Q1

2014/15

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3 Month Report Carl Zeiss Meditec Group

Financial highlights (IFRS)

(Figures in € ’000, unless otherwise stated)

	3 Months 2014/15	3 Months 2013/14	3 Months 2012/13[4]
Revenue	**241,090**	**212,279**	**218,999**
Research and development expenses	***28,395***	***23,773***	***23,120***
Research and development expenses in % of consolidated revenue	***11.8%***	***11.2%***	***10.6%***
EBIT	**27,881**	**26,494**	**31,325**
EBIT in % of consolidated revenue	***11.6%***	***12.5%***	***14.3%***
EBIT (adjusted)[1]	**31,069**	**26,836**	**–**
EBIT (adjusted)[1] in % of consolidated revenue	***12.9%***	***12.6%***	***–***
Net income	***19,413***	***21,424***	***25,187***
Attributable to:			
Shareholder of parent company	18,327	20,098	23,327
Non-controlling interest	1,086	1,326	1,860
Profit per share[2] (in €)	***0.23 €***	***0.25 €***	***0.29 €***
Cash flows from operating activities	**-8,882**	**-6,030**	**7,013**
Cash flows from investing activities	**-6,272**	**-13,758**	**-3,421**
Cash flows from financing activities	**14,025**	**21,155**	**-861**
Total assets	1,065,838	962,820	946,862
Total equity	767,220	728,119	690,186
Total equity (in %)	72.0%	75.6%	72.9%
Net cash[3]	274,276	326,524	352,190
Number of employees (31 December)	**2,971**	**2,631**	**2,515**

[1] Exclusive additional strategic research investments in the field of ophthalmology;
The projects, which started and currently underway in this context require up-front investments over a period of at least three years.
[2] Profit/(loss) per share, attributable to the shareholders of the current financial year.
[3] Cash and cash equivalents plus treasury receivables from/payables to the group treasury of Carl Zeiss AG.
[4] Adjusted due to the amendment to IAS 19.

Content

Ladies and Gentlemen,
dear Shareholders,

After a satisfactory financial year overall, Carl Zeiss Meditec AG has made a successful start to the new reporting period. Compared with the rather slow beginning to the previous year, we increased our revenue in the first quarter of 2014/15, to € 241.1 million, with all three business units making a contribution. In addition to an encouraging overall business performance, the double-digit increase of 13.6 percent is partly due to currency effects – particularly the euro/dollar exchange rate – and partly to acquisition effects.

With earnings before interest and tax (EBIT) of € 27.9 million, the EBIT margin was 11.6 percent. The fact that the margin is lower than the previous year is mainly due to our more substantial investments in research and development. The Carl Zeiss Meditec Group has always relied upon a high level of innovation as a driver of growth, and therefore traditionally invests around 10 – 11 percent of its revenue in research and development activities. Back in December 2014 we announced that a larger strategic investment in a development project in the area of ophthalmology would lead to a temporary decline in our EBIT margin. Excluding the cost increase resulting from this, the EBIT margin would be slightly higher than in the previous year, at 12.9 percent.

In terms of its net result, the Carl Zeiss Meditec Group recorded a decline of 9.4 percent compared with the previous year, to € 19.4 million. The reason for this was significantly lower income from currency hedging transactions.

In the light of our strategy of being a true solution provider, we modified the organizational structure within the Carl Zeiss Meditec Group at the start of the financial year. As part of this, the "**Surgical Ophthalmology**" product range was expanded to include surgical microscopes for ophthalmic surgery and diagnostic equipment used preoperatively for cataract surgery. This SBU's share of revenue now moves within a similar range to that of the "**Microsurgery**" and "**Ophthalmic Systems**" SBUs, of around one third of consolidated revenue.

It is encouraging that all three strategic business units (SBUs) contributed to growth in the first quarter. Particularly noteworthy is the double-digit revenue growth of 22.4 percent to € 81.6 million achieved in the newly formed "**Surgical Ophthalmology**" SBU: Once again, the main driver was the huge demand for premium intraocular lenses. Equipment sales also made a significant contribution to the revenue increase in the first quarter, particularly surgical microscopes for ophthalmic surgery. Aided by currency effects, the "**Ophthalmic Systems**" SBU also achieved double-digit growth of 13.5 percent, to € 91.7 million. While the refractive laser and service business developed very well, the persistent competitive pressure in the area of diagnostic instruments continues to demand targeted cost reductions. The "**Microsurgery**" SBU also increased its revenue with the help of currency effects, by 4.6 percent, to € 67.8 million.

In regional terms, impetus for growth came – given the varying trends in the individual business regions, among other things – from the balanced distribution of revenue. In spite of a declining business in Russia, revenue in the **"EMEA"** region increased significantly, with very encouraging growth of 22.7 percent, to € 86.5 million, to which in particular Germany and the UK contributed with a strong growth rate. Revenue in the **"Americas"** region increased by 4.0 percent, to € 80.6 million, benefiting in particular from the strength of the US dollar. The largest contributions to growth in the **"APAC"** region in the first quarter came from China and Australia, while Japan continued to decline after the sharp increase in value added tax in the previous year. With a revenue increase of 15.1 percent, the **"APAC"** region accounted for a total of € 73.9 million of total revenue.

It remains our objective in the current financial year to grow at least as fast as the market. We aim to keep our EBIT margin within the target range of 13 to 15 percent for the whole year.

Even though the general economic and political situation is expected to remain uncertain, we shall look forward to the current financial year with optimism. The product innovations we launched over the past few months have been very well received. The new corporate structure shall enable us to continue to develop the close partnership we have with our customers in terms of the development of products to identify, investigate and treat diseases.

In this sense I would like to invite you to continue to accompany us on our chosen path and put your trust in us!

Jena, February 2015

Yours sincerely,

Ludwin Monz

Dr Ludwin Monz
President and CEO
Carl Zeiss Meditec AG

Consolidated management report for the interim financial statements[1]

1 SUMMARY

Carl Zeiss Meditec AG, Jena, Germany, is the parent company of the Carl Zeiss Meditec Group ("Carl Zeiss Meditec 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 three months of 2014/15:

On 22 December 2014, Carl Zeiss Meditec Inc., Dublin, USA, a wholly owned subsidiary of Carl Zeiss Meditec AG, Jena, Germany (ISIN: DE0005313704), concluded a cooperation agreement with the current shareholders of Oraya Therapeutics Inc., Newark, USA. Under this cooperation agreement, the Carl Zeiss Meditec Group shall, over a period of up to two years, provide funding for the further implementation of the growth strategy of Oraya Therapeutics Inc., and shall, in return, essentially receive rights to purchase shares until a majority holding is reached in Oraya Therapeutics Inc. after two years. In December 2014 such rights to assume shares in the company were acquired by way of a payment of € 2.0 million. Oraya has developed and commercialized an x-ray radiation therapy (Oraya Therapy™) to treat wet age-related macular degeneration (wet AMD). Oraya Therapy is available on the market in Germany, the UK and Switzerland. The strategic focus shall initially be on expanding the position in these three markets.

