAS 19 regulations.

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 2013 to 30 June 2014

(Figures in € '000)

	3rd quarter 2013/2014 1 April 2014 – 30 June 2014	3rd quarter 2012/2013* 1 April 2013 – 30 June 2013	Financial year 2013/2014 1 October 2013 – 30 June 2014	Financial year 2012/2013* 1 October 2012 – 30 June 2013
Net income	**17,204**	**24,315**	**61,351**	**71,227**
Other comprehensive income:				
Items, that may be reclassified subsequently to net income/loss				
Foreign currency translation	4,352	(7,799)	(4,177)	(21,806)
Total of items that may be reclassified subsequently to net income/loss	**4,352**	**(7,799)**	**(4,177)**	**(21,806)**
Items, that will not be reclassified subsequently to net income/loss				
Actuarial gains (losses) on defined benefit pension plans	(836)	(1,105)	(5,896)	(2,051)
Total of items that will not be reclassified subsequently to net income/loss	**(836)**	**(1,105)**	**(5,896)**	**(2,051)**
Other comprehensive income	**3,516**	**(8,904)**	**(10,073)**	**(23,857)**
Comprehensive Income	**20,720**	**15,411**	**51,278**	**47,370**
Attributable to:				
Shareholders of the parent company	20,402	17,432	49,000	51,948
Non-controlling interest	318	(2,021)	2,278	(4,578)

* The prior-year figures are adjusted due to amended IAS 19 regulations.
The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

Consolidated statement of financial position (IFRS) as of 30 June 2014

(Figures in € '000)

	30 June 2014	30 September 2013*
ASSETS		
Goodwill	153,452	121,046
Other intangible assets	42,186	12,531
Property, plant and equipment	57,791	54,433
Investments	167	124
Deferred tax assets	54,909	52,828
Non-current trade receivables	4,713	5,421
Other non-current assets	1,237	1,232
Total non-current assets	**314,455**	**247,615**
Inventories	174,000	148,467
Trade receivables	137,962	150,000
Accounts receivable from related parties	65,319	62,701
Treasury receivables	275,520	352,412
Tax refund claims	6,261	310
Other current financial assets	2,355	6,384
Other current non-financial assets	14,409	8,899
Cash and cash equivalents	10,940	6,286
Total current assets	**686,766**	**735,459**
Total assets	**1,001,221**	**983,074**

* The prior-year figures are adjusted due to amended IAS 19 regulations.
The following notes to the consolidated financial statements are an integral part of the unaudited consolidated financial statements.

(Figures in € '000)

	30 June 2014	30 September 2013*
LIABILITIES AND EQUITY		
Share capital	81,310	81,310
Capital reserve	313,863	313,863
Retained earnings	343,638	322,765
Gains and losses recognized directly in equity	(47,520)	(39,058)
Equity before non-controlling interest	691,291	678,880
Non-controlling interest	38,712	36,434
Total equity	**730,003**	**715,314**
Provisions for pensions and similar commitments	43,739	32,747
Other non-current provisions	3,566	3,703
Non-current financial liabilities	1,503	1,820
Non-current leasing liabilities	10,195	11,969
Other non-current non-financial liabilities	6,897	7,863
Deferred tax liabilities	12,540	2,415
Total non-current liabilities	**78,440**	**60,517**
Current provisions	31,010	35,785
Current accrued liabilities	63,439	60,274
Current financial liabilities	4,652	2,717
Current portion of non-current financial liabilities	464	507
Current portion of non-current leasing liabilities	2,110	1,835
Trade payables	23,743	35,861
Current income tax liabilities	8,253	11,962
Accounts payable to related parties	17,700	19,833
Treasury payables	10,830	6,859
Other current non-financial liabilities	30,577	31,610
Total current liabilities	**192,778**	**207,243**
Total liabilities	**1,001,221**	**983,074**

* The prior-year figures are adjusted due to amended IAS 19 regulations.
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 2013 to 30 June 2014

(Figures in € '000)

