Annual Report 2012/2013
Carl Zeiss Meditec

Partnership+

in patients' best interest

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ZEISS

Group highlights in 2012/2013

€ 906.4 million

Growth in all strategic business units and regions

Revenue increased by 5.2 % to € 906.4 million, with Surgical Ophthalmology providing the highest growth rate.

€ 1.15

Earnings per share up more than 30 %

Earnings per share increased – boosted further by a good financial result – to € 1.15.

€ 97.3 million

Innovations as the key to sustainable growth

Innovations and solutions are the key to maintaining and improving our market position. For this reason we shall keep our investments in research and development high, at around 10 % of revenue. In the reporting year we invested 10.7 % of our revenue in this area.

€ 0.45

Dividend increase of 12.4 % to € 0.45

Once again, we plan to allow our shareholders to participate to an appropriate extent in the Company's success, and to propose to the Annual General Meeting the distribution of a dividend of € 0.45 per for the past financial year.

14.8 %

Profitability further increased

Our EBIT margin increased further in the year under review, from 14.3 % to 14.8 %. We shall adhere to our medium-term target of a sustainable EBIT margin of 15 % by 2015.

25 %

Recurrent sales increased to 25 % of total revenue

Generating a higher proportion of revenue from case-number-dependent products and services is a crucial advantage for ensuring greater stability of our overall business. We already achieved our objective of increasing this share of revenue to 25 % by 2015 in the reporting year.

Annual Report 2012/2013

Part|ner|ship noun \-ship\: 1. the state of being = partners (e.g. a joint interest or association), a strategic = partnership, close partnership, to work in partnership together, to = maintain a partnership, to join in partnership 2. a relationship between partners

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Ladies and Gentlemen,
dear Shareholders,

I am delighted to inform you that Carl Zeiss Meditec can present very good figures, for both revenue and earnings, for financial year 2012/2013. As you know, there was no shortage of challenges during the past financial year.

In the forecast we issued for financial year 2012/2013 after the first six months, we projected revenue of between 880 and 910 million euros. Following the positive development of our business, particularly in the fourth quarter, we came close to achieving the top end of this estimate at the end of the year, with revenue growth of just over five percent. This result is particularly encouraging, especially in light of the unfavorable overall development of exchange rates. All three strategic business units and regions made a positive contribution to our total revenue of € 906.4 million – albeit to different extents.

Growth in the “Ophthalmic Systems” strategic business unit was initially very restrained in the first six months, as we were about to implement an extensive model change in the area of optical coherence tomography, and there was a perceptible increase in competitive pressure in this segment. The business unit noticeably made up for its decline in revenue in the second half of the year, however, despite persistently strong competition, and closed out the year with satisfactory overall growth of 4 percent. In the “Microsurgery“ strategic business unit we continue to benefit from a persistently high demand for surgical microscopes, in particular for neuro and ear, nose and throat surgery, which puts us in a very good position earnings-wise. Nevertheless, there was significant slowdown in growth during the course of the year. Our premium lenses for minimally invasive cataract surgery from the still-nascent “Surgical Ophthalmology“ strategic business unit are in high demand. With double-digit growth, this business unit has now increased its share of revenue to over 13 percent. We expect this SBU to continue making a substantial contribution to revenue in future, too.

The solidity and stability of our Company is further evidenced by the balanced distribution of revenue and growth across our three business regions, “Europe, Middle East and Africa“ (EMEA), the “Americas“ and the “Asia/Pacific“ region. This means we can absorb uncertainties well, such as those arising from unpredictable currency movements and fluctuating market trends – and offset them if necessary. It was a predominantly mixed picture in the EMEA region for large parts of the financial year, which included very positive development in Germany, with a slight recovery in Southern Europe only in the second half of the year. This region accounted for a good 6 percent of overall growth. The USA, too, which provided no stimulus for growth in the first six months, eventually experienced a noticeable recovery in the second half of the year, which ultimately resulted in growth of almost 8 percent in the “Americas“ region. In Japan, which made a significant contribution to growth in the Asia/Pacific region, alongside China and the countries of Southeast Asia, currency effects had a material adverse effect on the development of revenue. Adjusted for currency effects, growth was 9 percent, however.

Our medium-term objectives include, among others, reaching a profitability target of 15 percent by 2015. With our continuously rising EBIT margin, which now stands at 14.8 percent, we are already close to achieving this target and expect to stabilize our EBIT margin on this level over the next two financial years and reach a sustainable 15 percent margin by 2015. We have already succeeded in achieving our goal of increasing the percentage of case-number-dependent products and services to 25 percent ahead of schedule – an incentive for us to strive for further progress in the next two financial years. In the medium term we consider an increase to 30 percent realistic.

The end-of-year results we are able to present to you in this report should be considered positive in all respects, particularly in view of the challenges I outlined earlier. They are the result of our strategy and our operative strength. We are therefore also well equipped for the future. We assume that we can continue to expect increasingly fierce competition and volatile markets. What is important now is that we continue to extend our innovation leadership through new technologies and excellent products and manage costs prudently and consistently.

The products launched at the start of the new financial year, such as the premium intraocular lens AT LISA® tri toric for astigmatic patients, the ZEISS Cataract Suite Markerless for an optimum workflow in cataract treatments, the improved excimer laser MEL® 90 for vision correction, as well as the new ultrasound modulation for VISALIS® 500, are just some examples of this efficient and continuous advancement of our portfolio.

Carl Zeiss Meditec has been successfully exploiting the demographic trends and developments in the health care market and using them to advantage of its business for years. This success is attributable to our committed employees, with whom we work together to overcome the challenges that face us.

I would be delighted if you would continue to accompany us on this journey.

Yours sincerely,

Dr. Ludwin Monz
President and Chief Executive Officer

Management Board

Thomas Simmerer
Member of the Management Board

Dr. Ludwin Monz
President and Chief Executive Officer

Dr. Christian Müller
Member of the Management Board

"Partnership in patients' best interest"

Over the years, ZEISS has proved again and again that it can develop products that become standard-setters in the medical world. What role have partnerships with clinics, doctors and scientists played? What role do they play today? This was the topic of discussion for Prof. Dr. Thomas Reinhard, Executive Medical Director, and Dr. Ludwin Monz, President and CEO of Carl Zeiss Meditec AG at Freiburg University Ophthalmology Clinic.

"Our healthcare system continues to live on massive idealism; it is borne by people for people".

Prof. Dr. Thomas Reinhard
Executive Medical Director at Freiburg University Ophthalmology Clinic

Discussion

Prof. Dr. Thomas Reinhard and Dr. Ludwin Monz – a discussion

Ludwin Monz: Prof. Reinhard, I am delighted to have this opportunity today to exchange some views with you on the subject of partnership. Because, as I see it, collaboration with clinicians, in other words, medical practices, plays a vital role in the success of our company. In fact, I am not aware of any products whose success is not the result of a particularly close partnership. That began as far back as the industrial production of the slit lamp...

Thomas Reinhard: *... and its inventor, Allvar Gullstrand, who then also received the Nobel Prize for medicine in 1911. That must have been an excellent partnership.*

Without a doubt. And the list goes on, with the development of the surgical microscope, the perimeter for measuring the field of vision, the establishment of optical coherence tomography, which was driven forward by true teamwork, and, most recently, the development of the innovative femtosecond laser, which was also the result of a close partnership between doctors and our company. For me, the benefits a partnership offers are plain to see: We focus on making technologies available – that's our specialty. The clinicians, however: they know what is needed in practice. That is why working in partnership is the key to success.

From my experience I can only agree. I think that this cooperation between industry and users such as a university clinic, will become even more important in future. Our specialist area has always been small, and yet the changing structure of the population means that it will have to deal with a rapid increase in the number of treatments required. People over the age of sixty often become ophthalmology patients with cataracts, age-related macular degeneration, dry eyes, lid problems, glaucoma and other diseases.

What does this demographic change specifically mean for you, here in such an important ophthalmology clinic in the South West of Germany?

As the population ages, our workload increases. In the state of Baden-Württemberg alone, we believe that the number of people over sixty will increase from a current total of around 2.6 million to around 3.9 million in 2050. On the other hand, technological progress means that we are increasingly better able to help people with vision problems. In turn, this will only be possible if we can offer our services even more efficiently in future, as resources in the healthcare sector are limited. That is why, together with the technology developers, we should look for new ways of bringing effective and affordable technologies to clinics and practices.

“We need and use this feedback from leading researchers such as yourself to confirm and correct our work“.

Dr. Ludwin Monz

This brings with it at least two major challenges. The first relates to medical treatment, in other words, the question of how the therapy options can be improved, including through the use of new technologies. The second challenge is that these technologies have to be developed in such a way that they are efficient to use, for example by being optimally set up from the outset for treating as many patients as possible in a short period. It is therefore not just about meeting medical requirements, but also efficiency, treatment costs, improved patient throughput and the question of which core tasks must be performed by doctors, and which tasks may be performed by medical assistants.

And that’s exactly the way to describe the situation. Long gone are the times when it was enough just to develop the best equipment – something we have been involved in from day one. Nowadays, the focus is increasingly on the workflows in day-to-day work in the clinic, and this is both a hardware and, increasingly, a software issue. That is why we need partners who really understand how we work and how they can support us effectively. For example, surgery reports, letters to patients, and primary reports, should generally be created digitally and it should be possible to exchange these between clinics and registered doctors. Here, too, I agree with you that the issue of how we can make work easier for the doctors is very relevant. We are starting to see a shortage of doctors, and this will help to combat this and at the same time it will also help to cut costs.

One excellent example of this is the IOLMaster, which allows contactless eye measurements. I firmly believe that this product’s continued success is also due to the fact that it no longer has to be operated by a doctor.

This certainly contributed to this measurement method establishing itself as the gold standard. Even during my training, it was only possible to calculate intraocular lenses using ultrasound. That was a task for a doctor. I am happy that we now have equipment that makes this task simpler, less susceptible to errors and, what is more, much more pleasant for patients. Nowadays, hardly any doctor involvement is required for this task.

Let’s also take a look at the equipment. In your opinion, how well are we succeeding overall in supporting you with your workflows?

My impression is that the collaboration has become much more intense and has improved greatly over the years. That also means that workflows are better understood. Any reservations that may have existed in the past with regard to cooperating with industry have lessened significantly. We know that we can achieve a whole lot more if we work together. That is why the strategic alliance spans all hierarchy levels and areas in the company; employees at ZEISS and other well-known technology providers are very closely involved in our discussions to improve clinical workflows.

At the same time, the general public and legislators take a critical view of this cooperation. I have the impression that we are running the risk of building so many barriers in regulating our industry that we will lose some of our innovative strength, particularly in Europe.

I believe the main priority must always be patient well-being – and patients benefit from that, because they can be sure that they have rapid access to these innovations. In this respect I can understand the concerns. We have a very efficient healthcare system in Germany, and we must ensure that this continues to be the case. Of course, it is important for any collaboration between industry, clinics and medical practices to always uphold the interests of patients and the interests of the general public.

The best was to do this, in my opinion, is for all parties to ensure transparency. It needs to be clear what the purpose of the collaboration is. All of the results, including results that show, for example, that a new method is not effective, and are therefore not in the customer's interests, should be made public. That is why the scientific publications written by clinicians are also so close to our hearts at ZEISS. We need and use this feedback from leading researchers such as yourself to confirm and correct our work.

And that's the way it should be. Transparency really is important in this regard: that also applies to the subsidization of training and further education, and research. It has to be obvious how a partnership works, and what rights and obligations are associated with it. However, for clinical studies, I believe that stricter regulation is both good and important. Because today, I can tell all of the patients at the Freiburg University Ophthalmology Clinic that to be offered the opportunity to participate in a study is the best thing that could happen to a patient. This is because patients taking part in a study will receive support that goes far beyond the usual standard possible.

"We know that we can achieve a whole lot more if we work together".

Prof. Dr. Thomas Reinhard

The question of standards is hotly disputed in many medical disciplines, and the same is true of ophthalmology. An optic nerve examination, which could give an early indication of glaucoma, is no longer part of standard care. Does that mean we're avoiding the issue of the value of sight?

That is a really difficult question, and one which society needs to find an answer to. It's easy to forget: our healthcare system continues to live on massive idealism; it is borne by people for people, and I'm happy to say that this is something that health economists are slowly coming to realize. At the same time, we can see that our solidarity-based system is reaching its limits. What we actually need to do is examine the optic nerve in everyone over the age of 40, in order to be able to diagnose glaucoma in good time. That should be a task for our solidarity system, and should not be a health service to be paid for privately. The core issue is to ascertain what value we place on healthy eyesight – for the individual and for society. What value has life? What value has a life without sight? I am glad that it is not up to me to decide.

Being solution-oriented is more than just a business approach – it's a philosophy

Close customer relationships stem from having a strong customer orientation and they are also the key to successful growth and marketing. Creating added benefits for customers gives a company a clear edge over the competition. In order to be a good business partner to customers it is first important to understand the challenges and problems facing each customer. The solutions offered can vary greatly. They could be technical in nature, or involve optimizing delivery times or offering a special training course. Sales and service are also pivotal here. Because providing a good range of services helps build long-term loyalty.

"It's always important to look at things from your customers' perspective and to build bridges to their requirements."

Peter van Altena, Senior Vice President Global Service & Customer Care

Developing products which meet market requirements as fully as possible

To generate new sales with new products it is necessary to install efficient innovation processes, the results of which help create value-added for customers. Which is why Carl Zeiss Meditec AG has always collaborated closely with doctors and scientists from all over the world. We can thus shape the innovation process jointly and test the efficiency of procedures and products in clinical studies which are oriented towards the local market requirements.

“The daily work in the operating room helps us to understand what the doctors really need. I'm convinced we should strengthen such close, long-term relationships with customers – only then can ZEISS employees gauge which new developments could ultimately go on to become successful innovations.”

Guido Hattendorf [1], ZEISS employee at the Barrow Neurological Institute in Phoenix, Arizona

1) Together with surgeons Guido Hattendorf plans, carries out and documents clinical studies on new applications and products in the field of microsurgery.

“Providing training for existing and potential customers is a firm part of our strategy. This is because the clinic partnerships allow us to demonstrate the practical benefits of our products and technologies in a pragmatic and vivid way to doctors. And they also help us to tap into new market segments on a long-term basis.”

Mike Wang, Head of Marketing
Carl Zeiss Meditec Shanghai

Tapping into markets on a long-term basis

Training courses and partnerships with renowned universities are crucial factors in building up long-term customer relationships and trust-based collaboration. The training courses held by ZEISS Dental Academy at various European locations and the partnership with the Dental Medicine Faculty at the University of Pennsylvania are helping to develop the young dentistry market The close liaison with training centers plays an important role in other regions too. Take, for example, the Chinese growth market, where Carl Zeiss Meditec AG offers courses for potential customers at leading ophthalmic institutes and clinics.

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Dear Shareholders and Friends of the Company,

Prof. Dr. Michael Kaschke,
Chairman of the Supervisory Board

From the Supervisory Board's perspective we have another successful financial year behind us: Carl Zeiss Meditec achieved further growth in all three of its strategic business units and all three regions in the reporting year. This growth can be attributed to the Company's sound financial basis, its very broadly diversified product range, a well-balanced regional presence, as well as a strategy that is geared towards achieving long-term success – the Meditec Excellence and Growth Agenda (MEGA) 2015, which focuses essentially on the areas of "Innovation", "Customer Focus", "New Markets", "Employees" and "Processes".

The employees at all locations worldwide have proactively and responsibly contributed to ensuring the right interplay between all these factors, and I would like to take this opportunity to express, on behalf of all members of the Supervisory Board, my appreciation for their commitment and active collaboration, and thank them – and the members of the Management Board – for their achievements.

The Supervisory Board continued to duty fully focus on the business development and position of the Company, and assessed and evaluated the Company's future prospects. The Supervisory Board advised the Management Board on managing the Company and performed the duties incumbent upon it pursuant to legal requirements, the Company's Articles of Association and the Supervisory Board's rules of procedure.

In its advisory and monitoring capacity the Supervisory Board was provided with regular, up-to-date and comprehensive written and verbal reports by the Management Board concerning the economic situation, strategic development, business development in the individual strategic business units, and the position of the Group as a whole, including the risk situation, the risk management system, the internal control system, and compliance.

The Supervisory Board also continued to engage in a regular exchange of information and ideas with the Company's Management Board outside of Supervisory Board meetings. Any collaboration between the Supervisory Board and the Management Board was always based on openness and trust and constructive dialogue.

Regular attention was given in particular to the current development of business and to the financial and risk situation of Carl Zeiss Meditec AG. The economic environment, which was characterized, compared with the previous year, by more restrained market growth in microsurgery and intense competition in the ophthalmic systems business, as well as the resulting challenges in managing and controlling the Company, were discussed in detail. The risk management system established within the Company helps to identify, early on, any abnormalities that arise during the course of business as well as any existing risks. These are then analyzed and discussed, as necessary, and the appropriateness of the measures initiated to regulate these issues is determined.

The type and scope of the reports provided by the Management Board to the Supervisory Board and the discussion of additional matters have not given the Supervisory Board any cause to inspect or audit the books and publications of Carl Zeiss Meditec AG in accordance with Section 111 (2) *AktG*.

The Code of Conduct of the Carl Zeiss Group, the full scope of which also applies within Carl Zeiss Meditec AG, supports compliance with laws, requirements and Company guidelines and promotes an ethical corporate culture. It serves as a guideline for all employees and conforms to the basic values and principles of the Company. Compliance with these rules of conduct is regularly monitored. The executive and supervisory bodies are obliged to adapt their conduct to the values and standards described in the Code and comply with these.

The Supervisory Board also complied with these rules of conduct without exception.

Conflicts of interest among the members of the Supervisory Board did not arise in financial year 2012/2013.

Focus of the deliberations and audits of the Supervisory Board

During the past financial year the Supervisory Board convened at four ordinary meetings in which the Management Board also participated. The meeting on 14 January 2013 was held in the form of a telephone conference, since the agenda items to be discussed during this meeting related solely to the resolution on proposed resolutions that had already been discussed or prepared. One circular resolution was also passed.

The subject of the regular monitoring and consulting activities of the Supervisory Board were the revenue and earnings situation and the employment trend at the Carl Zeiss Meditec Group, as well as the financial situation of the Company and ongoing strategic projects, and future investments and their financing. The Management Board of Carl Zeiss Meditec AG gave a transparent insight into and explained the decisions and developments clearly and comprehensively.

In addition, the Supervisory Board addressed all other business transactions of importance for the Company and, after a close examination, raised no objections or doubts concerning the legitimacy or correctness of the management by the Management Board.

After careful examination of the financial statements and a detailed discussion with KPMG AG Wirtschaftsprüfungsgesellschaft, the Supervisory Board approved the annual financial statements and the management report, as well as the consolidated financial statements and the consolidated management report, of the Company for financial year 2011/2012 at the meeting to approve the financial statements on 29 November 2012, and thus adopted the annual financial statements pursuant to Section 172 *AktG*. At the same meeting the members of the Supervisory Board passed the resolution on the utilization of profits based on the proposals of the Management Board, and discussed the recommendations of the German Corporate Governance Code. Furthermore, KPMG AG Wirtschaftsprüfungsgesellschaft reported on the main results of the audit of the dependent company report, and the Supervisory Board reported on the results of its own audit of this report. Current strategic projects were also addressed.

During the Supervisory Board meeting held by telephone conference on 14 January 2013 the agenda for the Annual General Meeting on 5 March 2013 was adopted and, at the recommendation of the Audit Committee, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as auditor of the annual and the consolidated financial statements for financial year 2012/2013.

The Supervisory Board also asserted during the meeting – in agreement with the Management Board – that holdings of shares of the Company should no longer be built up in future, as a general rule, by members of the Supervisory Board, members of the Management Board and individuals related to them (persons with a close relationship pursuant to Section 15a (3) German Securities Trading Act *(Wertpapierhandelsgesetz, WpHG)*. With regard to the existing shareholdings of members of the Supervisory Board, the Management Board and related individuals, it was recommended that these holdings be sold in the medium term, subject to the insider trading rules.

At the Supervisory Board meeting on 4 March 2013 a draft resolution was prepared for the Annual General Meeting on 4 March 2014 pertaining to an amendment to the remuneration of the Supervisory Board. This draft resolution proposes to restrict the remuneration of the Supervisory Board members to a fixed sum, which would comply with Section 5.4.6 of the Germany Corporate Governance Code. The circular resolution to update the Declaration of Conformity pursuant to Section 161 *AktG* was passed on the same date. Ongoing strategic projects were also discussed.

The fourth ordinary meeting of the Supervisory Board was held on 20 September 2013 to resolve, among other things, the budget for financial year 2013/2014, and to adopt the proposal to amend the remuneration of the Supervisory Board.

Diligent work of the committees

In accordance with its rules of procedure, the Supervisory Board of Carl Zeiss Meditec AG is supported in its work by three committees. These committees carry out preliminary work on topics to be discussed at the plenary Supervisory Board meeting and make decisions on behalf of the Supervisory Board, insofar as the plenary session has instructed them to do so in accordance with statutory regulations. The current chairs of the committees report to the Supervisory Board about their work in the committees.

The **General and Personnel Committee** advises the Management Board on matters of Company strategy. It assists the Chairman of the Supervisory Board between Supervisory Board meetings. It is jointly responsible for coordinating and preparing for the Supervisory Board meetings. In addition, this committee prepares the Supervisory Board's personnel decisions and passes resolutions on the transactions requiring approval submitted by the Management Board. Finally, the Supervisory Board may pass a special resolution charging this committee with further responsibilities, where this is legally permissible.

The General and Personnel Committee convened at one meeting during the past financial year.

The **Audit Committee** is mainly concerned with the development of business and monitoring the accounting process, the efficiency of the internal control system and the internal auditing and risk management system, auditing and in particular the independence of the auditor, as well as the additional services rendered by the auditor, and the specification of focus areas. The Audit Committee also deals with compliance issues.

Pursuant to the requirements of German stock corporation law, at least one member of the Audit Committee, and, pursuant to the provisions of the German Corporate Governance Code, the Chairman of the Audit Committee, must be competent in the areas of accounting of auditing, and must be independent; this is fulfilled.

The Audit Committee convened at five meetings during the reporting period.

In the event of the appointment of new Supervisory Board members, the **Nominating Committee** proposes suitable candidates to the Supervisory Board for its candidate proposals to the Annual General Meeting.

The Audit Committee did not hold any meetings during the reporting period.

Corporate governance and declaration of conformity

In Germany, every listed company is obliged to address the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act *(AktG)*. In addition, the Company is obliged to issue a declaration of conformity each year, providing information on compliance with the recommendations of the Code and stating reasons for any deviations from these recommendations. Responsible corporate management and control that is geared to achieving sustainable value-added has always been an integral part of Carl Zeiss Meditec AG's ethos and an important element of its corporate culture. It is characterized by a transparent structure and clear chains of command in the collaboration between the Management Board, Supervisory Board and the Annual General Meeting.

The Supervisory Board and the Management Board continued to address the principles of good corporate governance in the past financial year and discussed the further development and implementation of the German Corporate Governance Code in its version dated 13 May 2013.

In the opinion of the Supervisory Board members and the management, the recommendations and suggestions of the German Corporate Governance Code provide a good basis for responsible, transparent management of the organization that is geared to achieving long-term and sustainable value-added, which serves not only the Company itself, but also its shareholders and other external interest groups. For Carl Zeiss Meditec, indications of the fulfilment of the recommendations and suggestions include a good relationship with its shareholders, open and dutiful communication, effective and trusting collaboration between the Supervisory Board and the Management Board, a transparent and achievements-oriented remuneration system for the management and a transparent accounting system, as well as early reporting.

Further information on corporate governance reporting and the declaration of conformity can be found in this Annual Report.

Audit of the annual and consolidated financial statements 2012/2013

The single-entity and consolidated financial statements for financial year 2012/2013, and the related management reports, have been audited in accordance with the resolution of the Annual General Meeting of 5 March 2013 by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY"), Stuttgart.

Before making its candidate proposal to the Annual General Meeting, the Supervisory Board obtained a declaration from the auditor. In this declaration EY confirms that there are no private, professional, business, financial or other relationships between the auditor and its executive bodies or audit managers, on the one hand, or between the Company and its executive body members, on the other. On 8 April 2013 the Supervisory Board engaged EY to audit all of the financial statements and management reports for the past financial year, including the dependent company report on relationships with associated companies of Carl Zeiss Meditec AG pursuant to Section 312 *AktG*.

The annual financial statements of Carl Zeiss Meditec AG were prepared in accordance with the rules of the German Commercial Code *(Handelsgesetzbuch, HGB)*. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) prevailing at the end of the reporting period, as they are to be applied in the EU, and in accordance with Section 315a *HGB* in compliance with specific provisions of the *HGB*.

EY audited the annual financial statements and consolidated financial statements, as well as the associated management reports for financial year 2012/2013, including the accounting, and issued all the financial statements with an unqualified audit certificate.

The annual financial statements and consolidated financial statements prepared by the Management Board to 30 September 2013, and the associated management reports, as well as the audit reports prepared by the appointed auditor were submitted in good time for inspection by all members of the Supervisory Board and discussed in detail and audited in advance at the meeting of the Supervisory Board's Audit Committee in the presence of the auditor, in accordance with the requirements of Section 171 (1) Sentence 2 *AktG*, taking the lawfulness of the management into account, and subsequently at the plenary Supervisory Board meeting on 27 November 2013. The Supervisory Board approves the results of the audit. No objections were raised following the Supervisory Board's conclusive review of the audit. The Supervisory Board thus approved the annual financial statements prepared by the Management Board and the consolidated financial statements at its meeting on 27 November 2013. The annual financial statements are thus adopted.

After a detailed examination and taking the development of earnings and the financial position into consideration, the Supervisory Board has approved the Management Board's proposal on the utilization of profit.

It is therefore intended to utilize a portion of the net retained profits from financial year 2012/2013, amounting to € 82,342,484.67, to pay a dividend totaling € 36,589,324.50. Based on the current share capital of € 81,309,610, this would correspond to € 0.45 per no-par value share. The remaining profit of € 45,753,160.17 shall be carried forward to new account.

Dependent company report

Given that Carl Zeiss Meditec AG is a company within Carl Zeiss AG, the Management Board of Carl Zeiss Meditec AG prepared a report, pursuant to Section 312 *AktG*, on relations with associated companies in financial year 2012/2013, which states that – under the circumstances known to the Management Board at the time the legal transactions were concluded – Carl Zeiss Meditec AG received an appropriate consideration for each of the transactions listed and that reportable measures were neither implemented nor omitted in the financial year.

After conducting its audit EY issued the report with the following audit certificate pertaining to the correctness of the actual disclosures and the appropriateness of the Company's compensation with respect to the legal transactions listed:

"Based on the results of our statutory audit and assessment, we confirm that

1. the actual information in the report is correct,
2. the Company's compensation with respect to the legal transactions listed in the report was not inappropriately high."

Both the dependent company report and the respective audit report were submitted in good time for inspection by the Supervisory Board of Carl Zeiss Meditec AG.

At the meeting on 27 November 2013 the auditor reported on the main results of the audit and participated in the Supervisory Board's discussion. After conducting its own audit of the dependent company report and inspecting the audit report prepared by the auditor, the Supervisory Board concluded that it agrees with the statements and conclusions in the dependent company report and the audit report. On completion of its own audit the Supervisory Board has no objections to raise against the declaration of the Management Board at the end of the dependent company report.

Composition of the Management Board and the Supervisory Board

There were no changes to the members of Carl Zeiss Meditec AG's Management Board or Supervisory Board in financial year 2012/2013.

Final remarks

The good general conditions that prevail due to the persistent long-term market trends, on the one hand, and the financial stability brought by the encouraging development of business over the past few years, as well as the Company's strong innovative capacity and global presence, on the other, lay important foundations for the future success of Carl Zeiss Meditec. The Supervisory Board and the Management Board therefore agree that the Company is in a good position, both from a current perspective and in the current financial year, to continue its successful business development, if the general economic trend remains largely stable.

Jena, 27 November 2013

On behalf of the Supervisory Board

Yours sincerely,

Michael Kaschke

Prof. Dr. Michael Kaschke
(Chairman)

The Carl Zeiss Meditec share

General development of the capital market

The capital markets and global benchmark share indices were largely stable up until autumn 2013. Although various crises scenarios (Cyprus crisis, Syrian crisis) continued to dominate opinion during the year, and there was a general loss of momentum in the global economy, the world's most important indices in Europe, the USA and Asia recorded growth in 2013. At the same time, development during the financial year was characterized by a high level of volatility. During the first few months after the start of 2013 confidence of investors in the financial markets had grown noticeably in light of the expansionary monetary policy, the continuing reform efforts in the crises countries and the slight improvement in the economic outlook.

Based on twelve months to 30 September 2013, both the US benchmark index, S&P 500, and the German benchmark index, the DAX, increased by more than 15 %, respectively, in this environment. The TecDAX index, in which Carl Zeiss Meditec AG is listed, also recorded very positive growth of more than 30 %.

Performance of Carl Zeiss Meditec share

The share's performance during financial year 2012/2013 was positive. On the first day of trading of the new financial year (1 October 2012) the share opened at a price of € 20.01, which was also the share's lowest price of the year. During the course of the day on 15 July 2013, if finally reached its highest price for the financial year of € 26.88. The Company's share thus benefited, like the main German share indices, the DAX, TecDAX and MDAX, from the generally strong economic development in Germany, and closed financial year 2012/2013 on the final day of trading (30 September 2013) at a price of € 22.07 and a total price increase of around 9 %.

Development in the overall market in Germany was similarly positive. At the beginning of financial year 2012/2013 the German share index, the DAX, was listed at 7,227.81 points, and increased over the course of the reporting period to 8,694 points, before closing at 8,594 points at the end of the financial year on 30 September 2013. This equates to growth of around 19 %. The MDAX opened on 1 October at 10,986.77 points, grew by almost 37 % in the reporting period, and closed financial year 2012/2013 at 15,034.27 points. The TecDAX, in which Carl Zeiss Meditec share is listed, rose by more than 25 % in the reporting year and closed on 30 September 2013 at 1,083.51 points, after starting financial year 2012/2013 at 809.76 points.

Figure 1: Relative performance of Carl Zeiss Meditec shares compared with the DAX, MDAX and TecDAX indices (period: 1 October 2012 to 30 September 2013)

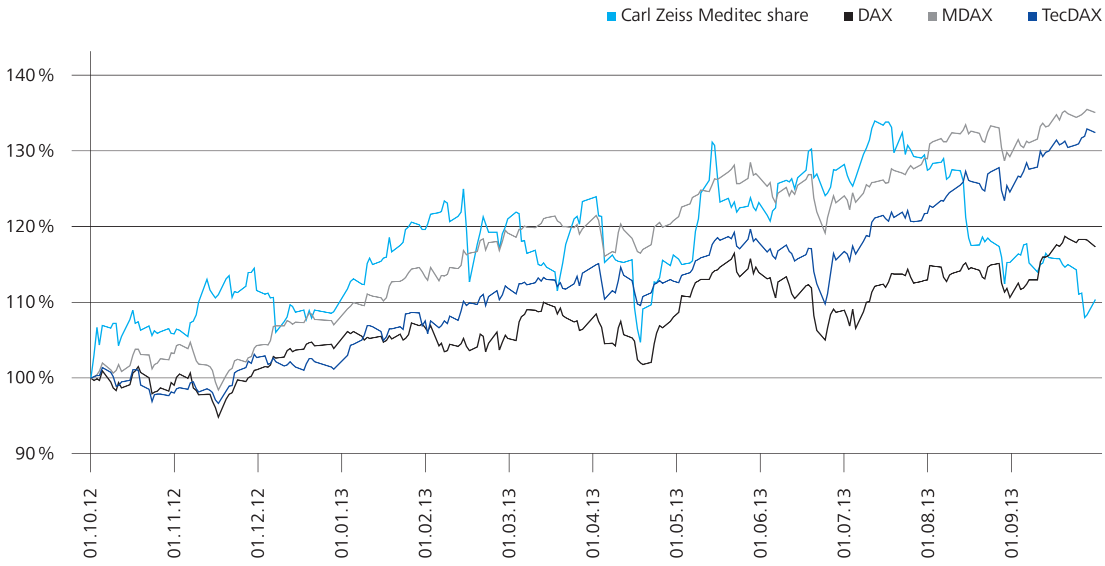
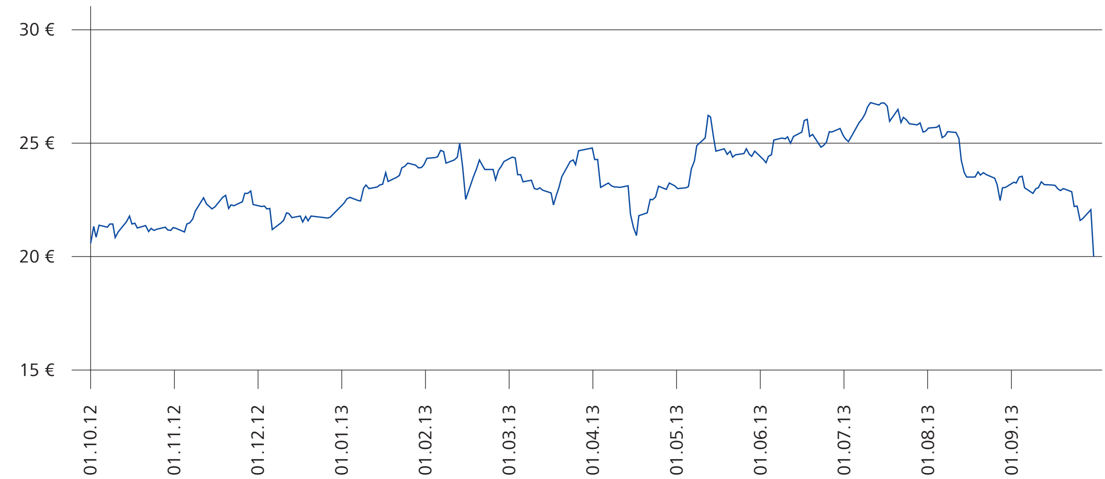


Figure 2: Development of Carl Zeiss Meditec share (period from 1 October 2012 to 30 September 2013)



Market capitalization and trading volume

Carl Zeiss Meditec AG's market capitalization (product of shares issued multiplied by the share price at the end of the reporting period) was higher as of 30 September 2013, compared with the same period of the previous year, due to the moderate price increase from € 1.62 billion to € 1.79 billion. The trading volume (number of shares traded on the Frankfurt Stock Exchange multiplied by the respective price at which the shares were traded) in financial year 2012/2013 was € 332.35 million, corresponding to an increase of around 12 % compared with the transaction volume in the previous year (€ 295.44 million).

Figure 3: Market capitalization of Carl Zeiss Meditec (as of 30 September of the financial year) (in millions of €)

Figure 4: Trading volume of the Carl Zeiss Meditec share on the Frankfurt Stock Exchange in financial year 2012/2013 (in millions of €)

During the reporting period, an average of 57,205 ordinary shares (previous year: 64,800) of Carl Zeiss Meditec AG were traded each trading day.