In addition, the organizational structure within the Carl Zeiss Meditec Group was modified at the beginning of financial year 2014/15. The previous organizational structure mainly summarized the locations of strategic business units (SBUs). In order to better substantiate our claim to be a solutions provider, the new organizational structure is consistently geared to customer groups. Accordingly, the composition of the product portfolio of the three strategic business units changed at the beginning of financial year 2014/15. Surgical microscopes for ophthalmic surgery shall no longer be part of the **"Microsurgery"** SBU in future; instead, these shall be assigned to the **"Surgical Ophthalmology"** SBU. Diagnostic products used preoperatively for cataract surgery were previously assigned to the **"Ophthalmic Systems"** SBU. These products have also been reallocated to the **"Surgical Ophthalmology"** SBU, as from the start of financial year 2014/15.

For better comparability it is assumed in the present management report that the modified organizational structure was already in place in the previous financial year, and thus the previous year's figures have been adjusted accordingly.

[1] This report contains certain forward-looking statements concerning the development of the Carl Zeiss Meditec Group. At the present time, we assume that these forward-looking statements are realistic. However, such forward-looking statements are based both on assumptions and estimates that are subject to risks and uncertainties, which may lead to the actual results differing significantly from the expected results. We therefore assume no liability for such a deviation. There are no plans to update the forward-looking statements for events that occur after the end of the reporting period. Apparent addition discrepancies may arise throughout this 3 month report due to mathematical rounding.

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)

	3 Months 2013/14	**3 Months 2014/15**	Change
Revenue	212,279	241,090	+13.6 %
Gross margin	*53.7 %*	*52.9 %*	*-0.8 %-pts*
EBITDA	30,540	32,494	+6.4 %
EBITDA margin	*14.4 %*	*13.5 %*	*-0.9 %-pts*
EBIT	26,494	27,881	+5.2 %
EBIT margin	*12.5 %*	*11.6 %*	*-0.9 %-pts*
EBIT (adjusted)[2]	26,836	31,069	+15.8 %
EBIT margin (adjusted)[2]	*12.6 %*	*12.9 %*	*+0.3 %-pts*
Earnings before tax	31,837	28,639	-10.0 %
Tax rate	*32.7 %*	*32.2 %*	*-0.5 %-pts*
Consolidated net income after non-controlling interests	20,098	18,327	-8.8 %
Earnings per share after non-controlling interests	€ 0.25	€ 0.23	-8.8 %

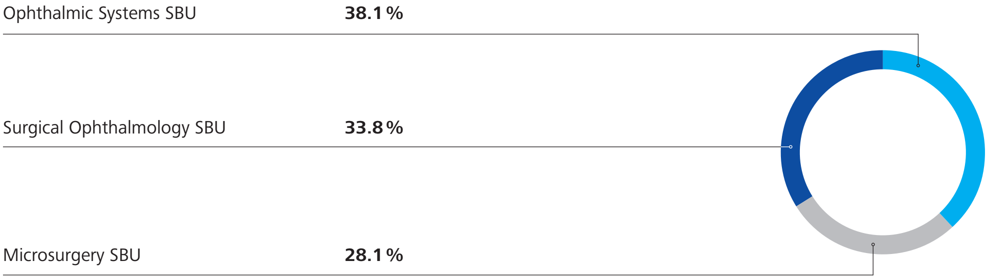
2.2 Consolidated revenue

The Carl Zeiss Meditec Group increased its revenue by 13.6 % in the first three months of financial year 2014/15, from € 212.3 million in the same period of the previous year, to € 241.1 million. Adjusted for currency effects, revenue increased by 10.8 %.

All three strategic business units and business regions contributed to the double-digit increase in revenue. The highest growth rates were achieved in particular by the strategic business unit **“Surgical Ophthalmology”** and, at a regional level, by the **“Europe, Middle East and Africa”** region. Currency effects continued to influence revenue growth, especially in the **“Americas”** region.

a) Consolidated revenue by strategic business unit
Due to the modification of the Group's organizational structure, the share of revenue generated by the **“Surgical Ophthalmology”** SBU in the first quarter of the current financial year amounts to 33.8 % of total revenue generated within the Group. This SBU's share of Group revenue therefore increased year-on-year by 2.4 percentage points (previous year 31.4 %). In the corresponding comparison with the previous year, the **“Ophthalmic Systems”** SBU once again accounted for 38.1 % of consolidated revenue. The **“Microsurgery”** SBU's share of consolidated revenue decreased, compared with the adjusted year-ago basis, from 30.5 % to 28.1 %.

Figure 1: Share of strategic business units in consolidated revenue in the first three months of financial year 2014/15



[2] Exclusive additional strategic research investments in the field of ophthalmology; existing projects and other projects initiated in this connection require up-front investments over a period of at least three years.

Revenue in the **"Ophthalmic Systems"** SBU increased by 13.5 % to € 91.7 million in the first quarter of 2014/15 (previous year € 80.8 million). A favorable currency trend also had a positive effect in this respect. Adjusted for currency effects, revenue increased by 8.6 %. The environment remains difficult due to the intense competitive pressure, particularly in the diagnostic instruments sector, and calls for further cost-cutting measures. The refractive laser business and services continued to make a positive contribution to the development of revenue in the **"Ophthalmic Systems"** SBU.

Revenue in the **"Surgical Ophthalmology"** SBU is up by 22.4 % after the first three months (adjusted for currency effects: 21.7 %), to € 81.6 million (previous year € 66.7 million). Even without taking the first-time consolidation of Aaren Scientific Inc. into account, the SBU achieved a clear double-digit percentage organic growth rate. This 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. Surgical microscopes for ophthalmic surgery also made a substantial contribution to the growth of this business unit.

The **"Microsurgery"** SBU increased its revenue by 4.6 % to € 67.8 million in the first three months (previous year € 64.8 million). Based on constant exchange rates, this strategic business unit recorded growth of 2.6 %. The strongest sales drivers were the surgical microscopes for neurosurgery and ENT surgery.

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

	3 Months 2014/15	3 Months 2013/14	
Ophthalmic Systems SBU	**91,742**	80,817	+13.5 %
Surgical Ophthalmology SBU	**81,570**	66,665	+22.4 %
Microsurgery SBU	**67,778**	64,797	+4.6 %
Consolidated revenue	**241,090**	212,279	

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

	3 Months 2014/15	3 Months 2013/14	
Ophthalmic Systems SBU	**91,742**	84,467	+8.6 %
Surgical Ophthalmology SBU	**81,570**	67,052	+21.7 %
Microsurgery SBU	**67,778**	66,077	+2.6 %
Consolidated revenue	**241,090**	217,596	

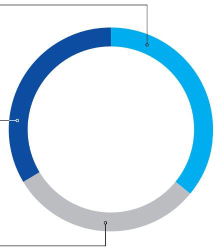
b) Consolidated revenue by region

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. In the first quarter of financial year 2014/15 in particular the **"Europe, Middle East and Africa (EMEA)"** region and the **"Asia/Pacific (APAC) region"**, respectively, achieved double-digit revenue increases.