	Financial year 2013/2014 1 October 2013 – 30 June 2014	Financial year 2012/2013* 1 October 2012 – 30 June 2013
Cash flows from operating activities:		
Net income	**61,351**	**71,227**
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Income tax expenses	30,147	33,773
Result from carve-out of microscopy business of Optronik A.S.	(146)	–
Interest income/expenses	2,907	3,048
Result from other participations	(18)	–
Depreciation and amortization	13,448	13,180
Gains/losses on disposal of fixed assets	394	(28)
Dividends received	18	–
Interest received	1,491	2,401
Interest paid	(945)	(1,291)
Income tax reimbursement	3,183	2,289
Income taxes paid	(44,244)	(33,820)
Other non-cash income	(1,327)	–
Changes in working capital:		
Trade receivables	13,916	(17,921)
Inventories	(24,238)	(21,317)
Other assets	(1,232)	(6,394)
Trade payables	(14,371)	(5,812)
Provisions and financial liabilities	1,583	(8,177)
Other liabilities	(2,254)	(514)
Total adjustments	(21,688)	(40,583)
Net cash provided by operating activities	**39,663**	**30,644**
Cash flows from investing activities:		
Investment in property, plant and equipment	(7,030)	(7,658)
Investment in intangible assets	(5,378)	(720)
Proceeds from fixed assets	278	221
Proceeds from fixed term deposits	140,000	120,000
Investments in fixed term deposits	(110,000)	(140,000)
Acquisition of IOL/OVD-business IMEX Clinic S.L., Spain	(1,939)	(1,907)
Acquisition of consolidated companies/businesses, net of cash acquired		
Optronik A.S., Turkey:	(10,800)	–
Aaren Scientific Inc., USA:	(51,206)	–
Carve-out of microscopy business of Optronik A.S.	2,208	–
Net cash used in investing activities	**(43,867)**	**(30,064)**
Cash flows from financing activities:		
Proceeds from/(repayment of) short-term debt	(1,010)	58
Proceeds from/(repayment of) non-current financial liabilities	(360)	(6,382)
(Increase)/decrease in treasury receivables	44,155	45,443
Increase/(decrease) in treasury payables	3,971	(10,155)
Change of leasing liabilities	(1,393)	(1,337)
Dividend payments to shareholders of Carl Zeiss Meditec AG	(36,589)	(32,524)
Net cash provided by/(used in) financing activities	**8,774**	**(4,897)**
Effect of exchange rate fluctuation on cash and cash equivalents	84	(1,020)
Net increase/(decrease) in cash and cash equivalents	**4,654**	**(5,337)**
Cash and cash equivalents, beginning of reporting period	6,286	9,526
Cash and cash equivalents, end of reporting period	**10,940**	**4,189**

* The prior-year figures are adjusted due to amended IAS 19 regulations.
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	Equity before non-controlling interest	Non-controlling interest	Total equity
As of 1 October 2012 as reported	**81,310**	**313,863**	**261,309**	**(1,491)**	**654,991**	**40,806**	**695,797**
Effects from the retrospective application of IAS 19 revised	–	–	1,849	(17,780)	(15,931)	–	(15,931)
As of 1 October 2012	**81,310**	**313,863**	**263,158**	**(19,271)**	**639,060**	**40,806**	**679,866**
Foreign currency translation	–	–	–	(17,564)	(17,564)	(9,996)	(27,560)
Changes in value recognized directly in equity	**–**	**–**	**–**	**(17,564)**	**(17,564)**	**(9,996)**	**(27,560)**
Net income	–	–	93,505	–	93,505	5,617	99,122
Sum of comprehensive income for the period	**–**	**–**	**93,505**	**(17,564)**	**75,941**	**(4,379)**	**71,562**
Dividend payments	–	–	(32,524)	–	(32,524)	–	(32,524)
As of 30 September 2013 as reported	**81,310**	**313,863**	**322,290**	**(19,055)**	**698,408**	**36,427**	**734,835**
Effects from the retrospective application of IAS 19 revised	–	–	(1,374)	(2,223)	(3,597)	7	(3,590)
As of 1 October 2013	**81,310**	**313,863**	**322,765**	**(39,058)**	**678,880**	**36,434**	**715,314**
Foreign currency translation	–	–	–	(2,566)	(2,566)	(1,611)	(4,177)
Changes in equity from the remeasurement of pensions liabilities	–	–	–	(5,896)	(5,896)	–	(5,896)
Changes in value recognized directly in equity	**–**	**–**	**–**	**(8,462)**	**(8,462)**	**(1,611)**	**(10,073)**
Net income	–	–	57,462	–	57,462	3,889	61,351
Sum of comprehensive income for the period	**–**	**–**	**57,462**	**(8,462)**	**49,000**	**2,278**	**51,278**
Dividend payments	–	–	(36,589)	–	(36,589)	–	(36,589)
As of 30 June 2014	**81,310**	**313,863**	**343,638**	**(47,520)**	**691,291**	**38,712**	**730,003**

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

INTERIM FINANCIAL STATEMENTS

Notes to the consolidated interim financial statements

1. GENERAL INFORMATION

Accounting under International Financial Reporting Standards (IFRS)

Carl Zeiss Meditec AG prepared its consolidated financial statements as of 30 September 2013 in accordance with the International Financial Reporting Standards (IFRSs) promulgated by 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 2014 correspond to those applied for the consolidated financial statements for financial year 2012/2013, 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 2013.