The German TecDAX share index brings together the 35 largest technology stocks in terms of market capitalization and trading volume on the Frankfurt Stock Exchange. All technology stocks are listed on a quarterly basis. Carl Zeiss Meditec AG was ranked 14th in terms of market capitalization as of 30 September 2013 (previous year: 10th place). In terms of stock market turnover or trading volume, the Carl Zeiss Meditec share improved its ranking, moving up from 18th place in the previous year to 17th place.

The Carl Zeiss Meditec share as seen by the capital market

A large number of German and international financial analysts monitor the movements of the Carl Zeiss Meditec share. At present, we are in contact with 11 analyst firms. The analysts covering our share see the current price target at an average of € 23.85. Two of the analysts have given it a "buy" recommendation; 7 recommend to "hold" and two recommend to "sell".

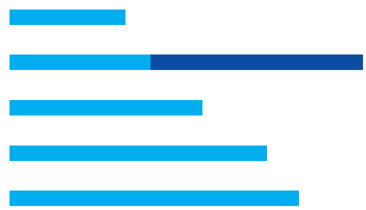
A continuously updated overview of the individual analysts' recommendations can be found on our website at **www.meditec.zeiss.com/ir**.

Dividend continuity

Even in times of economic turbulence, we remain in pursuit of a profit-driven and continuous dividend policy. We aim to adhere to this strategy in the future and to continue to allow shareholders to participate to a reasonable extent in the Company's success.

Our reference for the regular dividend is a dividend ratio of at least 30 % of consolidated net income after non-controlling interests for the financial year just ended. On 4 March 2014, therefore, the Management Board and the Supervisory Board of Carl Zeiss Meditec AG shall propose to the Annual General Meeting the distribution to shareholders of a regular dividend of € 0.45 per share for financial year 2012/2013. This would equate to a total distribution of € 36.65 million and a dividend ratio of 39.1 % (previous year: 45.3 %). The dividend return (ratio of dividend per share to opening price for the respective financial year) would be 2.25 %.

Figure 5: Development of the dividend for the Carl Zeiss Meditec share: The shareholders of Carl Zeiss Meditec AG were paid a special dividend in financial year 2009/2010*



	Cash dividend (€ per share)	Special dividend (€ per share)	Amount distributed (in € million)
Financial year 2008/2009	0.18		14.635
Financial year 2009/2010*	0.22	0.33	44.720
Financial year 2010/2011	0.30		24.393
Financial year 2011/2012	0.40		32.253
Financial year 2012/2013	**0.45**		**36.589**

Shareholder structure

Carl Zeiss Meditec AG's subscribed capital is composed of 81,309,610 ordinary shares, each with a theoretical par value of € 1 per share. The Carl Zeiss Group holds around 65 % of the shares. According to our knowledge, the remaining 35 % are in free float.

Investor Relations

The comprehensive, transparent and up-to-the-minute information provided to our investors was once again the focus of our investor relations work in financial year 2012/2013, with the aim of boosting confidence in our sustainable corporate governance. This includes the publication of Carl Zeiss Meditec AG's strategy and management principles, its operative and financial business development, as well as the prospects for the Company vis-à-vis existing and potential investors and other market players, such as analysts, journalists, etc.

We regularly inform our shareholders about strategic and business development within the Group through quarterly, six-monthly and annual reports, as well as ad hoc disclosures and press releases. In addition, both the Management Board and the members of the Investor Relations team endeavour in many different ways to meet the high demand for information from all interest groups. Besides numerous conferences and roadshows, which were mainly held in London, Stockholm, Munich and Frankfurt am Main, we also had regular telephone conferences concerning our interim financial statements, as well as a large number of one-to-one and group meetings with institutional and private investors.

Furthermore, our Annual General Meeting gives shareholders the opportunity to directly influence and directly quiz Carl Zeiss Meditec AG's Management Board. The Annual General Meeting in the last financial year was held on 5 March 2013 in Weimar. Around 82 % of the voting share capital was represented at this General Meeting.

Listing and stock market trading

Carl Zeiss Meditec AG share			
Segment	Prime Standard		
ISIN	DE 0005313704		
German securities code (WKN)	531370		
Trading volume	57,205 shares/trading day		
Indices	TecDAX	CDAX	DAX International Mid 100
	DAXsector Pharma & Healthcare		DAXsector All Pharma & Healthcare
	DAXsubsector All Medical Technology		DAXsubsector Medical Technology
	Prime All Share		Technology All Share
Price development			
Share price at beginning of financial year 2012/2013			€ 20.005
Share price at end of financial year 2012/2013			€ 22.07
Share price on 30 November 2013			€ 23.85
Highest price in the financial year 2012/2013			€ 26.81
Lowest price in the financial year 2012/2013			€ 20.005
Shareholder structure			
Free float			35 %
Carl Zeiss AG			65 %
Evaluation			
Market capitalization of share capital as of 30 November 2013			€ 1.94 billion
Market capitalization of free float as of 30 November 2013			€ 678.5 million
Designated Sponsor			ICF Kursmakler AG

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Consolidated management report for financial year 2012/2013[1]

1 THE CARL ZEISS MEDITEC GROUP

1.1 Business

A distinction is made within the Carl Zeiss Meditec Group essentially between two main areas in which the Company operates: Ophthalmology and Microsurgery.

1.1.1 Ophthalmology

Ophthalmic equipment and systems offered by the Company are used for diagnosis, progress control, treatment and follow-up treatment of different ophthalmic syndromes. A distinction is made here between conditions such as vision defects (refraction), cataracts, glaucoma and retinal disorders, the incidence of which particularly increases with age. The various diseases each occur in different sections within the human eye. The lens, among other things, can be affected, in that it gradually begins to turn opaque, as is the case with cataracts. Retinal diseases can also impair the vision of the human eye and can even cause irreparable damage or, ultimately, blindness.

Ophthalmology within the Carl Zeiss Meditec group unites the two strategic business units (SBUs) **Ophthalmic Systems** and **Surgical Ophthalmology**. The Ophthalmic Systems SBU covers almost the entire spectrum of laser and diagnostic systems for ophthalmology. The Surgical Ophthalmology SBU combines Carl Zeiss Meditec's activities in the field of ophthalmic implants (intraocular lenses or IOLs) and disposables.

1.1.2 Microsurgery

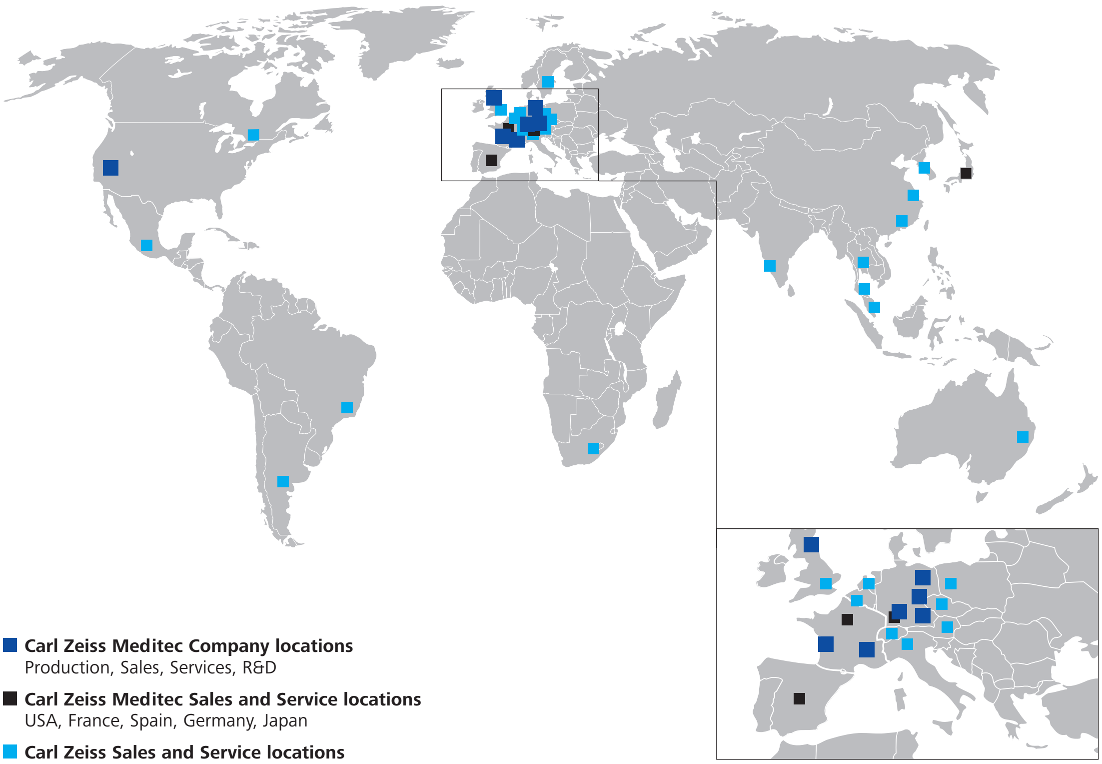
In the **Microsurgery** SBU, Carl Zeiss Meditec offers surgical microscopes and visualization solutions, e. g. for ear, nose and throat surgery, or neurosurgery. These products are mainly used as supporting equipment for the removal of tumors as well as the treatment of vascular diseases and functional disorders. The future technologies for intraoperative radiation therapy have also been assigned to this SBU.

[1] This management report contains certain forward-looking statements. Forward-looking statements are all statements contained in this management report that do not relate to historical facts or events, including information regarding the future net assets, financial position and results of operations of the Carl Zeiss Meditec Group, its strategy, plans, expectations and goals, as well as future developments and possible regulatory changes in its existing or target markets. These forward-looking statements are based on the Group's current assessment, to the best of its knowledge, of its future prospects and financial development. Words such as "anticipate", "assume", "believe", "estimate", "expect", "intend", "can/could", "plan", "project", "should" and similar terms are characteristic of such forward-looking statements. By their nature, such forward-looking statements involve risks, uncertainties, assumptions and other factors that may cause the Carl Zeiss Meditec Group's actual results of operations, including its financial condition and profitability, to differ materially from or be more negative than those made or described in, or suggested by, these forward-looking statements. Furthermore, even if the Carl Zeiss Meditec Group's results of operations are consistent with the expectations contained in this Annual Report, those results may not be indicative of results in subsequent periods.

1.2 Markets

The Carl Zeiss Meditec Group has operations all over the world. With headquarters in Jena (Germany) and operating sites and subsidiaries in Germany, France, Spain, the USA and Japan the Company has a direct presence in the world's most important markets. The Company can also exploit the Carl Zeiss group's powerful global distribution network and use its around 40 sales companies and more than 100 agencies worldwide to obtain close links to customers and gain a distinct advantage over international rivals.

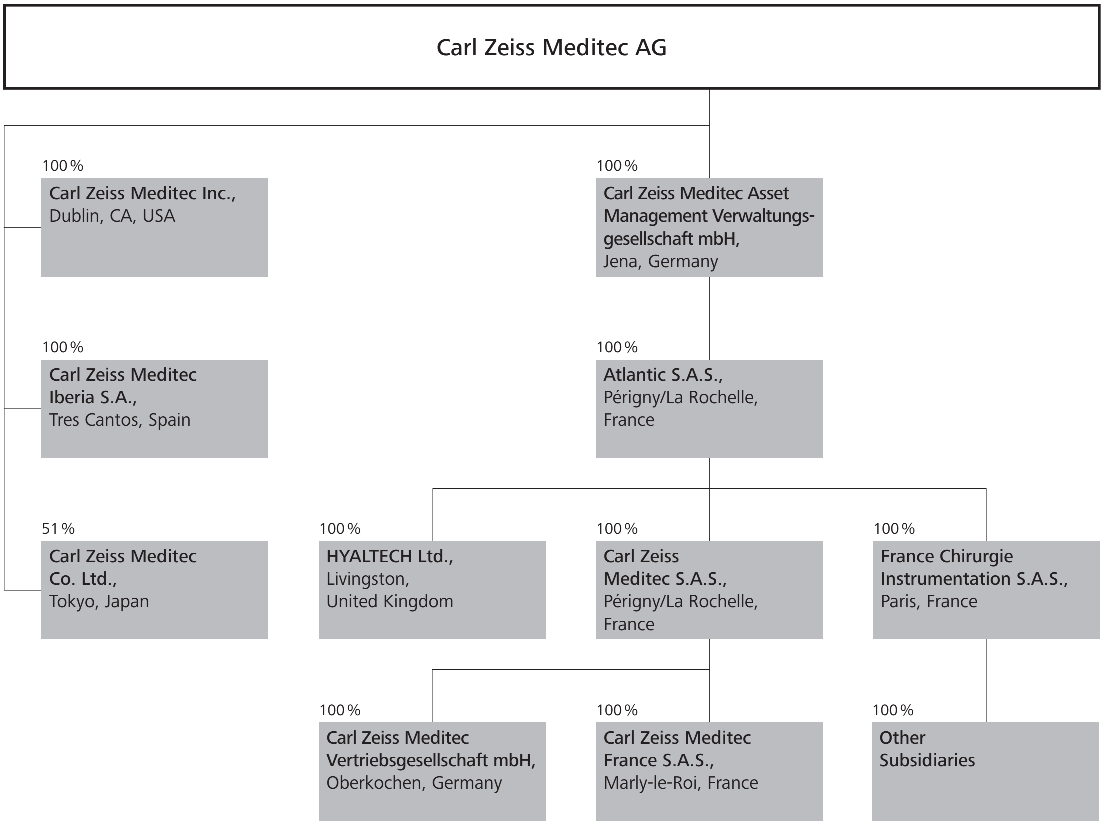
Figure 1: Carl Zeiss Meditec locations



1.3 Group structure

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. These are presented in the chart below, which shows the investment structure of the Carl Zeiss Meditec group as of 30 September 2013.

Figure 2: Investment structure of the Carl Zeiss Meditec Group as of 30 September 2013



The Group's reporting entity did not change during the financial year.

There were no substantial changes to the structure of the consolidated financial statements in financial year 2012/2013.

1.4 Group strategy – Meditec Excellence and Growth Agenda (MEGA)

The Carl Zeiss Meditec Group has set itself the task to develop innovative products to improve the diagnosis and treatment of diseases. The solutions the Company develops aim to improve the treatment result, simplify clinical workflows and, ultimately, reduce costs of treatment. They also allow physicians to focus all their attention on their work and their patients. After all, at the end we want the patient to leave the clinic with the best possible outcome and a high level of satisfaction.

Our aim with the MEGA 2015 program is to focus on mission-critical areas, and work specifically on these. The individual focus areas are Innovation, Customer Focus, New Markets, Employees and Processes. We have made major progress in each of these areas, and the Company is now reaping the benefits.

1.5 Group management

The overriding corporate objective is to contribute to the advancement of medical technology with targeted innovations and thus generate long-term value-added for the Group. The tools for financial management of Carl Zeiss Meditec comprise a system of key performance indicators, the scope and content of which far exceed the legal requirements. The greatest importance is attached to Economic Value Added® ("EVA®")[2], free cash flow[3], the EBIT margin and revenue growth. These control ratios define the balance between growth, profitability and financial power, upon which sustainable growth of the Company is built.

2 BUSINESS REPORT

2.1 Underlying conditions for business development

2.1.1 Macroeconomic conditions[4]

The global economy has gained momentum over the past financial year. The revival was most pronounced in the advanced economies, while the pace of growth in the emerging economies barely increased at all.

The development of the US economy was increasingly more stable following the elections at the beginning of the year, although it remained restrained overall. A positive effect was had by the expansionary monetary policy and the improved situation on the labour market, which resulted in a slight overall increase in private consumption again. Economic experts forecast an increase in gross domestic product (GDP) of 1.5 % in the USA in 2013. Due to the intensifying sovereign debt and banking crisis in the eurozone, the US dollar found itself on a both short-term and medium-term upwards trend; however, this was once again diminished as a result of the US budget crisis. Overall, the dollar has fallen 1.2 % against the euro since the beginning of financial year 2012/2013.

In the eurozone the continuous decline in private domestic demand and the ongoing efforts to consolidate public budgets had a curbing effect on the economy. In contrast, there was the expansionary monetary policy of the central banks and the extensive reform efforts in the individual countries. Overall, the economy in the eurozone experienced another slight slowdown during the course of 2013.

Germany has always played a special positive role up until now, due to its stable economic development. The optimism of German companies rose continuously this year. Positive impetus continued to come from exports and from the rise in spending by private households. Germany's GDP is expected to grow by 0.4 % in 2013 as a whole, while GDP in the eurozone is expected to shrink by 0.4 %.

The comparatively restrained economic expansion in Asia thus far in 2013 is particularly attributable to the decline in economic growth in China. Japan experienced renewed growth due in particular to the special effects of the reconstruction following the earthquake disaster – although momentum slowed considerably over the course of the year. Experts forecast growth of 7.5 % in China but just 1.9 % in Japan. Overall, the Asian economy is expected to grow by 4.5 % in 2013.

FINANCIAL STATEMENTS

[2] Calculation: EVA® = operating result after taxes minus capital costs

[3] Calculation: FCF = EBIT +/- changes in trade receivables +/- changes in inventories, including advance payments +/- changes in provisions (excluding provisions for pensions and tax provisions) +/- changes in current accrued liabilities +/- changes in trade payables [- increase in investments in property, plant and equipment and intangible assets] [+ write down of investments in property, plant and equipment and intangible assets] = Free Cash Flow

[4] Joint Economic Forecast project group (publisher): Autumn 2013 "Economy picking up – Put budget surpluses to good use", Joint Economic Forecast Autumn 2013,15 October 2013, Essen

The overall forecast for the global economy in 2013 is GDP (gross domestic product) growth of 2.8 % compared with the previous year.

2.1.2 Situation in the medical technology sector

Medical technology is one of the fast-growing sectors in the medium to long term. This is due, firstly, to the ever-growing global population and, secondly, to the increasing proportion of older people in the overall population. This means that the total number of patients suffering from age-related diseases will inevitably rise. At the same time, there is a growing need for comprehensive and high-quality health care.

In the traditional selling markets of the western industrialized nations it is assumed that the demand for high-quality medical technology innovations and more product variety shall continue to rise, as a result of more and more demanding consumer and patient desires, due to a high income level and a growing tendency to pursue health care services. At the same time, the growing cost pressure in the major industrialized countries means there is increasing demand for the development of effective devices and efficient treatments.

The demand for health care goods and services in the RDEs shall also increase as a result of the rising per capita income and growing prosperity, which will, in turn, create massive growth potential for the medical technology sector in future. Increases in the volumes of conventional medical technology and medical health care products, in particular, shall play an increasingly more important role here, due to improvements in the standard of living.

It can therefore be assumed that the demand for diagnostic and therapeutic products will continue to grow long term, both in microsurgery and in ophthalmology.

a) Market for ophthalmic products

The market for ophthalmic products in the broader sense includes devices and systems for the diagnosis, treatment and post-treatment of ophthalmic diseases, implants for ophthalmic surgery and pharmaceuticals for ophthalmology, contact lenses, contact lens care products, consumables – with the exception of glasses and glasses frames. According to our estimates, this market had a global volume of around US$ 33.7 billion (about € 26.0 billion) in 2012.

The Group’s product range includes devices and systems, implants, consumables and instruments for ophthalmology and ophthalmic surgery. According to our estimates, these sub-markets had a volume of around US$ 9.1 billion, or around € 7.0 billion, in 2012.

We estimate our share of the “devices and systems for ophthalmology” market segment, traditionally served by the Company, at about 21 % in 2012. In the market segment “implants, consumables and instruments for ophthalmic surgery”, we estimate our global market share in 2012 at about 3 – 4 %. However, our regional market shares in the countries we are currently focusing on range between 5 and 20 %.

Overall, based on the knowledge at hand, we estimate that we largely maintained or, in some cases, slightly increased our market shares in the market segments we serve, compared with the previous year.

b) Market for microsurgery products

Besides ophthalmology, the Company also operates in the market for microsurgery, particularly neuro/ear, nose and throat surgery (“neuro/ENT surgery”). The overall neuro/ENT surgery market is divided into three market segments: “Implants”, “Surgical instruments” and “Visualization”.

In the "Visualization" market segment served by the Company a distinction can be made between the sub-segments "Surgical Microscopes" and "Other Visualization". According to recent estimates of the Group, this market segment had a total volume of around US$ 1.2 billion in 2012, or over € 0.9 billion. The above-average increase in market size compared with the previous year is due to changed estimates based on new findings in specific areas of the sub-segment "Other Visualization", which are not served by Microsurgery. With a market share that it estimates to be more than 20 %, Carl Zeiss Meditec is thus one of the largest providers in this segment. According to own estimates, the Carl Zeiss Meditec Group continues to be the global market leader in the sub-segment "Surgical microscopes", with a market share of more than 50 %.

2.2 Overall assertion on the financial position of the Group at the end of the financial year

In spite of a number of challenges in specific business segments and regional uncertainties that revealed themselves during the course of the financial year under review, the Carl Zeiss Meditec Group achieved the revenue target it forecast after the first six months of financial year 2012/2013 (€ 880 – 910 million), with revenue growth of 5.2 % (adjusted for currency effects: 8.0 %), to € 906.4 million. All three strategic business units and regions made a positive contribution to this growth to varying degrees. The Group therefore also achieved its objective to grow at least on a par with the market in all three of its strategic business units and all three business regions.

Profitability also increased in the past financial year. The Group achieved an EBIT margin of 14.8 % (previous year: 14.3 %), with earnings before interest and taxes of € 133.9 million (previous year: € 122.9 million). As confirmed during the financial year, the Company is still acting on the assumption in the medium term that it will increase profitability to an EBIT margin of 15 % by 2015.

Furthermore, the Group achieved its objective of generating cash flow from operating activities in the high double-digit millions (€ 64.6 million).

In order to increase its innovative strength, to ensure the Company's future growth and sustainable performance, the Company invests around 10 % of its revenue each year in research and development (R&D), as budgeted. R&D spending was also on this level in the past financial year, amounting to 10.7 % of revenue.

The Carl Zeiss Meditec Group's financial position continued to be stable. It is also helping towards the achievement of the Company's growth and excellence-driven objectives, and protects the Group against external influences.

Table 1: Comparison of actual business development with forecast development in financial year 2012/2013

	Forecast Financial year 2012/2013	**Results Financial year 2012/2013**	Target achieved
Revenue	€ 880 – 910 million	€ 906.4 million	✓
EBIT margin	Target until 2015: 15 %	14.8 %	✓
Cash flow from operating activities	High double-digit millions	€ 64.6 million	✓
Research and development expenses/revenue	~ 10 %	10.7 %	✓
Free cash flow	-	€ 92.9 million	
Economic Value Added® ("EVA®")	-	€ 65.4 million[5]	

[5] Cost of capital: 7.3 %

FINANCIAL STATEMENTS

2.3 Results of operations

2.3.1 Presentation of results of operations

Table 2: Summary of key ratios in the consolidated income statement (figures in € '000, unless otherwise stated)

	Financial year 2011/2012	Financial year 2012/2013	Change
Revenue	861,875	906,445	+5.2 %
Gross margin	*53.5 %*	*53.8 %*	*+0.3 %-pts*
EBITDA	140,795	152,593	+8.4 %
EBITDA margin	*16.3 %*	*16.8 %*	*+0.5 %-pts*
EBIT	122,900	133,874	+8.9 %
EBIT margin	*14.3 %*	*14.8 %*	*+0.5 %-pts*
Earnings before income taxes	116,179	147,587	+27.0 %
Tax rate	*34.2 %*	*32.8 %*	*-1.4 %-pts*
Consolidated net income after non-controlling interests	71,870	93,505	+30.1 %
Earnings per share after non-controlling interests	€ 0.88	€ 1.15	+30.7 %

2.3.2 Revenue

In the reporting period the Carl Zeiss Meditec Group increased its revenue by 5.2 % (adjusted for currency effects: 8.0 %), from € 861.9 million to € 906.4 million. All strategic business units and all business regions made a positive contribution to this growth.

a) Consolidated revenue by strategic business unit

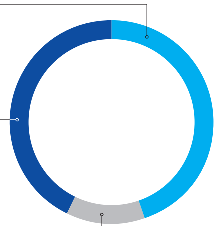
In the reporting year more than 85 % of total revenue was attributable to the two largest strategic business units, **Ophthalmic Systems** and **Microsurgery**. The Ophthalmic Systems SBU accounted for 43.1 % of this revenue (previous year: 43.6 %). The Microsurgery SBU contributed 43.5 % (previous year: 43.9 %) of consolidated revenue. The share of revenue generated by the **Surgical Ophthalmology** SBU increased further, from 12.5 % in the same period of the previous year, to 13.4 %.

Figure 3: Share of strategic business units in consolidated revenue in financial year 2012/2013

Microsurgery SBU **43.5 %**

Ophthalmic Systems SBU **43.1 %**

Surgical Ophthalmology SBU **13.4 %**



The **Ophthalmic Systems** SBU increased its revenue in the reporting year, to € 391.0 million (previous year: 375.9 million) as of 30 September 2013. In particular the business with diagnostic equipment was initially very restrained in the first half of the year, after a weak start at the beginning of the financial year under review. This development was mainly due to an extensive model change in the area of optical coherence tomography. At the same time, competition noticeably intensified in some segments of this business unit. In the second half of the year Ophthalmic Systems made a significant recovery and achieved overall growth of 4.0 %. Based on constant exchange rates, this equates to an increase of 6.8 %.

Revenue in the **Microsurgery** SBU increased by 4.2 % (adjusted for currency effects: 7.7 %), from € 378.2 million in the previous year to € 394.2 million. Growth was therefore much more moderate compared with the previous year and was once again more in alignment with overall market growth, which was slightly slower overall in comparison with the previous year. Going forward, the Company anticipates a return to the expected growth rates for this business, in the single-digit percentage range. Microsurgery continued to benefit from the strong demand for surgical microscopes, particularly for the field of neurosurgery and ear, nose and throat surgery.

With an increase in revenue of 12.6 %, from € 107.7 million to € 121.3 million, the **Surgical Ophthalmology** SBU made a very positive contribution to growth in the past financial year. This business remained largely unaffected by foreign exchange rate fluctuations, so that, based on constant exchange rates, revenue growth was on almost the same level as the previous year, at 12.7 %. This business unit continued to benefit in particular from the growing demand for intraocular lenses and multifocal and toric premium lenses for minimally invasive cataract surgery. In this regard, in particular, the innovative intraocular lens AT LISA® tri which was most recently launched on the market has recorded very pleasing growth.

Figure 4: Consolidated revenue by strategic business unit (figures in € '000)

	Financial year 2012/13	Financial year 2011/2012	
Microsurgery SBU	**394,182**	378,225	+4.2 %
Surgical Ophthalmology SBU	**121,310**	107,741	+12.6 %
Ophthalmic Systems SBU	**390,953**	375,909	+4.0 %
Consolidated revenue	**906,445**	861,875	

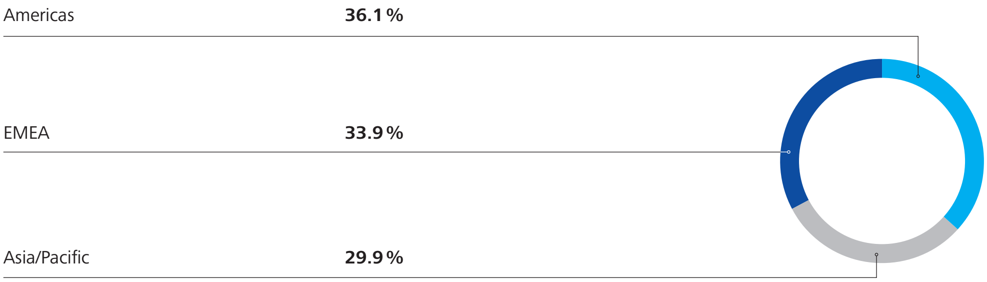
Figure 5: Consolidated revenue by strategic business unit based on constant exchange rates (figures in € '000)

	Financial year 2012/2013	Financial year 2011/2012	
Microsurgery SBU	**394,182**	366,021	+7.7 %
Surgical Ophthalmology SBU	**121,310**	107,597	+12.7 %
Ophthalmic Systems SBU	**390,953**	366,013	+6.8 %
Consolidated revenue	**906,445**	839,631	

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 units generating around one third of its total revenue. In the past financial year 33.9 % of consolidated revenue was attributable to the region **Europe, Middle East and Africa (EMEA)**. The **Americas** and **Asia/Pacific** regions accounted for 36.1 % and 29.9 %, respectively, of the Group's total revenue. All regions made a positive contribution to revenue growth in the past financial year.

Figure 6: Share of regions in consolidated revenue in financial year 2012/2013



In the **Americas** region the Carl Zeiss Meditec Group increased its revenue from € 303.9 million in the same period of the previous year, to € 327.5 million. Carl Zeiss Meditec generates more than 80 % of its revenue in this business region in the USA, as the most important medical technology market worldwide. Whereas the Company achieved positive growth rates throughout the financial year in South America, there was a downward trend in the USA during the first six months. In this region in particular the uncertainties regarding political decisions for the health care sector following the US elections, announced tax increases, as well as the model change in the area of diagnostics within the "Ophthalmic Systems" SBU, caused buying resistance among customers in the first half of the financial year. There was a noticeable recovery in the USA in the second half of the year, resulting in overall growth of 7.8 % in the "Americas" region (adjusted for currency effects: 8.8 %).

Revenue in the **Europe, Middle East and Africa (EMEA)** region increased by 5.9 % overall (adjusted for currency effects: 5.9 %), to € 307.6 million (previous year: € 290.5 million). The picture remained mixed here during the year: in the first half of the year revenue declines in some countries and in particular in Southern Europe were overcompensated, both by the positive development of business and by the high contribution to revenue from Germany, the currently fast-growing business in Russia, and the overall good growth in the Middle East. In the second half of the year parts of Southern Europe noticeably recovered and also made a positive contribution to growth in the EMEA region.

The **Asia/Pacific (APAC)** region grew by 1.4 % in the year under review, from € 267.5 million in the previous year to € 271.4 million. Due to the high volatility of the Japanese yen, currency effects were more noticeable in this region during the financial year. Based on constant exchange rates, this region also achieved encouraging growth of 9.4 %. The greatest impetus for growth came from China, Japan, the countries of Southeast Asia, and Australia.

Figure 7: Consolidated revenue by region (figures in € '000)

	Financial year 2012/2013	Financial year 2011/2012	
Asia/Pacific	**271,377**	267,522	+1.4 %
Americas	**327,481**	303,853	+7.8 %
EMEA	**307,587**	290,500	+5.9 %
Consolidated revenue	**906,445**	861,875	

Figure 8: Consolidated revenue by region based on constant exchange rates (figures in € '000)

	Financial year 2012/2013	Financial year 2011/2012	
Asia/Pacific	**271,377**	248,147	+9.4 %
Americas	**327,481**	301,087	+8.8 %
EMEA	**307,587**	290,397	+5.9 %
Consolidated revenue	**906,445**	839,631	

2.3.3 Gross profit

In financial year 2012/2013 gross profit increased from € 461.4 million to € 487.8 million. The corresponding gross margin for the reporting period amounts to 53.8 % (previous year: 53.5 %).

2.3.4 Functional costs

Functional costs for the reporting year amount to € 353.9 million (previous year: € 338.5 million), increasing slightly disproportionately to revenue, by 4.6 %. Accordingly, the share of functional costs in revenue decreased slightly, from around 39.3 % last year, to around 39.0 %. The main reasons for the absolute increase in costs were the higher sales volume, in addition to strategic initiatives on the expansion of a number of business fields, and further investments in innovation.

- **Selling and marketing expenses:** Selling and marketing expenses increased by 5.0 % in the year under review, from € 204.0 million to € 214.3 million. This increase in selling and marketing expenses is mainly due to an increase in personnel costs, higher volume sales and a number of strategic initiatives in distribution, for example in Service, in the RDEs, as well as in the area of refractive lasers. Relative to sales revenue, selling and marketing expenses were almost the same in the reporting year as in the previous year, at 23.6 % (previous year: 23.7 %).
- **General and administrative expenses:** Expenses in this area increased by 3.3 % to € 42.3 million (previous year: € 41.0 million), primarily due to increased personnel costs. Due to the disproportionate increase compared with revenue, the share of these expenses in revenue fell slightly, from 4.8 % in the previous year, to 4.7 %.
- **Research and development expenses (R&D):** Continuous investments are made in R&D to further develop the Company's product portfolio. R&D expenses increased by 4.1 % in the reporting period, to € 97.3 million (previous year: € 93.5 million). The R&D ratio was 10.7 % (previous year: 10.8 %).

2.3.5 Development of earnings

The Carl Zeiss Meditec Group uses earnings before interest and taxes (EBIT = operating result) as a key performance indicator. **EBIT** increased by 8.9 % in the past financial year, from € 122.9 million to € 133.9 million. As a result of positive economies of scale, in conjunction with the revenue growth achieved, as well as positive contributions from higher-margin areas and regions, the **EBIT margin** increased by 0.5 percentage points, from 14.3 % in the previous year, to 14.8 %. An efficient cost management system in the Group also contributed to the improvement in profitability.

Figure 9: EBIT and EBIT margin over a five-year period (figures in € '000)

In the financial year, earnings before interest, taxes, depreciation and amortization **(EBITDA)** improved from € 140.8 million in the previous year to € 152.6 million. The **EBITDA margin** was thus 16.8 %, which was 0.5 percentage points higher than the previous year (16.3 %).

Figure 10: EBITDA and EBITDA margin over a five-year period (figures in € '000)

Interest income/expenses (net) amounted to € -4.7 million in the reporting period (previous year: € -3.1 million).

Currency effects arose in the form of foreign currency gains in the amount of € 14.5 million (previous year: € -6.4 million), mainly as a result of the implementation of currency forward contracts and their valuation as of 30 September 2013 .

The **tax rate** increased year-on-year from 34.2 % to 32.8 %. Generally, an average annual tax rate of between 31 % and 33 % is assumed. The change in the tax rate is particularly due to changes in the valuation of deferred taxes, due, among other things, to a change in the accounting treatment of tax subsidy programs in the USA and a lower tax rate in Japan compared with the previous year.

In financial year 2009/2010 the basic **consolidated revenue**[6] increased to € 93.5 million (previous year: € 71.9 million). **Non-controlling interests** accounted for € 5.6 million of this (previous year: € 4.5 million). In financial year 2012/2013, therefore, basic **earnings per share of the parent company** amount to € 1.15 (previous year: € 0.88).

2.4 Financial position

2.4.1 Objectives and principles of financial management

A primary objective of financial management at Carl Zeiss Meditec is to ensure the solvency of the Company and to manage this efficiently throughout the Group. The Group's main source of liquidity comes from the

[6] Attributable to shareholders of the parent company

business operations of the individual business units, upon which the financial activities and the strategic orientation of the Group are also based. The Company therefore operates a global financial management system that covers all of its subsidiaries and is centrally organized at Group level. The Company also strives to continuously improve its financial power and reduce financial risks by keeping a constant check on the solvency of its debtors, which also involves the use of financial instruments.

The Company deposits any liquidity it does not require at normal market conditions with the Group treasury of Carl Zeiss AG. When investing surplus liquidity, short-term availability mainly comes before the goal of maximising earnings, so that funds can be accessed quickly if, for example, acquisition opportunities arise. The Group has production facilities in the USA and Europe and is thus only partly exposed to a direct currency risk, which it hedges against using simple currency forward contracts. Details on these can be found in the notes to the consolidated financial statements under "(2) (h) Financial instruments", "(28) Additional disclosures on financial instruments", "(37) Financial risk management, (2) (u) and (34) "Related party disclosures".