After the first three months of financial year 2014/15, the **"EMEA"** region accounted for 35.9 % of consolidated revenue. The **"Americas"** and **"APAC"** regions generated 33.4 % and 30.7 %, respectively, of the Group's total revenue.

Figure 4: Share of regions in consolidated revenue in the first three months of financial year 2014/15

EMEA	**35.9 %**
Americas	**33.4 %**
APAC	**30.7 %**



The **"EMEA"** region increased its revenue by a total of 22.7 % in the first quarter (adjusted for currency effects: 22.6 %), to a total of € 86.5 million (previous year € 70.5 million). The core markets Germany, France and the UK exhibited a positive trend. As a whole the countries of Southern Europe, including Spain, Italy, Greece and Portugal, also continued to grow. Spain, in particular, performed well, due to pull-forward effects in the context of a VAT increase. The Middle East also made a positive contribution to revenue growth. Business in Russia continues to decline.

In the **"Americas"** region the Carl Zeiss Meditec Group generated revenue of € 80.6 million (previous year € 77.6 million). Revenue therefore increased by 4.0 %, primarily as a result of favorable currency trends (adjusted for currency effects: -3.3 %). The USA, in particular, was boosted by currency translation. Overall, the countries of South America continued to grow.

The **"APAC"** region grew by 15.1 % (adjusted for currency effects: 16.2 %), from € 64.2 million to € 73.9 million. China and Australia made significant contributions to growth. The countries of Southeast Asia and India also increased their revenue. Revenue in Japan continued to decline, as in the previous quarters.

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

	3 Months 2014/15	3 Months 2013/14	
EMEA	**86,549**	70,522	+22.7 %
Americas	**80,639**	77,568	+4.0 %
APAC	**73,902**	64,189	+15.1 %
Consolidated revenue	**241,090**	212,279	

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

	3 Months 2014/15	3 Months 2013/14	
EMEA	**86,549**	70,600	+22.6 %
Americas	**80,639**	83,398	-3.3 %
APAC	**73,902**	63,598	+16.2 %
Consolidated revenue	**241,090**	217,596	

2.3 Gross profit

Gross profit amounted to € 127.5 million at the end of the first three months of the current financial year (previous year € 114.0 million). The corresponding margin for the period under review is 52.9 % (previous year 53.7 %).

2.4 Functional costs

Functional costs amount to € 99.7million in the first three months of the current financial year (previous year € 87.5 million). The ratio of functional costs to revenue remained almost constant, however, compared with the previous year, at 41.3 % (previous year 41.2 %).

- **Selling and marketing expenses:** Selling and marketing expenses increased slightly in the first three months of the current financial year, from € 53.7 million to € 59.7 million. This increase is mainly due to the increase in revenue, the acquisitions of Aaren Scientific Inc. and Optronik A.S., as well as higher personnel expenses. In relation to revenues, selling and marketing expenses decreased from 25.3 % to 24.8 %.
- **General and administrative expenses:** Expenses in this area amounted to € 11.5 million for the first three months (previous year € 10.0 million). This absolute increase is mainly due to the acquisitions of Aaren Scientific Inc. and Optronik A.S. The ratio of these expenses to revenue remained almost the same compared with the previous year, at 4.8 % (previous year 4.7 %).
- **Research and development expenses (R&D):** The Group continuously invests in R&D, in order to further develop its product portfolio and ensure further growth. R&D expenses increased in the first three months, to € 28.4 million (previous year € 23.8 million). The R&D ratio increased to 11.8 % (previous year 11.2 %). The higher spending in research and development is mainly the result of additional strategic research investments in the area of ophthalmology. The projects started and currently underway in this regard require up-front investments over a period of at least three years. In the quarter just ended expenses for these projects amounted to € 3.2 million.

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 € 27.9 million for the period from October 2014 to end of December 2014. This corresponds to an increase of 5.2 % year-on-year (previous year € 26.5 million). The EBIT margin stood at 11.6 %, compared with 12.5 % last year. The decline in the **EBIT margin** year-on-year is mainly due to the rise in research and development costs. Adjusted for the increase in costs for the strategic research project in ophthalmology announced in December 2014, the EBIT margin would have been slightly higher than the previous year, at 12.9 percent.

Earnings before interest, taxes and depreciation **(EBITDA)** increased to € 32.5 million in the reporting period (previous year € 30.5 million). Relative to revenue, this results in an **EBITDA margin** of 13.5 % (previous year 14.4 %).

Foreign currency gains from the valuation and execution of currency hedging transactions were lower than the previous year, at € 1.1 million as of 31 December 2014 (previous year € 5.5 million). The **tax rate** remained relatively constant compared with the previous year, at 32.2 % (previous year 32.7 %). As a general rule, an average annual tax rate of between 31 % and 33 % is assumed.

Basic **consolidated net income**[3] amounted to € 18.3 million in the first three months (previous year € 20.1 million). **Non-controlling interests** accounted for € 1.1 million of this (previous year € 1.3 million). In the past three months, basic **earnings per share of the parent company** thus amount to € 0.23 (previous year € 0.25). This corresponds to a decrease of about 8.8 % compared with the same period of 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 utilization of the cash flows during the reporting period. A distinction is made between cash flows from operating activities and cash flows from investing and financing activities.

[3] Attributable to shareholders of the parent company

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 31 December 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.

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

	3 Months 2014/15	3 Months 2013/14
Cash flow from operating activities	**-8,882**	-6,030
Cash flow from investing activities	**-6,272**	-13,758
Cash flow from financing activities	**14,025**	21,155
Change in cash and cash equivalents	**9,594**	7,284

Cash flow from operating activities amounted to € -8.9 million in the reporting period (previous year € -6.0 million). The higher cash outflow compared with the previous year is mainly attributable to an increase in trade receivables of € 13.4 million, compared with a decrease of € 15.9 million the previous year. Cash flow from operating activities was also reduced in particular by a stockpiling of inventories in light of a number of new product launches, and a reduction in trade payables as of the end of the reporting period.

Cash flow from investing activities amounted to € -6.3 million in the reporting period (previous year € -13.8 million). The cash outflow here is due, among other things, to the rights acquired in the first quarter to assume shares in Oraya Therapeutics Inc. The lower cash outflow compared with the previous year is due to the takeover of longstanding distribution partner Optronik A.S. in the first quarter of the previous year.

Cash flow from financing activities in the first three months of the current financial year amounts to € 14.0 million (previous year € 21.2 million).