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
12 May 2011	IFRS 13 "Fair Value Measurement"	Guidance on measurement and disclosures on the measurement of fair value
16 June 2011	Amendment IAS 19 "Employee Benefits"	Accounting treatment of defined benefit pension plans, definition of the specific types of employee benefits and enhanced disclosure requirements
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
16 December 2011	Amendments IFRS 7 "Financial Instruments: Disclosures"	Additional disclosures relating to the offsetting of financial assets and liabilities
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
17 May 2012	Improvements to IFRS (2009–2011)	Amendments to Standards IFRS 1, IAS 1, 16, 32 and 34
28 June 2012	Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	Expansion of transition regulations to IFRS 10, 11 and 12

With the exception of the amendments to IFRS 13 and IAS 19, there were no significant changes to the accounting and valuation methods in connection with any standards and interpretations applied for the first time, nor are such changes expected.

IFRS 13 "Fair Value Measurement", which Carl Zeiss Meditec AG shall be obliged to apply prospectively from this financial year, specifies uniform guidelines for calculating fair value and enhances the disclosures in the notes on fair value measurement. The Standard does not, however, contain any requirements stipulating in which cases the fair value is to be applied. The first-time application of IFRS 13 did not have any material effect on the measurement of fair value by the Group. A number of specific disclosures concerning fair value are required under IAS 34.16A(j), in particular for financial instruments, and therefore affect the reporting period for the condensed consolidated interim financial statements. The Group presents these disclosures in Section 5.

The amendments to IAS 19 "Employee Benefits" shall generally be mandatory, with retrospective effect, for financial statements for financial years starting on or after 1 January 2013. Carl Zeiss Meditec AG has adjusted the figures reported for the previous year for the effects of the amendments to IAS 19. Overall, the amendments to IAS 19 have the following material effects at Carl Zeiss Meditec:

Pensions and similar obligations: Up until now the Group has applied the corridor method. With the abolition of the corridor method as a result of the amended IAS 19, actuarial gains and losses have an immediate effect in the consolidated statement of financial position and led to an increase in provisions for pensions and similar obligations and to a decrease in equity. In addition, pension obligations and plan assets are subject to a standard interest rate (Net Interest Approach).

Partial retirement obligations: Due to the amended definition under IAS 19, top-up contributions within the scope of partial retirement agreements are no longer to be carried in their full amount as liabilities at fair value, rather, the top-up contributions are accumulated on a pro rata basis over the respective active service years within the term of the agreement with the partially retired employees. This reduces the provisions for partial retirement.

The following table shows the effects of the application of IAS 19 on the main items in the consolidated statement of financial position as of 1 October 2012 and as of 30 September 2013.

(in € '000)

	30 September 2013	1 October 2012
Deferred income taxes	8,647	7,286
Other non-current assets	-6,144	-10,881
Assets	**2,503**	**-3,595**
Revenue reserves	475	1,849
Gains and losses recognized in other comprehensive income	-20,003	-17,780
Non-controlling interest	7	0
Equity	**-19,521**	**-15,931**
Provisions for pensions and similar commitments	22,113	14,944
Other non-current provisions	-89	-2,608
Liabilities	**2,503**	**-3,595**

The effects on the consolidated income statement for the period 1 October to 30 June 2013 are presented in the following table.