2.4.2 Financial management

The ratio of borrowed capital to total assets increased to 33.4 % as of 30 September 2013 (30 September 2012: 38.4 %).

The Group's dynamic debt ratio[7] improved in the course of financial year 2012/2013, to 0.4 years (2011/2012: 0.2 years). The Company is thus still in a position to settle its net debt within less than half a year using cash flow from its operating activities.

The interest coverage ratio, i.e., the coverage of interest income by the operating result before depreciation and amortization (EBITDA), amounts to 32.8 (previous year: 46.0). The change is mainly due to a lower interest income compared with the previous year, due, among other things, to the change in interest rates on capital investments as a result of financial market trends.

Cash inflows generated from operating activities provide an important source of financing for Carl Zeiss Meditec AG. The parent company can also create additional liquidity by issuing new shares on the capital market. Furthermore, the Group has the option to assume loans either from the Group treasury of Carl Zeiss AG or from banks.

For further information on the financial liabilities of Carl Zeiss Meditec please refer to note "(25) Noncurrent financial liabilities", "(26) Current accrued liabilities" and "(27) Other current non-financial liabilities" in the accompanying notes to the consolidated financial statements.

Since the Group possesses enough cash funds to finance its operating and strategic objectives, changes in credit conditions are not currently having any material effect on the Company's financial situation.

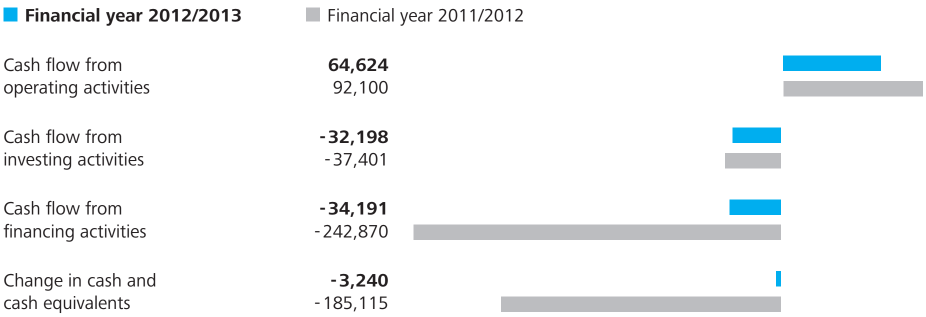
2.4.3 Statement of cash flows

The Carl Zeiss Meditec Group's statement of cash flows shows the origins and utilization of the cash flows within a financial year. 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 September 2013. As a result, the statements in the analysis of the financial position may differ from the presentation of net assets based on the consolidated statement of financial position.

[7] Calculation: (Borrowed capital excluding non-controlling interests, less cash and less treasury receivables, plus financial investments in the amount of € 140 million for financial year 2012/2013)/cash flow from operating activities

Figure 11: Summary of key ratios in the consolidated statement of cash flows (figures in € ’000)



Cash flow from operating activities amounted to € 64.6 million in the reporting period (previous year: € 92.1 million). The lower cash inflow compared with the previous year is primarily attributable to the higher increase in trade receivables at the end of the reporting period, particularly in the fourth quarter, as well as to a greater degree of inventory stockpiling, due, among other things, to the start of the new series production in optical coherence tomography, and to the stockpiling of inventories in Surgical Ophthalmology, to ensure fast delivery capacity.

In the reporting period **cash flow from investing activities** amounted to € -32.2 million (previous year: € -37.4 million). In the previous year there was a cash outflow due to the acquisition, in financial year 2011/2012, of the IOL/OVD business of IMEX Clinic S.L., Spain and higher investments in a new administration and production building for the production of intraocular lenses in Berlin. In addition, fixed-term deposits increased by € 10 million in the same period of the previous year. The cash outflow in the reporting period is mainly the result of the increase in fixed-term deposits by € 20 million to € 140 million.

Cash flow from financing activities in financial year 2012/2013 amounts to € -34.2 million (previous year: € -242.9 million). The substantial difference in amount is mainly due to a reclassification in the statement of financial position of cash and cash equivalents to treasury receivables from the treasury of Carl Zeiss Financial Services in the previous year. Note “(2) (e) Cash and cash equivalents” in the notes to the consolidated financial statements contains further information on this. In addition, the distribution of the dividend resulted in a cash outflow of € 32.5 million (previous year: € 24.4 million).

2.4.4 Investment and depreciation policy

To achieve a leading market position in the medical technology sector companies need to make well considered investments. A distinction is made here between two types of investment: capacity expansions and replacement investments. These investments are financed from operative cash flow.

In terms of the production of devices and systems, the Company mostly confines itself to the integration of individual components to create system solutions. For this reason, the ratio of tangible fixed assets to total assets and investments in such tangible fixed assets is comparatively low. One exception, however, is the production of intraocular lenses, which generally demands higher investments due to a large vertical range of manufacture.

Nevertheless, the investment of capital in real assets is only necessary to a relatively limited extent within the Group, which is evident from the development of the capex ratio – the ratio of total investments[8] in property, plant and equipment to consolidated revenue. In financial year 2012/2013, it was 1.1 %; in the previous financial year 1.7 %.

At Carl Zeiss Meditec AG and its subsidiaries intangible assets and property, plant and equipment are subject to scheduled, straight-line amortization and depreciation, respectively, over their estimated useful lives. Further details on this can be found in note "(2) (f) Other intangible assets" and "(2) (g) Property, plant and equipment" in the accompanying notes to the consolidated financial statements.

2.4.5 Key ratios relating to financial position

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

Key ratio	Definition	30 September 2012	**30 September 2013**	Change
Cash and cash equivalents	Cash-in-hand and bank balances	9,526	6,286	-34.0 %
Cash and cash equivalents plus treasury receivables from/payables to the Group treasury of Carl Zeiss AG	Cash-in-hand and bank balances + Treasury receivables from Group treasury of Carl Zeiss AG ./. Treasury payables to Group treasury of Carl Zeiss AG + Financial investments[9]	356,318	351,839	-1.3 %
Net working capital	Current assets ./. Cash and cash equivalents ./. Treasury receivables from Group treasury of Carl Zeiss AG[10] ./. Current liabilities excl. treasury payables to Group treasury of Carl Zeiss AG	258,766	316,377	+22.3 %
Working capital	Current assets ./. Current liabilities	495,084	528,216	+6.7 %

Table 4: Key ratios relating to financial position

Key ratio	Definition	Financial year 2011/2012	**Financial year 2012/2013**	Change
Cash flow per share	Cash flow from operating activities / Weighted average number of shares outstanding	€ 1.13	€ 0.79	-30.1 %
Capex ratio	Investment (cash) in property, plant and equipment / Consolidated revenue	1.7 %	1.1 %	-0.6 %-pts

[8] In financial year 2012/2013 total investments in property, plant and equipment (cash) amounted to € 9.7 million, compared with € 14.5 million the previous year.

[9] € 140 million in 2012/2013; € 120 million in 2011/2012; for financial year 2012/2013 the financial investments in the amount of € 140 million are carried under treasury receivables from the Group treasury of Carl Zeiss AG

[10] Excluding financial investments of € 140 million for financial year 2012/2013

2.5 Net assets

2.5.1 Presentation of net assets

Total assets increased to € 980.6 million as of 30 September 2013 (30 September 2012: € 962.9 million). This increase is mainly the result of the growth-related expansion of business volume and the associated increase in working capital.

ASSETS

Figure 12: Structure of the consolidated statement of financial position assets (all figures in € '000)

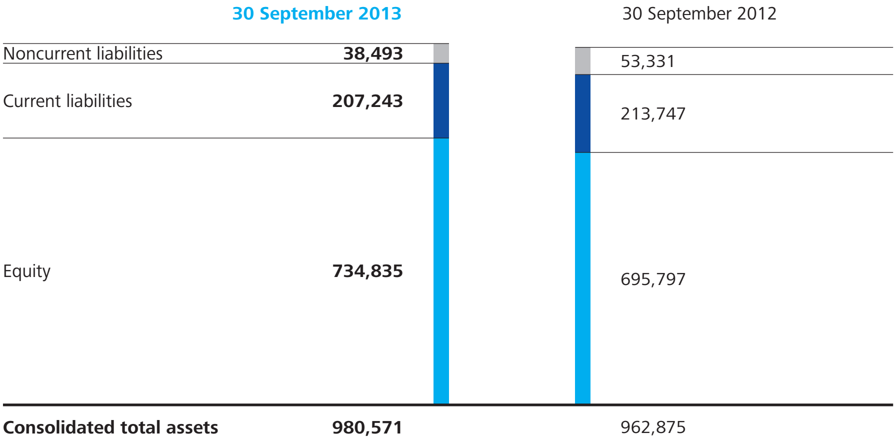
	30 September 2013	30 September 2012
Goodwill	**121,046**	121,627
Noncurrent assets (excluding goodwill)	**124,066**	132,417
Current assets	**735,459**	708,831
Consolidated total assets	**980,571**	962,875

Within noncurrent assets (€ 245.1 million; 30 September 2012: the item "Other intangible assets" decreased, due, among other things, to scheduled depreciation and write-downs. Property, plant and equipment increased as a result, among other things, due to investments in production and office equipment for the production building newly acquired in Oberkochen in the financial year, as well as to an increase in asset investments in equipment for demonstration purposes, and study equipment.

There were significant changes in current assets as of 30 September 2013 (€ 735.5 million; 30 September 2012: € 708.8 million), due in particular to the reduction in other current financial assets due to the maturity of fixed-term deposits in the amount of € 120 million. At the same time, treasury receivables increased, due, among other things, to new fixed-term deposits totaling € 140 million. Inventories increased to € 148.5 million as of 30 September 2013 (30 September 2012: € 143.0 million), due, among other things, to the stockpiling of inventories in Surgical Ophthalmology, to ensure fast delivery capacity, and as part of an extensive model change in the area of optical coherence tomography. In addition, trade receivables increased to € 150.0 million as of the end of the reporting period, due to their high share of revenue, particularly at the end of the fourth quarter (30 September 2012: € 136.7 million).

LIABILITIES AND EQUITY

Figure 13: 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 increased due to the good operating performance, to € 734.8 million as of 30 September 2013 (30 September 2012: € 695.8 million). The equity ratio increased to 74.9 % (30 September 2012: 72.3 %) and thus remained at a very comfortable level.

Under noncurrent liabilities (€ 38.5 million; 30 September 2012: € 53.3 million) the item "Other noncurrent provisions" in the statement of financial position was reduced, among other things, by the payment of the contingent purchase price obligation ("earn-out") for financial year 2011/2012 in connection with the acquisition of the IOL/OVD business of IMEX Clinical S.L., Spain.

Under current liabilities (€ 207.2 million; 30 September 2012: € 213.7 million) there was a decline in current financial liabilities, due, among other things, to the scheduled repayment of a loan. Trade payables were on almost the same level as at 30 September 2013, amounting to € 35.9 million (30 September 2012: € 36.9 million), while liabilities to related parties increased due to growth and effects at the end of the reporting period (€ 19.8 million; 30 September 2012: € 13.6 million).

2.5.2 Key ratios relating to net assets

Table 5: Key ratios relating to net assets

Key ratio	Definition	30 September 2012	30 September 2013	Change
Equity ratio	Equity / Total assets	72.3 %	74.9 %	+2.6 %-pts
Rate of inventory turnover	Cost of goods sold / Average inventories	2.9	2.9	+-0.0 %
Days of sales outstanding (DSO)[11]	Trade receivables at the end of the reporting period (gross) ./. rolling monthly sales	54.6 days	50.8 days	-7.0 %

[11] This key ratio indicates how many days the Company will need to collect the receivable at the end of the reporting period, assuming that the receivable is being paid on an ongoing basis and only the most recent receivables are open at the end of the reporting period.

2.6 Orders on hand

The Carl Zeiss Meditec Group’s orders on hand increased. As of 30 September 2013 orders on hand amounted to € 102.4 million, which corresponds to an increase of 1.6 % compared with the previous year (30 September 2012: € 100.8 million).

2.7 Events of particular significance

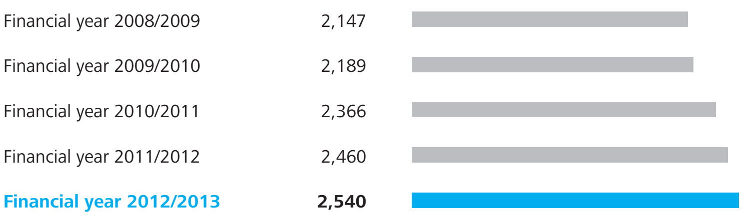
There were no other events of particular significance during the reporting period.

3 NON-FINANCIAL PERFORMANCE INDICATORS

3.1 Employees

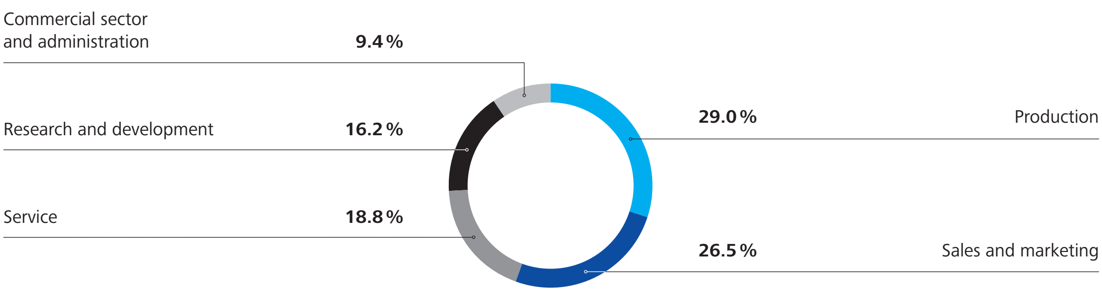
Highly qualified and motivated employees are a necessity for the long-term success of a company. Responsible human resources development and continuous improvement play a crucial role here. As of 30 September 2013 the Carl Zeiss Meditec Group had 2,540 employees worldwide (previous year: 2,460). The rise in employee numbers compared with the same period of the previous year is mainly attributable to the general investment in strategic initiatives and the associated recruitment of employees in Research & Development and Sales.

Figure 14: Workforce of the Carl Zeiss Meditec Group at the end of the financial year



At 29.0 % (previous year: 29.4 %) and 26.5 % (previous year: 25.9 %), respectively, the majority of employees were working in “Production” or “Sales and Marketing” as of 30 September 2013. A total of 18.8 % (previous year: 19.0 %) were employed in “Service” as of 30 September 2013. The percentage of employees working in “Research and Development” increased to 16.2 % as of the end of the reporting period (previous year: 15.8 %). The percentage of employees working in commercial operations decreased slightly during the same period, to 9.4 % as of 30 September 2013 (previous year: 9.9 %).

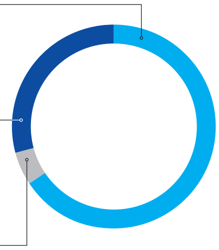
Figure 15: Distribution of employees by function



At 65.6 % (previous year: 64.8 %) almost two thirds of employees of the Carl Zeiss Meditec Group work in Europe. A total of 29.1 % of the workforce work in the "Americas" region (previous year: 29.9 %), while 5.2 % work in the "Asia/Pacific" region (previous year: 5.3 %).

Figure 16: Distribution of employees by region

EMEA	**65.63 %**
Americas	**29.13 %**
APAC	**5.24 %**



It is the Company's employees, with their competence and achievements, who lay the foundations for Carl Zeiss Meditec's global success. That is why the sustained development and targeted support of all our employees' potential is the primary task of the human resources management at Carl Zeiss Meditec. The focus here is particularly on the personal and professional development of employees in the Group. The Company considers this a sound basis for ensuring long-term economic success. The Company aims to increase its attractiveness as an employer through strategic employee development.

3.2 Production

3.2.1 Production sites

The Carl Zeiss Meditec Group manufactures its products in Jena, Oberkochen and Berlin in Germany, Dublin in the USA and in La Rochelle in France. The Group also has a number of smaller sites belonging to subsidiaries of Carl Zeiss Meditec S.A.S. in Besançon (France), Livingston (Scotland) and Mauritius. Systems and devices for ophthalmology are manufactured by the Company in Dublin and in Jena. The Group manufactures ophthalmic and microsurgical visualization solutions in Oberkochen; intraocular lenses are mainly manufactured in La Rochelle and Berlin. The broad product portfolio is rounded off by viscoelastics, which are produced at the facility in Livingston and are mainly used for treating cataracts. The two remaining production facilities of Carl Zeiss Meditec S.A.S. manufacture instruments and consumables for the treatment of ophthalmic diseases.

3.2.2 Production concept

The production of devices and systems at Carl Zeiss Meditec focuses on the assembly of system components. Intraocular lenses (IOL), on the other hand, are largely manufactured in-house, i. e., no pre-manufactured products are purchased from third-parties. Only a number of specific steps in the production process are outsourced to external companies.

Less than half of all preliminary products purchased were procured from suppliers within the Carl Zeiss Group. The remainder are sourced from other suppliers outside the Carl Zeiss Group. In order to reduce its dependency on individual suppliers, the Carl Zeiss Meditec Group strives to qualify additional suppliers for key components and vendor parts.

The main focus concerning production processes is to be able to respond quickly to customer enquiries and requirements, to implement short chains of command and to be able to quickly and efficiently carry innovations over into production. Shorter throughput times play a major role in this, as well as reducing inventories, while simultaneously optimizing production costs, and improving product quality.

3.2.3 Production planning

Production planning in Jena, Oberkochen and Dublin is based on the rolling forecast method. The majority of distribution partners prepare a sales forecast once a quarter for the next 15 months. The sales forecast is then translated into a demand forecast for production units, taking inventory changes into account. In order to keep stocks to a minimum, products are usually assembled to customer order (series production of individual items). The rolling forecast method described above is also applied for the manufacture of intraocular lenses. Limited quantities of the finished products are stockpiled, however, since customers expect the implants to be delivered very quickly. To this end replenishment orders are forwarded by the customers to a central warehouse; these, in turn, trigger a new order thus ensuring customers are served as quickly as possible. The Carl Zeiss Meditec Group also operates consignment warehouses in clinics and hospitals, which – depending on consumption – are continuously restocked.

3.3 Research and development

3.3.1 Objectives and focus of research and development

Research and development plays an important role within the Carl Zeiss Meditec Group. Our excellence in the area of research and development (R&D) is measured based on our ability to continuously and sustainably raise the performance and increase the growth of the Group through innovations. According to our 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 strength with its research and development activities. We 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.

That is why we want to expand our broad product range and constantly improve products that are already on the market. Our main priority here shall be to increase the efficiency and effectiveness of diagnosis and treatment. We attach great importance to the needs of our customers and constantly work closely together with them.

In financial year 2012/2013 research and development expenses increased by 4.1 % to € 97.3 million (previous year: € 93.5 million). At the same time the R&D ratio remained almost the same as in the previous year at 10.7 % (previous year: 10.8 %).

Figure 17: R&D expenses and R&D ratio to revenue (in € million)

In the reporting period 16.2 % of the entire workforce of the Carl Zeiss Meditec Group were employed in Research and Development.

3.3.2 Focus of research and development activities in the reporting period

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.

A number of new innovations were thus launched on the market both during the reporting period and directly thereafter.

CIRRUS™ photo 800/600

The new CIRRUS™ photo offers physicians and patients the opportunity to use the functions of two devices in a single session. It unites the rapid, precise OCT analysis with clear, informative images from the fundus camera. The fast that the patient no longer needs to be moved back and forth between the various devices means an improvement in the treatment process for the physician and a more comfortable treatment for the patient.

Cirrus™ HD-OCT 5000/500

The new Cirrus™ HD-OCT 5000/500 is the successor to the previous model Cirrus™ HD-OCT 4000/400. It offers the highest-resolution visualization options for very precise assessment of pathological changes, and now also includes the new retina tracking system, Fast-Trac™. Now, if patients move during the scan, this will not affect the precision of the results.

FORUM Archive & Viewer 3.1

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

Work was completed on a number of other innovations during the past financial year, which were promptly presented at the end of the financial year at the summer meeting of the European Society of Cataract and Refractive Surgeons (ESCRS) in Amsterdam:

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 a 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.

3.3.3 Brands and patents

At the present time, the Carl Zeiss Meditec Group currently owns more than 800 patent families worldwide. Patent protection varies from country to country. However, the Company aims to protect all its products in its various markets by patent. Therefore, Carl Zeiss Meditec invests in innovations and solutions and ensures that these have an innovative edge through patents. Carl Zeiss Meditec is granted more than one patent a week, on average. Since a number of products have already been on the market for some time, patent protection does not extend to the basic functionality of these products, but, rather, to individual features and enhancements that protect beneficial solutions. As a result, the Group is able to successfully and permanently maintain its position in the market.

In addition, the Company has more than 560 registered brands and brand registrations (as of 30 September 2013). These include, among other things, product names, slogans, images, logos and other specific characteristics of the Company.

4 REMUNERATION REPORT

4.1 Remuneration of the Management Board

The members of the Management Board are remunerated based on Section 87 German Stock Corporation Act *(Aktiengesetz)*. According to this, the Supervisory Board determines the remuneration, which comprises fixed and variable components, and payments in kind. The Supervisory Board's General Committee proposes the amount and structure of the remuneration to be paid to the Management Board, and these are then approved by the Supervisory Board as a whole. The appropriateness of the Management Board remuneration is based on the duties and the personal contribution of the individual members of the Management Board, as well as the Company's financial position and market environment.

In its meeting on 29 November 2012, the General and Personnel Committee of the Supervisory Board examined the achievement of the objectives of the Management Board members in relation to financial year 2011/2012. The corresponding variable remunerations were then determined during the Supervisory Board meeting on the same date. This meeting also reviewed the salary of Mr. Thomas Simmerer and adjusted it based on the standard remuneration. The salaries of Management Board members Dr. Ludwin Monz and Dr. Christian Müller were reviewed on the date of effectiveness of their contract extensions, which were agreed in financial year 2011/2012, on 1 October 2012 and 1 June 2012, respectively.

4.2 Structure and amount of remuneration paid to the Management Board

The remuneration paid to the Management Board of Carl Zeiss Meditec AG consists of a fixed and a variable portion. The variable portion is split into two components: the first component is contingent upon the achievement of certain targets for the respective current financial year and the second bears a long-term incentive effect.

The **fixed portion** of the remuneration paid to the Management Board is not contingent upon the achievement of certain targets. It is paid monthly.

The **variable portion of the remuneration**, which relates to targets set for the respective financial year, is contingent upon the achievement of certain quantitative and qualitative targets. The quantitative targets, which bear the most weight, are mainly Economic Value Added® (EVA®) and free cash flow, as well as the non-financial indicator NPS (Net Promoter Score). Strategic targets agreed individually between the Chairman of the Supervisory Board and the members of the Management Board are also taken into consideration. This portion of the remuneration is paid after the end of the respective financial year. The amount is contingent upon the degree of target fulfilment.

In addition to the two components of Management Board remuneration described above, there is also a so-called Long Term Incentive Program ("LTIP"), which was redesigned and published in financial year 2011. This program constitutes a remuneration component with a long-term incentive, which enables Management Board members to achieve, at the end of a three-year period, an additional income equating to 50 % of the current variable remuneration paid out to the respective individual member for the financial year that precedes the beginning of the term of an LTI tranche, plus interest. A precondition for payment of this remuneration is that the members of the Management Board have not handed in their notice at the end of the applicable three-year period per tranche, and the equity ratio of the Carl Zeiss Group is higher than 20 % at this point. The first payment shall be made with the salary payment in December 2014.

Table 6: Itemized breakdown of the remuneration paid to the members of the Management Board of Carl Zeiss Meditec AG (figures in € '000)

	Management Board remuneration for financial year 2012/2013					
	Fixed remuneration	Payments in kind[12]	Variable remuneration[13]	Total remuneration paid directly	LTIP	Total remuneration pursuant to Section 314 (1) No. 6a) *HGB*
Dr. Ludwin Monz	270.0	16.9	200.8	487.7	–	487.7
2011/2012	249.7	17.0	187.4	454.1	–	454.1
Dr. Christian Müller	216.0	16.5	163.9	396.4	–	396.4
2011/2012	198.7	20.4	140.2	359.3	–	359.3
Thomas Simmerer	224.4	17.6	169.1	411.1	–	411.1
2011/2012	220.0	17.4	151.6	389.0	–	389.0

Directors & Officers (D&O) liability insurance has been taken out for the members of the Management Board of Carl Zeiss Meditec AG, which provides for an excess that is also specified in the Management Board contracts. This complies with the excess that has been prescribed by the German Stock Corporation Act *(AktG)* since 5 August 2009 of at least 10 % of the damages up to at least one-and-a-half times the fixed annual remuneration.

4.3 Pension scheme for members of the Management Board

The appropriation to the pension provisions or pension funds should be stated annually with respect to the retirement benefit commitments for the members of the Management Board. The expenses relating to pension commitments attributable to the individual members of the Management Board are presented in the following overview.

Table 7: Itemized breakdown of the pension commitments to the members of the Management Board of Carl Zeiss Meditec AG (figures in € '000)

	Pension commitments for financial year 2012/2013	
	Appropriation to pension provision for retirement benefit commitments	Present value of pension commitment for the single-entity financial statement of the AG Total
Dr. Ludwin Monz	244.3	1,185.7
2011/2012	295.1	941.4
Dr. Christian Müller	56.2	278.3
2011/2012	94.0	222.1
Thomas Simmerer	34.6	134.5
2011/2012	44.4	99.9

12 Payments in kind include other benefits such as non-cash benefits like the provision of a company car and the reimbursement of employer contributions to the statutory pension and unemployment insurance schemes, as well as contributions to group accident insurance.

13 Variable remunerations include both the formation of a provision for the bonus for the current financial year and payments for the bonus for the previous year, insofar as this differs from the previous year's figure.

Projected unit credits for pensions for other former members of the Management Board of Carl Zeiss Meditec amounted to € 560.5 thousand (previous year: € 488.7 thousand).

4.4 Departure of members of the Management Board

In the event of premature termination of the employment relationship, the contracts for members of the Management Board do not contain any explicit promise of a severance payment. A severance payment may, however, ensue from a severance agreement concluded on an individual basis.

4.5 Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board has been changed, effective from 1 October 2010, by way of an amendment of Art. 19 of Carl Zeiss Meditec AG's Articles of Association, resolved during the Annual General Meeting on 12 April 2011.

In addition to a basic remuneration and remuneration for work on the committees, the Supervisory Board remuneration determined on this basis also includes a variable component, which takes appropriate account of the Company's earnings per share. The basic remuneration for each member of the Supervisory Board is € 20,000. The Chairperson of the Supervisory Board receives double this amount and the Deputy Chairperson one-and-a-half times this amount. With the exception of members of the Nominating Committee and the Chairman and Deputy Chairman of the General Committee, members of committees receive an additional, fixed remuneration of € 5,000; the Chairman of the Audit Committee receives double this amount.

If consolidated earnings per share amount to at least € 0.20, a total amount of € 1,000.00 shall be calculated for each full € 0.02 consolidated earnings per share above € 0.20 consolidated earnings per share for the respective financial year just ended, multiplied by the number of members of the Supervisory Board. From this total amount, each member shall be entitled to a portion equivalent to his/her share of the annual remuneration of all members – consisting of basic and committee remuneration. The amount of variable remuneration paid is limited to the annual fixed remuneration (sum of basic and committee remuneration).

The following overview provides an itemized breakdown of the total remuneration paid to each Supervisory Board member:

Table 8: Itemized breakdown of remuneration paid to the Supervisory Board of Carl Zeiss Meditec AG pursuant to Art. 19 (1) of the Articles of Association of Carl Zeiss Meditec AG (figures in € '000)

	Supervisory Board remuneration for financial year 2012/2013			
	Basic remuneration	Committees	Remuneration for earnings per share	Total remuneration
Prof. Dr. Michael Kaschke (Chairman)	40.0	5.0	45.0	90.0
2011/2012	40.0	5.0	45.0	90.0
Dr. Markus Guthoff (Deputy Chairman)	30.0	–	30.0	60.0
2011/2012	30.0	–	30.0	60.0
Thomas Spitzenpfeil	20.0	5.0	25.0	50.0
2011/2012	20.0	5.0	25.0	50.0
Dr. Wolfgang Reim	20.0	10.0	30.0	60.0
2011/2012	20.0	10.0	30.0	60.0
Cornelia Grandy (from 11 October 2011)	20.0	–	20.0	40.0
2011/2012	19.4	–	19.4	38.8
Jörg Heinrich (from 11 October 2011)	20.0	5.0	25.0	50.0
2011/2012	19.4	4.7	24.1	48.2
Franz-Jörg Stündel (until 11 October 2011)	–	–	–	–
2011/2012	0.6	0.2	0.7	1.5
Wilhelm Burmeister (until 11 October 2011)	–	–	–	–
2011/2012	0.6	–	0.6	1.2

The Company did not pay members of the Supervisory Board any additional remunerations or benefits for personally rendered services (in particular consultancy and agency services) in financial year 2012/2013.

Directors & Officers (D&O) liability insurance has been taken out for the members of the Management Board of Carl Zeiss Meditec AG, which provides for an excess that is also specified in the amendment to the Articles of Association of the Company. This corresponds to at least 10 % of the damage up to at least one-and-a-half times the fixed annual remuneration.

5 RISK REPORT

5.1 Opportunity and risk management

The term "risk" refers to all circumstances and developments within and outside the Company which could have a negative effect on the attainment of business targets and budgets within a defined period of assessment.

The Carl Zeiss Meditec Group is naturally exposed to a large number of risks within the scope of its business dealings. Regulating and controlling these risks within the bounds of risk-taking is a basic requirement for the Company's success. An effective risk management system implemented for this purpose serves to sustainably protect and – with respect to the associated opportunities – increase corporate value.

The risk management system of the Carl Zeiss Meditec Group incorporates all fully consolidated subsidiaries and is essentially decentralized, i. e., the legally independent entities are responsible for their own local risk management. At Group level the same principles apply for the Group functions. Risks are communicated along the legal and organizational structure. The provision of a standard, group-wide conceptional framework and the coordination of the local entities with respect to the risk management process is incumbent upon the Group risk manager, who reports directly to the Management Board.

Risk management is an integral part of corporate management at Carl Zeiss Meditec and is based on the following two major components: a **risk reporting system** and an **internal control system**.

5.1.1 Risk reporting system

This is a clearly structured, traceable feedback loop which encompasses all of the Company's activities, is integrated in its organizational structure and its control and reporting processes, and comprises a systematic and ongoing process for the identification, assessment, regulation/control, as well as the documentation and communication of any risks. This enables any relevant information to be immediately passed on to the responsible decision makers. The main features of this system are as follows:

- The coordinated implementation of risk management measures is ensured through the compilation of all relevant facts in Carl Zeiss Meditec's corporate policy on risk management.
- Under the direction of a local Group risk manager, the local risk managers at the different sites, together with local management, regularly assess processes, transactions and developments for existing risks.
- Risks are identified and evaluated according to standard risk matrices.
- An early-warning system assesses business risks according to their potential implications in a planning period of typically five years. The risks are recorded in a database-assisted software solution and rated and categorized according to their probability of occurrence and damage potential.

Regular risk reports are sent to the Management Board, the Managing Directors of the subsidiaries and other decision-makers within the Group on the basis of specified thresholds for relevant risks and in accordance with the classification using the risk matrices. Significant risks arising at very short notice are reported to this responsible group immediately.

On this basis, appropriate steps are taken to avoid identified risks or reduce the probability of their occurrence, and to minimize the potential financial losses. The measures for reducing risks and the early-warning indicators are regularly updated.

The risk reporting system is continuously reviewed and further developed, and is also audited by the auditor for Carl Zeiss Meditec AG.

5.1.2 Internal control system (ICS)

The internal control system is the set of all of the control activities prescribed by management that serve to control the systematic, enduring risks and thus ensure proper running of operations and correct management reporting. The organizational measures are integrated in the operative business processes. The internal control system works to support the achievement of business policy objectives through effective and efficient management, compliance with laws and legal requirements (compliance), protection of the Company's assets, assurance of the reliability and completeness of internal and external accounting and timely and reliable financial reporting. The operative function of the internal control system is closely linked to the risk reporting system.

The structure of the internal control system of Carl Zeiss Meditec Group is based on the component dimension of the internationally accepted COSO (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management Framework. The result forms a complete, Group-wide, risk-based ICS description, which is maintained within the scope of the quarterly risk reporting cycles. Information about the function of the internal control system, the regulation of responsibilities and general instructions are compiled in the Group risk management policy at Carl Zeiss Meditec.

The **accounting-related part** of the internal control system is a system structured under the CFO's supervision which ensures that the preparation of the consolidated annual financial statements is in line with International Financial Reporting Standards (IFRS) and that external financial reporting is reliable.

The operative, timely implementation of the systemic requirements is effected by the affected areas of Carl Zeiss Meditec AG and its subsidiaries. These are supported and monitored by Carl Zeiss Meditec's **Finance Group** department. Group Finance is responsible for consolidated reporting, including Group-wide financial and management information, forecasts, budgets and risk reporting. Acts of law, accounting standards and other pronouncements are constantly analyzed with regard to their relevance for and impact on the consolidated and annual financial statements. Relevant requirements are communicated in consolidated accounting guidelines and, together with the applicable Group-wide financial reporting calendar, form the basis for the financial statement preparation process. In addition, supplementary instructions for methods, standardized reporting formats, IT systems and IT-supported reporting and consolidation processes support the process for uniform and proper consolidated accounting.

5.2 Assessment of the internal control system

The internal control system is regularly assessed and further developed with respect to the efficacy of compliance with external requirements and the containment of organizational risks.

The internal control system can only provide reasonable but not absolute assurance that the relevant targets will be achieved. Measures implemented may therefore only aim to control the known or potential systematic sources of error. Another matter to consider when setting up an internal control system is cost effectiveness.

Evidence of the effectiveness of the internal control system is shown from the results of the measures specifically set up to assess the effectiveness of the internal control system or from the observation of processes anchored in the normal course of business. Information and data from other sources is also a key component of management assessment, as these can show up management shortcomings or confirm the effectiveness of the established measures. Such sources include reports from Group Auditing at Carl Zeiss AG, reports on audits conducted by or on behalf of supervisory authorities, reports prepared by external auditors, as well as reports commissioned to assess the efficiency of processes outsourced to third parties.

The effectiveness of the internal control system is reviewed by the **Audit Committee** of the Supervisory Board of Carl Zeiss Meditec AG. Monitoring in this respect is based on an adequate level of information.

The assessment performed by the Management Board, which includes the information from all the above-mentioned sources, led to the conclusion that the internal control system is appropriately structured, effectively implemented and efficient in terms of the correctness of the accounting process and compliance.

5.3 Significant risks

The individual risks identified by the risk management system are detailed below.

5.3.1 Economic environment

As a company with global operations, Carl Zeiss Meditec is particularly exposed to developments that pose a risk for the global economy. Therefore, the general global political situation, major natural disasters, overall economic development and market trends in individual regions of the world may have diverse effects on Carl Zeiss Meditec Group's chances of success.