3.2 Key ratios relating to financial position

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

Key ratio	Definition	30 September 2014	**31 December 2014**	Change
Cash and cash equivalents	Cash-on-hand and bank balances	10,727	9,594	-10.6%
Net cash	Cash-in-hand and bank balances + Treasury receivables from Group treasury of Carl Zeiss AG[4] ./. Treasury payables to Group treasury of Carl Zeiss AG	293,319	274,276	-6.5%
Net working capital	Current assets including financial investments ./. Cash and cash equivalents ./. Treasury receivables from Group treasury of Carl Zeiss AG[5] ./. Current liabilities excl. treasury payables to Group treasury of Carl Zeiss AG	312,453	347,711	+11.3%
Working capital	Current assets ./. Current liabilities	495,772	511,987	+3.3%

[4] 30 September 2014, including financial investments of € 110 million; 31 December 2014, including financial investments of € 110 million
[5] 30 September 2014, excluding financial investments of € 110 million; 31 December 2014, excluding financial investments of € 110 million

Table 3: Key ratios relating to financial position

Key ratio	Definition	3 Months 2013/14	3 Months 2014/15	Change
Cash flow per share	Cash flow from operating activities / Weighted average of shares outstanding	-0.07 €	-0.11 €	-47.3 %
Capex ratio	Investment (cash) in property, plant and equipment / Consolidated revenue	1.6 %	1.3 %	-0.3 %-pts

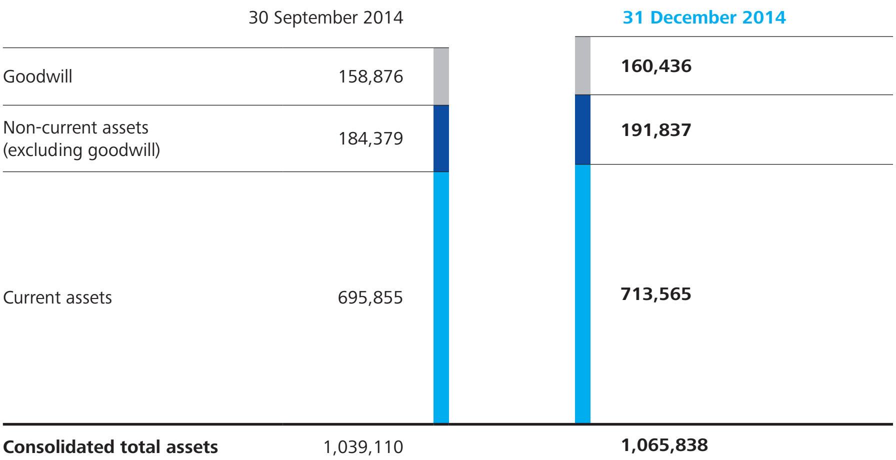
4 NET ASSETS

4.1 Presentation of net assets

Total assets amounted to € 1,066 million as of 31 December 2014 (30 September 2014: € 1,039 million).

ASSETS

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

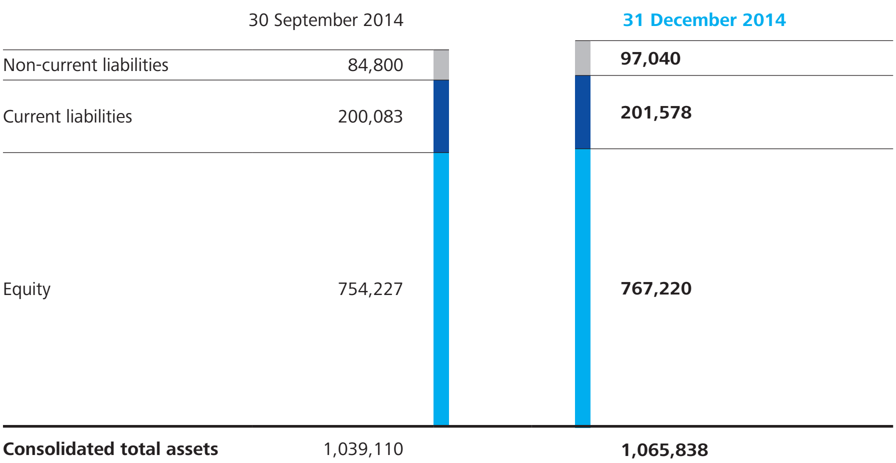


Non-current assets increased to € 352.3 million as of 31 December 2014 (30 September 2014: € 343.3 million) due, among other things, to the acquisition of rights to assume shares in Oraya Therapeutics Inc.

There were significant changes in **current assets** as of 31 December 2014, which amounted to € 713.6 million (30 September 2014: € 695.9 million), primarily as a result of the stockpiling of inventories as part of a number of current new product launches and the increase in trade receivables and receivables from related parties, respectively, as of the end of the reporting period, due, among other things, to the increase in revenue.

LIABILITIES AND EQUITY

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



The **equity** recognized in Carl Zeiss Meditec's consolidated statement of financial position amounts to € 767.2 million as of 31 December 2014 (30 September 2014: € 754.2 million). The equity ratio amounted to 72.0 % as of 31 December 2014 (30 September 2014: 72.6 %) and thus remains high.

Non-current liabilities amounted to € 97.0 million as of 31 December 2014 (30 September 2014: € 84.8 million). This increase is mainly attributable to the rise in provisions for pensions, which is primarily due to an adjustment of interest rates as a result of the amendment to IAS 19.

Under **current liabilities** (€ 201.6 million; 30 September 2014: € 200.1 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 2014	31 December 2014	Change
Equity ratio	Equity (incl. non-controlling interests) / Total assets	72.6 %	72.0 %	-0.6 %-pts
Inventories in % of rolling 12-month revenue	Inventories (net) / Rolling revenue of the past twelve months as of the end of the reporting period	19.0 %	19.8 %	+0.8 %-pts
Receivables in % of rolling 12-month revenue	Trade receivables as of the end of the reporting period (net) (including non-current receivables) / Rolling revenue of the past twelve months as of the end of the reporting period	23.1 %	23.9 %	+0.8 %-pts

5 ORDERS ON HAND

As of 31 December 2014 orders on hand of the Carl Zeiss Meditec Group amounted to € 145.2 million, which corresponds to an increase of more than 30 % compared with the previous year (31 December 2014: € 111.2 million).

6 EVENTS OF PARTICULAR SIGNIFICANCE

At the end of the first quarter, on 22 December 2014, Carl Zeiss Meditec Inc., Dublin, USA, a wholly owned subsidiary of Carl Zeiss Meditec AG, Jena, Germany (ISIN: DE0005313704), concluded a cooperation agreement with the current shareholders of Oraya Therapeutics Inc., Newark, USA. Under this cooperation agreement, the Carl Zeiss Meditec Group shall, over a period of up to two years, provide funding for the further implementation of the growth strategy of Oraya Therapeutics Inc., and shall, in return, essentially receive rights to purchase shares until a majority holding is reached in Oraya Therapeutics Inc. after two years. In December 2014 such rights to assume shares in the company were acquired by way of a payment of € 2.0 million.