(in € '000)	9 Months Financial year 2012/2013 1 October 2012 – 30 June 2013
Cost of goods sold	265
Selling and marketing expenses	193
General administrative expenses	313
Research and development expenses	159
Earnings before interests and taxes	**930**
Other financial result	-521
Income tax expense	-93
Consolidated net income	**316**
thereof attributable to:	
Shareholders of the parent company	316
Non-controlling interest	0

The IASB and IFRS IC also issued the following standards, interpretations and revisions of existing standards; 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	Not yet specified	no
28 October 2010	Revision IFRS 9 "Financial Instruments"	Additional requirements for the accounting of financial liabilities	Not yet specified	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"	Expansion of requirements for joint arrangements and their accounting treatment	Financial years beginning on or after 1 January 2014	yes
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	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 December 2011	Amendment IAS 32 "Financial instruments: Presentation"	Amendment to provisions for offsetting financial assets and liabilities	Financial years beginning on or after 1 January 2014	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	yes
20 May 2013	IFRIC Interpretation 21: Levies	Accounting treatment of levies imposed by governments	Financial years beginning on or after 1 January 2014	yes
29 May 2013	Amendment to IAS 36 "Impairment of Assets"	Amended by recoverable amount disclosures for non-financial assets following the adoption of IFRS 13	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
27 June 2013	Amendment IAS 39 "Financial instruments: Recognition and Measurement"	Novation of derivatives and continuation of hedge accounting	Financial years beginning on or after 1 January 2014	yes
19 November 2013	Amendment IFRS 9 "Financial instruments"	Enhancement of Provisions on Hedge Accounting	Not yet specified	no
21 November 2013	Amendment IAS 19 "Employee Benefits"	Specification of the accounting treatment of employee contributions or third-party contributions for defined benefit plans	Financial years beginning on or after 1 July 2014	no
12 December 2013	Improvements to IFRS (2010–2012)	Amendments to Standards IFRS 2, 3, 8, 13, IAS 16, 24 and 38	Financial years beginning on or after 1 July 2014	no
12 December 2013	Improvements to IFRS (2011–2013)	Amendments to Standards IFRS 1, 3, 13, IAS 40	Financial years beginning on or after 1 July 2014	no
30 January 2014	IFRS 14 "Regulatory Deferral Accounts"	Interim standard for regulation of regulatory deferral accounts for transition to IFRS accounting	Financial years beginning on or after 1 January 2016	no
6 May 2014	Amendment IFRS 11 "Joint Arrangements"	Additional guidelines on the accounting presentation of an acquisition of an interest in a joint operation	Financial years beginning on or after 1 January 2016	no
12 May 2014	Amendment to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"	Guidelines on which methods can be applied for the depreciation of property, plant and equipment and the amortisation of intangible assets	Financial years beginning on or after 1 January 2016	no
28 May 2014	IFRS 15 "Revenue from Contracts with Customers"	Combination of existing standards and interpretations on revenue recognition (IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 13)	Financial years beginning on or after 1 January 2017	no
30 June 2014	Amendment to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"	Amendment to the accounting treatment of bearer plants	Financial years beginning on or after 1 January 2016	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. 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.

2. PURCHASE AND SALE OF BUSINESS OPERATIONS

Financial year 2013/2014

Optronik A.S., Ankara, Turkey
On 5 December 2013 a purchase agreement was concluded between Carl Zeiss Meditec AG and Mr. Ömer Engin Kalinyazgan, Ankara, Turkey, which provides for the purchase of 100 percent of the shares in the distribution and service company Optronik Optik Ve Elektronik Cihazlar Ticaret Ve Sanayi Anonim Sirketi , domiciled in Ankara, Turkey (hereinafter referred to as Optronik). As contractually agreed, Carl Zeiss Meditec assumed the company's business activities with effect from 30 December 2013 (acquisition date). With effect from 6 February 2014 the company was renamed Carl Zeiss Meditec Medikal Çözümler Ticaret ve Sanayi Anonim Şirketi ("Carl Zeiss Meditec Medikal").

Optronik was the exclusive trader for Carl Zeiss Meditec AG products in the Turkish medical sector, as well as for the products of the Microscopy division of Carl Zeiss AG. The latter mainly includes microscopes for the industrial sector, as well as the biomedical research sector. In addition to distributing the above-mentioned products, the business also encompasses product-related services for private and public customers. Up until the date of the transaction, the company was Carl Zeiss Meditec AG's exclusive distribution partner for the products mentioned.

This acquisition strengthens Carl Zeiss Meditec's business, particularly in Turkey, and it is a systematic investment in its distribution and service organization. The acquisition of Optronik means that Carl Zeiss Meditec AG shall be represented in the Turkish market by a team of established experts in the area of distribution and support, and shall offer customer-focused product solutions and related services.