In particular the underlying conditions in the global economy have become more volatile over the past few years, which has heightened economic risks overall. Economic growth may be curbed significantly by the euro crisis, the debt situation in the USA and a slowdown in growth in China. Such a trend in the overall economic situation may have an adverse effect on the economic situation of our customers and their demand for Carl Zeiss Meditec's products. This could lead, at least temporarily, to demand shortfalls and thus negative consequences for sales and earnings. Thanks to the early-warning system established within the Carl Zeiss Meditec Group, these risks are recognized in good time and can be countered accordingly. In addition, the Group's international presence means it is less affected by regional crises, and the highly differentiated product and customer structure of Carl Zeiss Meditec limits its sales risks.

5.3.2 Market and competition

Carl Zeiss Meditec is exposed to fierce competition in specific segments in its search for new treatment methods. New competitors may enter the market. Some competitors are larger than the Carl Zeiss Meditec Group in terms of their total sales and have greater financial resources at their disposal to deal with this competitive pressure. Furthermore, existing competitors may be bought up by large, financially strong companies, or they may form alliances. The resulting or heightened competitive pressure this would cause could lead to lower selling prices, margin pressure and/or the loss of market shares. The Company prepares for the potential risks of a changing market environment by continuously observing the market, in order to be able to react with the necessary foresight.

Health insurance funds, insurance companies or government health schemes reimburse the costs of certain medical treatments carried out using products of the Carl Zeiss Meditec Group. Changes in health and reimbursement policy in Germany or abroad could lead to the denial or reduction of reimbursement services.

If reimbursement rates are too low, the profit margin of doctors and hospitals may fall, prompting them to suspend or restrict the performance of the respective treatments. The complete or partial discontinuation of reimbursements may accordingly reduce the demand for Carl Zeiss Meditec's products. In the case of new products, for which it cannot be predicted with any certainty whether health insurance funds, insurance companies or government health schemes will offer any reimbursement at all, or treatments with products for which there is no reimbursement, e. g. laser treatments for vision correction, demand may be significantly impaired by the financial situation of consumers.

The appearance of press reports about the potential risks of certain treatments, or changes in fashions and trends, may also adversely affect consumer decisions. A decline in the demand for such treatments may lead to a decrease in the Carl Zeiss Meditec Group's revenue, as physicians and treatment centers may no longer purchase the same quantities of such devices.

In addition, on the customer side, and particularly in the private healthcare sector, there may be an increase in the formation of regional and national purchasing alliances, as well as in clinic chains. Such a trend may lead to falling selling prices in this customer segment.

On the other hand, the demographic trend in industrialized countries and economic development in the RDEs, as well as the increasing requirements being placed on medical devices for diagnosing and treating age-related eye diseases, present growth opportunities for the Company.

5.3.3 New technologies and products

The markets in which the Group operates are characterised by a constant stream of technological innovations. A capacity for innovation and rapid product development are key competitive factors. New scientific findings may lead to shorter development and product cycles, alternative technologies or new pharmaceutical procedures. The success of the Carl Zeiss Meditec Group therefore depends heavily on the quick development of innovative and market-driven products, and on the timely recognition and conversion of new technology trends and new medical findings into new products. Should the Group lose touch with technological developments on the market, react too late to trends or technological advancements, this could weaken its competitive position. There is also a risk of one or several of the Group's products being completely superseded by alternative technologies, pharmaceutical procedures or treatment methods, thus reducing or entirely eliminating demand for certain products, which could result in losses in sales and earnings.

Carl Zeiss Meditec actively counters this risk by investing heavily in research and development and upstream areas of the production of products with a technological edge and unique selling points. To this end, the management concerns itself with detailed market and competition analyses, market scenarios, the relevant cost drivers and critical success factors of the Company.

5.3.4 Personnel risks

The Group's success also depends on its ability to recruit and retain for the long term well qualified specialists and managers for all functions in all regions. Employee competence, commitment and motivation play a vital role in determining the Group's success and its competitive chances. When looking for qualified employees, the Company has to compete with many other companies in the same sector. Unfilled positions could limit the technological advancement and sale of the products and services it offers. Carl Zeiss Meditec counters this risk through active employee development and successor planning, and by maintaining and improving its attractiveness as an employer.

5.3.5 Product approval and political environment

In many of the countries where Carl Zeiss Meditec operates there are special government regulations that apply. As the Group aims to sell its products worldwide, such regulations have to be taken into consideration when manufacturing and launching products in the market, especially where explicit regulatory approvals and certifications are required.

Although the relevant legal requirements are incorporated into all stages of development, production and distribution, there is no guarantee that products requiring approval will be granted regulatory approval at all or in time for their planned launch in the market, or that the Group's various registrations will still exist or be renewed in the future. This could lead to losses in sales. A delayed product launch may, in certain circumstances, result in that product not being accepted or meeting with only a small level of acceptance, as competitors may have launched similar products in the meantime. It is also possible for a sales ban to be imposed on the products of the Company, or for the regulatory approval requirements to be tightened in future.

In order to be able to identify such developments in good time and react appropriately, the Group keeps a very close eye on developments in this area and monitors approval procedures extremely closely as part of its quality management system.

5.3.6 Dependence on affiliated companies and external suppliers

The Carl Zeiss Meditec Group and the Carl Zeiss Group have close contractual relationships in some areas. This relates in particular to the procurement of IT services, the licensed use of the "ZEISS" brand and agreements with distribution companies of the Carl Zeiss Group. This distribution network provides major opportunities, which are rooted particularly in the close-meshed coverage worldwide, a high level of professional distribution expertise, and a more cost-efficient market development approach.

Carl Zeiss Meditec uses components from external suppliers to a very large extent, to manufacture its products. This cooperation with external suppliers is becoming progressively more intense, due to general cost pressure and the complexity of the components being supplied, which is leading to mutual dependencies. Outsourcing contracts to third parties presents the risk of non-delivery or delivery delays, as well as the possibility of temporary shortages of specific goods and vendor parts, if individual business or cooperation partners do not duly fulfil their contractual obligations. Unforeseen price increases or even a termination of business relationships could also interfere with the course of business. Qualifying new suppliers, which would be necessary in this case, could take a long time. Furthermore, Carl Zeiss Meditec may be liable vis-à-vis its own customers for the breach of contractual obligations by its business and cooperation partners. This could have negative implications for the production, sale and the quality of Carl Zeiss Meditec's products.

Monitoring supplier risks plays a key role in the early-warning, risk information and management system. In order to limit the risks of such supplier shortages, the Carl Zeiss Meditec Group selects its suppliers carefully. By implementing consistent supply chain measures, such as qualifying its suppliers, identifying secondary suppliers and preparing a strategic inventory plan, Carl Zeiss Meditec protects itself as best it can against supplier dependencies and changes on the commodities market.

5.3.7 Patents and intellectual property

The competitiveness of the Company depends on the protection of its technological innovations against exploitation of these innovations by third parties. Violations of intellectual property and patent protection may compromise the Company's technological lead and thus its competitive advantage. In order to counter this risk, the Group protects its own inventions with patents, acquires or licences patents from third parties and endeavours to protect these patents and its other intellectual property. The expiry of property rights, particularly patents, as well as the geographical limitation of property rights could, however, result in new or existing competitors exploiting the inventions of the Carl Zeiss Meditec Group to enter the market or strengthen their market position.

Furthermore, in spite of the measures taken, third parties may still attempt to copy or partly copy products of the Group, since the unauthorized use of intellectual property is generally difficult to monitor and copyright laws only provide for limited protection. The Company may become involved in lengthy and costly litigation proceedings in this respect. There is also no guarantee that the measures taken by the

Group to protect its own intellectual property rights will successfully prevent the development and design of products or technologies that are either similar to or that could compete with the products of the Company. If Carl Zeiss Meditec fails to ensure adequate protection of its technological innovations, this could impair the competitiveness of the Carl Zeiss Meditec Group.

In order to avoid the above-mentioned legal disputes, patents and patent applications in the relevant fields are analysed by the Patents department at regular intervals.

5.3.8 Loss of confidential data

The Carl Zeiss Meditec Group owns a large number of business secrets. A set of measures serves to ensure that the confidentiality of business secrets is effectively protected and that there are no infringements. If business secrets of Carl Zeiss Meditec leak to competitors, this may have adverse effects on the Group's competitive position. To limit this risk, ethical rules of behaviour were laid down in the Carl Zeiss Group's "Code of conduct" and brought to the attention of all employees.

In the sphere of IT solutions the Group has established a number of mechanisms to protect confidential data. Conformance to and the effectiveness of these measures is continuously monitored.

5.3.9 Product liability risk

There is an inherent risk of malfunctions in some of the medical technology devices, systems solutions and implants manufactured by the Company causing injury or treatment errors to patients. This can be due, among other things, to components and raw materials purchased from external suppliers not meeting the specified quality requirements. These risks cannot be entirely excluded, even if the Carl Zeiss Meditec Group applies all reasonable quality control measures and complies with all legal requirements. Although no significant product liability claims have been brought against the Company to date, no guarantee can be given that Carl Zeiss Meditec will not be faced with such claims in the future. This may lead, on the one hand, to considerable legal costs, irrespective of whether a claim for damages ultimately materialises. On the other hand, it could damage the reputation of Carl Zeiss Meditec in the long term.

The Company covers itself against potential product liability claims by taking out product liability insurance. Risk liability claims can be particularly high, especially in the USA, not to mention the costly recall campaigns that may be required. The possibility cannot be entirely excluded that the Carl Zeiss Meditec Group's existing insurance coverage may not be sufficient to cover potential claims.

Certified quality management: A vital part of early risk detection is the Group's certified quality management system. Clearly structured and documented quality management processes ensure not only transparency, but are now a prerequisite in most markets for obtaining regulatory approval for medical devices. The quality assurance system employed by Carl Zeiss Meditec was certified by *DQS GmbH Deutsche Gesellschaft zur Zertifizierung von Managementsystemen* and complies with the US standard for "Good Manufacturing Practice" ("GMP"), 21 C.F.R. part 820, Quality System Regulation.

5.3.10 Infrastructure risks

Uncontrollable environmental influences, such as natural disasters or terrorist attacks may have an adverse effect on the affected economy or beyond. The consequences of such events, such as the loss of employees or an interruption to business operations at the affected locations, may prevent the Company from providing regular production, distribution and other services in these regions and generating the expected earnings. In addition, they could have material adverse effects on the Company's customers domiciled in the affected region and on their willingness to invest, as well as its local suppliers there and their readiness to supply. As a result, the Company's reputation, business activities, financial condition and results of operations, and its cash flow, could become significantly compromised.

The Group has taken a number of precautions to minimize these effects. The headquarters, which house our main research and development departments, and other central corporate functions, are situated in Germany. This region is not generally afflicted by severe natural disasters. Another of our productions sites is located in Dublin, California, a region with a heightened risk of earthquakes. In order to minimize potential damage and enable a concerted, effective reaction by corporate management, Carl Zeiss Meditec has set up a crisis management system, and has also developed local and central plans for maintaining the functionality of critical business processes (business continuity plans). Although the described risks may materialize, the Company believes, in view of these measures and the organization of Carl Zeiss Meditec, that the risk of material adverse effects on its business activities, financial condition and results of operations, and on its cash flow, is limited.

Information technology plays a crucial role in the execution of the Company's business processes. Providing and exchanging up-to-date, complete and correct information, and being able to implement fully functional IT applications, are of central importance for a global company like Carl Zeiss Meditec. Functioning and adequately documented IT systems are also a prerequisite for obtaining product approvals in certain countries. Risks that, in the event of damage, could result in an interruption of business processes due to IT system failures or the loss or falsification of data, are therefore identified and evaluated across the entire life cycle of the applications and IT systems. Carl Zeiss Meditec has defined appropriate measures so that risks can be avoided and potential losses can be limited.

5.3.11 Acquisition of businesses

Potential risks associated with acquisitions are carefully and systematically assessed in advance. In order to conclude transactions successfully, a standard process for mergers & acquisitions was established, which pays particular attention to due diligence. Each transaction is systematically assessed for impairment and synergy potential. The transparency that this creates helps the Company to make more confident decisions.

Pursuant to IFRS 3, the goodwill usually arising from the acquisition of other companies is not subject to scheduled amortization but, rather, is regularly examined for impairment. This involves and impairment test pursuant to IAS 36. Carl Zeiss Meditec reviews its goodwill for impairment at least once a year.

Based on past acquisitions Carl Zeiss Meditec reported goodwill totaling € 121.0 million in its consolidated statement of financial position as of 30 September 2013.

The impairment tests carried out in the current financial year did not give any indication of impairment of the goodwill-bearing cash-generating unit (CGU). Based on the development of business, the Group also anticipates positive results from subsequent tests. For the future, however, the possibility cannot be entirely ruled out that the net assets, financial position and results of operations of individual or all of the goodwill-bearing CGUs may deteriorate. In such an event, Carl Zeiss Meditec may be forced to recognize in income an impairment of the reported goodwill in its consolidated financial statements.

In future, the Group may achieve further growth by acquiring other companies, among other things. When looking for suitable acquisition targets, the Carl Zeiss Meditec Group competes with other manufacturers. There is a risk that there may not be any suitable companies for acquisition or that these cannot be acquired at acceptable conditions. Acquisitions also bear the additional entrepreneurial risk of the acquired company not performing as well economically as expected in the market, or of the sales and earnings targets being pursued with its acquisition not being reached, or of intended synergy effects with the Carl Zeiss Meditec Group not being achievable. With regard to other companies that may be acquired in future, there is a general risk that it may not be possible to fully and successfully integrate these companies into the Carl Zeiss Meditec Group. In such an event, this could have adverse effects on the net assets, financial position and results of operations of the Group. Further details on business acquisitions concerning Carl Zeiss Meditec can be found in note "(3) Purchase and sale of business operations" in the notes to the consolidated financial statements.

5.3.12 Legal risks

Legal risks may arise due, among other things, to changes in general legal conditions in the relevant markets and to legal disputes with competitors, business associates or customers.

Within the scope of its business operations, the Carl Zeiss Meditec Group may be party to various litigation proceedings or may become involved in such proceedings in future. These could individually have a significant impact on the economic position of the Carl Zeiss Meditec Group. It is not possible to determine or predict the outcome of pending or threatened proceedings. Involvement in any litigation could lead to considerable costs for the Company, irrespective of the outcome. At the present time, there is no pending litigation that poses a substantial risk. Should it be necessary, adequate provisions will be set up as a precaution.

Further details on litigation and arbitration proceedings involving Carl Zeiss Meditec can be found in note "(30) Contingent liabilities and other financial commitments" in the accompanying notes to the consolidated financial statements.

5.3.13 Financial risks

As a result of the European debt crisis there is a latent credit quality risk concerning business banks at which Carl Zeiss Meditec holds deposits. These risks have been reduced by the package of measures adopted by the EU to stabilize the capital markets and the affected countries. Nonetheless, Carl Zeiss Meditec has taken a number of additional measures to limit these risks. One of these measures was to introduce a monitoring procedure to monitor the current situation on the capital markets.

The financial risks also include liquidity risks, price fluctuation risks for financial instruments and risks associated with fluctuations in cash flows. These risks and their management are adequately described in note "(37) Financial risk management".

In spite of the enduring euro and debt crisis, the Company has categorized the financial risks it faces as minor. The basis for this categorization is the sound financing structure with an equity ratio of 74.9 %, the large reserve of cash and cash equivalents, and a strong cash flow from operating activities.

Cash and cash equivalents are kept in reserve at Carl Zeiss Meditec based on a rolling monthly cash forecast within a fixed planning period, and are transferred to Group companies as required as part of a Group-wide Carl Zeiss cash pool. The Company does not therefore anticipate any material adverse effect on the Company's financial result.

5.3.14 Risks relating to the Group accounting process

The main risks in the accounting process are that the financial statements may not provide a true and fair view of the net assets, financial position and results of operations as a result of unintentional errors or wilful actions, or that there is a delay in their publication, which would mean that the accounting would not provide a true and fair view of the Group. Deviations are classified as significant if they could individually or collectively influence the economic decisions taken by the recipients of the financial statements based on the financial statements.

The accounting process integrates internal controls that have been defined under risk aspects. These aim to minimize the risk of errors in the financial statements. The accounting-related ICS incorporates both preventative and disclosure controls.

With regard to consolidated accounting, workflows with integrated controls ensure that the consolidated financial statements are complete and correct. These processes to organize and execute the consolidation work and to create the consolidated financial statements, as well as the associated controls, have been documented and are reviewed regularly. All of the Group's internal accounting and valuation guidelines are collated in an accounting manual, which is available to all of the relevant organizational units and all of the Company's employees via the Group's intranet.

5.3.15 Other disclosures in accordance with Section 289 (2) No. 2 *HGB*, Section 315 (2) No. 2 *HGB*

Price fluctuation risks can essentially not be ruled out. However, Carl Zeiss Meditec counters these risks by focusing on product innovations and optimising its production costs with cost-cutting and efficiency-enhancing measures.

Potential risks of default on trade receivables – particularly given the euro and debt crisis and the generally greater risk of bad debt losses that comes with it – are minimized by way of an active credit control system. The Group also regularly sets up adequate provisions to cover such risks. On the whole, however, we consider this to be a limited risk. The ratio of valuation allowances on trade receivables to consolidated revenue was 0.6% in the year under review, the same as in the previous year.

Carl Zeiss Meditec's financial situation can be considered stable. Cash and cash equivalents amounted to € 6.3 million at the end of the reporting period on 30 September 2013. We also had credit balances, recognized as receivables from the Group treasury of Carl Zeiss AG, of € 352.4 million. The Group also generated cash flow from operating activities of € 64.6 million in the reporting period. At the current time, therefore, there are no liquidity risks.

Carl Zeiss Meditec is not subject to any significant fluctuations in cash flow that would result, for example, from a distinct seasonality of its business.

All cash and cash equivalents, including the balances via the Group treasury of Carl Zeiss AG, are deposited at banks. Should it come to a loss of individual banks – due in particular to the euro and debt crisis – the balances existing there may be endangered. Carl Zeiss Meditec counters this risk by continuously monitoring the solvency of the banks with which it has a business relationship and by spreading its assets among several banks via the Group treasury of Carl Zeiss AG.

As a company with global operations Carl Zeiss Meditec is exposed to the effects of exchange rate fluctuations. In order to hedge against this currency risk, Carl Zeiss Meditec concludes currency forward contracts based on planned transactions in foreign currency. These contracts generally span a period of up to one year.

5.4 Overall statement on the Company's risk situation

There were no significant changes in the Carl Zeiss Meditec Group's risk situation during the reporting period compared with the previous year. The assessment of the overall risk situation is the result of a consolidated consideration of all material individual risks. The Company exercises active and efficient risk control in all areas of Carl Zeiss Meditec to keep a general check on risks to the Group and ensure that they are manageable.

From the current perspective there are no perceptible risks which could – on their own or collectively – jeopardize the future operations of the Carl Zeiss Meditec Group.

6 DISCLOSURES PURSUANT TO SECTION 289 (4) AND SECTION 315 (4) *HGB*

Carl Zeiss Meditec AG's subscribed capital amounts to € 81,309,610 and is composed of 81,309,610 no-par value ordinary bearer shares (no-par value shares), each with a theoretical interest in the share capital of € 1.00 per no-par value share. Each share entitles the bearer to one voting right and an equal share in Company profits.

Carl Zeiss Meditec AG is aware of the following direct and indirect holdings in the capital of Carl Zeiss Meditec AG that exceed ten percent of the voting rights. Carl Zeiss AG, Oberkochen, Germany, holds, both directly and indirectly, a total of 65.05 % of the voting rights in Carl Zeiss Meditec AG. This corresponds to 52,893,270 no-par value shares. These include 7.47% of the voting rights or 6,074,256 no-par value shares in Carl Zeiss Meditec AG, which Carl Zeiss AG holds indirectly via its wholly owned subsidiary Carl Zeiss Inc., Thornwood, USA.

Employees of Carl Zeiss Meditec AG or its affiliated companies pursuant to Section 15 et seqq. *AktG*, who participated in the Company in previous years via employee share plans relating to the share capital of Carl Zeiss Meditec AG, exercise their control rights directly like all other shareholders of the Company.

Pursuant to Section 179 and Section 133 *AktG*, an amendment to the Articles of Association requires a resolution by the General Meeting which, in turn, requires a simple majority of the votes cast and a majority comprising at least three quarters of the share capital represented at the time the resolution is passed. The Articles of Association may specify a different capital majority; in the case of an amendment to the purpose of the Company, however, only a larger capital majority may be specified. Art. 25 of Carl Zeiss Meditec AG's Articles of Association states that in cases for which the law requires a majority of the share capital represented at the time of resolution, a simple majority of the share capital represented is sufficient, provided that a greater majority is not mandatory by law. In accordance with Art. 28 of the Articles of Association of Carl Zeiss Meditec AG, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect the version. This complies with Section 179 (1) Sentence 2 *AktG*.

The legal provisions concerning the appointment and dismissal of members of the Management Board are set forth in Section 84 and Section 85 *AktG*. In compliance with this, Art. 6 (2) of the Articles of Association of Carl Zeiss Meditec AG stipulates that the Supervisory Board shall be responsible for appointing and dismissing the members of the Management Board. Pursuant to statutory provisions, a member of the Management Board may only be dismissed for compelling reasons.

Pursuant to Art. 4 (5) of the Articles of Association of Carl Zeiss Meditec AG, the Company has an Authorized Capital. Accordingly, the Management Board is authorized, subject to the approval of the Supervisory Board, to increase the share capital, on one or several occasions in the period until 11 April 2016, by up to € 39,654,800.00. To this end, new no-par value bearer shares may be issued against cash and/or contributions in kind. The Management Board is authorized, subject to the approval of the Supervisory Board, to exclude the statutory subscription right of shareholders in the following cases:

- to balance out fractional amounts,
- if the capital increase is effected against cash contributions and the new shares, for which the subscription right are excluded, are equivalent to no more than 10 % of the share capital, neither on the date the increase becomes effective, nor on the date this authorization is exercised, and the issuing price of the new shares is not significantly lower than the market price of shares of the same type and structure already publicly quoted. Sales of treasury shares on the basis of other authorizations pursuant to Section 186 (3) sentence 4 *AktG* must be taken into account in the restriction to 10 % of the share capital.
- for capital increases against contributions in kind to grant shares for the purpose of acquiring companies, parts thereof or interests in a company.

The Management Board is authorized, subject to the approval of the Supervisory Board, to specify the details of capital increases from Authorized Capital.

Based on the resolution of the General Meeting of Carl Zeiss Meditec AG on 4 March 2010, the Management Board is authorized to purchase treasury shares. This authorization is valid until 3 March 2015. The shares may be purchased in order, with the consent of the Supervisory Board:

- to offer them for purchase to employees of the Company and the companies affiliated with the Company within the meaning of Section 15 et seqq. German Stock Corporation Act *(AktG)* – noting that the right of shareholders to subscribe to treasury shares is excluded – or

- to use them within the scope of mergers with companies or to purchase companies, parts of companies or shares in companies – noting that the right of shareholders to subscribe to treasury shares is also excluded in this case – or
- to recall them.

This authorization is limited to the acquisition of shares equivalent to share capital of € 8,130,000.00 or less than 10 % of the total existing share capital. The shares shall be purchased at the stock exchange. The consideration paid by the Company per share (excluding incidental purchase costs) may not be more than 10 % above or below the closing rate of the shares in Xetra trading (or an equivalent successor system to the Xetra trading system) at the Frankfurt Stock Exchange on the previous day of trading. At no time may the purchased shares, together with other treasury shares held by the Company and ascribable to it pursuant to Section 71a et seqq. *AktG*, exceed 10 % of the share capital.

7 SUPPLEMENTARY REPORT

No events of material significance for the Group's net assets, financial position and earnings occurred after the end of financial year 2012/2013. The development of business at the beginning of financial year 2013/2014 validates the statements made in the following "Outlook".

8 OUTLOOK

8.1 Meditec Excellence and Growth Agenda (MEGA)

In financial year 2013/2014 we aim to continue the success of the past 12 months and achieve sustainable growth. Our strategy is geared towards the strategic focus areas of the MEGA program: Innovation, Customer Focus and New Markets. Innovation, in particular, shall play a key role.

Innovation:
A key element of our growth strategy consists in making cutting-edge technology in medical application accessible to our customers. We are therefore striving to establish our products as the new gold standards in medical diagnostics and therapy. Based on the breadth of our product range, we are offering our customers, particularly in the area of ophthalmology, the opportunity to make their workflows more efficient and improve their clinical results by cleverly combining devices and systems. For example, we already support the entire workflow of our customers in cataract treatment and offer them additional options for the treatment of astigmatic patients with product innovations developed in the reporting year.

New markets:
At the present time we see the greatest market potential in the rapidly growing markets of Asia and Latin America. Particularly in markets like India or China, it is necessary to develop a market-specific product range. Our use of Carl Zeiss AG's local research centers puts us in a position to work closely with our customers on site and determine local needs. We expect to further expand our presence in these new markets in 2013/2014.

Customer Focus:
A primary objective of our innovation strategy is to improve the diagnosis and treatment of diseases. Our customers value our support and service in order to be able to satisfy the ever-growing growing demands for treatment quality and efficiency. Continuously expanding our global service business shall thus be a key growth driver for us for the next few years. We expect the share of consolidated revenue generated by our Service business to increase further in financial year 2013/2014.

Process excellence:
Our aim is to exceed the expectations our customers have of our products with excellent quality. This requires stable processes in all areas of the Group that are continuously further developed. In the reporting year progress was achieved in particular with the supply chain for the intraocular lens business, to ensure quick and reliable processing of the ever-increasing number of orders.

Employees:
For us, a forward-looking human resources policy means sustainable and targeted development of the potential of our employees. We have already seen some success in this respect with the MEGA program, and we aim to strengthen and continue this in the future. Significant in this respect are, for example, the mentoring program, employee training and systematic successor planning.

8.2 Future conditions for business development

8.2.1 Macroeconomic conditions[14]

According to the forecast of the Joint Economic Forecast project group in autumn 2013, a sustainable recovery of the global economy is expected in 2014. In order for global GDP to increase by 3.5 %, as projected, companies, private households and investors will have to gradually learn to put their trust in the reform and consolidation efforts being made in the eurozone, private consumption in the USA will have to continue to rise and the emerging economies will have to maintain their growth. In autumn 2013 sentiment indicators were on an upwards trend, particularly in the German economy, and are thus still considered more favorable than in the rest of the eurozone.

Private demand in the USA is expected to rise. Nevertheless, financial adjustments and the budget dispute in the US Congress continue to put pressure on the economy, so that projected economic growth for 2014 as a whole is just 2.2 %.

Economic experts anticipate a gradual stabilization of the economy in the eurozone in 2014 and a slow emergence from the recession for the crisis countries. With growth of 0.9 %, economic momentum will remain slow, but will gradually turn into a slight economic recovery. According to the assumptions, additional impetus shall come from countries like Russia, among others. For the German economy, the research institutes are forecasting growth of 1.8 % and a sustainable upwards trend. This would mean Germany would remain the nation with the highest growth rate among the largest economies in the eurozone. Overall, the heterogeneous development in the individual countries is expected to continue.

For Asia, the financial institutes are once again predicting a slight increase in growth rates. GDP is expected to rise by 4.8 %, particularly because the Asian economies are expected to benefit disproportionately from the slight growth of the global economy. The Chinese economy, in particular, is expected to be able to achieve growth of 7.5 %. The situation is reversed in Japan: growth there is expected to slow to 1.8 % in 2014. India is expected to grow by 4.5 %.

The overall forecast for the global economy in 2014 is GDP (gross domestic product) growth of 3.5 % compared with the previous year.

8.2.2 Future situation in the medical technology industry

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 remain unchanged.

Furthermore, the greater requirements being placed on the innovations in the medical technology sector shall play an important role from an efficiency and cost perspective. Consequently, the products and procedures of medical technology manufacturers shall no longer be measured based only on their effectiveness and safety, but also on their cost-efficiency. Integrated system solutions for simplified workflows at the customer are an important distinguishing feature in our opinion.

[14] Joint Economic Forecast project group (publisher): Autumn 2013 "Economy picking up – Put budget surpluses to good use", Joint Economic Forecast Autumn 2013,15 October 2013, Essen

Last but not least, the development of the global economy influences the growth of the medical technology industry in as much as private customers or public budgets postpone their investment decisions until the future, or make them prematurely.

At the present time the medical technology industry as a whole is expected to grow in the coming years until 2020 in the low to mid-single-digit percentage range. The statements concerning the future development of Carl Zeiss Meditec's business were made on the basis of the above-mentioned assumptions, which are in line with the information the Company currently has at hand.

8.3 Future development in the strategic business units of Carl Zeiss Meditec AG

Based on the underlying and persistent long-term growth trends, and in spite of imponderable macroeconomic conditions, the management of Carl Zeiss Meditec 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.

a) Ophthalmic Systems strategic business unit
During the past financial year we further increased our revenue in the "Ophthalmic Systems" SBU and expect this growth to continue in 2013/2014. We can attribute this in particular to our technological core competencies in products already on the market for the diagnosis and therapy of ophthalmic diseases. 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 other important strategic focus points in this respect.

The year under review was characterized in the "Ophthalmic Systems" SBU by growing competitive pressure. Having largely redesigned our model range in optical coherence tomography at the beginning of the reporting year, however, as well as launching product innovations with refractive lasers, such as the ReLEx® smile procedure and the new excimer laser MEL® 90, we feel cautiously optimistic about the new financial year and are confident that we will be able to defend our market shares.

b) Surgical Ophthalmology strategic business unit
The "Surgical Ophthalmology" SBU continued to grow in the past financial year. We expect this growth to continue in financial year 2013/2014. 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, 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. Carl Zeiss Meditec's AT LISA® tri in combination with the BLUEMIXS™ 180 Injector offers the only preloaded trifocal intraocular lens suitable for MICS on the market. In the reporting year a toric version of the AT LISA® tri was also developed for astigmatic patients. We are therefore confident that we will be able to further increase our market shares in 2013/2014.

c) Microsurgery strategic business unit
Our "Microsurgery" SBU recorded further revenue growth in the year under review and thus further improved our already extremely strong market position. We expect this growth to continue in 2013/2014. With our surgical microscopes such as the OPMI® Pentero® for neurospinal or plastic surgery, the OPMI LUMERA® for surgical procedures on the eye, and the OPMI® VARIO, which is used in the ENT area, among others, our product range is diversified and we are exploiting the associated market potential to an even greater extent by developing the products further with a view to offering the user additional supporting applications.

We expect the "Microsurgery" SBU to continue making significant contributions to earnings in future. We are confident that we will be able to defend our market shares in the new financial year.

8.4 Future selling markets

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 all three of its strategically important business regions: "EMEA", the "Americas" and "Asia/ Pacific". We see particularly promising business prospects in the Asia/Pacific region. These prospects shall become even more important in the medium to long term, due to the rapid economic growth in the Asia/ Pacific region. Carl Zeiss AG's research centers in India and China, which Carl Zeiss Meditec uses for product development, shall help to expand and ensure this growth. These centers help us to work closely together with our customers on site and thus to gear our activities, in respect of the marketing, development, procurement and production of our products, to the market conditions specific to the region, and to the prevailing needs of customers there. Another promising market, which we consider to hold significant market potential for our products, is Latin America. We aim to exploit the potential in these countries to an even greater extent in the future and generate further revenue growth.

8.5 Future research & development activities

We aim to continue to be a pioneer of innovative solutions and processes and to continuously develop our expertise in this area. Carl Zeiss Meditec invests around 10 percent of its revenue in research and development projects and plans to invest in R&D on a similar scale in 2013/2014. Efficient and targeted development processes play a key role in this. Upstream from these is the search for new technologies and market trends, which are systematically identified and evaluated on an ongoing basis, in order to specifically carry over the most promising ideas to new development projects and then to establish ourselves on the market with new solutions. The important thing is to consider the regional market conditions and the needs of our customers in the development process from the outset.

8.6 Future investments

Investments are a basic requirement to be able to maintain our technology leadership in the future. The investment ratio at Carl Zeiss Meditec has been largely constant over the past few years. The investments required to realize growth targets shall not lead to a material change in the current investment ratio in the coming financial year. We aim to invest around 1 % to 3 % of revenue in property, plant and equipment in financial year 2013/2014, which is about the same as in previous years.

8.7 Future dividend policy

Carl Zeiss Meditec pursues a long-term and earnings-oriented dividend policy. The Company's management plans to propose to the Annual General Meeting the distribution of a dividend of € 0.45 per share for the past financial year. The management also intends to allow shareholders to continue to participate fairly in the Company's success in the future. The special dividend, an instrument that has been used several times in the past, may also be used again.

8.8 Future employee development

Our employees are indispensable for the Company's success: we need them to be able to continue to work innovatively and profitably in future. It is equally important to us to keep investing in the further development of our existing employees in future, as well as to recruit well qualified specialists and managers for the Company. We therefore expect our workforce to grow in the coming periods in line with the growth of the Company's business.

8.9 Future financial position

Interest income and expenses depend on changes in interest rates in the financial markets. At the present time, the Company does not expect any marked improvements in investment conditions in the next two years. Interest income and interest expenses are thus expected to remain at around the previous year's level. As of 30 September 2013 current cash and cash equivalents of around € 360 million were available for financing. In view of this and the ongoing expectation of positive business development and a positive cash flow from operating activities as a result, as well as the possibility to use other financial instruments and sources of financing, we consider Carl Zeiss Meditec's financing capacity to be adequate. In 2013/2014 we aim to achieve operative cash flow in the high double-digit millions, based on active working capital management.

8.10 Future opportunities

The global medical technology market is characterized by fundamentally sustainable growth. This applies to both ophthalmology and microsurgery and assures us of good selling conditions for the Company.

We continue to foresee a high level of growth particularly in the rapidly developing economies (RDEs) of Asia and Latin America. We plan to further strengthen our market presence and exploit the existing potential there in order to further consolidate our position in these markets. Additional opportunities are provided by our innovative and broad product range, which we shall continue to expand in the coming financial year. Our strong financial profile, which safeguards the Company's development against external influences, should also have a positive effect. The Company is in a position to protect itself against direct risks in the short term, without losing sight of its long-term objectives. Due to our ZEISS brand our customers perceive us as a reliable and trustworthy partner, and we look back on a long, successful collaboration. We can therefore build upon an extremely positive brand image.

Our future development shall also include external growth opportunities in some areas. Using a systematic process we shall look for strategically useful expansion opportunities, which we shall evaluate and follow up, where appropriate. It is not possible at this point to gauge how feasible such opportunities might be.

8.11 Overall assertion on future development

At the time of publication of this Annual Report the management of Carl Zeiss Meditec considers the outlook for the next two financial years to be positive. This assumption is based on the persistent long-term trends: An ever-growing global population and the constantly growing number of older people associated with an increasing life expectancy. This is particularly significant for ophthalmology, since the incidence of diseases in this field is strongly related to the advanced age of the patients. Better and better access to medical care in the emerging economies also offers long-term potential for growth for medical technology products. Accordingly, the Company's management assumes that the demand for products and solutions of Carl Zeiss Meditec will continue to increase in the next two financial years.