No further events of material significance for the net assets, financial position and results of operations of the Company occurred in the first three months of financial year 2014/15.

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 three months of financial year 2014/15. The development of business at the beginning of the second quarter of financial year 2014/15 validates the statements made in the “Outlook” below.

8 EMPLOYEES

As of 31 December 2014 the Carl Zeiss Meditec Group had 2,971 employees worldwide
(30 September 2014: 2,972).

9 RESEARCH AND DEVELOPMENT

Research and development (R&D) plays an important role within the Carl Zeiss Meditec Group. Pursuant to its strategy, innovations are a key driver of future growth. The Carl Zeiss Meditec Group has the necessary resources to secure the Company's future earnings power through its research and development activities. The Company shall therefore continue to offer innovations in future that make leading technologies available to its customers, enable improvements in efficiency and continuously enhance treatment results for patients.

For this reason the Company is aiming to expand its product portfolio and continuously improve products that are already on the market. Our main priority here shall be to increase the efficiency and effectiveness of diagnosis and treatment. The Company attaches great importance to the needs of its customers and continuously works closely with them.

In the first three months of 2014/15 research and development expenses increased by 19.4 % to € 28.4 million (previous year € 23.8 million). The R&D ratio increased at the same time, from 11.2 % in the previous year, to 11.8 %. The increased spending on research and development is mainly the result of additional strategic research investments in the area of ophthalmology.

On 31 December 2014 14.8 % (30 September 2014: 14.7 %) of the Carl Zeiss Meditec Group's entire workforce were employed in Research and Development.

The Company's development activities include:

- examining new technological concepts in terms of their clinical relevance and effectiveness,
- 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.

The Company was therefore able to launch another series of new innovations on the market at the end of calendar year 2014.

IOLMaster® 700

The IOLMaster® 700 with SWEPT Source Biometry™ enables physicians to identify irregular geometries of the eye in their patients at an early stage. In addition to optical biometry, it also offers OCT imaging (optical coherence tomography) across the entire length of the eye. Experts say that this produces more reliable refractive results. Up until now, even a flawless operation and a high-quality lens could bring unsatisfactory results, if irregular eye geometries were overlooked. The device simplifies the workflow: like the IOLMaster® 500, it takes a reference image of the limbal blood vessels, which allows the cylinder axis to be displayed intraoperatively in the surgical microscope as a navigational aid for the surgeon. As a component of the ZEISS Cataract Suite markerless, the IOLMaster® 700 thus also helps to improve efficiency in the implantation of toric lenses.

CT LUCIA®

The Company already offers an extensive range of hydrophilic intraocular lenses, which are suitable for microincision cataract surgery with a large dioptre range. With the launch of the hydrophobic monofocal intraocular lens CT LUCIA®, the Carl Zeiss Meditec Group now offers one of the most comprehensive IOL portfolios on the market, thus giving cataract surgeons more choices. The C-loop design of the CT LUCIA® is based on "glistening-free", hydrophobic biomaterial and has aberration-correcting, aspheric ZEISS optics. A fully preloaded injector system ensures absolute ease of use and trouble-free unfolding of the intraocular lens. It also offers surgeons an efficient workflow during surgery, and it gives patients optimum visual results, due to the optical design.

Essential Line

With the Essential Line the Group offers its customers a broader diagnostics portfolio for basic ophthalmic diagnostics. In addition to the tried-and-tested slit lamps with imaging functions, this range also includes products for measuring objective refraction (VISUREF® 100, VISULENS® 500 and i.Profiler®plus), as well as an applanation tonometer and the non-contact tonometer VISUPLAN® 500. New to the range are the digital phoropter VISUPHOR® 500 and the VISUSCREEN 100/500 Acuity Charts, which are used to measure subjective refraction. Immediately available for examining the retina is the portable fundus camera, VISUSCOUT® 100. With this comprehensive range of products, the Essential Line helps customers to achieve the best measurement results and improve the efficiency of their workflows. Ophthalmologists and optometrists can start off with individual pieces of equipment and gradually add more devices to build a complete workstation. The Essential Line devices can be combined with each other, and with other devices already available in the practice, via established practice management systems (Electronic Medical Record, EMR), for smooth workflows.

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® for quick and fully networked reference images of the eye, the comprehensive data management system FORUM®, the OR assistance system CALLISTO eye®, and 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.

CIRRUS™ HD-OCT for retinal and glaucoma diagnostics

New add-ons are available for the CIRRUS™ HD-OCT 5000 in terms of the diagnostic and treatment tools for the entire ophthalmic spectrum. The Chamber View™ imaging system and the new wide-field visualizations of the CIRRUS™ PanoMap help physicians to make a structural diagnosis of glaucoma patients.

With the new FastTrac Retinal Tracking System, precise macular thickness measurements, the Fovea Finder™ technology, detailed segmentations and more than 100 B-scans, the CIRRUS™ offers all key functions necessary to make a full diagnosis of the patient's retina.

10 OUTLOOK

The aim of our strategy is to improve the diagnosis and treatment of diseases by further developing our products. The focus is therefore on the success factors innovation, integrated solutions for diagnostics and therapy, and customer focus. Innovation, in particular, plays a key role in this.

Based on the underlying and persistent long-term growth trends – such as the growing global population, the rising proportion of older people and the growing percentage of the global population with access to medical care – as well as the Company's balanced regional presence, its broad product range and the high level of investment in research and development, and in spite of imponderable macroeconomic conditions, we expect further revenue growth that is at least on par with the anticipated market growth for this industry. From a current perspective, and excluding currency effects, this corresponds to growth in the low to mid-single-digit percentage range.

We anticipate renewed growth in the **"Ophthalmic Systems"** SBU in 2014/15, after a decline in revenue the previous year. In particular the leading products already on the market for diagnosing and treating ophthalmic diseases shall help us to achieve this growth, as well as the new innovations launched in recent months. With our broad product range it is our ambition to be able to provide our customers with efficient solutions for a smooth workflow, with the best possible benefit for the patient. System networking and integrated data management are an important strategic focus in this respect. Our comprehensive data management system FORUM®, in particular, offers excellent solutions for this.

Another example is in the area of refractive lasers, where, three years after its international market launch, the ReLEx® SMILE procedure has established itself as the third generation of laser vision correction. Compared with previous procedures, ReLEx® SMILE stands out by being considerably less invasive and offering very good predictability of correction. To date, about 200,000 eyes worldwide have been successfully treated using this microinvasive method.

The **"Ophthalmic Systems"** SBU continues to be characterized by a strong competitive pressure, particularly for diagnostic instruments. The competitive situation will make further cost-cutting measures necessary in the current financial year. Due to product innovations, however, the new products we have launched in the market, and a good performance by refractive lasers, we are looking forward to the new financial year with cautious optimism, and are confident that we shall grow at least to the same extent as the underlying market. The EBIT margin is currently expected to improve. However, it is still anticipated that this will be below the Group average.