The purchase price is € 12.9 million and consists of a fixed sum of € 11.5 million and a contingent earn-out component of € 1.4 million.

The fixed price component is in part dependent on key ratios in Optronik's statement of financial position according to Turkish accounting standards, and was calculated based on Optronik's audited statement of financial position as of the acquisition date. Pursuant to the agreement, the fixed price of € 11.5 million was paid at the end of December 2013; a small adjustment payment of € 0.1 million was made in February 2014 as part of the final purchase price calculation. The earn-out component shall be payable in one tranche one year from the acquisition date, and shall depend on the revenue of the assumed business. The calculation of the earn-out is based on the achievement of defined revenue targets for the subsequent 12 months. In the event of deviations from the expected revenue targets the earn-out shall be increased or decreased accordingly. The expected earn-out of € 1.4 million results from an achievement of the target earnings contribution of 100 %. 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 capped at € 2.2 million.

On 30 December 2013 Optronik and the seller, Mr. Ömer Engin Kalinyazgan, Ankara, Turkey, concluded a consultancy agreement, which regulates the rendering of relevant services to Optronik in the period of one year from the acquisition date. The agreement did not specify any remuneration. For this reason it is assumed that the consultancy services, which, based on a preliminary estimate, amount to significantly less than € 0.1 million, shall be compensated for with the earn-out payment. This results in a deduction in the same amount of the earn-out and the corresponding recognition of a prepaid expense under other current non-financial assets, which shall be reversed as an expense under general administrative expenses over the term of the agreement.

Prior to the merger, business relations existed between Carl Zeiss Meditec and Optronik in the form of supply and service transactions. At the acquisition date Carl Zeiss Meditec AG had outstanding trade receivables in the Medical Technology division from this period amounting to € 0.3 million, as well as outstanding sales commission liabilities, also amounting to € 0.3 million. These transactions, which Optronik accounted for identically, shall be treated separately from the acquisition of the assets and liabilities. These items were eliminated as part of consolidation in the consolidated financial statements as of 30 June 2014.

At the date of publication of the interim financial statements of Carl Zeiss Meditec AG as of 30 June 2014 the allocation of the purchase price to the assets and liabilities of the acquired company was not yet complete. The preliminary fair values of the identified assets and liabilities at the date of acquisition and the corresponding carrying amounts directly prior to the date of acquisition are as follows:

(in millions of €)

	Optronik A.S.	
	Fair value	Carrying amount
Intangible assets	4.3	–
Property, plant and equipment	0.1	0.1
Deferred income tax assets	0.2	0.2
Inventories	1.6	1.6
Trade receivables	3.0	3.0
Cash and cash equivalents	0.7	0.7
Total assets	**9.9**	**5.6**
Non-current provisions	0.3	0.3
Deferred income tax liabilities	0.9	–
Current provisions	0.2	0.2
Current accrued liabilities	0.5	0.5
Current income tax liabilities	0.3	0.3
Other current non-financial liabilities	0.2	0.2
Total liabilities	**2.4**	**1.5**
Net assets	**7.5**	**4.1**
Goodwill from acquisition	5.4	
Total costs of acquisition	**12.9**	
Cash received	0.7	
Capital outflow for purchase price components	(11.5)	
Net capital outflow to 30 June 2014	**(10.8)**	
Contingent purchase price payment pursuant to IFRS 3 B64 (g) (i)	(1.4)	

The change in fair values since the acquisition date is as follows:

(in millions of €)

	Optronik A.S.		
	Preliminary fair value 31 December 2013	Preliminary fair value 31 March 2014	Preliminary fair value 30 June 2014
Intangible assets	1.6	4.3	4.3
Property, plant and equipment	0.1	0.1	0.1
Deferred income tax assets	–	0.2	0.2
Inventories	1.6	1.6	1.6
Trade receivables	2.9	3.0	3.0
Other current non-financial assets	0.2	–	–
Cash and cash equivalents	0.7	0.7	0.7
Total assets	**7.1**	**9.9**	**9.9**
Non-current provisions	–	0.3	0.3
Deferred income tax liabilities	0.3	0.9	0.9
Current provisions	–	0.2	0.2
Current accrued liabilities	–	0.5	0.5
Current income tax liabilities	–	0.3	0.3
Other current non-financial liabilities	0.5	0.2	0.2
Total liabilities	**0.8**	**2.4**	**2.4**
Net assets	**6.3**	**7.5**	**7.5**
Goodwill from acquisition	6.6	5.4	5.4
Total costs of acquisition	**12.9**	**12.9**	**12.9**
Cash received	0.7	0.7	0.7
Capital outflow for purchase price components	(11.5)	(11.5)	(11.5)
Net capital outflow	**(10.8)**	**(10.8)**	**(10.8)**
Contingent purchase price payment pursuant to IFRS 3 B64 (g) (i)	(1.4)	(1.4)	(1.4)