General economic conditions and economic development are crucial to making a forecast about the future development of business. Given the large number of imponderables in the individual regions in the year under review and the increasingly high level of uncertainty with regard to future development, the Company's management plans to keep a close eye on the further course of general business so that it can react to any changes in good time. Staying in regular contact with our customers shall play an important role in this. The investment behavior of our customers depends heavily on economic development. Planned investments in the private sector may be delayed, or significant cuts in public budgets may adversely affect demand.

Based on the generally favourable conditions for market development, in the medium and long term, and Carl Zeiss Meditec's good strategic position, the Company's management assumes, both from a current perspective and for the next two years, that revenue will continue to grow, provided that general economic conditions remain stable. We anticipate revenue growth at least on a par with the market growth expected for the industry.

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. We already achieved our objective of increasing this share of revenue to 25 % by 2015 in reporting year 2012/2013 – two years earlier than planned. From a current perspective, we expect a further increase in financial year 2013/2014. In the medium term we are aiming to increase this percentage of revenue to around 30 % of consolidated revenue.

In financial year 2012/2013, we increased our EBIT margin further, from 14.3 % in the previous year to 14.8 %. For the next two financial years we shall strive to stabilize our EBIT margin at the current level. We shall adhere firmly to our medium-term target of a sustainable EBIT margin of 15 % by 2015.

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 based on the current perspective, we shall publish these amendments promptly and specify our expectations in more detail.

9 FINAL DECLARATION OF THE MANAGEMENT BOARD ON THE DEPENDENT COMPANY REPORT PURSUANT TO SECTION 312 (3) *AKTG*

As a member of Carl Zeiss AG, Carl Zeiss Meditec AG has prepared a dependent company report pursuant to Section 312 German Stock Corporation Act *(AktG)*. In light of the circumstances known to the Management Board at the time the legal transactions were concluded, the companies of Carl Zeiss Meditec AG received an appropriate consideration for each of the transactions listed in this report concerning relations with affiliated companies. No other reportable transactions pursuant to Section 312 (1) Sentence 2 *AktG* were entered into by the Company.

10 DECLARATION ON CORPORATE GOVERNANCE PURSUANT TO SECTION 289A *HGB*

The declaration on corporate governance (pursuant to Section 289a *HGB*) includes the declaration of conformity pursuant to Section 161 *AktG*, relevant information on corporate governance practices applied which go beyond the statutory requirements, in addition to information of where these are publicly accessible and a description of how the Management and Supervisory Boards work, as well as the composition and mode of working of their committees. You can find this information on our website at **www.meditec.zeiss.com/ir**.

Jena, 22 November 2013

Dr. Ludwin Monz President and Chief Executive Officer	Dr. Christian Müller Chief Financial Officer and Member of the Management Board	Thomas Simmerer Member of the Management Board

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

(Figures in € '000)

	Note	Financial year 2012/2013 1 October 2012 – 30 September 2013		Financial year 2011/2012 1 October 2011 – 30 September 2012	
Revenue	**(2p) (4)**		**906,445**		**861,875**
Cost of goods sold			(418,624)		(400,511)
Gross profit			**487,821**		**461,364**
Selling and marketing expenses			(214,294)		(204,037)
General and administrative expenses			(42,317)		(40,977)
Research and development expenses	(34)		(97,319)		(93,450)
Other expense	(5)		(17)		–
Earnings before interests, income taxes, depreciation and amortisation		*152,593*		*140,795*	
Depreciation and amortisation		*18,719*		*17,895*	
Earnings before interests and income taxes			**133,874**		**122,900**
Results from investments accounted for using the equity method			–		10
Interest income	(7)		1,942		3,023
Interest expense	(7)		(6,591)		(6,083)
Foreign currency gains/(losses), net	(2c) (2v) (7)		14,496		(6,358)
Other financial result	(7)		3,866		2,687
Earnings before income taxes			**147,587**		**116,179**
Income tax expense	(8)		(48,465)		(39,787)
Net income			**99,122**		**76,392**
Attributable to:					
Shareholders of the parent company			93,505		71,870
Non-controlling interest			5,617		4,522
Profit/(loss) per share, attributable to the shareholders of the parent company in the current financial year (€):					
– Basic/diluted	**(2r) (9)**		**1.15**		**0.88**

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

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

(Figures in € '000)

	Note	**Financial year 2012/2013 1 October 2012 – 30 September 2013**	Financial year 2011/2012 1 October 2011 – 30 September 2012
Net income		**99,122**	**76,392**
Other comprehensive income:			
Items, that may be reclassified subsequently to net income/loss			
Foreign currency translation	(2m) (22)	(27,560)	9,729
Total of items that may be reclassified subsequently to net income/loss		**(27,560)**	**9,729**
Total of items that will not be reclassified to net income/loss		**–**	**–**
Other comprehensive income		**(27,560)**	**9,729**
Comprehensive income		**71,562**	**86,121**
Attributable to:			
Shareholders of the parent company		75,941	80,346
Non-controlling interest		(4,379)	5,775

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

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

(Figures in € '000)

	Note	30 September 2013	30 September 2012
ASSETS			
Goodwill	(2e) (11)	121,046	121,627
Other intangible assets	(2f) (12)	12,531	20,922
Property, plant and equipment	(2g) (13)	54,433	48,484
Investments	(14)	124	364
Deferred tax assets	(2i) (15)	44,181	47,198
Noncurrent trade receivables	(18)	5,421	4,393
Other noncurrent assets	(16)	7,376	11,056
Total noncurrent assets		**245,112**	**254,044**
Inventories	(2j) (17)	148,467	143,013
Trade receivables	(18)	150,000	136,662
Accounts receivable from related parties	(2t) (34)	62,701	42,718
Treasury receivables	(2t) (34)	352,412	241,389
Tax refund claims		310	2,380
Other current financial assets	(2h) (19)	6,384	124,064
Other current non-financial assets	(20)	8,899	9,079
Cash and cash equivalents	(2l) (21)	6,286	9,526
Total current assets		**735,459**	**708,831**
Total assets		**980,571**	**962,875**

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

(Figures in € '000)

	Note	30 September 2013	30 September 2012
LIABILITIES AND EQUITY			
Share capital	(22)	81,310	81,310
Capital reserve	(22)	313,863	313,863
Retained earnings	(22)	322,290	261,309
Gains and losses recognized directly in equity	(2m) (22)	(19,055)	(1,491)
Equity before non-controlling interest		698,408	654,991
Non-controlling interest	(22)	36,427	40,806
Total equity		**734,835**	**695,797**
Provisions for pensions and similar commitments	(2n) (23)	10,634	12,973
Other noncurrent provisions	(2o) (24)	3,792	12,583
Noncurrent financial liabilities	(25)	1,820	2,386
Noncurrent leasing liabilities	(2k) (29)	11,969	14,366
Other noncurrent non-financial liabilities		7,863	7,532
Deferred tax liabilities	(2i) (15)	2,415	3,491
Total noncurrent liabilities		**38,493**	**53,331**
Current provisions	(2o) (24)	35,785	29,728
Current accrued liabilities	(26)	60,274	65,126
Current financial liabilities	(2h)	2,717	5,938
Current portion of noncurrent financial liabilities	(25)	507	6,432
Current portion of noncurrent leasing liabilities	(2k) (29)	1,835	1,787
Trade payables		35,861	36,935
Current income tax liabilities		11,962	10,723
Accounts payable to related parties	(2t) (34)	19,833	13,613
Treasury payables	(2t) (34)	6,859	14,597
Other current non-financial liabilities	(27)	31,610	28,868
Total current liabilities		**207,243**	**213,747**
Total liabilities		**980,571**	**962,875**

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

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

(Figures in € '000)

	Note	Financial year 2012/2013 1 October 2012 – 30 September 2013	Financial year 2011/2012 1 October 2011 – 30 September 2012
Cash flows from operating activities:			
Net income		**99,122**	**76,392**
Adjustments to reconcile net income to net cash provided by/(used in) operating activities			
Income tax expenses	(8)	48,465	39,787
Interest income/expenses	(7)	4,649	3,060
Results from investments accounted for using the equity method	(7)	–	(10)
Result from other participations	(7)	(18)	(21)
Depreciation and amortisation	(12) (13)	18,719	17,895
Gains/losses on disposal of fixed assets		442	786
Dividends received		18	21
Interest received		2,643	1,824
Interest paid		(1,897)	(2,141)
Income tax reimbursement		2,673	1,365
Income taxes paid		(46,279)	(38,344)
Changes in working capital:			
Trade receivables	(18)	(45,508)	(1,937)
Inventories	(17)	(20,212)	(5,611)
Other assets	(16) (19) (20)	172	(11,306)
Trade payables		8,734	7,357
Provisions and financial liabilities	(23) (24) (26)	(11,754)	1,513
Other liabilities	(27)	4,655	1,470
Total adjustments		(34,498)	15,708
Net cash provided by operating activities		**64,624**	**92,100**
Cash flows from investing activities:			
Investment in property, plant and equipment	(13)	(9,723)	(14,541)
Investment in intangible assets	(12)	(918)	(714)
Proceeds from fixed assets		350	603
Proceeds from liquidation of investments accounted for using the equity method		–	10
Proceeds from fixed term deposits		120,000	–
Investments in fixed term deposits		(140,000)	(10,000)
Acquisition of IOL/OVD-business IMEX Clinic S.L., Spain	(3)	(1,907)	(12,759)
Net cash used in investing activities		**(32,198)**	**(37,401)**
Cash flows from financing activities:			
Proceeds from/(repayment of) of short-term debt		(36)	87
Proceeds from/(repayment of) of noncurrent financial liabilities	(25)	(6,508)	(307)
(Increase)/decrease in treasury receivables	(2t) (34)	14,394	(225,187)
Increase/(decrease) in treasury payables	(2t) (34)	(7,738)	8,612
Change of leasing liabilities	(29)	(1,779)	(1,682)
Dividend payments to shareholders of Carl Zeiss Meditec AG	(10)	(32,524)	(24,393)
Net cash provided by/(used in) financing activities		**(34,191)**	**(242,870)**
Effect of exchange rate fluctuation on cash and cash equivalents		(1,475)	3,056
Net increase/(decrease) in cash and cash equivalents		**(3,240)**	**(185,115)**
Cash and cash equivalents, beginning of reporting period	(21)	9,526	194,641
Cash and cash equivalents, end of reporting period	**(21)**	**6,286**	**9,526**

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

Consolidated statement of changes in equity (IFRS)

(Figures in € '000)					Gains and losses recognised directly in equity			
	Note	Share capital	Capital reserve	Retained earnings	Reserves from currency conversion	Equity before non-controlling interest	Non-controlling interest	Total equity
As of 1 October 2011		**81,310**	**313,863**	**213,832**	**(9,967)**	**599,038**	**35,031**	**634,069**
Foreign currency translation	(2c) (22)	–	–	–	8,476	8,476	1,253	9,729
Changes in value recognized directly in equity	**(2m) (22)**	**–**	**–**	**–**	**8,476**	**8,476**	**1,253**	**9,729**
Net income		–	–	71,870	–	71,870	4,522	76,392
Sum of comprehensive income for the period	**(2m) (22)**	**–**	**–**	**71,870**	**8,476**	**80,346**	**5,775**	**86,121**
Dividend payments	(10)	–	–	(24,393)	–	(24,393)	–	(24,393)
As of 30 September 2012		**81,310**	**313,863**	**261,309**	**(1,491)**	**654,991**	**40,806**	**695,797**
Foreign currency translation	(2c) (22)	–	–	–	(17,564)	(17,564)	(9,996)	(27,560)
Changes in value recognized directly in equity	**(2m) (22)**	**–**	**–**	**–**	**(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	**(2m) (22)**	**–**	**–**	**93,505**	**(17,564)**	**75,941**	**(4,379)**	**71,562**
Dividend payments	(10)	–	–	(32,524)	–	(32,524)	–	(32,524)
As of 30 September 2013		**81,310**	**313,863**	**322,290**	**(19,055)**	**698,408**	**36,427**	**734,835**

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

Notes to the consolidated financial statements for financial year 2012/2013 (IFRS)

GENERAL INFORMATION, ACCOUNTING AND VALUATION PRINCIPLES

1. The Company

(a) Description of operations
Carl Zeiss Meditec AG, Jena, Germany, is the parent company of the Carl Zeiss Meditec Group (the "Company", "Carl Zeiss Meditec", the "Group"), which comprises additional subsidiaries. The Group offers end-to-end solutions for the diagnosis and treatment of ophthalmic diseases, including implants and consumables. In microsurgery, the Group provides innovative visualization solutions. The Group's customers are physicians in various fields and hospitals worldwide.

Carl Zeiss Meditec AG's headquarters are located in 07745 Jena, Germany (Göschwitzer Straße 51–52), Germany's traditional center of excellence for optical and optical-related technologies. The Company has major subsidiaries in the USA, France, Japan, Spain, the United Kingdom and Germany.

Carl Zeiss Meditec AG is recorded in the commercial register of Jena Local Court under HRB 205623.

The consolidated financial statements may be obtained from the Company's headquarters and are published on the Internet and in the Federal Gazette (*Bundesanzeiger*).

(b) Basis of presentation
The consolidated financial statements of Carl Zeiss Meditec AG are based on the going concern assumption. They were prepared in accordance with the International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB"), London, and take into account all accounting standards and interpretations adopted by 30 September 2013 for which application is mandatory, as they are to be applied in the EU. The present version of the consolidated financial statements complies with the provisions of Section 315a of the German Commercial Code (*Handelsgesetzbuch, HGB*). It forms the legal basis for group accounting in accordance with international standards in Germany, in conjunction with the Regulation ("EC") No. 1606/2002 of the European Parliament and Council dated 19 July 2002 relating to the application of international accounting standards.

The financial year of Carl Zeiss Meditec and its subsidiaries ends on 30 September.

2. Accounting and valuation principles

(a) Principles of consolidation
The consolidated financial statements comprise the financial statements of Carl Zeiss Meditec AG and all of its subsidiaries and joint ventures. Subsidiaries are all companies controlled by Carl Zeiss Meditec. A company is controlled if Carl Zeiss Meditec has the opportunity to determine the financial and business policy in order to derive benefit from the company's activities. Carl Zeiss Meditec holds the majority of voting rights in all of the companies it controls. Joint ventures are companies jointly managed with other companies. A full breakdown of the shareholdings of Carl Zeiss Meditec can be found in Note (40) "Other mandatory disclosures pursuant to Art. 314 and Art. 285 (1) No. 10 *HGB*" in these notes to the consolidated financial statements.

All relevant intragroup transactions, balances and interim results from transactions between Group companies were eliminated within the scope of consolidation. Non-controlling interests in the net assets of consolidated subsidiaries were calculated and shown in the consolidated statement of financial position separate from the equity attributable to shareholders of the parent company.

(b) Business combinations
Capital consolidation takes place in accordance with the acquisition method pursuant to IFRS 3 "Business combinations". This means that the first-time evaluation values the identifiable assets and liabilities at their respective fair values on the date of acquisition. Non-controlling interests are thus stated as a proportion of the attributable fair values of the assets and liabilities. The acquisition costs of the acquired interests are offset against the Group's share in the subsidiary's equity valued at fair value. Acquisition costs are recorded as an expense as they are incurred. Insofar as an asset-side difference remains after this offsetting, this is reported as goodwill.

The figures for the acquired subsidiaries are incorporated in the consolidated income statement according to their affiliation to the Group, i. e., from their effective date of acquisition (possibility to be controlled). A subsidiary is deconsolidated as soon as Carl Zeiss Meditec loses its control over the company. Third-party equity interests are recorded in the consolidated financial statements as part of consolidated equity under the item "Non-controlling interests".

Jointly controlled entities within the meaning of IAS 31 "Interests in Joint Ventures" are reported according to the equity method of accounting pursuant to IAS 31.38. When applying the equity method pursuant to IAS 28 "Investments in associates", equity investments are initially recorded at cost in the statement of financial position and are subsequently adjusted to reflect the Group's share in the equity (net assets) after acquisition and for losses due to impairment. Insofar as the acquisition of shares results in goodwill, this is included in the investment book value and is not subject to scheduled amortization.

Investments in which Carl Zeiss Meditec holds less than 20 % are carried in the accounts as a financial instrument (see 2(h)), if Carl Zeiss Meditec is unable to exercise any material or significant influence over the investee enterprise and the investee enterprise is not jointly controlled.

Intragroup business combinations, uniting of interests or similar transactions are regarded – both from the perspective of the superordinate parent company (Carl Zeiss AG) and from the perspective of the participating subsidiary (Carl Zeiss Meditec) – as "transactions under common control" which, pursuant to IFRS 3.2 (c), are not to be classified as company acquisitions. Transactions under common control are treated in Carl Zeiss Meditec's statement of financial position according to the principle of "predecessor accounting"[1], with the assumption that the consolidated financial statements of Carl Zeiss Meditec are to be regarded merely as an excerpt from the consolidated financial statements of the superordinate parent company, Carl Zeiss AG. The respective assets and liabilities are thus carried at book value.

(c) Foreign currency translation
The consolidated financial statements have been prepared in euros, as the majority of Group transactions are executed in this currency, and because the euro is the functional currency of Carl Zeiss Meditec AG. Unless there is a note to the contrary, all amounts are stated in thousands of euros (€ '000 or € thousand). Figures are rounded according to proper commercial standards; this may result in slight discrepancies.

The assets and liabilities of those foreign subsidiaries whose functional currency is one other than the euro are translated using the exchange rate as of the reporting date. Equity transactions are translated at historic rates of exchange on the date of the transaction. The figures in the income statement are converted at the average exchange rate for the financial year. Differences from currency translation are allocated to gains and losses recognized in other comprehensive income.

[1] Cf. IDW RS HFA 2, new version subsection 41

Transactions executed in foreign currencies are recorded using the rate of exchange in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency, such as cash and cash equivalents, trade receivables or payables, are revalued at each reporting date until settlement. The resulting income or expenses are shown in the income statement under "Foreign currency gains/(losses), net".

The following table shows the exchange rates applied in the preparation of the consolidated financial statements:

	Exchange rate 30 September 2013	Exchange rate 30 September 2012	+/- %	**Average exchange rate 2012/2013**	Average exchange rate 2011/2012	+/- %
US$	0.7408	0.7738	-4.3	0.7620	0.7701	-1.1
JPY	0.0076	0.0100	-24.0	0.0082	0.0098	-16.3
GBP	1.1964	1.2529	-4.5	1.1890	1.2140	-2.1
CAD	0.7180	0.7888	-9.0	0.7503	0.7643	-1.8
SEK	0.1155	0.1185	-2.5	0.1164	0.1133	2.7
CHF	0.8182	0.8270	-1.1	0.8161	0.8261	-1.2
AUD	0.6906	0.8068	-14.4	0.7563	0.7921	-4.5
PLN	0.2371	0.2431	-2.5	0.2393	0.2347	2.0
ZAR	0.0735	0.0937	-21.6	0.0821	0.0955	-14.0
CZK	0.0389	0.0398	-2.3	0.0391	0.0397	-1.5

(d) Use of estimates

The preparation of the consolidated financial statements in accordance with the IFRSs requires the use of certain assumptions and estimates that relate to the recognition and measurement of assets and liabilities, income and expenses, and contingent liabilities. The assumptions and estimates are mostly based on the uniform stipulation within the Group of useful lives, the determination of values in use of cash-generating units, the accounting and valuation of provisions, as well as the certainty of realizing future tax relief. Actual values may vary in individual cases from the assumptions and estimates made. Changes are shown at the time the true value became known.

(e) Goodwill and other intangible assets with an indefinite useful life

Goodwill and other intangible assets with an indefinite useful life are not subject to scheduled amortization but are reviewed regularly for impairment (impairment test). During impairment testing as stipulated by IAS 36, the Company assesses whether or not an asset has been impaired.

To do this, Carl Zeiss Meditec determines (i) the cash-generating units, (ii) the respective net assets of the cash-generating units and (iii) the recoverable amounts for the cash-generating units.

The cash-generating units of goodwill correspond to the business segments pursuant to IFRS 8.5, which constitute the lowest level at which goodwill is monitored for internal management purposes.

Insofar as the recoverable amount of the asset – which corresponds to the higher of fair value less costs to sell and the value in use – falls below the carrying amount, an impairment shall be made. If the reason for previous impairment no longer applies, assets, with the exception of goodwill, are written up to a maximum of the amortized cost.

The recoverable amount for the cash-generating units is determined – as value in use – using cash flow forecasts. These forecasts are based on financial forecasts approved by the Company's management and modified to the current state of knowledge in each case. These financial forecasts, or management forecasts, relating to the development of sales, costs and earnings, which are taken as a basis for the impairment test, are, in turn, based on a planning horizon of five years. They are determined based on historical values, detailed budgets for the following year and the future strategic orientation of the business unit or cash-generating unit (medium-term planning). In addition, external information sources, such as market studies and the results of market surveys and publications are used in order to take macroeconomic trends into account to a reasonable extent.

Sales planning considers a market growth of between approx. 2% and 8% in relation to corporate strategy. Especially in the Surgical Ophthalmology SBU market growth is anticipated to be above the sector average as published in industry studies. Cost planning also considers strategic aspects as well as price trends in the procurement markets. Pursuant to IAS 36.44, the cash flow projections resulting from the management's financial forecasts do not contain any cash flows from future restructuring measures, enhancements or improvements to increase earnings power. The estimates of future cash flows also contain no inflows or outflows of cash from financing activities or income tax revenues or payments (see IAS 36.50). The value in use of the cash-generating unit is derived from the sum of discounted future cash flows at a standard, risk-adjusted capitalization interest rate.

The capitalization interest rate is calculated from the parameters risk-free base rate, risk premium (market risk premium and beta factor), borrowed capital spread and tax effect, and reflects the capital structure usual for the industry. To extrapolate (perpetuity) the cash flow forecasts beyond the five-year period, the capitalization interest rate is used without assuming a particular growth rate.

The carrying amount of a cash-generating unit includes all assets that stimulate the flow of cash, i. e., that contribute to the creation of a saleable service. This means that all non-operating items and interest-bearing borrowings are excluded from the calculation. The pre-tax discount rate applied for cash flow forecasts is 9.4% (previous year: 9.5%).

Carl Zeiss Meditec reviews its goodwill for impairment at least once a year or at the onset of major events or changed circumstances which indicate that the fair value of a reporting unit of the Group has fallen below its carrying amount. In addition, capitalized intangible assets with an indefinite useful life and intangible assets not yet available for use are examined at least once a year for impairment.

Carl Zeiss Meditec completed its annual impairment testing of goodwill and capitalized intangible assets with an indefinite useful life, and intangible assets not yet available for use, in the last quarter of financial year 2012/2013. The results of these tests, based on values in use, did not give any indication of a need for impairment of goodwill or intangible assets not yet available for use. Based on this result a calculation of fair value less costs to sell pursuant to IAS 36.19 was omitted. The legally protected trademark, which was capitalized as part of the PPA of Laser Diagnostics Technologies Inc., San Diego, USA, was written off completely in financial year 2012/2013. Further information can be found in note (12).

The sensitivity analyses performed by the Company showed a devaluation of goodwill with a change in the discount rate to 14.5% (SBU Surgical Ophthalmology), or 18.8% (SBU Ophthalmic Systems), or a reduction in EBIT for the last detailed planning period and the perpetuity by 46.0% (SBU Surgical Ophthalmology) or 64.0% (SBU Ophthalmic Systems), respectively. Such changes are currently considered to be unlikely.

For details on the change in goodwill in financial year 2012/2013 and the previous year please refer to note (11).

(f) Other intangible assets
Intangible assets acquired separately are valued at cost less accumulated amortization and impairment.

Research and development expenses are recorded as expenses in the period in which they arise.

A self-constructed intangible asset, which results from development activities (or from the developmental phase of an internal project), is recorded, if evidence can be provided that the criteria according to IAS 38.57 are fulfilled.

The amount at which a self-constructed intangible asset is first capitalized is equivalent to the sum of the expenses incurred from the date on which the intangible asset fulfils the above-mentioned conditions. If a self-constructed intangible asset cannot be capitalized, the development costs are recognized in income in the period in which they arise.

In subsequent periods, self-constructed intangible assets are valued at cost less accumulated amortization and impairment.

Self-constructed intangible assets are mostly allocated to the category “Development costs” (note 12).

Intangible assets acquired as part of a company merger are recorded separately from goodwill as soon as they conform to the definition of an intangible asset and can be individually identified. The acquisition cost of such intangible assets corresponds to their fair value at the date of acquisition. In subsequent periods, intangible assets acquired as part of a company merger shall be valued in exactly the same way as intangible assets acquired individually – at cost less accumulated amortization and accumulated impairment.

All other intangible assets which are ready for use shall be amortized on a straight-line basis over the following periods, unless an indefinite useful life is assumed (see note (12)):

• *Brand name*	*5–10 years*
• *Software*	*1–10 years*
• *Licenses*	*3– 7 years*
• *Patents and other industrial property rights*	*2–19 years*
• *Development costs*	*3–10 years*
• *Other intangible assets*	*5–10 years*

The amortization amounts for other intangible assets may be recognized in the income statement under both cost of goods sold and other operative costs. Assets are each allocated individually with respect to their intended purpose or assignment to certain areas of the company. These assets are also reviewed regularly for impairment (impairment test). The results of these tests did not give any indication of a need for impairment of capitalized other intangible assets in the current financial year, with the exception of one brand name (see note 12). Please refer to (e) above with regard to the method applied in the impairment test.

(g) Property, plant and equipment

Property, plant and equipment are valued at cost, net of accumulated depreciation and impairment. In the case of property, plant and equipment acquired within the scope of a company merger, the acquisition costs correspond to their fair values at their date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful life of each asset. The following depreciation periods were applied:

- *Buildings and leasehold improvements* *3–32 years*
- *Plant and machinery* *2–21 years*
- *Other office equipment, fixtures and fittings* *1–23 years*

Leasehold improvements are depreciated over their estimated useful life or the term of the rental or lease agreement, if shorter. Estimated useful life is regularly reviewed by the Company's management, taking current technological advancement into account. Maintenance and repairs are expensed as incurred, while renewals and improvements that extend the useful life or increase capacity are capitalized if they fulfil the general recognition criteria under IAS 16. Property, plant and equipment are also reviewed for impairment (impairment test), if indicated. Please refer to (e) above with regard to the general method of calculating the value applied in the impairment test. Upon the sale or retirement of property, plant and equipment, the accounts are relieved of the cost and the related accumulated depreciation and impairments, and any resulting gain or loss is recognized through profit or loss. The scheduled depreciation amounts and any impairment losses and write-ups recorded in the period on property, plant and equipment are recognized in the consolidated income statement according to the function for which the assets are used.

(h) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position from the date on which the Group becomes a contracting party to the financial instrument. Financial assets acquired or sold at standard market conditions are generally accounted for on the settlement date.

Financial assets and liabilities in the sense of IAS 39 are classified either as loans and receivables (LaR), held to maturity (HtM) investments, financial assets available for sale (AfS), financial assets or liabilities held for trading (FAHfT/FLHfT), or as financial liabilities at amortized cost (FLAC). The classification depends on the type and the intended purpose of the financial assets and liabilities and occurs upon addition.

Primary financial instruments

The Company's primary financial instruments mainly consist of cash and cash equivalents, financial assets, treasury receivables (group cash management [treasury] of Carl Zeiss Financial Services GmbH, Oberkochen), trade receivables and payables, current loans, noncurrent debts and other financial assets and liabilities.

Loans and receivables and current and noncurrent financial liabilities are carried at amortized cost. The amortized cost of a financial asset or financial liability is the term used to describe that amount at which a financial asset or liability was valued when first recorded, less any repayments using the effective interest method and losses for impairment.

The amortized cost of current assets and liabilities are generally equivalent to the nominal or repayment amount.

Trade receivables are disclosed at their nominal value, net of any allowance for accounts presumed to be uncollectible.

Appropriate valuation allowances are recorded against doubtful receivables and loans with discernible collection risks on the basis of regular, systematic reviews and credit control assessments. This control measure takes into account historical bad debt losses, the size and adequacy of securities, as well as other relevant factors. Impairments are carried out based on objective indicators and take account of the default risk. Objective indicators can include, for example, major financial difficulties of the debtor, a breach of contract, such as default on or arrears in interest or redemption payments owed, or the high probability of insolvency proceedings being brought against the debtor. Receivables and loans are written off against these valuation allowances, if they are considered uncollectible. Please refer to note (37) for further information on credit risks.

Primary financial assets which are not classified either as loans or receivables, held to maturity investments, financial assets or liabilities held for trading, or as financial liabilities at amortized cost, shall be allocated to the category financial assets available for sale. Existing financial assets are allocated to this category due to the fact that the non-controlling interests are not listed on a stock exchange, meaning that their fair values cannot be reliably determined, these financial assets are carried at cost. There are no plans to dispose of these financial instruments at the present time.

Noncurrent, non-interest-bearing receivables and loans are discounted based on market conditions; interest is shown as income according to the effective interest method.

Derivative financial instruments and hedging

The Group is a company with global operations, and as such it is subject to the effects of exchange rate fluctuations. In order to hedge against this currency risk, it concludes currency forward contracts based on planned transactions in foreign currency. Hedge accounting within the meaning of IAS 39 is not applied. These contracts generally cover a period of up to 1.5 years. Derivative financial instruments which have a positive fair value are carried in the statement of financial position, depending on their time to maturity, under the item “Other current financial assets” or “Other noncurrent assets”, and derivative financial instruments with a negative fair value are carried in the statement of financial position, depending on their time to maturity, under the item “Current financial liabilities” or “Noncurrent financial liabilities”. The sole purpose of the derivative financial instruments is currency hedging.

Net income from the financial instruments recognized at fair value through profit and loss would, if relevant, also include income from interest and dividends. Please refer to note (37) for further information on currency risks.

(i) Income taxes

Current taxes are recognized for taxes owed on income at the time the Group companies incur them. Income taxes are calculated in accordance with the Asset and Liability Method pursuant to the rules of IAS 12 “Income Taxes”. All liabilities or claims relating to taxes on income and earnings arising during a financial year are reflected in the consolidated financial statements pursuant to the relevant tax laws.

Deferred income taxes are computed annually based on the asset/liability approach pursuant to the rules of IAS 12 “Income taxes” on the treatment of income taxes. In order to take account of the tax effects of differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases, and of differences arising from consolidation processes, and loss carryforwards, deferred taxes are calculated each year, if these differences are expected to be offset over time. This is based on those tax rates that are expected to apply in the years in which these temporary differences are reversed or settled. The effects of changes in tax rates on deferred tax assets and liabilities are recognized in income in the period in which the change was legally enacted.

Deferred tax assets are written down as necessary to reflect the net amount that is likely to be realized. Income tax expense comprises the taxes payable to or refundable by the tax authorities for the reporting period, plus or minus the changes in deferred taxes (to be recognized through profit or loss).

Deferred tax claims for tax losses carried forward are carried at the amount at which the associated tax benefits are expected to be realized as a result of future tax profits.

Deferred tax assets and liabilities are carried net, insofar as a right exists to offset actual income tax receivables and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authorities and are owed to the same Group companies.

(j) Inventories

Inventories are valued at the lower of cost or net realizable value. Costs are determined using the weighted-average cost method. Production costs include materials and labor, as well as direct manufacturing and material overheads, including depreciation. In addition, the costs of company retirement benefits, the Company's social establishments and the Company's voluntary social benefits are also included to the extent that these can be allocated to the production area. Administrative costs are taken into account to the extent that these are attributable to production. Production costs do not include any borrowing costs. In the case of inventories acquired within the scope of a business combination, the acquisition costs correspond to their fair values at their date of acquisition.

Valuation allowances shall be made on inventories where cost exceeds the expected net realizable values. The net realizable value is the estimated price that could be obtained in the ordinary course of business, less the estimated costs of completion and selling costs.

(k) Leasing

The Group has leased certain assets under long-term contracts. Leases are classed as finance leases if the lessee bears the majority of the risks and opportunities associated with ownership. All properties under arrangements that qualify as finance leases are capitalized as noncurrent assets pursuant to IAS 17 "Leases" at the lower of fair value and the present value of minimum lease payments. The corresponding leasing obligations are carried as current or noncurrent liabilities according to their time to maturity. The lease payments to be paid are divided into a redemption component and an interest component. The redemption component reduces the liability, while the interest component is carried as an interest expense. The capitalized assets are amortized in conformance with IAS 16. IAS 36 is observed with regard to possible impairment. The leasing obligations are carried at the present value identified at the end of the respective reporting period. Conversely, the Group also acts as lessor for finance leases.

Other leasing transactions are treated as operating leases. The total payments required under operating lease agreements are reported as an expense on a straight-line basis over the term of the lease. Conversely, the Group also acts as lessor for operating leases.

(l) Cash and cash equivalents

Cash on hand and at the bank, as well as all financial investments with an original maturity of up to three months, which are only subject to minor risks of valuation changes, are disclosed as cash and cash equivalents. This also includes current financial investments at Carl Zeiss Financial Services GmbH, which are secured by a declaration of pledge. Current financial investments at Carl Zeiss Financial Services GmbH that are not secured by a declaration of pledge are carried under "Treasury receivables". Because of their short maturity, the carrying amounts of cash and cash equivalents are approximately equal to their fair value.

(m) Gains and losses recognized in other comprehensive income

The item "Gains and losses recognized in other comprehensive income" includes the other changes in equity not reflected in income that are not associated with transactions with shareholders. In the Group's case, this currently relates exclusively to foreign currency translation (see note (22)).

(n) Pension obligations

The company pension scheme comprises obligations at Carl Zeiss Meditec AG and various subsidiaries arising from current annuities and defined benefit obligations. It also includes liabilities-side provisions of the US company for post-employment health care benefit obligations. The companies of the Group maintain a number of pension schemes: a distinction is made between defined contribution plans and defined benefit plans.

Defined contribution pension plans

In defined contribution plans, the Company does not enter into any commitments other than paying contributions to funds or public services with a specific purpose. The contributions are recognized under personnel expenses as due.

This mainly relates to the US subsidiary, which, in addition to a defined benefit plan for the majority of its employees, also finances a savings scheme described as a defined contribution plan. This plan enables the participating employees to save a proportion of their income in accordance with the specified guidelines. The Company currently contributes a percentage of employee contributions up to a certain limit. These plans also include the employer's statutory contributions of German and foreign companies to pension plans.

Defined benefit pension plans

The Group offers certain employees defined benefit plans. Such benefits are determined primarily on the basis of the employee's remuneration and length of service. Benefits of this kind exist at Group companies both in Germany and abroad.

Defined benefit plans within the Group are financed partly with provisions and partly with funds from external sources.

Commitments for pensions and similar pension-related commitments are determined at Group companies within Germany in accordance with actuarial principles based on the Heubeck Guideline Tables 2005 G devised by Prof. Dr. Klaus Heubeck. Commitments for pensions and similar pension-related commitments at foreign companies are determined according to country-specific parameters.

Pension obligations and related costs are calculated according to the prescribed projected unit credit method pursuant to IAS 19 "Employee benefits". The projected unit credit method reflects economic assumptions based on long-term expectations, as well as the performance of assets legally set aside to fund future benefit payments.