The **"Surgical Ophthalmology"** SBU continued to grow in the first three months. We expect this growth to continue in financial year 2014/15. 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. MICS lenses, which are already well established in the market, play a key role in this, as well as the injectors suitable for implantation, and the successfully established VISALIS® 500 phaco system, which is capable of microincision surgery. The Company's AT LISA® tri and AT LISA® tri toric, in combination with the BLUEMIXS™ 180 injector, is the unique preloaded MICS-compliant trifocal intraocular lens on the market. The CT LUCIA®, launched in September 2014, is the first intraocular lens in the standard segment to be manufactured at our new site in Ontario. Due to the change in the organizational structure, growth in **"Surgical Ophthalmology"** shall now also be driven by surgical microscopes for cataract surgery, which performed well in the first quarter. Excluding currency effects, we are confident that we will once again grow faster than the underlying market in 2014/15, which is currently expected to grow in the mid-single-digit percentage range. As things stand, the EBIT margin is expected to be around the average for the Group.

We have an extraordinarily strong market position in the **"Microsurgery"** SBU. We expect this growth to continue in 2014/15. Our surgical microscopes, the OPMI® Pentero® for neuro, spinal or plastic surgery, and the OPMI® VARIO, which is used in ENT surgery, for example, mean we are broadly diversified and are exploiting the associated market opportunities to an even greater degree by upgrading the products in terms of additional supporting applications. We expect the **"Microsurgery"** SBU to continue to make significant contributions to earnings in the future. We are confident that we shall grow at least to the same extent as the underlying market in the current financial year. As things stand, the EBIT margin is expected to remain above the Group average.

A crucial advantage for even greater stability of our overall business is a higher proportion of revenue with case-number-dependent products and services, 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 financial year 2014/15. In the medium term we aim to increase this revenue share to around one third of consolidated revenue.

For the next financial year, we are planning strategic research investments in a new area for the Carl Zeiss Meditec Group, which shall impact the EBIT margin in the short term. Nevertheless, we still expect the EBIT margin to remain within the range of 13 % to 15 %, and thus at an attractive level, in financial year 2014/15 and in the medium term.

If there are any significant changes in the economic environment currently forecast over the course of the 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 THREE MONTHS OF FINANCIAL YEAR 2014/15

In the first three 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)*.

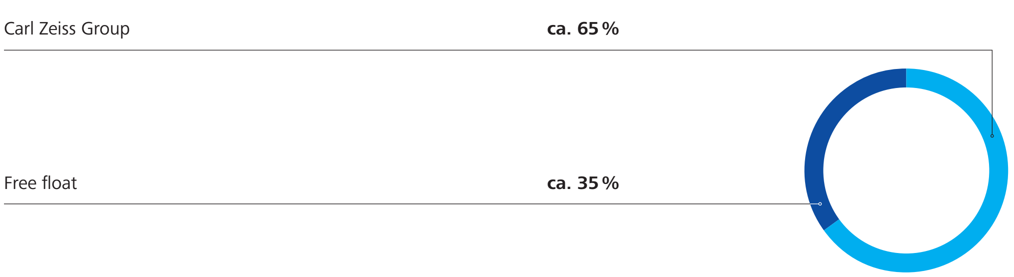
At the current time, no Company shares are held by members of the Management Board or Supervisory Board of Carl Zeiss Meditec AG.

12 VOTING RIGHTS ANNOUNCEMENTS

Carl Zeiss Meditec AG was not notified of any changes in the shares of voting rights pursuant to Section 26 (1) *WpHG* during the first three months of the current financial year. The details of all voting rights announcements are published immediately after their disclosure, in the version prevailing at that date, on the Company's website at **www.meditec.zeiss.com/ir | Corporate Governance | Vote Rights Disclosures** in accordance with the provisions of Section 26 (1) *WpHG*. The publication documents and the relevant disclosures are forwarded to the German Federal Financial Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin)*.

13 SHAREHOLDER STRUCTURE

Figure 10: Shareholder structure of Carl Zeiss Meditec AG (as of 31 December 2014)



Consolidated income statement (IFRS) for the period from 1 October 2014 to 31 December 2014

(Figures in € ‘000)

	Financial year 2014/15 1 October 2014 – 31 December 2014	Financial year 2013/14 1 October 2013 – 31 December 2013
Revenue	**241,090**	**212,279**
Cost of goods sold	(113,546)	(98,314)
Gross profit	**127,544**	**113,965**
Selling and marketing expenses	(59,741)	(53,671)
General administrative expenses	(11,527)	(10,027)
Research and development expenses	(28,395)	(23,773)
Earnings before interests, income taxes, depreciation and amortization	*32,494*	*30,540*
Depreciation and amortization	*4,613*	*4,046*
Earnings before interests and income taxes	**27,881**	**26,494**
Interest income	270	622
Interest expense	(349)	(643)
Interest balance from defined benefit pension plans	(278)	(147)
Foreign currency gains/(losses), net	1,115	5,511
Earnings before income taxes	**28,639**	**31,837**
Income tax expense	(9,226)	(10,413)
Net income	**19,413**	**21,424**
Attributable to:		
Shareholders of the parent company	18,327	20,098
Non-controlling interest	1,086	1,326
Profit/(loss) per share, attributable to the shareholders of the parent company in the current financial year (€): – Basic/diluted	**0.23**	**0.25**

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 2014 to 31 December 2014

(Figures in € '000)

	Financial year 2014/15 1 October 2014 – 31 December 2014	Financial year 2013/14 1 October 2013 – 31 December 2013
Net income	**19,413**	**21,424**
Other comprehensive income:		
Items, that may be reclassified subsequently to net income/loss		
Foreign currency translation	1,645	(9,208)
Total of items that may be reclassified subsequently to net income/loss	**1,645**	**(9,208)**
Items, that will not be reclassified subsequently to net income/loss		
Actuarial gains (losses) on defined benefit pension plans	(8,065)	589
Total of items that will not be reclassified subsequently to net income/loss	**(8,065)**	**589**
Other comprehensive income	**(6,420)**	**(8,619)**
Comprehensive Income	**12,993**	**12,805**
Attributable to:		
Shareholders of the parent company	13,726	14,617
Non-controlling interest	(733)	(1,812)

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 31 December 2014

(Figures in € '000)