The following additional information is provided on the acquired receivables:

(in millions of €)

	Fair value	Gross amount	Valuation allowances
Trade receivables	3.0	3.1	0.1

The preliminary goodwill identified from the acquisition of Optronik is mainly attributable to the anticipated synergy effects of the integration of the distribution and service business into the existing business.
It shall be allocated to all business units of the Carl Zeiss Meditec Group and to the Microscopy division.
As expected, goodwill shall not be deductible for tax purposes.

Effect of Optronik on Carl Zeiss Meditec's result

Since the acquisition Optronik has contributed € 3.6 million to the Group revenue recognized in the income statement. The acquired company's share of consolidated net income amounted to € 0.1 million. These shares relate exclusively to the Medical Technology division, since the Microscopy division was sold with effect from 1 January 2014, as detailed below. The presented amounts are not incremental; rather, in the previous year, they also contain the share of revenue and earnings generated with the former distribution partner, which, from this financial year, from the acquisition date, is recognized directly via Optronik as a distribution company of Carl Zeiss Meditec AG.

Pro forma account of the acquisition

Assuming that the presented acquisition had already been completed as of 1 October 2013, pro forma revenue would have amounted to € 675.5 million; pro forma consolidated net income would have amounted to € 61.6 million.

These pro forma figures were prepared solely for comparison purposes. They provide neither a reliable indication of the operating results that would actually have been generated had the acquisition taken place at the beginning of the period, nor of future results. These amounts contain only the shares of revenue and earnings generated by the Medical Technology business in financial year 2013/2014.

Disposal of the Microscopy business of Optronik

On 5 March 2014 a purchase agreement was concluded between Carl Zeiss Meditec Medikal (formerly Optronik) and Carl Zeiss Teknoloji Çözümleri Ticaret Limited Şirketi ("Carl Zeiss Teknoloji"), a Turkish subsidiary of Carl Zeiss AG, domiciled in Istanbul, Turkey, which foresees the sale of assets and liabilities and the transfer of employees to Carl Zeiss Teknoloji associated with the sale of the products and services of the Microscopy division. As contractually agreed, Carl Zeiss Teknoloji assumed the assets and liabilities retrospectively as of 1 January 2014. The purchase price amounts to € 2.2 million.

Due to the fact that the distribution of the purchase price among the assets and liabilities of the acquired Optronik is not yet complete, the carrying amounts of the identified assets and liabilities are also provisional at the date of sale of the Microscopy business. These are as follows:

(in millions of €)

	Microscopy business Carl Zeiss Meditec Medikal
	Carrying amount
Goodwill	0.7
Intangible assets	0.8
Inventories	0.4
Trade receivables	0.5
Total assets	**2.4**
Deferred income tax liabilities	0.2
Current provisions and liabilities	0.1
Total liabilities	**0.3**
Carrying amount of the sold net assets	**2.1**
Selling price	2.2
Net capital inflow to 30 June 2014	**2.2**

The gain on the disposal of € 0.1 million was recognized in the other financial result. The appropriateness of the selling price was assured by an independent third party based on a fairness opinion in accordance with the guidelines of IDW S 8.

Aaren Scientific Inc., Ontario, USA

On 7 January 2014 a purchase agreement was concluded between Carl Zeiss Meditec Inc., Dublin, USA, and the shareholders of Aaren Scientific Inc., which provides for the acquisition of 100 percent of the shares in Aaren Scientific Inc. (hereinafter referred to as Aaren), domiciled in Ontario/California, USA. As contractually agreed, the Carl Zeiss Meditec Group assumed the company's business activities with effect from the same date.

Aaren is a company engaged in the research, development, manufacture and global distribution of a portfolio of intraocular lenses and other ophthalmic surgery products for cataract surgery.

The broadening of the product range as a result of this acquisition facilitates the expansion of the Carl Zeiss Meditec Group's customer base, the addressing of new market segments, as well as the development of new geographical markets in the field of surgical ophthalmology.