Actuarial gains or losses that may arise from changes in the valuation premises or a deviation in actual circumstances from the evaluation basis are only recognized through profit or loss if the balance of the accumulated actuarial gains or losses amounts to more than 10 % of the higher of the present value of the defined benefit obligation and the fair value of the plan assets. Any amount that lies outside this 10 % corridor is posted to income over the average residual term of service of employees eligible for pensions expected at 30 September 2013.

The pension provisions carried in the consolidated statement of financial position correspond to the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of the plan assets, adjusted for accumulated actuarial gains and losses not previously recognized in income.

(o) Provisions
Provisions are formed if the Group has a current (de facto or statutory) commitment as a result of a past event, the outflow of resources with an economic benefit to fulfil the commitment is probable and it is possible to reliably estimate the amount of the commitment. To the extent that the Group expects at least a partial reimbursement for a provision carried as a liability (as is the case, for example, in insurance policies), the reimbursement is only recorded as a separate asset if the reimbursement is as good as secure. Expenses for the formation of provisions are disclosed in the consolidated income statement after deduction of the reimbursement.

If the interest impact is material, provisions are discounted using a pre-tax interest rate, which reflects the specific risks for the liability. In the event of discounting, the increase in the provision over time is carried as interest expenses. Provisions are broken down into their expected maturities, with the result that provisions which are due in less than one year are carried as current provisions and provisions which are due in more than one year are carried as noncurrent provisions.

Personnel and social commitments
The provisions for personnel and social commitments mostly relate to commitments for partial retirement and anniversary expenses.

The provisions for partial retirement and anniversaries are measured using a projected unit credit method based on actuarial surveys. The measurement parameters correspond to the economic assumptions for financing the pension commitments. Plan assets for partial retirement obligations were set up in the current financial year; these were offset at their fair value at the end of the reporting period with the provision for partial retirement.

Commitments from ongoing operations
The Company furnishes the buyer with a warranty for the perfect functioning of sold products for the contractually guaranteed period of 15 to 27 months, depending on the product. Provisions are set up for this purpose based on the average values of warranty claims made in the past. These provisions are regularly adjusted to reflect actual experience. The appropriation to these warranty provisions is recorded under cost of goods sold.

Other commitments
The provisions for other commitments relate to identifiable risks and uncertain obligations arising mainly from litigation risks, as well as the provisions for the earn-out from the acquisition of the business segment of IMEX Clinic S.L and Dismedica S.A.

(p) Revenue recognition
The Group generates revenue from selling products on the basis of corresponding contracts. The sale takes place once all the parts of the product have been supplied, the risks have passed, the payment can be reliably determined and there are no major obligations towards the customer and the payment of the receivable is deemed probable. Revenue from services is recorded according to the percentage of completion, if this can be reliably determined.

Maintenance revenue from service contracts is realized on a proportionate basis throughout the contractual period of performance.

Revenue is reflected net of trade discounts, customer bonuses and rebates. The Group posts shipping and handling costs billed to customers to revenue and recognizes the corresponding expenses under the cost of goods sold. The freight costs not billed to customers are shown under selling and marketing expenses.

(q) Government grants
Pursuant to IAS 20 "Accounting for government grants and disclosure of government assistance" government grants are only recognized, if there is sufficient assurance that the associated conditions will be fulfilled and the grants will be allocated.

The Group received subsidies from various public bodies within the scope of government economic stimulus programs, for example for the construction of production facilities, research and development activities and advanced training programs.

Investment grants and investment subsidies for which it is sufficiently certain that the associated conditions are being complied with and that they will be awarded, reduce the costs of the relevant assets. Investment subsidies, such as investment grants and tax-free investment allowances, are recognized through profit or loss over the useful life of the subsidized assets (as a reduction in depreciation of the subsidized property, plant and equipment).

Government grants received in financial years 2012/2013 and 2011/2012 are listed in note (33).

(r) Earnings per share
Basic earnings per share were calculated by dividing the consolidated net income attributable to shareholders of the parent company by the weighted-average number of ordinary shares issued during each individual accounting period. As in the previous year the number of shares in this financial year remained unchanged at 81,309,610 thousand. There were no conversion or option rights in circulation. As in the previous financial year there were no dilution effects in the year under review.

(s) Borrowing costs
Borrowing costs are recognized as expenses in the period in which they are incurred, since there are not usually any qualified assets pursuant to IAS 23.5.

(t) Related party disclosures
The parent company of Carl Zeiss Meditec AG is Carl Zeiss AG (which is controlled by the Carl Zeiss Foundation *(Carl-Zeiss-Stiftung)*. The Carl Zeiss Foundation, Heidenheim and Jena, Carl Zeiss AG, Oberkochen, and its subsidiaries, excluding the Carl Zeiss Meditec Group (the "Carl Zeiss Group"), Schott AG, Mainz, including its subsidiaries (the "Schott Group"), as well as the associated unconsolidated companies, are regarded as related parties, and business transactions, for example income, receivables from and liabilities to these companies, are reported separately in note (34).

The Group sells some of its products via the distribution companies of the Carl Zeiss Group. For the purposes of furnishing the Group with short-term funds and investing surplus liquidity, Carl Zeiss Meditec cooperates with the group cash management system of Carl Zeiss Financial Services GmbH, Oberkochen. Loans granted and monies invested within the scope of this business relationship are shown as liabilities to or receivables from treasury, and as cash and cash equivalents, and usually are available daily. Pursuant to the cash pooling agreement, the companies of Carl Zeiss Meditec Group are authorized to utilize liquidity to finance their ongoing business activities, so that, from the Group's perspective, the cash pool transactions have the character of financing, are thus to be classified as financing activities and, in this sense, are carried in the statement of cash flows under cash flow from financing activities. Since the treasury receivables, which are now no longer secured by declarations of pledge, are also cash pool transactions, these are also carried in the statement of cash flows under cash flows from financing activities, thus ensuring the consistency of the accounting.

In addition to financial services the Group procures various services from the Carl Zeiss Group, including Carl Zeiss AG. These include research and development services, HR and administrative services, as well as logistics, distribution and IT services provided on the basis of contractual agreements. In addition, preliminary products are procured from companies of the Carl Zeiss Group and the Schott Group. These transactions with related parties are conducted under the same conditions as arm's length transactions.

(u) Recent pronouncements on accounting principles

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

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

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

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

The Company did not opt to apply these standards ahead of time:

Date of issue	Standard/Interpretation	Amendment/New statutory regulation	Date of first mandatory application	Adopted by the EU
12 November 2009	IFRS 9 "Financial Instruments"	Classification and measurement of financial assets	Financial years beginning on or after 1 January 2015	no
28 October 2010	Revision IFRS 9 "Financial Instruments"	Additional requirements for the accounting of financial liabilities	Financial years beginning on or after 1 January 2015	no
12 May 2011	IFRS 10 "Consolidated Financial Statements"	Accounting regulations for the presentation of consolidated financial statements and notes on the principle of control	Financial years beginning on or after 1 January 2014	yes
12 May 2011	IFRS 11 "Joint Arrangements"	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	IFRS 13 "Fair Value Measurement"	Guidance on measurement and disclosures on the measurement of fair value	Financial years beginning on or after 1 January 2013	yes
12 May 2011	IAS 27 "Separate Financial Statements"	Guidance on the accounting treatment of investments in subsidiaries, associates and joint ventures in separate financial statements	Financial years beginning on or after 1 January 2014	yes
12 May 2011	IAS 28 "Investments in Associates and Joint Ventures"	Guidelines for the accounting treatment of associates and principles for applying the equity method	Financial years beginning on or after 1 January 2014	yes
16 June 2011	Amendment IAS 19 "Employee Benefits"	Accounting treatment of defined benefit pension plans, definition of the individual types of employee benefits and enhanced disclosure requirements	Financial years beginning on or after 1 January 2013	yes
19 October 2011	IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	Accounting treatment of overburden removal costs during the production phase in surface mining	Financial years beginning on or after 1 January 2013	yes
16 December 2011	Amendments IFRS 32 "Financial Instruments: Presentation"	Amendment to rules for offsetting financial assets and liabilities	Financial years beginning on or after 1 January 2014	yes
16 December 2011	Amendments IFRS 7 "Financial Instruments: Disclosures"	Additional disclosures relating to the offsetting of financial assets and liabilities	Financial years beginning on or after 1 January 2013	yes
13 March 2012	Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards"	Specification of the accounting treatment of government loans with a below-market rate of interest	Financial years beginning on or after 1 January 2013	yes

Date of issue	Standard/Interpretation	Amendment/New statutory regulation	Date of first mandatory application	Adopted by the EU
17 May 2012	Improvements to IFRS (2009–2011)	Amendments to Standards IFRS 1, IAS 1, 16, 32 and 34	Financial years beginning on or after 1 January 2013	yes
28 June 2012	Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	Expansion of transition regulations to IFRS 10, 11 and 12	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	no
20 May 2013	IFRIC Interpretation 21: Levies	Accounting treatment of levies imposed by governments	Financial years beginning on or after 1 January 2014	no
29 May 2013	Amendment to IAS 36 "Impairment of Assets"	Amendment of recoverable amount disclosures for non-financial assets following the adoption of IFRS 13	Financial years beginning on or after 1 January 2014	no
27 June 2013	Amendment to IAS 39 "Financial instruments: Recognition and Measurement"	Novation of derivatives and continuation of hedge accounting	Financial years beginning on or after 1 January 2014	no

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

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

The amendment to IAS 19 "Employee Benefits" provides for the elimination of options to recognize actuarial gains and losses. Carl Zeiss Meditec AG has used the corridor method up until now. Under this method actuarial gains or losses are only recognized through profit or loss on a pro rata basis, if the accumulated actuarial gains or losses exceed 10 % of the higher of present value of the defined benefit obligation and fair value of the plan assets. In future only the immediate recognition in equity under "Other result" in the statement of comprehensive income shall be permissible for this. New regulations shall also apply for the manner of recognition, among other things, of expected returns on plan assets, and the definition of the individual types of employee benefits. The disclosure requirements in the notes to the financial statements shall also be enhanced. The amendments are applicable for the first time for financial years beginning on or after 1 January 2013. A first-time application on 30 September 2013 would results in a reduction in equity of € 28,156 thousand, corresponding to the total of unrecognized actuarial losses existing as of 30 September 2013. The accounting treatment of partial retirement agreements shall also be amended. Potential further material effects arising from the first-time application of the amended IAS 19 are still under review.

(v) Calculation of fair values

A large number of the consolidated accounting principles and notes to the financial statements require a definition of the fair values of the respective financial and non-financial assets and liabilities involved. The fair values are calculated in accordance with the methods described below. If required, additional information on the assumptions made for the calculation of the fair values is provided in the specific notes on the respective items described in the statement of financial positions and the income statement.

Property, plant and equipment
The fair values of property, plant and equipment acquired within the scope of business combinations are based on market prices. The market price of land and buildings is determined based on the estimated value at which the respective asset could prudently and reasonably be exchanged without coercion between two independent partners based on normal market conditions. The market prices of other items of property, plant and equipment, such as plant and machinery, as well as leasehold improvements and equipment are based on quoted prices on the market for similar goods of the same kind.

Other intangible assets
The fair values of trademark, patent and technology rights or similar, which were acquired within the scope of a business combination, are determined according to the relief from royalty method. In this method an analogy is used, whereby the financial contributions (cash flows) of an intangible asset due to royalties are estimated, which the owner of this asset is then spared from paying, contrary to the alternative of licensing a similar asset with an equivalent use. The method thus calculates the fictitious licensing fees that would be payable if the respective intangible asset were to be owned by a third party.

The fair values of intangible assets consisting of customer relationships acquired within the scope of a business combination are determined according to the multi-period excess earnings method. Customer relationships generally only generate cash flows in conjunction with other tangible or intangible assets. The planning of excess earnings is thus based on a collection of assets. The calculation of the relevant excess earnings received thus regards fictitious payments made for these “supporting” assets as fictitious user fees. It is assumed that the supporting assets are fictitiously rented or leased by a third party to the extent necessary to generate the cash flows.

Inventories
The fair value of inventories acquired within the scope of a business combination is based on the estimated selling price attainable in the normal course of business, less the estimated production and selling costs, as well as an adequate profit margin.

Trade receivables and other receivables
The fair value of trade receivables and other receivables is calculated as the present value of future cash flows, discounted by a standard market interest rate. The fair value of current trade receivables and other receivables basically corresponds to their nominal value, due to their short-term nature.

Equity interests and securities
The fair value of financial assets, which are either measured at fair value through profit or loss or classified as available for sale, is based, if an active market exists, on listed stock prices. If there is no active market, the fair value is measured using an appropriate valuation method, e. g. based on current market prices of similar financial instruments, or the discounted cash flow method.

Derivative financial instruments
The fair value of derivative financial instruments is based on the prevailing market or stock market value. The market value of a financial instrument is estimated as the amount that could be obtained in a business transaction between independent contracting partners under prevailing market conditions. The market values are calculated on the basis of market conditions as of the end of the reporting period – interest rates, currency rates, commodity prices – and the evaluation methods described below.

If there is no active market, the fair value is determined using financial mathematical methods, e.g. by discounting the estimated future cash flows using the market interest rate or by applying recognized option pricing models, and through confirmations from the banks that process the transactions. The interest rates applied across the various maturities and foreign currencies range from -0.1 % to +6.6 % (previous year: +0.1 % to +6.3 %).

The Group exclusively holds currency forward contracts as derivative financial instruments. The financial assets held for trading (FAHfT/FLHfT) are carried at fair value, although changes in market value are recognized through profit or loss in the income statement. The market value of currency forward transactions is calculated based on the average spot exchange rate at the end of the reporting period, adjusted for forward premiums and discounts for the respective residual term of the contract, compared with the contracted forward exchange rate.

Financial liabilities

The fair value of financial liabilities is calculated based on the present value of future capital and interest payment flows – discounted by a standard market interest rate – as of the end of the reporting period. The interest rates applied range from 1.2 % to 2.3 % (previous year: 1.2 % to 3.4 %).

3. Purchase and sale of business operations

Financial year 2012/2013

Carl Zeiss EyeTec GmbH, Aalen, Germany

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

This is a Transaction under common control, as all companies involved are directly or indirectly majority-owned by Carl Zeiss AG. In line with the accounting method used by Carl Zeiss Meditec, the transaction is carried at the prior carrying amounts. 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 this purchase is considered insignificant.

Financial year 2011/2012

IMEX Clinic S.L., Paterna, Spain

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

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

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

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

NOTES TO THE CONSOLIDATED INCOME STATEMENT

4. Revenue

Group earnings for financial years 2012/2013 and 2011/2012 mainly consist of sales revenues. The table below shows a breakdown of revenue:

(in € ’000)

	Financial year 2012/2013	Financial year 2011/2012
Income from the sale of merchandise	824,943	786,887
Income from the provision of services (incl. sale of replacement parts)	74,427	69,388
Income from royalties/licenses	7,075	5,600
Total	**906,445**	**861,875**

5. Other expenses

Other expenses for financial years 2012/2013 and 2011/2012 were as follows:

(in € ’000)

	Financial year 2012/2013	Financial year 2011/2012
Prior-period expenses	17	–
Total	**17**	**–**

6. Personnel expenses

Personnel expenses for financial years 2012/2013 and 2011/2012 were as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Wages and salaries	182,047	170,037
Social security expenses	33,327	32,885
Pension costs	9,044	8,166
Total	**224,418**	**211,088**

The employer's statutory pension contribution is contained in the social security costs. Total expenses from all additional defined contribution plans in the current financial year amounted to € 2,954 thousand (previous year: € 2,824 thousand). Contrary to the previous year these expenses are carried under pension expenses.

The table below shows employee numbers and the personnel structure of the Group:

	30 September 2013	30 September 2012	Average/ financial year 2012/2013	Average/ financial year 2011/2012
Production	736	722	735	721
Sales & Marketing	677	638	667	629
Service	478	468	477	470
Research & Development	411	388	409	377
Administration	238	244	237	244
Total	**2,540**	**2,460**	**2,525**	**2,441**
Trainees	17	19	19	17

7. Financial result

The financial result comprises the following:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Interest income	1,942	3,023
Interest expenses	(6,591)	(6,083)
thereof interest expense pensions	(3,277)	(3,183)
Net interest income/loss	**(4,649)**	**(3,060)**
Investment income	**–**	**10**
Currency gains	27,097	10,598
Currency losses	(12,601)	(16,956)
Currency gains/(losses), net	**14,496**	**(6,358)**
Expected return on plan assets	3,235	2,446
Miscellaneous other financial result	631	241
Other financial result	**18,362**	**(3,671)**
Total financial result	**13,713**	**(6,721)**

The interest expense for pensions must be considered in conjunction with the anticipated return on plan assets shown under "Other financial result". The balance of these two values gives the Group's net financing expense for pensions.

The miscellaneous other financial result contains dividend income from an investment valued at cost of € 18 thousand (previous year: € 21 thousand).

8. Income taxes

Income taxes are comprised as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Current taxes:		
Germany	35,653	24,571
Abroad	13,323	16,859
	48,976	41,430
(thereof prior-period)	(2,902)	(1,471)
Deferred taxes:		
Germany	1,433	(5,411)
Abroad	(1,944)	3,768
	(511)	(1,643)
Total	**48,465**	**39,787**

Current and deferred taxes taken directly to equity were not incurred in financial years 2012/2013 and 2011/2012.

The tax effects on gains and losses recognized in other comprehensive income are as follows:

(in € '000)

	Financial year 2012/2013			Financial year 2011/2012		
	Before tax	Tax expense/ income	After tax	Before tax	Tax expense/ income	After tax
Gains/(losses) recognized in other comprehensive income from revaluation of available-for-sale financial assets	–	–	–	–	–	–
Gains/(losses) on foreign currency translation	(27,560)	–	(27,560)	9,729	–	9,729
Other result	**(27,560)**	**–**	**(27,560)**	**9,729**	**–**	**9,729**

In accordance with the tax law applicable in financial year 2012/2013, the income of Group subsidiaries in Germany is subject to a corporation tax rate of 15 % (previous year: 15 %). Taking into account the solidarity surcharge and the varying trade income tax rates, companies in Germany are subject to a tax rate of between 27.73 % and 30.53 % (previous year: 27.73 % to 30.53 %) The nominal tax rates applicable outside Germany in the financial year range between 23.50 % and 39.43 % (previous year: 25.00 % and 42.10 %).

The tax rate applicable for the tax reconciliation account is the nominal tax rate of the parent company, Carl Zeiss Meditec AG, Jena, of 29.36 %, which applied in the past financial year (previous year: 29.36 %). Deferred taxes on interim profits are calculated in each case using the current or future tax rate applicable for the receiving Group company. This results in a tax rate ranging from 23.50 % to 39.43 % (previous year: 25.00 % to 39.43 %). For the sake of simplicity, other deferred taxes are calculated using the applicable nominal tax rate for the parent company, Carl Zeiss Meditec AG, Jena, of 29.36 % (previous year: 29.36 %).

The reconciliation of the expected income tax expense in relation to earnings before income taxes to the actual income tax expense is as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Expected income tax expense	43,331	34,110
Non-deductible expenses	1,012	1,390
Tax-free income	(1,344)	(1,813)
Effects of changes in the tax rate	(178)	745
Taxes previous years	2,902	1,471
Foreign tax rate differential	3,840	4,831
Net retained earnings of subsidiaries intended for disbursement	–	(1,427)
Recognition & measurement of deferred tax assets	(1,170)	(12)
Other	72	492
Actual income tax expense	**48,465**	**39,787**
Effective tax rate	32.8 %	34.2 %

9. Earnings per share

The following table shows the calculation of earnings per share:

	Financial year 2012/2013	Financial year 2011/2012
Net income attributable to shareholders of the parent company (€ '000)	93,505	71,870
Weighted average of issued shares	81,309,610	81,309,610
Earnings per share (in €)	**1.15**	**0.88**

10. Dividend

During the period under review, a dividend of € 0.40 per share (previous year: € 0.30 per share) was paid to the shareholders of Carl Zeiss Meditec AG for financial year 2011/2012.

	Financial year 2012/2013		Financial year 2011/2012	
	€ cent per share	€ '000 Total	€ cent per share	€ '000 Total
Dividend paid	**40**	**32,524**	**30**	**24,393**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

11. Goodwill

The table below shows the development of the Group's recognized goodwill and its allocation to the respective strategic business units (SBUs) for financial years 2012/2013 and 2011/2012:

(in € '000)

	Surgical Ophthalmology SBU	Ophthalmic Systems SBU	Total
As of 1 October 2012	**92,626**	**29,001**	**121,627**
Currency effects	–	(581)	(581)
As of 30 September 2013	**92,626**	**28,420**	**121,046**
As of 1 October 2011	**84,791**	**28,421**	**113,212**
Additions	7,835	–	7,835
Currency effects	–	580	580
As of 30 September 2012	**92,626**	**29,001**	**121,627**

The recognized book values correspond to the acquisition costs. Accumulated impairment losses of the capitalized goodwill do not exist. The allocation of existing goodwill to cash-generating units conforms to IAS 36.80. Accordingly, the relevant goodwill is allocated within the Group independently of other individual assets and liabilities; rather, it is allocated to the smallest cash-generating unit, which is expected to benefit from the synergy effects of the business combination. The cash-generating unit is determined based on the Group's internal reporting system.

The change in the goodwill of the cash-generating unit "Surgical Ophthalmology" SBU resulted in the previous year from the acquisition of a business unit from IMEX (see note (3)). As in the previous year, currency effects also arose this year within the "Ophthalmic Systems" SBU between the US dollar and the euro.

12. Other intangible assets

Intangible assets developed as follows in financial years 2012/2013 and 2011/2012:

(in € '000)	Brand names and trademarks	Software	Licenses, royalties	Patents and other industrial property rights	Develop-ment expenses	Miscella-neous other intangible assets	Total
Acquisition and production costs as of 1 October 2012	**8,116**	**12,451**	**1,622**	**28,362**	**9,037**	**26,998**	**86,586**
Additions	–	394	–	103	391	–	888
Reclassifications	–	103	–	1,147	–	(1,250)	–
Disposals	–	(470)	–	–	(228)	–	(698)
Currency effects	(40)	(382)	–	(163)	(143)	(545)	(1,273)
As of 30 September 2013	**8,076**	**12,096**	**1,622**	**29,449**	**9,057**	**25,203**	**85,503**
Depreciation and write downs as of 1 October 2012	**6,226**	**9,555**	**1,513**	**22,669**	**6,360**	**19,341**	**65,664**
Additions	381	1,007	41	1,915	1,610	3,141	8,095
Impairments	914	–	–	–	–	–	914
Reclassifications	141	–	(141)	1,145	–	(1,145)	–
Disposals	–	(470)	–	–	(180)	–	(650)
Currency effects	(25)	(284)	–	(122)	(105)	(515)	(1,051)
As of 30 September 2013	**7,637**	**9,808**	**1,413**	**25,607**	**7,685**	**20,822**	**72,972**
Net carrying amount as of 30 September 2013	**439**	**2,288**	**209**	**3,842**	**1,372**	**4,381**	**12,531**

(in € '000)	Brand names and trademarks	Software	Licenses, royalties	Patents and other industrial property rights	Develop-ment expenses	Miscella-neous other intangible assets	Total
Acquisition and production costs as of 1 October 2011	**8,076**	**11,861**	**1,587**	**28,060**	**7,902**	**22,597**	**80,083**
Additions acquisitions	–	–	–	–	–	4,421	4,421
Additions	–	215	35	61	440	17	768
Reclassifications	–	19	–	–	561	(580)	–
Disposals	–	(14)	–	–	–	(3)	(17)
Currency effects	40	370	–	241	134	546	1,331
As of 30 September 2012	**8,116**	**12,451**	**1,622**	**28,362**	**9,037**	**26,998**	**86,586**
Depreciation and write downs as of 1 October 2011	**5,845**	**8,095**	**1,486**	**20,123**	**4,108**	**16,258**	**55,915**
Additions	381	1,260	27	2,377	1,621	3,232	8,898
Reclassifications	–	–	–	–	561	(561)	–
Disposals	–	(14)	–	–	–	(3)	(17)
Currency effects	–	214	–	169	70	415	868
As of 30 September 2012	**6,226**	**9,555**	**1,513**	**22,669**	**6,360**	**19,341**	**65,664**
Net carrying amount as of 30 September 2012	**1,890**	**2,896**	**109**	**5,693**	**2,677**	**7,657**	**20,922**

Miscellaneous other intangible assets include assets identified via purchase price allocations (PPA) for customer relationships with a carrying amount of € 4,181 thousand (previous year: € 5,911 thousand) and for technology with a carrying amount of € 114 thousand (previous year: € 1,756 thousand).

As of 30 September 2013 the Group does not hold any other intangible assets with an indefinite useful life. The legally protected trademark, which was allocated to the strategic business unit (SBU) "Ophthalmic Systems" and which was capitalized as part of the PPA of LDT[2], was written down in full in this financial year and has a book value of € 0 thousand (previous year: € 929 thousand).

13. Property, plant and equipment

Property, plant and equipment developed as follows in financial years 2012/2013 and 2011/2012:

(in € '000)

	Land, buildings and leasehold improvements	Technical plant and machinery	Other office equipment, fixtures and fittings	Construction in progress	Total
Acquisition and production costs as of 1 October 2012	**41,897**	**23,805**	**53,657**	**1,227**	**120,586**
Additions	(191)	3,996	10,509	3,437	17,751
Reclassifications	(1,298)	139	2,165	(1,006)	–
Disposals	249	(1,394)	(5,584)	(57)	(6,786)
Currency effects	(1,148)	(502)	(1,375)	(16)	(3,041)
As of 30 September 2013	**39,509**	**26,044**	**59,372**	**3,585**	**128,510**
Depreciation and write downs as of 1 October 2012	**20,381**	**13,026**	**38,695**	**–**	**72,102**
Additions	1,769	2,368	5,573	–	9,710
Reclassifications	(589)	(2)	591	–	–
Disposals	249	(989)	(5,095)	–	(5,835)
Currency effects	(693)	(310)	(897)	–	(1,900)
As of 30 September 2013	**21,117**	**14,093**	**38,867**	**–**	**74,077**
Net carrying amount as of 30 September 2013	**18,392**	**11,951**	**20,505**	**3,585**	**54,433**

[2] Laser Diagnostics Technologies Inc., San Diego, USA, was taken over by Carl Zeiss Meditec Inc. by way of a 100 % acquisition of shares, with effect from 2 December 2004.

(in € '000)

	Land, buildings and leasehold improvements	Technical plant and machinery	Other office equipment, fixtures and fittings	Construction in progress	Total
Acquisition and production costs as of 1 October 2011	**34,769**	**18,940**	**48,361**	**2,056**	**104,126**
Additions	5,545	3,442	8,021	912	17,920
Reclassifications	457	884	405	(1,746)	–
Disposals	(51)	(73)	(3,952)	–	(4,076)
Currency effects	1,177	612	822	5	2,616
As of 30 September 2012	**41,897**	**23,805**	**53,657**	**1,227**	**120,586**
Depreciation and write downs as of 1 October 2011	**17,798**	**10,661**	**35,165**	**–**	**63,624**
Additions	1,961	2,056	4,980	–	8,997
Disposals	(51)	(70)	(2,131)	–	(2,252)
Currency effects	673	379	681	–	1,733
As of 30 September 2012	**20,381**	**13,026**	**38,695**	**–**	**72,102**
Net carrying amount as of 30 September 2012	**21,516**	**10,779**	**14,962**	**1,227**	**48,484**

Property, plant and equipment – mainly land, buildings and leasehold improvements – includes leased property with a net book value of € 6,671 thousand (previous year: € 7,722 thousand).

Property, plant and equipment with a net book value of € 4,173 thousand (previous year: € 4,379 thousand) serve as collateral for liabilities.

14. Investments

The table below shows the changes in investments in financial years 2012/2013 and 2011/2012:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
As of 1 October	**364**	**364**
Depreciation	(240)	–
As of 30 September	**124**	**364**

The item "Investments" in the statement of financial position includes the non-controlling interests carried at amortized cost in Elsia S.A.S., Périgny/La Rochelle, France (€ 0 thousand) and Polymerexpert S.A., Pessac, France (€ 122 thousand). Carl Zeiss Meditec S.A.S. holds 13.8 % (previous year: 13.8 %) of the shares in Elsia S.A.S. and 8.6 % (previous year: 8.6 %) of the shares in Polymerexpert S.A.

The non-controlling interest in Elsia S.A.S. was written down in full in this financial year and has a book value of € 0 thousand (previous year: € 240 thousand).

This item also includes the non-controlling interest carried at amortized cost in S&V Technologies AG, Hennigsdorf (€ 2 thousand).

15. Deferred taxes

Deferred tax assets and liabilities are broken down into the following items in the statement of financial position:

(in € '000)

	30 September 2013		30 September 2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Loss carryforwards	1,162	–	2,476	–
Intangible assets	2,758	1,678	977	2,873
Fixed assets	4,014	962	3,588	1,421
Financial assets	601	363	1,493	468
Inventories	16,577	586	18,371	177
Trade receivables	1,258	32	1,099	1
Other assets	178	1,212	276	291
Provisions	12,379	100	15,976	–
Trade payables	72	–	–	1
Other liabilities	7,928	228	4,709	26
Total	**46,927**	**5,161**	**48,965**	**5,258**
Deferred tax assets (net)	**41,766**		**43,707**	

The consolidated statement of financial position contains deferred tax assets, after offsetting pursuant to IAS 12, totaling € 44,181 thousand (previous year: € 47,198 thousand), and deferred tax liabilities of € 2,415 thousand (previous year: € 3,491 thousand).

Deferred tax liabilities of € 7,628 thousand (previous year: € 7,886 thousand) on retained earnings at subsidiaries in the amount of € 304,471 thousand (previous year: € 296,566 thousand) were not carried as liabilities.

The table below shows the reconciliation of deferred taxes:

(in € '000)

Deferred tax assets (net) as of 30 September 2011	**41,179**
Effects recognized in income	1,643
Currency effects	885
Deferred tax assets (net) as of 30 September 2012	**43,707**
Effects recognized in income	511
Currency effects	(2,452)
Deferred tax assets (net) as of 30 September 2013	**41,766**

16. Other noncurrent assets

Other noncurrent assets comprise the following:

(in € '000)

	30 September 2013	30 September 2012
Plan assets for pension commitments	6,144	10,881
Plan assets for accrued flexitime	1,065	0
Other	167	175
Other noncurrent assets	**7,376**	**11,056**

For more details on plan assets for pension commitments please refer to note (23).

17. Inventories

Inventories comprise the following:

(in € ’000)

	30 September 2013	30 September 2012
Raw materials and supplies	61,934	52,924
Work in progress	18,540	22,736
Finished goods	90,173	91,978
Total inventories, gross	**170,647**	**167,638**
Valuation allowances	(22,180)	(24,625)
Total inventories, net	**148,467**	**143,013**

Inventories were written up/down as follows:

(in € ’000)

	Financial year 2012/2013	Financial year 2011/2012
Beginning of financial year	**24,625**	**24,516**
Additions recognized as expenses	7,939	8,162
Currency effects	(419)	285
Reversals/utilization	(9,965)	(8,338)
End of financial year	**22,180**	**24,625**

The carrying amount of inventories carried at their net realizable value totaled € 87,322 thousand as of 30 September 2013 (previous year: € 78,404 thousand). Write-ups in the amount of € 3,958 thousand (previous year: € 3,337 thousand) were recognized in income. The write-ups are mainly attributable to the historical adjustment of depreciation routines. The cost of materials totaled € 304,264 thousand and € 311,230 thousand, respectively, in financial years 2012/2013 and 2011/2012. These expenses are calculated according to the total cost format and include the costs of raw materials and supplies and purchased goods and services, plus any valuation allowances and changes in inventories. No inventories have been pledged as collateral for liabilities.

18. Trade receivables

Trade receivables comprise the following:

(in € ’000)

	30 September 2013	30 September 2012
Current trade receivables	155,471	141,476
Noncurrent trade receivables	5,430	4,396
Trade receivables, gross	**160,901**	**145,872**
Valuation allowances	(5,480)	(4,817)
Trade receivables, net	**155,421**	**141,055**

19. Other current financial assets

Other current financial assets comprise the following:

(in € '000)

	30 September 2013	30 September 2012
Current financial investments	–	120,000
Credit card receivables	635	1,637
Accrued interest	–	1,107
Derivative financial instruments	5,557	1,112
Loans to employees	83	106
Other receivables	109	102
Other current financial assets	**6,384**	**124,064**

20. Other current non-financial assets

Other current non-financial assets comprise the following:

(in € '000)

	30 September 2013	30 September 2012
Prepaid expenses	5,303	5,012
Receivables from the tax office	1,257	1,157
Subsidies	64	1,205
Accounts receivable from R&D subsidies	–	35
Commission receivable	381	–
Advances paid	1,076	699
Other receivables	818	971
Other current non-financial assets	**8,899**	**9,079**

Receivables from the tax office mainly include receivables from advance VAT payments.

21. Cash and cash equivalents

Cash and cash equivalents comprise the following:

(in € '000)

	30 September 2013	30 September 2012
Cash	17	14
Bank balances	4,214	7,998
Short-term time deposits	2,055	1,514
Cash and cash equivalents	**6,286**	**9,526**

22. Equity

Subscribed capital
As in the previous financial year 2011/2012, the share capital of Carl Zeiss Meditec AG consists of 81,309,610 no-par value shares bearing equal rights, each with a theoretical value of € 1, and was fully paid in. Ownership of the shares is linked to voting rights at the General Meeting and profit participation rights for resolved disbursements.

Authorized capital
Pursuant to a resolution of the Annual General Meeting in financial year 2010/2011 and the entry in the commercial register dated 19 May 2011, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company, on one or several occasions until 11 April 2016, by up to a maximum of € 39,655 thousand, by issuing new no-par value bearer shares with a theoretical nominal value of € 1 per share (39,654,800 shares) against cash and/or contributions in kind (Authorized Capital I). The Management Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' statutory subscription rights in certain cases.

Capital reserve
The capital reserve contains the amounts obtained in excess of the theoretical value from the share issue.

Retained earnings
Under the German Stock Corporation Act (*Aktiengesetz*), the dividend available for distribution to the shareholders is dependent upon equity as reported in the single-entity financial statements of Carl Zeiss Meditec AG in accordance with the German Commercial Code (*HGB*). Dividends may only be declared and paid from any retained earnings that exist (after transfer to statutory reserves). The net profit disclosed in the single-entity financial statements (*HGB*) of Carl Zeiss Meditec AG generally differs from the accumulated net profit shown in these consolidated financial statements (IFRS). As of 30 September 2013, the single-entity financial statements of Carl Zeiss Meditec AG showed a net profit of € 82,342 thousand (previous year: € 63,849 thousand).

Non-controlling interests
The item non-controlling interests comprises the holdings of other shareholders in the equity of Carl Zeiss Meditec Co. Ltd., Tokyo.

Gains and losses recognized in other comprehensive income
The amounts recorded under gains and losses recognized in other comprehensive income resulting from currency translation developed as follows:

(in € '000)	
Currency translation as of 30 September 2011	**(9,967)**
Development in financial year 2011/2012	8,476
Currency translation as of 30 September 2012	**(1,491)**
Development in financial year 2012/2013	(17,564)
Currency translation as of 30 September 2013	**(19,055)**

23. Employee benefit obligations

The Group uses legally independent trusts to cover its pension commitments – within the scope of contractual trust arrangements (CTAs) – as well as pledged reinsurance policies.