	31 December 2014	30 September 2014
ASSETS		
Goodwill	160,436	158,876
Other intangible assets	42,381	41,633
Property, plant and equipment	66,139	65,049
Investments accounted for using the equity method	1,975	–
Investments	124	124
Deferred tax assets	69,400	65,941
Non-current trade receivables	10,378	10,161
Other non-current assets	1,440	1,471
Total non-current assets	**352,273**	**343,255**
Inventories	185,286	172,402
Trade receivables	146,686	142,607
Accounts receivable from related parties	67,363	57,103
Treasury receivables	281,491	290,614
Tax refund claims	3,496	3,670
Other current financial assets	5,774	3,141
Other current non-financial assets	13,875	15,591
Cash and cash equivalents	9,594	10,727
Total current assets	**713,565**	**695,855**
Total assets	**1,065,838**	**1,039,110**

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

(Figures in € ’000)

	31 December 2014	30 September 2014
LIABILITIES AND EQUITY		
Share capital	81,310	81,310
Capital reserve	313,863	313,863
Retained earnings	379,457	361,130
Other components of equity	(45,632)	(41,031)
Equity before non-controlling interest	728,998	715,272
Non-controlling interest	38,222	38,955
Total equity	**767,220**	**754,227**
Provisions for pensions and similar commitments	61,288	48,888
Other non-current provisions	3,754	3,911
Non-current financial liabilities	1,827	1,588
Non-current leasing liabilities	10,160	10,415
Other non-current non-financial liabilities	7,066	7,596
Deferred tax liabilities	12,945	12,402
Total non-current liabilities	**97,040**	**84,800**
Current provisions	25,690	26,901
Current accrued liabilities	62,511	60,576
Current financial liabilities	11,755	13,435
Current portion of non-current financial liabilities	478	477
Current portion of non-current leasing liabilities	2,471	2,359
Trade payables	24,557	33,421
Current income tax liabilities	5,896	7,741
Accounts payable to related parties	12,705	16,527
Treasury payables	16,809	8,022
Other current non-financial liabilities	38,706	30,624
Total current liabilities	**201,578**	**200,083**
Total liabilities	**1,065,838**	**1,039,110**

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 2014 to 31 December 2014

(Figures in € '000)

	Financial year 2014/15 1 October 2014 – 31 December 2014	Financial year 2013/14 1 October 2013 – 31 December 2013
Cash flows from operating activities:		
Net income	**19,413**	**21,424**
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Income tax expenses	9,226	10,413
Interest income/expenses	357	168
Depreciation and amortization	4,613	4,046
Gains/losses on disposal of fixed assets	24	(190)
Interest received	111	116
Interest paid	(321)	(289)
Income tax reimbursement	657	985
Income taxes paid	(10,475)	(15,715)
Changes in working capital:		
Trade receivables	(13,436)	15,928
Inventories	(10,948)	(15,546)
Other assets	(754)	(5,787)
Trade payables	(13,718)	(16,810)
Provisions and financial liabilities	(331)	(6,408)
Other liabilities	6,700	1,635
Total adjustments	(28,295)	(27,454)
Net cash provided by operating activities	**(8,882)**	**(6,030)**
Cash flows from investing activities:		
Investment in property, plant and equipment	(2,900)	(2,538)
Investment in intangible assets	(1,406)	(64)
Proceeds from fixed assets	9	403
Purchase of investments accounted for using the equity method	(1,975)	–
Acquisition of IOL/OVD-business IMEX Clinic S.L., Spain	–	(716)
Acquisition of consolidated companies/businesses, net of cash acquired Optronik A.S., Turkey	–	(10,843)
Net cash used in investing activities	**(6,272)**	**(13,758)**
Cash flows from financing activities:		
Proceeds from/(repayment of) short-term debt	(334)	160
Proceeds from/(repayment of) non-current financial liabilities	(119)	(163)
(Increase)/decrease in treasury receivables	6,519	22,075
Increase/(decrease) in treasury payables	8,527	(460)
Change of leasing liabilities	(568)	(457)
Net cash provided by/(used in) financing activities	**14,025**	**21,155**
Effect of exchange rate fluctuation on cash and cash equivalents	(4)	(369)
Net increase/(decrease) in cash and cash equivalents	**(1,133)**	**998**
Cash and cash equivalents, beginning of reporting period	10,727	6,286
Cash and cash equivalents, end of reporting period	**9,594**	**7,284**

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	Other components of equity	Equity before non-controlling interest	Non-controlling interest	Total equity
As of 1 October 2013	**81,310**	**313,863**	**322,765**	**(39,058)**	**678,880**	**36,434**	**715,314**
Foreign currency translation	–	–	–	9,682	9,682	(1,565)	8,117
Changes in equity from the remeasurement of pensions liabilities	–	–	–	(11,655)	(11,655)	(117)	(11,772)
Changes in value recognized directly in equity	**–**	**–**	**–**	**(1,973)**	**(1,973)**	**(1,682)**	**(3,655)**
Net income	–	–	74,954	–	74,954	4,203	79,157
Sum of comprehensive income for the period	**–**	**–**	**74,954**	**(1,973)**	**72,981**	**2,521**	**75,502**
Dividend payments	–	–	(36,589)	–	(36,589)	–	(36,589)
As of 30 September 2014	**81,310**	**313,863**	**361,130**	**(41,031)**	**715,272**	**38,955**	**754,227**
Foreign currency translation	–	–	–	3,464	3,464	(1,819)	1,645
Changes in equity from the remeasurement of pensions liabilities	–	–	–	(8,065)	(8,065)	–	(8,065)
Changes in value recognized directly in equity	**–**	**–**	**–**	**(4,601)**	**(4,601)**	**(1,819)**	**(6,420)**
Net income	–	–	18,327	–	18,327	1,086	19,413
Sum of comprehensive income for the period	**–**	**–**	**18,327**	**(4,601)**	**13,726**	**(733)**	**12,993**
As of 31 December 2014	**81,310**	**313,863**	**379,457**	**(45,632)**	**728,998**	**38,222**	**767,220**

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 (IFRS)

Carl Zeiss Meditec AG prepared its consolidated financial statements as of 30 September 2014 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 31 December 2014 correspond to those applied for the consolidated financial statements for financial year 2013/14, with the exceptions described below. A detailed description of these methods was published in the notes to the consolidated financial statements as of 30 September 2014.