The preliminary purchase price is € 51.4 million and is composed of preliminary fixed sum of € 44.1 million and an escrow amount of € 7.3 million, which has been deposited in a trust account.

The fixed price component is partly dependent on key ratios in Aaren's statement of financial position prepared in accordance with US-GAAP, and was calculated based on preliminary data available at the acquisition date. A final calculation of this component shall be performed during the course of financial year 2013/2014 based on Aaren's final statement of financial position at the acquisition date. The escrow amount serves to secure contractually regulated warranties and guarantees in a timeframe of 24 months after the acquisition date, for circumstances that date from the time before the merger. The preliminary fixed price was also paid, like the escrow amount, in January 2014. The escrow amount shall be released to the seller 24 months after the acquisition date, subject to any claims that may have been made during this period.

At the date of publication of Carl Zeiss Meditec AG's interim financial statements as of 30 June 2014 the allocation of the purchase price to the assets and liabilities of the acquired company was not yet complete. The preliminary fair values of the identified assets and liabilities at the date of acquisition and the corresponding carrying amounts directly prior to the date of acquisition are as follows:

(in millions of €)

	Aaren Scientific Inc.	
	Fair value	Carrying amount
Intangible assets	27.0	1.2
Property, plant and equipment	3.2	3.2
Deferred income tax assets	0.9	0.9
Inventories	3.2	3.2
Trade receivables	2.6	2.6
Other current assets	0.3	0.3
Cash and cash equivalents	0.2	0.2
Total assets	**37.4**	**11.6**
Other non-current non-financial liabilities	1.5	1.5
Deferred income tax liabilities	10.0	–
Current accrued liabilities	1.4	1.4
Trade payables	1.0	1.0
Other current non-financial liabilities	0.2	0.2
Total liabilities	**14.1**	**4.1**
Net assets	**23.3**	**7.5**
Goodwill from acquisition	28.1	
Total costs of acquisition	**51.4**	
Cash received	0.2	
Capital outflow for purchase price components	(51.4)	
Net capital outflow to 30 June 2014	**(51.2)**	

The following additional information is provided on the acquired receivables:

(in millions of €)

	Fair value	Gross amount	Valuation allowances
Trade receivables	2.6	3.1	0.5

The change in fair values since the acquisition date is as follows:

(in millions of €)

	Aaren Scientific Inc.	
	Preliminary fair value 31 March 2014	Preliminary fair value 30 June 2014
Intangible assets	26.7	27.0
Property, plant and equipment	2.2	3.2
Deferred income tax assets	0.2	0.9
Inventories	3.4	3.2
Trade receivables	2.7	2.6
Other current assets	0.3	0.3
Cash and cash equivalents	0.2	0.2
Total assets	**35.7**	**37.4**
Other non-current non-financial liabilities	1.5	1.5
Deferred income tax liabilities	9.5	10.0
Current accrued liabilities	1.1	1.4
Trade payables	1.0	1.0
Other current non-financial liabilities	0.2	0.2
Total liabilities	**13.3**	**14.1**
Net assets	**22.4**	**23.3**
Goodwill from acquisition	29.0	28.1
Total costs of acquisition	**51.4**	**51.4**
Cash received	0.2	0.2
Capital outflow for purchase price components	(51.4)	(51.4)
Net capital outflow to 30 June 2014	**(51.2)**	**(51.2)**

The expected identified goodwill from the acquisition of Aaren is mainly the result of the anticipated synergy effects of the company's integration into the existing surgical ophthalmology business. As expected, goodwill shall not be deductible for tax purposes.

Incidental acquisition costs in the amount of € 0.7 million were incurred in the second quarter of financial year 2013/2014. These were recognized under general administrative expenses.

Effect of Aaren on Carl Zeiss Meditec's result
Since the acquisition Aaren has contributed € 6.2 million to the Group revenue recognized in the income statement. The acquired company's share of consolidated net income amounted to € -0.5 million.

The contribution to earnings includes a positive effect of € 0.4 million before taxes. This results from the complete write-off, in the second quarter of financial year 2013/2014, of a licensing right to a third-party patent, as well as from the write-off of the corresponding obligation for future minimum license royalties.

Pro forma account of the acquisition
Assuming that the presented acquisition had already been completed as of 1 October 2013, pro forma revenue would have amounted to € 677.9 million; pro forma consolidated net income would have amounted to € 60.8 million.