The amount disclosed in the statement of financial position on the basis of the Company's obligation from defined benefit plans is based on the following:

(in € '000)

	30 September 2013	30 September 2012
Present value of obligations not financed by plan assets	9,929	12,193
Present value of obligations wholly or partly financed by plan assets	91,201	82,026
Total value of defined benefit obligation (DBO)	**101,130**	**94,219**
Fair value of plan asset	68,484	66,302
Net obligation	**32,646**	**27,917**
Unrecognized actuarial net gains/(losses)	(28,156)	(25,825)
Net amount recognized	**4,490**	**2,092**
thereof in: Other noncurrent assets	6,144	10,881
thereof in: Provisions for pensions and similar commitments	10,634	12,973

The limit on the defined benefit asset, recognized in other noncurrent assets, pursuant to IAS 19.58 (b), has no effect.

The following amounts are recognized in the income statement for defined benefit plans:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Current service cost	4,851	4,315
Interest expense	3,277	3,183
Expected return on plan assets	(3,235)	(2,446)
Recognized actuarial (gains)/ losses	1,239	1,027
Net expenditure in the financial year	**6,132**	**6,079**
Actual (income)/expense on plan assets	(3,322)	(3,769)

The current service cost of € 4,851 thousand (previous year: € 4,315 thousand) is included under both "Cost of goods sold" and "Functional costs", depending on the allocation of personnel costs to the functional areas. This also applies to the actuarial gains/losses recognized. Interest costs in the amount of € 3,277 thousand (previous year: € 3,183 thousand) are included in interest expenses. The expected return on plan assets is included in the other financial result.

The present value of the defined benefit obligations developed as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Defined benefit obligation (DBO) at beginning of financial year	**94,219**	**73,097**
Current service cost	4,851	4,315
Interest expense	3,277	3,183
Benefit payments	(2,009)	(2,278)
Employee contributions	–	109
Actuarial (gains)/losses	3,932	16,095
Additions/(disposals)	(7)	(1,347)
Currency translation differences from foreign plans	(3,133)	1,045
Defined benefit obligation (DBO) at end of financial year	**101,130**	**94,219**

The changes in the fair value of the plan assets are as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Fair value of plan assets at beginning of financial year	**66,302**	**47,865**
Expected return on plan assets	3,235	2,446
Gains/(losses) on plan assets	89	1,337
Employer contributions	366	15,393
Employee contributions	39	109
Pension payments from plan assets	(989)	(1,362)
Currency translation differences from foreign plans	(558)	514
Fair value at end of financial year	**68,484**	**66,302**

For the coming financial year the Group intends to pay a contribution of € 977 thousand (previous year: € 947 thousand) into the defined benefit plans.

The main investment categories of the plan assets were as follows at the end of the reporting period:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Equity instruments	18,465	13,631
Debt instruments	39,654	27,571
Cash	6,930	20,682
Other	3,435	4,418
Total plan assets	**68,484**	**66,302**

The expected total return on plan assets is calculated on the basis of the market prices prevailing for the period in which the obligation is fulfilled. Expected returns on fixed-interest capital investments are based on the gross effective interest rate at the end of the reporting period. Expected returns on equity securities reflect the empirical effective long-term returns to be achieved in the respective markets.

The following average valuation factors were used to determine benefit obligations:

(in %)

	Germany Financial year		USA Financial year		Japan Financial year	
	2012/2013	2011/2012	**2012/2013**	2011/2012	**2012/2013**	2011/2012
Discount factor	3.60	4.07	4.64	3.56	0.80	0.80
Noncurrent increase in salaries	3.00	3.00	0.00	4.00	2.28	2.54
Future increase in pensions	2.00	2.00	0.00	4.00	2.28	2.54
Cost trend medical care	–	–	0.00	3.50	–	–
Expected return on plan assets	4.50	4.50	7.25	7.50	–	–

The calculation of pensions is linked to employee turnover. Depending on the respective plan, the pensionable age was set at 62 to 65. As in the previous year, benefit obligations in Germany were calculated based on Prof. Dr. Klaus Heubeck's 2005 G life expectancy tables. The calculation of the underlying discount factor also took market changes into account.

A change of 1 % would have the following effect, assuming the current cost trends for post-employment health care benefit obligations, which exclusively affect the US subsidiary.

(in € '000)

	Increase	Decrease
Effect on total current service cost and interest expense	11	(10)
Effect on defined benefit obligation	313	(274)

The table below shows the development of historical adjustments:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012	Financial year 2010/2011	Financial year 2009/2010	Financial year 2008/2009
Present value of defined benefit obligation	101,130	94,219	73,097	70,440	51,323
Fair value of plan assets	68,484	66,302	47,865	42,678	39,505
Plan surplus/(deficit)	**(32,646)**	**(27,917)**	**(25,232)**	**(27,762)**	**(11,818)**
Historical adjustments of plan liabilities as of the end of reporting period	3,932	16,095	(3,253)	13,057	6,064
Historical adjustment of plan assets as of the end of the period	89	1,337	(2,202)	(499)	(1,129)

24. Provisions

The table below shows the development of current and noncurrent provisions:

(in € '000)

	Personnel and social	Ongoing operations	Other	Total
As of 1 October 2012	**6,391**	**21,162**	**14,758**	**42,311**
Additions	2,616	23,715	7,380	33,711
Interest yield	94	–	112	206
Reclassifications	(31)	–	(394)	(425)
Reversals	(2,937)	(8,097)	(978)	(12,012)
Utilization	(1,321)	(12,139)	(9,565)	(23,025)
Currency effects	(31)	(538)	(620)	(1,189)
As of 30 September 2013	**4,781**	**24,103**	**10,693**	**39,577**
Current provisions	989	24,103	10,693	35,785
Noncurrent provisions	3,792	–	–	3,792
Provisions as of 30 September 2013	**4,781**	**24,103**	**10,693**	**39,577**
Current provisions	80	16,893	12,755	29,728
Noncurrent provisions	6,311	4,269	2,003	12,583
Provisions as of 30 September 2012	**6,391**	**21,162**	**14,758**	**42,311**

Further information can be found in note (2 (o)). Noncurrent provisions for personnel and social commitments include provisions for partial retirement obligations. The fair value of the plan assets was offset against the provision at the end of the reporting period as follows:

(in € '000)

	30 September 2013	30 September 2012
Present value of partial retirement obligations	2,054	4,162
Fair value of plan asset	808	443
Reported net liability for partial retirement obligations	**1,246**	**3,719**

25. Noncurrent financial liabilities

Noncurrent financial liabilities comprise the following:

(in € '000)

	30 September 2013	30 September 2012
Annuity loans	2,278	2,728
Other loans	49	6,090
Total noncurrent loans	**2,327**	**8,818**
Less current portion of noncurrent loans	507	6,432
Noncurrent loans, net of current portion	**1,820**	**2,386**

The variable-interest annuity loan of one Group company has a term of 18 years and is redeemed in quarterly installments of € 124 thousand, each including interest. In financial year 2012/2013 this loan bore an average interest rate of 1.81 % p. a.

The item "Other loans" mainly consisted last year of a mezzanine loan to Carl Zeiss Meditec AG, which bore interest at a rate of 7.93 %. The total term of this loan was 7 years and it was repaid as planned in financial year 2012/2013.

As of 30 September 2013 the Company's noncurrent liabilities had the following maturities:

(in € '000)

Financial year ending 30 September	Liabilities
2014	507
2015	466
2016	475
2017	483
2018	396
2019 and thereafter	0
Noncurrent liabilities, total	**2,327**

26. Current accrued liabilities

Current accrued liabilities include the following items:

(in € '000)

	30 September 2013	30 September 2012
Outstanding invoices	19,744	27,290
Christmas bonus, special payments and other personnel – related liabilities	33,462	30,988
Commissions/bonuses	3,983	4,197
Year-end costs	492	551
Consultancy fees	153	107
Insurance	569	600
Other accrued liabilities	1,871	1,393
Current accrued liabilities	**60,274**	**65,126**

27. Other current non-financial liabilities

Other current non-financial liabilities comprise the following:

(in € '000)

	30 September 2013	30 September 2012
Deferred income	17,060	15,424
Advance payments received on account of orders	3,379	3,685
Liabilities from taxes not related to income	3,285	2,499
Liabilities from social security	2,072	2,139
Wage withholding tax	2,003	1,598
Outstanding customs duties	1,774	1,260
Other liabilities	2,037	2,263
Other current non-financial liabilities	**31,610**	**28,868**

28. Additional disclosures on financial instruments

The following table shows the book values, carrying amounts and fair values by valuation category of the Company's financial instruments as of 30 September 2013 and 30 September 2012. Contrary to the previous year, cash is carried under the category "Loans and Receivables (LaR)".

(in € '000)

		30 September 2013 Carrying amount statement of financial position IAS 39						
	Valuation category according to IAS 39	Carrying amount	Amortized cost	Fair value recognized directly in equity	Fair value recognized through profit or loss	Recogni-tion cash reserves	Carrying amount statement of financial position IAS 17	Fair value*
Primary financial instruments								
Assets								
Trade receivables	LaR	**155,421**	155,421	–	–	–	–	**155,421**
Accounts receivables from related parties	LaR	**62,701**	62,701	–	–	–	–	**62,701**
Treasury receivables	LaR	**352,412**	352,412	–	–	–	–	**352,412**
Investments	AfS	**124**	124	–	–	–	–	**124**
Other noncurrent financial assets	LaR	**129**	129	–	–	–	–	**129**
Other current financial assets	LaR	**827**	827	–	–	–	–	**827**
Financial assets which cannot be allocated to any category within the meaning of IAS 39:								
Cash	LaR	**6,286**	–	–	–	6,286	–	**6,286**
Liabilities								
Trade payables	FLAC	**35,861**	35,861	–	–	–	–	**35,861**
Liabilities to related parties	FLAC	**19,833**	19,833	–	–	–	–	**19,833**
Treasury payables	FLAC	**6,859**	6,859	–	–	–	–	**6,859**
Loans from banks	FLAC	**2,402**	2,402	–	–	–	–	**2,395**
Other financial liabilities	FLAC	**1,455**	1,455	–	–	–	–	**1,455**
Financial liabilities which cannot be allocated to any category within the meaning of IAS 39:								
Leasing liabilities	n.a.	**13,804**	–	–	–	–	13,804	**17,397**
Derivative financial instruments								
Assets								
Currency hedging contracts	FAHfT	**5,557**	–	–	5,557	–	–	**5,557**
Liabilities								
Currency hedging contracts	FLHfT	**1,187**	–	–	1,187	–	–	**1,187**
Thereof aggregated by valuation category pursuant to IAS 39								
Loans and Receivables (LaR)		**577,776**	571,490	–	–	6,286	–	**577,776**
Available-for-Sale Financial Assets (AfS)		**124**	124	–	–	–	–	**124**
Financial Assets Held for Trading (FAHfT)		**5,557**	–	–	5,557	–	–	**5,557**
Financial Liabilities Measured at Amortized Cost (FLAC)		**66,410**	66,410	–	–	–	–	**66,403**
Financial Liabilities Held for Trading (FLHfT)		**1,187**	–	–	1,187	–	–	**1,187**

* Insofar as no fair value can be calculated, book value is stated

(in € '000)

	30 September 2012 Carrying amount statement of financial position IAS 39							
	Valuation category according to IAS 39	Carrying amount	Amortized cost	Fair value recognized directly in equirty	Fair value recognized through profit or loss	Recognition cash reserves	Carrying amount statement of financial position IAS 17	Fair value*
Primary financial instruments								
Assets								
Trade receivables	LaR	**141,055**	141,055	–	–	–	–	**141,055**
Accounts receivables from related parties	LaR	**42,718**	42,718	–	–	–	–	**42,718**
Treasury receivables	LaR	**241,389**	241,389	–	–	–	–	**241,389**
Investments	AfS	**364**	364	–	–	–	–	**364**
Other noncurrent financial assets	LaR	**137**	137	–	–	–	–	**137**
Other current financial assets	LaR	**122,953**	122,953	–	–	–	–	**122,953**
Financial assets which cannot be allocated to any category within the meaning of IAS 39:								
Cash	LaR	**9,526**	–	–	–	9,526	–	**9,526**
Liabilities								
Trade payables	FLAC	**36,935**	36,935	–	–	–	–	**36,935**
Liabilities to related parties	FLAC	**13,613**	13,613	–	–	–	–	**13,613**
Treasury payables	FLAC	**14,597**	14,597	–	–	–	–	**14,597**
Loans from banks	FLAC	**2,888**	2,888	–	–	–	–	**2,885**
Other financial liabilities	FLAC	**6,090**	6,090	–	–	–	–	**6,090**
Financial liabilities which cannot be allocated to any category within the meaning of IAS 39:								
Leasing liabilities	n. a.	**16,153**	–	–	–	–	16,153	**18,523**
Derivative financial instruments								
Assets								
Currency hedging contracts	FAHfT	**1,112**	–	–	1,112	–	–	**1,112**
Liabilities								
Currency hedging contracts	FLHfT	**5,778**	–	–	5,778	–	–	**5,778**
Thereof aggregated by valuation category pursuant to IAS 39								
Loans and Receivables (LaR)		**557,778**	548,252	–	–	9,526	–	**557,778**
Available-for-Sale Financial Assets (AfS)		**364**	364	–	–	–	–	**364**
Financial Assets Held for Trading (FAHfT)		**1,112**	–	–	1,112	–	–	**1,112**
Financial Liabilities Measured at Amortised Cost (FLAC)		**74,123**	74,123	–	–	–	–	**74,120**
Financial Liabilities Held for Trading (FLHfT)		**5,778**	–	–	5,778	–	–	**5,778**

* Insofar as no fair value can be calculated, book value is stated

The abbreviations of the valuation categories according to IAS 39 are explained in note (2(h)). The following reclassifications should be noted for a comparison of valuation categories with items in the statement of financial position:

Classification acc. to IFRS 7	Category according to IAS 39	Statement of financial position item
• Trade receivables	LaR	• Noncurrent trade receivables • Trade receivables
• Accounts receivable from related parties	LaR	• Receivables from related parties
• Treasury receivables	LaR	• Treasury receivables
• Investments	AfS	• Investments
• Securities	AfS	• Securities
• Noncurrent loans to employees • Other noncurrent financial assets	LaR LaR	• Other noncurrent assets
• Other current financial assets • Asset-side currency hedging contracts	LaR FAHfT	• Other current financial assets
• Cash	LaR	• Cash and cash equivalents
• Trade payables	FLAC	• Trade payables
• Liabilities to related parties	FLAC	• Liabilities to related parties
• Treasury payables	FLAC	• Treasury payables
• Other financial liabilities	FLAC FLAC	• Noncurrent financial liabilities • Current portion of noncurrent financial liabilities
• Loans from banks	FLAC FLAC FLAC	• Noncurrent financial liabilities • Current portion of noncurrent financial liabilities • Current financial liabilities
• Liabilities-side currency hedging contracts	FLHfT	• Current financial liabilities
• Leasing liabilities	n. a.	• Noncurrent leasing liabilities • Current portion of noncurrent leasing liabilities

As of 30 September 2013 the Company had currency hedging contracts with a total nominal value of € 283,168 thousand (previous year: € 251,181 thousand). Gains and losses on the valuation of derivative financial instruments not yet due totaling € +4,516 thousand (previous year: € -4,285 thousand) are recorded in the income statement under "Foreign currency gains/(losses), net". As in the previous year the Group does not hold any financial instruments to be allocated to the categories "held-to-maturity" or, based on the respective designation, "assets or liabilities to be measured at fair value through profit or loss".

Net results by valuation category

The following table shows the distribution of income from interest, the subsequent valuation of financial instruments at fair value, and from currency translation among the individual categories of financial instruments in the sense of IAS 39, and how the respective net result is calculated.

(in € '000)		Interest effects	From subsequent valuation at fair value	Currency translation	Valuation allowance	Write-offs	Result recognized in other comprehensive income	Net result
From loans and receivables	30 September 2013	1,893	n. a.	(8,114)	(1,185)	(198)	n. a.	(7,604)
	30 September 2012	2,831	n. a.	(371)	(431)	(97)	n. a.	1,932
From available-for-sale financial assets	30 September 2013	–	–	–	–	–	–	–
	30 September 2012	–	–	–	–	–	–	–
From held-for-trading financial assets and liabilities	30 September 2013	–	4,516	16,984	–	–	–	21,500
	30 September 2012	–	(4,285)	3,632	–	–	–	(653)
From financial liabilities carried at amortized cost	30 September 2013	(727)	n. a.	1,110	n. a.	n. a.	n. a.	383
	30 September 2012	(718)	n. a.	(5,334)	n. a.	n. a.	n. a.	(6,052)
Other	30 September 2013	(5,815)	–	–	3,866	–	–	(1,949)
	30 September 2012	(5,173)	–	–	2,697	–	–	(2,476)
Total	**30 September 2013**	**(4,649)**	**4,516**	**9,980**	**2,681**	**(198)**	**–**	**12,330**
	30 September 2012	**(3,060)**	**(4,285)**	**(2,073)**	**2,266**	**(97)**	**–**	**(7,249)**
thereof through profit or loss	30 September 2013	(4,649)	4,516	9,980	2,681	(198)	–	12,330
	30 September 2012	(3,060)	(4,285)	(2,073)	2,266	(97)	–	(7,249)
thereof selling and marketing expenses	30 September 2013	–	–	–	(1,185)	(198)	–	(1,383)
	30 September 2012	–	–	–	(431)	(97)	–	(528)

The interest from financial instruments is carried under "Interest income"; dividends are carried under "Other financial result" (see note (7)). Carl Zeiss Meditec records the other components of the net result under "Other financial result", with the exception of the valuation allowances on trade receivables attributable to the valuation category "Loans and receivables", which are carried under "Selling expenses". In addition, the income statement also takes into account all factors that cannot be allocated to financial instruments. The Company did not make use of the option under IAS 39.9 (b), to recognize financial assets or liabilities at fair value through profit or loss upon first recognition.

Financial assets carried at fair value by valuation category

The following table shows the financial assets carried at fair value by valuation category. 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.

(in € '000)		Category 1	Category 2	Category 3	Total
From held-for-trading financial assets and liabilities	30 September 2013	–	4,370	–	4,370
	30 September 2012	–	(4,666)	–	(4,666)

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29. Leases

Operating leases and rental agreements – Group as lessor
The Group leases technical equipment as well as other office equipment, fixtures and fittings.

The future accumulated minimum lease and rental payments from binding operating lease agreements amount to the following:

(in € '000)	Lease and rental payments
Up to 1 year	460
1 to 5 years	380
More than 5 years	0
Total minimum lease and rental payments	**840**

Operating leases and rental agreements – Group as lessee
The Company leases buildings and office equipment under lease and rental agreements which may not be cancelled during the basic term. The leases have different conditions and extension and purchase options.

The lease and rental expenses recorded in the income statement for financial years 2012/2013 and 2011/2012 amount to € 12,067 thousand and € 10,260 thousand, respectively.

The future accumulated minimum rental and leasing payments based on binding operating leases amount to the following:

(in € '000)	Lease and rental payments
Up to 1 year	10,548
1 to 5 years	27,843
More than 5 years	21,873
Total minimum lease and rental payments	**60,264**

The future minimum lease payments for the leasing of buildings include the rental payments for the subsequent binding rental period. Extension options exist for these rental agreements.

The future lease payments for the current financial year include a new business premises at the Oberkochen site. The lease began in April 2013 and has a fixed term of 10 years until March 2023.

Finance leases – Group as lessor
In some cases the Company offers financing models within the scope of selling its products, in the form of lease agreements, which, due to their nature, must be classified as finance leases.

The obligations from finance leases are as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012	Financial year 2012/2013	Financial year 2011/2012	Financial year 2012/2013	Financial year 2011/2012
	Present value of future lease payments		Interest portion of future lease payments		Total future lease payments	
Due within 1 year	1,150	843	19	32	1,169	875
Due within 1 to 5 years	1,952	1,126	91	33	2,043	1,159
Due after more than 5 years	–	–	–	–	–	–
Total	**3,102**	**1,969**	**110**	**65**	**3,212**	**2,034**

In the financial year just ended there was no outstanding financial income, no non-guaranteed residual values accruing to the lessor, no valuation allowances for uncollectible outstanding minimum lease payments, and no contingent rental payments recognized as income in the reporting period.

Finance leases – Group as lessor

On 28 September 1999 Carl Zeiss Meditec Inc. sold and leased back land, buildings and leasehold improvements in Dublin, USA, for € 34,081 thousand. This sale-and-lease-back arrangement is categorized as a finance lease pursuant to IAS 17, whereby the land, buildings and leasehold improvements continue to be carried and depreciated on the lessee's books. The lease agreement has a term of 20 years. After the original term of the lease expires in 2019, the lessee will have two opportunities to extend the lease by five years in each case. The lease also includes a clause to increase the lease installments by 13 % every five years.

In addition, the land and buildings of the French subsidiary Carl Zeiss Meditec S.A.S. in Périgny/La Rochelle are financed via a finance lease. This lease agreement comprises three contracts. The basic lease agreement was concluded in 2001 and was extended in 2002 and 2003 by additional agreements. Each of these agreements has a term of 15 years. After the original term expires, the leased assets can be acquired for a price of € 1.00 each. The leases do not include any price adjustment clauses; however, they are subject to variable interest rates.

Carl Zeiss Meditec S.A.S. and F.C.I. S.A.S. also have finance leases for company vehicles.

The obligations from finance leases are as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012	Financial year 2012/2013	Financial year 2011/2012	Financial year 2012/2013	Financial year 2011/2012
	Present value of future lease payments		Interest portion of future lease payments		Total future lease payments	
Due within 1 year	1,835	1,787	987	1,144	2,822	2,931
Due within 1 to 5 years	9,369	9,105	2,523	3,252	11,892	12,357
Due after more than 5 years	2,600	5,261	193	597	2,793	5,858
Total	**13,804**	**16,153**	**3,703**	**4,993**	**17,507**	**21,146**

30. Contingent liabilities and other financial commitments

Guarantees
As in the previous year, no guarantees have been assumed on behalf of external third parties.

Purchase commitments
Carl Zeiss Meditec has purchase commitments towards suppliers for property, plant and equipment amounting to € 1,331 thousand (previous year: € 769 thousand) and for intangible fixed assets totaling € 139 thousand (previous year: € 0 thousand).

Litigation and arbitration proceedings
With the exception of the proceedings described below, the Carl Zeiss Meditec Group is not currently involved in any litigation or arbitration proceedings which, in the Company's current estimation, could individually have a material effect on the financial position of Carl Zeiss Meditec AG. Nor are such proceedings pending or to be expected to the Company's knowledge.

Furthermore, a litigation risk arises from the claim of a former sales partner in Egypt for compensation and damages. The Company believes that there is no sufficient basis for this claim and is therefore contesting it.

Another risk arises from proceedings initiated by a competitor based on an alleged infringement of industrial property rights by the Company and its German distribution company. As the Carl Zeiss Meditec Group believes that there has been no such infringement, an appeal has been launched to have this case completely dismissed.

Provisions were set up for the expected costs (note 24).

31. Securities

Assets pledged as security
Borrowings in the amount of € 2,278 thousand (previous year: € 2,728 thousand) are secured with land and buildings, plant and machinery. There are no restrictions on rights of disposal.

Assets held as security
The Group does not hold any assets pledged as security.

32. Segment reporting

Pursuant to IFRS 8, the Group publishes its operating segments based on the information that is reported internally to the CEO, who is also Chief Operating Decision Maker. The operating segments correspond to the Group's Strategic Business Units (SBUs). The Ophthalmic Systems and Surgical Ophthalmology SBUs comprise Carl Zeiss Meditec's main activities in the ophthalmic market. Ophthalmic Systems include medical laser and diagnostic systems. The Surgical Ophthalmology SBU combines the Company's activities in the field of intraocular lenses and consumables. The Company's activities in the field of neurosurgery and ear, nose and throat surgery are brought together in the "Microsurgery" SBU. Visualization solutions for ophthalmic surgery and activities in the area of intraoperative radiation are also allocated to this SBU. For more information on the business activities of the SBUs please refer to the management report in this Annual Report.

Internal management reports are evaluated by the CEO at least once every quarter for each of the strategic business units with regard to making decisions on resource allocation and performance. In addition to publication of the results at segment level, the amortization and depreciation and the additions to provisions, are also published for each SBU.

(in € '000)

	Ophthalmic Systems Financial year		Surgical Ophthalmology Financial year		Microsurgery Financial year		Total Financial year	
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012
External revenue	**390,954**	**375,909**	**121,310**	**107,741**	**394,181**	**378,225**	**906,445**	**861,875**
Gross profit	176,153	185,489	68,796	58,514	242,872	217,361	487,821	461,364
Selling and marketing expenses	(88,952)	(85,172)	(35,116)	(31,468)	(90,226)	(87,397)	(214,294)	(204,037)
General and administrative expenses	(17,052)	(16,161)	(9,726)	(7,968)	(15,539)	(16,848)	(42,317)	(40,977)
Research and development expenses	(55,194)	(52,008)	(8,808)	(10,363)	(33,317)	(31,079)	(97,319)	(93,450)
Other	(17)	–	–	–	–	–	(17)	–
Earnings before interest and income taxes	**14,938**	**32,148**	**15,146**	**8,715**	**103,790**	**82,037**	**133,874**	**122,900**
Depreciation and amortization	7,766	6,772	7,132	7,695	3,821	3,428	18,719	17,895
Appropriation to provisions	14,813	10,370	1,894	1,273	17,004	12,431	33,711	24,074
Reconciliation of segments' comprehensive income to the Group's period-end result:								
Comprehensive income of the segments							**133,874**	**122,900**
Consolidated earnings before interest and taxes (EBIT)							**133,874**	**122,900**
Financial result							13,713	(6,721)
Consolidated earnings before income taxes							**147,587**	**116,179**
Income tax expense							(48,465)	(39,787)
Consolidated net income							**99,122**	**76,392**
Thereof attributable to:								
Shareholders of the parent company							93,505	71,870
Non-controlling interests							5,617	4,522

There were generally no inter-segment sales between the segments.

The information on geographic regions is based on the regions of Germany, the USA, Japan, Europe (excluding Germany) and Rest of world according to the registered office of the subsidiary which recognizes the revenues or which holds the noncurrent assets. Each region essentially offers the same type of products and services.

(in € '000)

	Financial year 2012/2013		Financial year 2011/2012	
	Revenue	Noncurrent assets	Revenue	Noncurrent assets
Germany	397,683	62,398	366,111	63,191
USA	299,996	30,556	284,092	32,332
Japan	113,703	706	119,999	1,023
Europe	95,063	101,288	91,673	105,223
Other	0	438	–	320
Total	**906,445**	**195,386**	**861,875**	**202,089**

Segment assets comprise the noncurrent assets of the segment less deferred income taxes of € 44,181 thousand (previous year: € 47,198 thousand), investments of € 124 thousand (previous year: € 364 thousand) and noncurrent trade receivables of € 5,421 thousand (previous year: € 4,393 thousand).

Major customers

Carl Zeiss AG and its subsidiaries (except Carl Zeiss Meditec Group) constitute one of Carl Zeiss Meditec's major customers, accounting for more than 10 % of total revenue. Revenue is generated with Carl Zeiss AG and its subsidiaries in all segments (see note (34)).

33. Government grants

Grants allocated for financial year 2012/2013 and 2011/2012 were as follows:

(in € '000)

	Financial year 2012/2013	Financial year 2011/2012
Research and development subsidies	178	655
Grants for assets	525	939
Other subsidies	33	0
Total	**736**	**1,594**

Grants received in the amount of € 525 thousand (previous year: € 939 thousand) were deducted from the acquisition costs of the relevant property, plant and equipment. Investment grants and investment subsidies are recognized when there is adequate assurance that the associated terms and conditions will be met and the grants and subsidies will actually be awarded. Specifically, the investment grant is subject to the respective property, plant and equipment remaining in the assisted area for five years. The Group has not identified any risks of repayment for which a provision has not been set up. The subsidies awarded for research and development costs were recognized under "Research and development expenses". In the previous year grants for assets included a one-time subsidy of € 773 thousand for a solar energy plant, which was erected on the building of Carl Zeiss Meditec Inc. in Dublin, USA.

Other subsidies include wage subsidies of the French subsidiary F.C.I. S.A.S., which are recognized in production and functional costs.

34. Related party disclosures

The following transactions and outstanding balances arise from various agreements with related parties:

(in € '000)

	Transaction amount			Outstanding balance	
	Financial year 2012/2013	Financial year 2011/2012		**30 September 2013**	30 September 2012
Income	236,659	213,850	Receivables	62,701	42,718
thereof Carl Zeiss AG	1,235	2,289	thereof Carl Zeiss AG	7,132	5,517
Expenses	109,723	97,699	Liabilities	19,833	13,613
thereof Carl Zeiss AG	37,446	29,437	thereof Carl Zeiss AG	9,170	4,519

Expenses include research and development costs of € 10,479 thousand commissioned at the Carl Zeiss Group in financial year 2012/2013 (previous year: € 8,532 thousand). Expenses also include expenses arising from lease and rental payments due to the Carl Zeiss Group in financial year 2012/2013 amounting to € 4,562 thousand (previous year: € 2,815 thousand). Relationships with key personalities with a significant influence do not and did not exist.

In addition, there was income – mostly financial income – and expenses – mostly financial expenses – totaling € 25,239 thousand (previous year: € 3,700 thousand) and € 3,149 thousand (previous year: € 11,954 thousand), as well as receivables from and liabilities to Carl Zeiss Financial Services GmbH in the amount of € 352,412 thousand (previous year: € 241,389 thousand) and € 6,859 thousand (previous year: € 14,597 thousand).

Receivables from Carl Zeiss Financial Services GmbH in financial year 2012/2013 include a current fixed-term deposit of € 140,000 thousand.

There were no transactions with the Carl Zeiss Foundation in the financial year just ended; there were no open items at the end of the reporting period.

35. Employee participation programs

The Company did not issue any stock options or free shares in financial years 2012/2013 and 2011/2012.

36. Notifiable transactions in the reporting period

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

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

The details of the above-mentioned securities transactions were published immediately after their disclosure on the Company's website at **www.meditec.zeiss.com/ir** – Corporate Governance – Directors' Dealings in accordance with the legal requirements of Section 15b WpHG. The publication documents and the relevant disclosures were forwarded to the German Federal Financial Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin)*.

37. Financial risk management

The Group operates a global financial risk management system, which comprises all subsidiaries and is organized centrally at Group level. The prime objective of the financial risk management system is to provide the necessary liquidity for the operations of companies within the Group and to limit the financial risks.

Due to its use of a range of financial instruments, the Group is exposed to risks which arise particularly as a result of fluctuation in exchange rates, interest rates and changes in the creditworthiness of the contracting partners involved.

The Group's exposure to each of the risks listed above is described below. The Group's objectives, strategies and procedures for controlling and methods for measuring the risks are also described. The risk report in the management report also contains information about the risk management system.

Market risk

Interest fluctuation risk

The Group mainly holds interest-bearing financial instruments via its short-term cash and cash equivalent investments, loans and treasury receivables – from the Carl Zeiss group cash management of Carl Zeiss Financial Services GmbH, Oberkochen (see note (2(h)). The Group also holds noncurrent, interest-bearing financial receivables and liabilities and leasing liabilities.

An interest sensitivity analysis is based on the following assumptions: changes in market interest rates on primary financial instruments with fixed interest rates will only have an effect on income if these are measured at fair value. As a result, all financial instruments carried at amortized cost with fixed interest are not subject to any risks of interest rate changes within the meaning of IFRS 7. In addition, forex derivatives are not subject to any major risk of interest rate changes and thus do not impact interest rate sensitivities. Variable-interest financial instruments with an original term of less than 91 days are not subjected to an interest sensitivity analysis, since the interest fluctuation risk of these financial instruments can be considered negligible, due to their short maturity.

As in the previous year, the Group did not hold any fixed-interest financial instruments measured at fair value at the end of the reporting period. It is therefore assumed that the Group is only exposed to interest fluctuation risks associated with variable-interest financial instruments with an original term of more than 90 days.

The table below shows the Company's interest-bearing, non-derivative financial instruments with a term of more than 90 days.

(in € '000)

	30 September 2013	30 September 2012
Variable-interest financial assets	–	–
Fixed-interest financial assets	–	–
Total interest-bearing assets	**–**	**–**
Variable-interest financial liabilities	2,571	3,100
Fixed-interest financial liabilities	13,560	22,030
Total interest-bearing liabilities	**16,131**	**25,130**

A change in the average variable interest rate by 100 base points would have increased (decreased) the result as of the end of the reporting period as follows. This analysis assumes that all other variables remained constant.

(in € '000)

		Carrying amount	Effects of interest risks on			
			Result		Equity	
			+100 BP	-100 BP	+100 BP	-100 BP
Variable-interest financial instruments	30 September 2013	2,571	(57)	57	–	–
	30 September 2012	3,100	(37)	37	–	–

The interest fluctuation risk is countered within the scope of the overall financial risk management system, by regularly monitoring key items and their inherent interest fluctuation risks to limit these, if necessary. At the present time, this risk can be considered negligible.

Other price risks

IFRS 7 requires that the presentation of market risks also includes information about the effects hypothetical changes in risk variables could have on the prices of financial instruments. Possible risk variables are in particular stock market prices or indices. As in the previous year, there were no material risks of this kind within the Group as of 30 September 2013.

Currency risk

The currency risk for the Group in the sense of IFRS 7 results from its financial instruments, which arose from its business operations and investing and financing activities. The Group counters a risk that remains after compensation of payments made and received in the same foreign currency mainly by concluding simple currency forward contracts. Most of these transactions relate to the US dollar, the British pound and the Japanese yen and the Australian dollar. Carl Zeiss Meditec AG and its subsidiaries are linked to the currency hedging processes of Carl Zeiss AG, Oberkochen via its treasury company, Carl Zeiss Financial Services GmbH. The total foreign currency payments made and received and reported to the treasury by the Group's subsidiaries on a monthly basis are thus hedged against the Euro by means of currency forward contracts with a term of max. 1.5 years in the amount of the ratio fixed.

The book values of the Group's financial assets and liabilities denominated in foreign currencies reflect the level of risk exposure as of the end of the reporting period. The tables below provide an overview of the Group's foreign currency financial instruments.