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 10 “Consolidated Financial Statements”	Accounting regulations for the presentation of consolidated financial statements and notes on the principle of control
12 May 2011	IFRS 11 “Joint Arrangements”	Expansion of requirements for joint arrangements and their accounting treatment
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
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
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
16 December 2011	Amendment IAS 32 “Financial instruments: Presentation”	Amendment to provisions for offsetting financial assets and liabilities
31 October 2012	Amendment to IFRS 10, IFRS 12 and IAS 27 “Investment Entities”	Special regulations for financial statements of investment entities
20 May 2013	IFRIC Interpretation 21: Levies	Accounting treatment of levies imposed by governments
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
27 June 2013	Amendment to IAS 39 “Financial instruments: Recognition and Measurement”	Novation of derivatives and continuation of hedge accounting

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; 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**
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 February 2015	Yes
12 December 2013	Improvements to IFRSs (2010–2012)	Amendments to Standards IFRS 2, 3, 8, 13, IAS 16, 24 and 38	Financial years beginning on or after 1 February 2015	Yes
12 December 2013	Improvements to IFRSs (2011–2013)	Amendments to Standards IFRS 1, 3, 13, IAS 40	Financial years beginning on or after 1 January 2015	Yes
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 IAS 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	Financial assets pursuant to IAS 16 and 38	Guidelines on which methods can be applied for the depreciation of property, plant and equipment and the amortization 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
24 July 2014	IFRS 9 "Financial instruments"	Classification and measurement of financial assets	Financial years beginning on or after 1 January 2018	No
12 August 2014	Amendment to IAS 27 "Separate Financial Statements"	Approval of the equity method as an accounting option for investments in subsidiaries, joint ventures and associates	Financial years beginning on or after 1 January 2016	No
11 September 2014	Amendment to IFRS10 and IAS 28	Guidelines on the recognition of unrealized gains or losses from transactions with assets between an investor and associates	Financial years beginning on or after 1 January 2016	No
25 September 2014	Improvements to IFRSs (2012–2014)	Amendments to Standards IFRS 5, 7, IAS 19 and 34	Financial years beginning on or after 1 January 2016	No
18 December 2014	Amendment to IFRS 10, 12 and IAS 28	Confirmation of the exemption from preparing consolidated financial statements for subsidiaries of an investment entity	Financial years beginning on or after 1 January 2016	No
18 December 2014	Amendment to IAS 1 "Presentation of Financial Statements"	Improvement in the reporting with regard to disclosures in the notes	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 still being reviewed. The other standards listed shall, in some cases, also lead to more extensive notes to the financial statements. In addition, IFRS 15 "Revenue from Contracts with Customers", was published in May 2014. This Standard amalgamates a number of different standards and interpretations relating to revenue recognition. The effects of this standard are still being reviewed.

2. PURCHASE AND SALE OF BUSINESS OPERATIONS

Financial year 2013/14

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 (hereinafter referred to as Optronik), domiciled in Ankara, Turkey.

The purchase price amounted to € 12.5 million and consisted of a fixed sum of € 11.5 million and a contingent earn-out component of € 1.0 million.

Pursuant to the agreement, the fixed price of € 11.5 million was paid at the end of December 2013; a small adjustment payment of significantly less than € 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 € 1.0 million results from an achievement of the revenue target of 85 %. 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.

3. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Operating segments

The Group has three operating segments, which are simultaneously the Group's Strategic Business Units ("SBUs"). Previously, the allocation to the individual segments was based on market segments whereas overlapping technological aspects dominated in particular cases. From this financial year onwards, allocation will be determined by business fields and thus stringently by market segments. This means that all activities in the area of cataracts, such as intraocular lenses, consumables, surgical visualization solutions in the field of ophthalmic surgery, as well as the diagnostic devices which are used prior to cataract surgery, shall be allocated to the **"Surgical Ophthalmology"** SBU. The **"Microsurgery"** segment shall continue to comprise the activities of neuro, ear, nose and throat surgery, as well as the activities in the field of intraoperative radiation. The medical laser and diagnostic systems that do not specifically apply to the condition cataracts are allocated to the **"Ophthalmic Systems"** SBU.

Internal management reports are evaluated by the Management Board on a regular basis for each of the strategic business units. The segment assets are not, however, the subject of these internal management reports.

The comparative values have been adjusted in line with the new structure.

In the current financial year the Group plans to make additional strategic research investments in the field of ophthalmology. The projects started and currently underway require up-front investments over a period of at least three years. For better comparability Carl Zeiss Meditec therefore adjusts its EBIT for this special effect, and presents the adjusted EBIT as additional information.

The operating segments for the reporting period are as follows:

(Figures in € '000)

	Ophthalmic Systems		Surgical Ophthalmology		Microsurgery		Total	
	3 Months		3 Months		3 Months		3 Months	
	2014/15	2013/14*	**2014/15**	2013/14*	**2014/15**	2013/14*	**2014/15**	2013/14
External revenue	91,742	80,817	81,570	66,665	67,778	64,796	241,090	212,278
EBIT	3,823	1,225	8,638	8,775	15,420	16,494	27,881	26,494
Adjusted EBIT			*11,822*	*9,028*			*31,065*	*26,747*
Reconciliation of segments' comprehensive income to the Group's period-end result.								
Comprehensive income of the segments							**27,881**	**26,494**
Consolidated earnings before interest and taxes (EBIT)							**27,881**	**26,494**
Financial result							758	5,343
Consolidated earnings before income taxes							**28,639**	**31,836**
Income tax expense							(9,226)	(10,413)
Consolidated net income							**19,413**	**21,424**

* Comparative values adjusted in line with new structure.

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

Related party disclosures

In the reporting period 2014/15, transactions with related parties result in revenue of € 75,910 thousand (previous year € 59,238 thousand). The term "related parties" refers here to Carl Zeiss AG and its subsidiaries.

4. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

On 22 December 2014 a contract was concluded between Carl Zeiss Meditec Inc., Dublin, USA, and Oraya Therapeutics, Inc., Newark, USA, (Oraya), under the terms of which Carl Zeiss Meditec Inc. may – during a period of up to two years from conclusion of the contract – acquire rights to purchase shares in Oraya until it has a majority holding. The acquired rights may be converted into shares under normal circumstances at the earliest in January 2017. In December 2014 such rights to purchase shares in the company were acquired by way of a payment of € 2.0 million. Due to the role played by employees of the Carl Zeiss Meditec Group in the advisory board of Oraya, the company shall be classified as an associate pursuant to IFRS 28.6. Up until a controlling influence is achieved, the company shall be accounted for according to the equity method.

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 can be found in the Annual Report from 30 September 2014.

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 assumed unchanged for valuation.

Category 2
- Valuation is based on valuation methods where input factors are derived directly or indirectly from observable market data.

Category 3
- Valuation is based on valuation methods where input factors are not based exclusively on observable market data.

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

(Figures in € '000)

		Category 1	Category 2	Category 3	Total
Financial assets recognized at fair value through profit or loss	**31 December 2014**	–	4,190	–	4,190
	30 September 2014	–	1,869	–	1,869
Financial liabilities recognized at fair value through profit or loss	**31 December 2014**	–	(11,892)	–	(11,892)
	30 September 2014	–	(12,602)	–	(12,602)

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

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 2014 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 after the end of the reporting period, 31 December 2014.

Important financial dates and contacts

FINANCIAL CALENDAR

Date	Financial year 2014/15
18 March 2015	Annual General Meeting
7 May 2015	6 Month Report
7 May 2015	Telephone conference
7 August 2015	9 Month Report
7 August 2015	Telephone conference
14 December 2015	Annual Financial Statements 2014/15
14 December 2015	Analyst's Conference

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The 3 Month Report 2014/15 of the Carl Zeiss Meditec Group 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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