These pro forma figures were prepared solely for comparison purposes. They provide neither a reliable indication of the operating results that would actually have been generated had the acquisition taken place at the beginning of the period, nor of future results.

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 AG to select qualified suppliers and develops and optimizes diagnostic optometry equipment in collaboration with Carl Zeiss Meditec AG. 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 within its 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 used by Carl Zeiss Meditec, the transaction is carried at the prior carrying amounts. Accordingly, no hidden reserves or charges are disclosed. Consequently, it 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, the purchase is considered negligible.

3. EFFECTS OF PURCHASES IN PREVIOUS YEARS

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. The fixed price components and the price of the inventories were paid in financial year 2011/2012. The earn-out component is payable in three tranches over 30 months starting from the acquisition date, and depends on the success of the assumed business.

In December 2012 the first tranche of the earn-out component was paid to the seller in the amount of € 1.9 million. The second and third tranches were paid in December 2013 and June 2014, respectively, in the amounts of € 0.7 million and € 1.2 million. A residual amount of the provision which was not required, in the amount of € 0.1 million, was reversed through profit or loss.

4. 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 AG 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		9 Months		9 Months		9 Months	
	2013/2014	2012/2013*	**2013/2014**	2012/2013*	**2013/2014**	2012/2013*	**2013/2014**	2012/2013*
External revenue	266,504	266,826	113,325	92,735	293,894	289,481	673,723	649,042
EBIT	2,908	4,515	17,439	13,051	71,798	75,874	92,145	93,440
Reconciliation of segments' comprehensive income to the Group's period-end result.								
Comprehensive income of the segments							**92,145**	**93,440**
Consolidated earnings before interest and taxes (EBIT)							**92,145**	**93,440**
Financial result							(647)	11,560
Consolidated earnings before income taxes							**91,498**	**105,000**
Income tax expense							(30,147)	(33,773)
Consolidated net income							**61,351**	**71,227**

* The previous year was adjusted due to the amendment to IAS 19.

As a general rule there were no intersegment sales between the SBUs.

The segment assets have not shown any 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 2013/2014, transactions with related parties result in revenue of € 198,164 thousand (previous year: € 173,392 thousand). The term "related parties" refers here to Carl Zeiss AG and its subsidiaries.

5. DISCLOSURES ON FAIR VALUE

The principles and methods for measuring at fair value are essentially the same as in the previous year. Detailed notes on the evaluation principles and methods are contained in the report from 30 September 2013.

The allocation of the fair values to the three categories of fair value hierarchy is based on the availability of observable market prices on an active market. The valuation categories are defined as follows:

Category 1
- Financial instruments traded on active markets, for which the listed prices were taken over unchanged for valuation.

Category 2
- Valuation is based on valuation methods for which the influencing factors used were derived directly or indirectly from observable market data.

Category 3
- Valuation is based on valuation methods for which the influencing factors used are not exclusively based on observable market data.

The table below provides an overview of the items in the statement of financial position measured at fair value:

(in € '000)

	30 June 2014			
	Carrying amount	Category 1	Category 2	Category 3
From held-for-trading financial assets	1,633	–	1,633	–
From held-for-trading financial liabilities	(4,102)	–	(4,102)	–

Carl Zeiss Meditec shall review at the end of each reporting period whether there are grounds for reclassification to or from a valuation category. In the reporting period there were no reclassifications amongst the valuation categories.

Reconciliation of items in the statement of financial position to the categories of financial instruments:

The fair value of the financial instruments measured at amortized cost, such as receivables and liabilities, is determined through discounting, taking into account a risk-based market interest rate with matching maturity. In comparison with 30 September 2013 there are no significant changes in the ratios between carrying amount and fair value with respect to non-current assets and liabilities. For reasons of materiality the fair value shall be equated to the carrying amount for current items in the statement of financial position.

6. EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

There were no events of particular significance post balance sheet date 30 June 2014.

Important financial dates and contacts

1 FINANCIAL CALENDAR

Date	Financial year 2013/2014
8 December 2014	Annual Financial Statements 2013/2014
8 December 2014	Analyst's Conference, Frankfurt am Main

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This report has been published on 14 August 2014.

The 9 Month Report 2013/2014 of Carl Zeiss Meditec AG has been published in German and English.

Both versions and the key figures contained in this report can be downloaded from the following address:

www.meditec.zeiss.com/ir

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