(in € '000)

		Total	Thereof: in the following currencies – translated to € –											
		EUR	EUR	US$	JPY	GBP	CAD	SEK	CHF	AUD	PLN	ZAR	CZK	Other
Assets														
Trade receivables	30 September 2013	155,421	155,272	19	–	–	–	–	–	–	–	–	–	130
	30 September 2012	141,055	141,048	7	–	–	–	–	–	–	–	–	–	–
Receivables from related parties	30 September 2013	62,701	45,920	7,301	–	2,041	708	300	104	3,305	1,142	722	654	504
	30 September 2012	42,718	29,761	8,613	–	1,983	1,022	450	693	–	–	–	–	196
Asset-side currency hedging contracts	30 September 2013	5,557	–	2,143	1,401	14	145	44	1	1,287	–	226	3	293
	30 September 2012	1,112	–	406	383	147	16	8	13	51	22	–	66	–
Total assets	**30 September 2013**	**223,679**	**201,192**	**9,463**	**1,401**	**2,055**	**853**	**344**	**105**	**4,592**	**1,142**	**948**	**657**	**927**
	30 September 2012	**184,885**	**170,809**	**9,026**	**383**	**2,130**	**1,038**	**458**	**706**	**51**	**22**	**–**	**66**	**196**
Liabilities														
Trade payables	30 September 2013	35,861	32,554	2,129	989	109	–	–	68	3	–	–	–	9
	30 September 2012	36,935	34,337	2,044	99	35	–	–	400	3	–	–	–	17
Liabilities to related parties	30 September 2013	19,833	18,535	866	–	33	1	1	49	17	–	–	–	331
	30 September 2012	13,613	12,457	872	–	51	23	–	–	–	–	–	–	230
Liabilities-side currency hedging contracts	30 September 2013	1,187	–	437	10	292	–	16	42	26	94	59	19	192
	30 September 2012	5,778	–	2,292	1,376	473	332	237	14	459	261	–	32	302
Total liabilities	**30 September 2013**	**56,881**	**51,089**	**3,432**	**999**	**434**	**1**	**17**	**159**	**46**	**94**	**59**	**19**	**532**
	30 September 2012	**56,326**	**46,794**	**5,208**	**1,475**	**559**	**355**	**237**	**414**	**462**	**261**	**–**	**32**	**549**

In order to better present the currency risks that exist, the effects of hypothetical fluctuations in the relevant currencies on net income for the year and equity are presented below based on a currency sensitivity analysis. If, hypothetically, the Euro had been 10 % stronger (weaker) as of the end of the reporting period against the main foreign currencies used by the Group – ceteris paribus – earnings before taxes and equity would have been affected as follows:

(in € '000)

		Carrying amount	Effects of currency risks on			
			Result		Equity	
			+10 %	-10 %	+10 %	-10 %
Assets						
Trade receivables	30 September 2013	155,421	(15)	15	–	–
	30 September 2012	141,055	(1)	1	–	–
Receivables from related parties	30 September 2013	62,701	(1,678)	1,678	–	–
	30 September 2012	42,718	(1,296)	1,296	–	–
Asset-side currency hedging contracts	30 September 2013	5,557	18,901	(18,901)	–	–
	30 September 2012	1,112	2,017	(2,017)	–	–
Effect of financial instruments before taxes	**30 September 2013**	**223,679**	**17,208**	**(17,208)**	**–**	**–**
	30 September 2012	**184,885**	**720**	**(720)**	**–**	**–**
Liabilities						
Trade payables	30 September 2013	35,861	331	(331)	–	–
	30 September 2012	36,935	260	(260)	–	–
Liabilities to related parties	30 September 2013	19,833	130	(130)	–	–
	30 September 2012	13,613	116	(116)	–	–
Liabilities-side currency hedging contracts	30 September 2013	1,187	3,034	(3,034)	–	–
	30 September 2012	5,778	19,879	(19,879)	–	–
Effect of financial instruments before taxes	**30 September 2013**	**56,881**	**3,495**	**(3,495)**	**–**	**–**
	30 September 2012	**56,326**	**20,255**	**(20,255)**	**–**	**–**

Credit risk

The Group is exposed to a default risk due to its business operations and financing activities. The following applies to all performance relationships underlying the primary financial instruments: depending on the type and level of the respective service, collateral is required, credit information/references are obtained and historical data from the previous business relationship is used, in particular regarding payment behavior, in order to mini-mize the default risk. To the extent that default risks can be identified for the individual financial assets, these risks are covered by valuation allowances. The management is routinely involved in such decisions on risk provisioning. The default risk from the derivative financial instruments used is not believed to be material, due to credit checks, among other things. There is no discernible concentration of default risks from business relationships with individual debtors or groups of debtors. The maximum default risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position. It is assumed that default rates will not change significantly in the future. As in the previous year, no significant financial assets were individually impaired at the end of the reporting period, nor were the terms and conditions of the financial assets renegotiated, as they would otherwise have been past due or impaired.

The risks associated with trade receivables are adequately covered by valuation allowances. Valuation allowances developed as follows:

(in € '000)

	Valuation allowance on trade receivables	
	Financial year 2012/2013	Financial year 2011/2012
Beginning of financial year	**4,817**	**4,904**
Appropriation	1,411	725
Utilization	(483)	(581)
Reversal	(226)	(294)
Exchange rate differences	(39)	63
End of financial year	**5,480**	**4,817**
Gross book value of impaired trade receivables	38,056	34,901
Net book value of impaired trade receivables	32,576	30,084

The credit risks remaining after the individual valuation allowance for trade receivables are presented using the following age analysis:

(in € '000)

		Carrying amount	thereof neither impaired nor past due at the end of the reporting period	thereof not impaired at the end of the reporting period, but past due in the following periods				
				up to 30 days	from 31 to 90 days	from 91 to 180 days	from 181 to 360 days	more than 360 days
Trade receivables	30 September 2013	155,421	90,247	13,228	7,976	3,985	5,145	2,264
	30 September 2012	141,055	87,928	12,661	6,518	2,131	1,099	634
Receivables from related parties	30 September 2013	62,701	48,372	4,087	3,050	3,368	3,171	653
	30 September 2012	42,718	29,999	9,605	2,283	342	489	–
Treasury receivables	30 September 2013	352,412	352,412	–	–	–	–	–
	30 September 2012	241,389	241,389	–	–	–	–	–

The majority of the trade receivables result from sales with companies of the Carl Zeiss Group and public authorities. In addition, large orders are subject to an independent credit check. For this reason and from past experience it is assumed that there is no need for impairment for receivables that are not past due.

Liquidity risk

In order to ensure solvency and financial flexibility within the Group, Carl Zeiss Meditec forecasts, within a fixed planning period, the funds it will require using a cash forecast, and holds a corresponding liquidity reserve in the form of cash and unused lines of credit at the treasury of Carl Zeiss AG. Due to the high amount of cash and cash equivalents and treasury receivables within the Group, as well as the Group's sound financing structure with an equity ratio of 74.9 %, the risk of insolvency is currently considered negligible.

As of 30 September 2013 the Group's primary financial liabilities had the following maturities.

(in € '000)

	End of reporting period	Book value	Statement of contractually agreed undiscounted cash outflows					
			Total	up to 30 days	from 31 to 90 days	from 91 to 180 days	from 181 to 360 days	more than 360 days
Trade payables	30 September 2013	35,861	35,861	28,653	7,203	5	–	–
	30 September 2012	36,935	36,935	29,592	7,262	78	3	–
Liabilities to related parties	30 September 2013	19,833	19,833	18,349	1,484	–	–	–
	30 September 2012	13,613	13,613	12,548	1,046	19	–	–
Treasury payables	30 September 2013	6,859	6,859	6,859	–	–	–	–
	30 September 2012	14,597	14,597	14,597	–	–	–	–
Liabilities to banks	30 September 2013	2,402	2,508	124	–	124	372	1,888
	30 September 2012	2,888	3,040	160	–	124	372	2,384
Leasing liabilities	30 September 2013	13,804	17,507	236	473	710	1,403	14,685
	30 September 2012	16,153	21,026	244	504	732	1,463	18,083
Other financial liabilities	30 September 2013	1,455	1,455	1,423	16	16	–	–
	30 September 2012	6,090	6,090	–	–	–	5,983	107
Total	**30 September 2013**	**80,214**	**84,023**	**55,644**	**9,176**	**855**	**1,775**	**16,573**
	30 September 2012	**90,276**	**95,301**	**57,141**	**8,812**	**953**	**7,821**	**20,574**

As of 30 September 2013 the Group's financial liabilities had the following maturities.

(in € '000)

	End of reporting period	Undiscounted cash outflows from derivative financial liabilities with settlement on a gross basis					
		Total	up to 30 days	from 31 to 90 days	from 91 to 180 days	from 181 to 360 days	more than 360 days
Cash outflows	30 September 2013	80,064	7,030	10,837	21,254	40,943	–
	30 September 2012	201,750	16,170	40,330	59,459	85,791	–
Cash inflows	30 September 2013	81,001	7,150	11,048	21,685	41,118	–
	30 September 2012	207,664	16,715	41,895	61,990	87,064	–

38. Additional disclosures on capital management

The Group manages its capital with the aim of minimizing the Group's capital costs and, at the same time, maintaining the balance between cash flow volatility and financial flexibility. In order to achieve this goal, the ratio of equity to borrowed capital, among other things, must be optimized accordingly. Currently the Company is moving within the specified target corridor. The main decisions relating to the financing structure are made by the Management Board. The key ratios equity ratio and net debt are used as a control ratio for the ratio between equity and borrowings. Carl Zeiss Meditec calculates these key ratios regularly and informs the Management Board of them to allow the Management Board to introduce any measures necessary. The key ratio "equity ratio" is defined as the percentage ratio of equity, including non-controlling interests, to total capital. Net debt is calculated from the Group's borrowings less cash and cash equivalents and treasury receivables (group treasury of Carl Zeiss AG). In the past financial year, the equity ratio stood at 74.9 % (previous year: 72.3 %). Net debt amounted to € 27,038 thousand (previous year: € 16,163 thousand). In the financial year under review, the Company set up the current financial investment at Carl Zeiss Financial Services GmbH, Oberkochen and increased it to € 140,000 thousand. This investment is carried in financial year 2012/2013 under "Treasury receivables". The Company is not subject to any external minimum capital requirements. The table below shows the above key ratios in the reporting period:

(in € '000)

	30 September 2013	30 September 2012
Equity*	734,835	695,797
Borrowed capital	245,736	267,078
Total assets	**980,571**	**962,875**
Cash and cash equivalents	6,286	9,526
Treasury receivables	352,412	241,389
thereof financial investment	140,000	–
Treasury receivables (excluding financial investment)	212,412	241,389
Current financial investments (external)	–	120,000
Equity ratio in percent	74.9 %	72.3 %
Net debt	**27,038**	**16,163**

* including non-controlling interests

The dynamic debt ratio, i. e., the ratio of net debt to operative cash flow, of the Group amounts to 0.4 years in the course of financial year 2012/2013 (previous year: 0.2 years). The interest coverage ratio, i. e., the coverage of interest income by the operating result before depreciation and amortization (EBITDA), amounted to 32.8 in financial year 2012/2013 (previous year: 46.0).

The Group's overall strategy with regard to capital management remained the same as the previous year.

39. Events after the end of the reporting period

Dividend payments

The Management Board and Supervisory Board propose a dividend payment of € 36,589 thousand (€ 0.45 per share). Based on financial year 2011/2012, a dividend of € 32,524 thousand (€ 0.40 per share) was proposed in the financial year under review and distributed to the shareholders.

40. Additional mandatory disclosures pursuant to Section 314 and Section 285 (1) No. 10 *HGB*

Information on executive bodies of the parent company

Management Board

The following were appointed as members of the Management Board of Carl Zeiss Meditec AG in financial year 2012/2013 and entered in the commercial register:

Member of Management Board	Membership of statutory supervisory boards and similar supervisory bodies at companies of the Carl Zeiss Group	Membership of statutory supervisory boards and similar supervisory bodies at other companies
Dr. Ludwin Monz Chairman Physics graduate, MBA Area of responsibility: SBU "Ophthalmic Systems", "Microsurgery", strategic business development, Group functions Human Resources, Corporate Communications, Quality Year of first appointment 2007	• Chairman of the Board of Directors of Carl Zeiss Meditec Inc., Dublin, USA • Member of the Board of Directors of Carl Zeiss Meditec Co. Ltd., Tokyo, Japan • Chairman of the Supervisory Board of Carl Zeiss Microscopy GmbH, Jena, Germany	• Member of the Board of the International Council of Ophthalmology Foundation, San Francisco, USA (since 5 December 2012)
Thomas Simmerer Dipl.-Ing. Area of responsibility: Sales, Service Year of first appointment 2011	• Member of the Board of Directors of Carl Zeiss Ltd., Cambridge, United Kingdom • Member of the Board of Directors of Carl Zeiss Meditec Co. Ltd., Tokyo, Japan • Member of the Board of Directors of Carl Zeiss Meditec France S.A.S., Marly-le-Roi, France • Chairman of the Board of Directors of Carl Zeiss Meditec Iberia S.A., Tres Cantos, Spain • Member of the Board of Directors of Carl Zeiss S.p.A., Arese, Italy (since 27 December 2011)	
Dr. Christian Müller Dipl.-Kaufmann (MBA) Area of responsibility: "Surgical Ophthalmology" SBU, Group functions Finance and Controlling, Investor Relations, IT, Legal Affairs, Taxes Year of first appointment 2009	• Member of the Board of Directors of Carl Zeiss Meditec France S.A.S., Marly-le-Roi, France • Member of the Board of Directors of Carl Zeiss Meditec, Inc., Dublin, USA • Member of the Board of Directors of Carl Zeiss Meditec Iberia S.A., Tres Cantos, Spain	

The total remuneration paid directly to the active members of the Management Board amounted to € 1,295 thousand in financial year 2012/2013 (previous year: € 1,202 thousand). Details of this remuneration are contained in the remuneration report in the management report. Projected unit credits for pensions for former members of the Management Board of Carl Zeiss Meditec amounted to € 561 thousand (previous year: € 489 thousand). Furthermore, the expense for transfers to provisions for pensions of active Management Board members was € 335 thousand (previous year: € 434 thousand).

Supervisory Board

The Supervisory Board of Carl Zeiss Meditec AG had the following members in financial year 2012/2013:

Member of Supervisory Board	Membership of statutory supervisory boards and similar supervisory bodies at companies of the Carl Zeiss Group	Membership of statutory supervisory boards and similar supervisory bodies at other companies
Prof. Dr. Michael Kaschke Chairman Chairman of the Management Board of Carl Zeiss AG, Oberkochen, Germany Member of the Supervisory Board since 2002. Suspended mandate pursuant to Section 105 *AktG* between 22 July 2008 and 21 July 2009. Member of the Supervisory Board since 2010	• Chairman of the Board of Directors of Carl Zeiss India Pte. Ltd., Singapore, Singapore • Chairman of the Board of Directors of Carl Zeiss Pte. Ltd., Singapore, Singapore • Chairman of the Board of Directors of Carl Zeiss Pty. Ltd., North Ryde, Australia • Chairman of the Supervisory Board of Carl Zeiss Microscopy GmbH, Jena, Germany • Chairman of the Board of Directors of Carl Zeiss Co., Ltd., Tokyo, Japan • Chairman of the Board of Directors of Carl Zeiss Co. Ltd., Seoul, South Korea • Chairman of the Board of Directors of Carl Zeiss Far East Co., Ltd., Kowloon, Hong Kong, China • Member of the Board of Directors of Carl Zeiss India (Bangalore) Pte. Ltd., Bangalore, India • Chairman of the Supervisory Board of Carl Zeiss SMT GmbH, Oberkochen, Germany • Chairman of the Advisory Board of CZ Vision Holding GmbH, Aalen, Germany (until 6 August 2013)	• Member of the Supervisory Board of Henkel AG & Co. KGaA, Düsseldorf, Germany
Dr. Markus Guthoff Deputy Chairman Member of the Managing Board (CFO) of ALBA Group plc & Co. KG, Berlin, Germany Member of the Supervisory Board since 2004	• none	• none
Thomas Spitzenpfeil Member of the Management Board (CFO) of Carl Zeiss AG, Oberkochen, Germany Member of the Supervisory Board since 2011	• Chairman of Carl Zeiss Pensions-Treuhand e.V., Oberkochen, Germany • Chairman of the Board of Directors of Carl Zeiss Ltd., Cambdridge, United Kingdom • Chairman of the Board of Directors of Carl Zeiss B.V., Sliedrecht, Netherlands • Chairman of the Board of Directors of Carl Zeiss N.V.-S.A., Zaventem, Belgium • Chairman of the Administrative Board of Carl Zeiss AG., Feldbach, Switzerland • Chairman of the Board of Directors of Carl Zeiss AB, Stockholm, Sweden • Chairman of the Administrative Board of Carl Zeiss GmbH, Vienna, Austria • Chairman of the Board of Directors of Carl Zeiss S.A.S., Marly-le-Roi, France • Chairman of the Board of Directors of Carl Zeiss S.p.A., Arese, Italy • Chairman of the Board of Directors of Carl Zeiss (Pty.) Ltd., Randburg, South Africa • Chairman of the Board of Directors of Carl Zeiss Inc., Thornwood, USA • Chairman of the Board of Directors of Brock & Michelsen A/S, Birkerød, Denmark (since 3 January 2012) • Chairman of the Board of Directors of Brock & Michelsen Invest A/S, Birkerød, Denmark (since 3 January 2012) • Member of the Board of Directors of Carl Zeiss Beteiligungs-GmbH, Oberkochen, Germany (since 24 February 2012) • Chairman of the Board of Directors of Carl Zeiss SBE, LLC, Thornwood, USA (since 29 May 2012) • Member of the Supervisory Board of Carl Zeiss GmbH, Jena, Germany (since 13 March 2013) • Member of the Advisory Board of CZ Vision Holding GmbH, Aalen, Germany (until 6 August 2013)	• none

Member of Supervisory Board	Membership of statutory supervisory boards and similar supervisory bodies at companies of the Carl Zeiss Group	Membership of statutory supervisory boards and similar supervisory bodies at other companies
Dr. Wolfgang Reim Independent MedTech consultant Member of the Supervisory Board since 2007	• none	• Member of the Board of Directors of GN Store Nord, Ballerup, Denmark • Member of the Board of Directors of Elekta AB, Stockholm, Sweden • Chairman of the Advisory Board of Ondal Medical Systems GmbH, Hünfeld, Germany (since October 2012) • Member of the Advisory Board of Klingel GmbH, Pforzheim, Germany (until October 2012, and again since December 2012) • Member of the Advisory Board of Medlumics S.L., Madrid, Spain (since January 2013) • Chairman of the Advisory Board of Sabirmedical, S.L., Barcelona, Spain (until September 2012) • Member of the Board of Directors of ESAOTE S.p.A., Genoa, Italy (until December 2012)
Cornelia Grandy* Service engineer and deputy chairwoman of the Works Council of Carl Zeiss Meditec AG, Jena, Germany Member of the Supervisory Board since 2011	• none	• none
Jörg Heinrich* Employee for quality/complaint management and member of the General Works Council of Carl Zeiss Meditec AG, Jena, Germany Member of the Supervisory Board since 2011	• none	• none

* elected employee representatives

Committees of the Supervisory Board

	Members
General and Personnel Committee	Prof. Dr. Michael Kaschke, Chairman Dr. Markus Guthoff Thomas Spitzenpfeil
Audit Committee	Dr. Wolfgang Reim, Chairman Dr. Michael Kaschke Jörg Heinrich
Nominating Committee	Thomas Spitzenpfeil, Chairman Dr. Wolfgang Reim Dr. Markus Guthoff

The total remuneration of the active members of the Supervisory Board amounted to € 350 thousand in financial year 2012/2013 (previous year: € 350 thousand). Details of this remuneration are contained in the remuneration report in the management report. The remuneration of Supervisory Board members is governed by Art. 19 of the Articles of Association of Carl Zeiss Meditec AG.

Advances/loans and contingent liabilities in favor of members of executive bodies

No advances or loans were granted to members of the executive bodies. The Company did not enter into any contingent liabilities in favor of members of the Management Board or Supervisory Board.

Auditors' fees

Since financial year 2012/2013 the consolidated financial statements of Carl Zeiss Meditec have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (previous years KPMG).

The total fee charged by the Group auditor in Germany is composed as follows:

(in € '000)	Financial year 2012/2013	Financial year 2011/2012
Auditing of financial statements	**254**	**275**
Other audit expenses	**0**	**33**
Tax consultancy services	**0**	**3**

Disclosures on shareholdings (consolidated companies)

Name and registered office of the company	Currency	Share of voting capital (in %)	Equity as of 30 September 2013 translated at the market rate* at the end of the reporting period	thereof gain/(loss) for financial year 2012/2013 translated at average annual rate*
Carl Zeiss Meditec, Inc., Dublin, USA	US$ '000 € '000	100	194,442 144,037	15,159 11,551
Carl Zeiss Meditec Asset Management Verwaltungsgesellschaft mbH, Jena, Germany	€ '000	100	68,058	202
Carl Zeiss Meditec Iberia S.A., Tres Cantos, Spain	€ '000	100	5,075	-1,151
Carl Zeiss Meditec Co. Ltd., Tokyo, Japan	JPY '000 € '000	51	9,474,398 71,773	1,350,933 11,092
Carl Zeiss Meditec Vertriebsgesellschaft mbH, Oberkochen, Germany	€ '000	100	-1,381	1,987
Atlantic S.A.S., Périgny/La Rochelle, France	€ '000	100	73,462	7,673
HYALTECH Ltd., Livingston, United Kingdom	GBP '000 € '000	100	14,662 17,541	1,898 2,257
F.C.I. S.A.S., Paris, France	€ '000	100	12,812	813
Carl Zeiss Meditec France S.A.S., Marly-le-Roi, France	€ '000	100	3,492	670
Carl Zeiss Meditec S.A.S., Périgny/La Rochelle, France	€ '000	100	57,195	2,790
F.C.I. SUD Ltd., Quatre Bornes, Mauritius	MUR '000 € '000	100	77,104 1,873	18,476 456
F.C.I. Ophthalmics Inc., Pembroke, USA	US$ '000 € '000	100	3,053 2,262	579 442

*The figures show the values calculated according to the respective national accounting standards.

Disclosures pursuant to Section 160 (1) No. 8 *AktG*

All voting rights announcements can be inspected on the Company's website at www.meditec.zeiss.com/ir, "Corporate Governance – Vote Rights Disclosures".

FINANCIAL STATEMENTS

German Corporate Governance Code/Declaration according to Section 161 *AktG* (German Stock Corporation Act)
The declaration mandated under Section 161 German Stock Corporation Act *(AktG)* was issued by the Management and Supervisory Boards and made available to the shareholders on the Company's website at: www.meditec.zeiss.com/ir.

41. Clearance for publication

The Management Board of Carl Zeiss Meditec AG cleared these IFRS consolidated financial statements to be handed over to the Supervisory Board on 22 November 2013. The Supervisory Board's task is to review the consolidated financial statements and declare whether it approves the consolidated financial statements.

Jena, 22 November 2013

Carl Zeiss Meditec AG

Dr. Ludwin Monz
President and
Chief Executive Officer

Dr. Christian Müller
Chief Financial Officer
and Member of the
Management Board

Thomas Simmerer
Member of the
Management Board

Declaration pursuant to Section 297 (2) Sentence 4 *HGB* and Section 315 (1) Sentence 6 *HGB*

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated annual financial statements of Carl Zeiss Meditec give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the consolidated management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Carl Zeiss Meditec Group.

Jena, 22 November 2013

Carl Zeiss Meditec AG

Dr. Ludwin Monz
President and
Chief Executive Officer

Dr. Christian Müller
Chief Financial Officer
and Member of the
Management Board

Thomas Simmerer
Member of the
Management Board

Audit opinion

We have audited the consolidated financial statements prepared by Carl Zeiss Meditec AG, Jena, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, together with the group management report for the fiscal year from 1 October 2012 to 30 September 2013. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs (International Financial Reporting Standards) as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) *HGB* (*Handelsgesetzbuch:* German Commercial Code) is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 *HGB* and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] *(IDW)*. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) *HGB* and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Eschborn/Frankfurt am Main, 22 November 2013

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Jäger	Bätz
Wirtschaftsprüferin	*Wirtschaftsprüfer*
[German Public Auditor]	[German Public Auditor]

Single-entity financial statements of Carl Zeiss Meditec AG, Jena, financial year 2012/2013 *(HGB)* – Summary

The complete annual financial statements of Carl Zeiss Meditec AG, Jena, in accordance with the German Commercial Code *(Handelsgesetzbuch, HGB)*, including the unqualified audit certificate, will be available for downloading from the Carl Zeiss Meditec Website **www.meditec.zeiss.com/ir**.

Table 1: Overview of key items in the single-entity financial statements (in € ’000)

Income statement	Financial year 2011/2012	**Financial year 2012/2013**	Change
Revenue	**519,683**	**566,978**	**+9.1 %**
Gross profit	232,380	245,228	+5.5 %
Result from ordinary activities	**66,477**	**83,088**	**+25.0 %**
Net income/loss for the year	**47,083**	**51,017**	**+8.4 %**
Retained profits brought forward	41,159	63,849	+55.1 %
Net retained profit	**63,849**	**82,342**	**+29.0 %**

Balance sheet	30 September 2012	**30 September 2013**	Change
Fixed assets	580,514	572,160	-1.4 %
Current assets	346,693	363,240	+4.8 %
thereof: trade receivables	*20,088*	*20,993*	*+4.5 %*
thereof: cash and cash equivalents	*120,024*	*3*	*-100.0 %*
Shareholders’ equity	794,553	813,046	+2.3 %
Liabilities	52,004	55,171	+6.1 %
Total assets	**938,498**	**943,884**	**+0.6 %**

Proposal for the utilisation of profits by the Management Board for financial year 2012/2013

Financial year 2012/2013 closes with net income for the year of € 51,016,979.72.

The Management Board recommends utilizing the net retained profits of € 82,342,484.67 for financial year 2012/2013 as follows:

1. Payment of a dividend of € 0.45 per no-par value share for 81,309,610 no-par-value shares: € 36,589,324.50.
2. Carry forward of residual profit to new account: € 45,753,160.17.

Corporate Governance

Corporate Governance

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Corporate Governance report

I CARL ZEISS MEDITEC AG CONFORMS TO THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE WITH JUST TWO EXCEPTIONS

Objective of corporate governance

The Management Board and Supervisory Board of Carl Zeiss Meditec AG are committed to responsible corporate governance and control that is geared to increasing the value of the Company in the long term. At the same time, the Management Board and Supervisory Board have made it their goal to ensure the best-possible transparency for all German and international interest groups, and firmly believe that this is the way to lay an important foundation for sustainably increasing the confidence of shareholders, business partners, employees and the public.

Further development and declaration of conformity

In financial year 2012/2013 the Management Board and Supervisory Board of Carl Zeiss Meditec AG focused intensively on corporate governance, particularly on the amendments to the Code in its applicable version dated 13 May 2013. On 27 November 2013 the Management Board and Supervisory Board adopted the Declaration of Conformity pursuant to Section 161 *AktG*, which is permanently accessible to the shareholders on the Company's website. This declaration states that the Company complies fully with the recommendations of the Government Commission on the German Corporate Governance Code with just two exceptions.

Section 5.4.1 of the German Corporate Governance Code stipulates that the Supervisory Board shall set specific targets regarding its composition, which – taking the company-specific situation into account – shall consider the Company's international activities, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Section 5.4.2, an age limit to be defined for Supervisory Board members, and diversity. These targets should, in particular, also include the appointment of a reasonable number of women to the Supervisory Board. Proposals of the Supervisory Board to the responsible election bodies should take these targets into consideration. The objectives of the Supervisory Board and the implementation status should be published in the Corporate Governance report.

An international company such as Carl Zeiss Meditec AG also considers aspects such as internationality and the appropriate participation of women when appointing its Management Board and Supervisory Board. Carl Zeiss Meditec has taken these principles into consideration when filling positions in the past and shall continue to do so when making decisions in future. The Supervisory Board of Carl Zeiss Meditec AG does not specify quantitative objectives in terms of these principles.

Rather, the Supervisory Board of Carl Zeiss Meditec believes that the composition of the board should be geared, first and foremost, to the interests of the Company, and be efficient in advising and monitoring the Management Board. Accordingly, when appointing the Supervisory Board of Carl Zeiss Meditec AG, the priority shall therefore be to ensure that the members have the necessary capabilities, skills and specialist qualifications to properly fulfil their duties, and that they are independent.

Section 5.4.6 of the Code in its version dated 15 May 2012 provides, for the first time, for a variable remuneration promised to the members of the Supervisory Board to be tied to the sustainable success of the Company.

Art. 19 of Carl Zeiss Meditec AG's Articles of Association contains the detailed regulations concerning the remuneration of the members of the Supervisory Board. These provisions stipulate a variable remuneration, which is dependent on the Company's earnings per share and is limited to no more than the fixed remuneration (including the fixed remuneration for advisory activities).

The Supervisory Board has addressed the issue of the remuneration of the Supervisory Board, as already announced at the Annual General Meeting on 5 March 2013. At its meeting on 20 September 2013 the Supervisory Board approved a draft resolution pertaining to the amount and structure of the remuneration of the Supervisory Board. This resolution provides for the existing remuneration to be limited to a fixed sum. The draft resolution on the amendment to the remuneration of the Supervisory Board to be applied retrospectively as of 1 October 2013 shall be presented for resolution to the Annual General Meeting on 4 March 2014.

Shareholders and Annual General Meeting

Around 150 shareholders and guests participated in the Annual General Meeting on 5 March 2013 in Weimar. The calculated presence was around 82 % of the total voting share capital. The voting results from each of the most recent Annual General Meetings can be inspected on the Company's website at **www.meditec.zeiss.com** in the "Investor Relations" section under "IR Calendar and Events".

Carl Zeiss Meditec AG arranges for the appointment of a proxy to exercise the shareholders' voting rights according to their instructions. This proxy can be reached during the entire event. The Company thus helped its shareholders once again in 2013 to personally exercise their rights, and assists them with voting by proxy.

Cooperation between the Supervisory Board and Management Board

As a company under German law, Carl Zeiss Meditec AG has a dual management system consisting of the Supervisory Board and the Management Board, which each have specific competencies and are strictly separate from each other in terms of their membership. Further elements of their collaboration, such as their objectives and organization, are outlined in the declaration on corporate governance at **www.meditec.zeiss.com** in the "Investor Relations" section under "Corporate Governance". Specific information on the content and scope of the collaboration between the Supervisory Board and Management Board in financial year 2012/2013 can be found in the Report of the Supervisory Board (page 16).

Management Board

As previously, the Management Board of Carl Zeiss Meditec AG had three members in the period under review.

The rules of procedure for the Management Board of Carl Zeiss Meditec AG, which have been inspected and approved by the Supervisory Board, regulate, among other things, the departmental responsibilities of the individual members of the Management Board, matters reserved for the Management Board as a whole, and the majorities required to pass Management Board resolutions. No changes were made to the rules of procedure of the Management Board in the past financial year.

Both the Supervisory Board and the other members of the Management Board must be informed immediately of any conflicts of interest of a Management Board member. There were no conflicts of interest in the past financial year. In addition, a member of the Management Board may only pursue secondary employment with the consent of the Supervisory Board, particularly in the case of a position on the Supervisory Board of companies outside the Group. In the past financial year none of the members of the Management Board were engaged in any ancillary activities.

Supervisory Board

As of 30 September 2013 the Supervisory Board of Carl Zeiss Meditec AG had a total of six members. The composition of Carl Zeiss Meditec AG's Supervisory Board conforms to the German One-Third Participation Act. Accordingly, the Supervisory Board is composed of four shareholder representatives and two employee representatives. There were no changes in the composition of the Supervisory Board in terms of its members in the past financial year.

In its own estimation, the Supervisory Board has a sufficient number of independent members, with Dr. Guthoff and Dr. Reim, who have no business or personal relationship with Carl Zeiss Meditec AG or the Management Board. There were no conflicts of interest on the Supervisory Board in financial year 2012/2013.

To fulfil its duties, the Supervisory Board has formed three permanent committees, each of which has three members: the General and Personnel Committee, the Audit Committee and the Nominating Committee. The Chairman of the Supervisory Board is Chairman of the General and Personnel Committee. Information on the work of the individual committees can be found in the report of the Supervisory Board (page 16).

Remuneration of the Management Board and Supervisory Board

The remuneration of the Management Board and the Supervisory Board is uniformly presented and published in a remuneration report within the management report. To avoid duplication, please refer to the management report in this Annual Report (page 28) for more information.

Relationship with shareholders, transparency and communication

For selected press releases and price-related news – so-called ad hoc disclosures – Carl Zeiss Meditec uses electronic distribution channels, which ensure that these disclosures are distributed simultaneously worldwide in German and English. In the past financial year the Company published 16 press releases. Of these, four press releases – taking precedence over the development of business in the individual quarters of the financial year – and three ad hoc disclosures on the planned increase in the dividend for financial year 2012/2013, the increased licensing fee due to longer-term usage of the "ZEISS" brand name, and the anticipated preliminary sales figures for the first six months of 2012/2013, were published via Thomson Reuters' international distribution system, as being particularly relevant for the capital market.

The Company website at **www.meditec.zeiss.com/ir** publishes, in German and English, the mandatory publications such as the Company's interim and annual financial statements, among other things, as well as additional information, such as corporate governance, presentations, share price data, press releases, a calendar of events, and much more, for the various interest groups. Telephone conversations, conferences and regular visits to the Company with or by investors, during which the Company explains its philosophy, the development of its business and its strategy, serve as additional channels of communication for the Company.

Directors' dealings and holdings

During the past financial year, both members of the Management Board and members of the Supervisory Board, and individuals related to them (persons with a close relationship pursuant to Section 15a (3) German Securities trading Act *(Wertpapierhandelsgesetz, WpHG)*), executed notifiable transactions pursuant to Section 15a *WpHG*, which were published immediately after their disclosure on the Company's website at **www.meditec.zeiss.com/ir** | Corporate Governance | Directors' Dealings.

In order to ensure a uniform position concerning the holding of Company shares by members of the Supervisory and Management Board, to enable them to decide independently on personal investment matters and, at the same time, to prevent possible speculative action in the capital market, the Supervisory Board resolved, at its meeting on 14 January 2013, in agreement with the Management Board, that Supervisory Board and Management Board members and related individuals (persons with a close relationship as per Section 15a (3) *WpHG*) shall not, as a general rule, build up holdings of shares in the Company in the future.

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

Announcements on voting rights thresholds

In the past financial year Carl Zeiss Meditec AG received one report from shareholders stating that the notifiable voting rights thresholds pursuant to the German Securities Trading Act *(Wertpapierhandelsgesetz, WpHG)* had been reached, exceeded, or had fallen below the lower limit.

In April, Massachusetts Mutual Life Insurance Company, in compliance with Section 21 (1), Section 22 (1) and Section 24 *WpHG*, reported that the share of voting rights of Massachusetts Mutual Life Insurance Company, Springfield, MA, United States of America, had exceeded the threshold of 3 % of the voting rights.

Accounting and auditing

The legally prescribed single-entity financial statements of Carl Zeiss Meditec AG, which are relevant for the dividend payment, are prepared in accordance with the provisions of the German Commercial Code *(Handelsgesetzbuch, HGB)* and the German stock corporation act *(Aktiengesetz, AktG)*. The annual consolidated financial statements and the interim reports of the Carl Zeiss Meditec Group have been prepared by the Management Board, since 2005, in accordance with the principles of the International Financial Reporting Standards (IFRSs), as they are to be applied in the European Union. The financial statements are audited and approved by the Supervisory Board. The annual financial statements prepared in accordance with German commercial law are thus adopted.

EY GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, audited the consolidated financial statements for 2012/2013, as prepared in accordance with the provisions listed above, and issued them with an unqualified audit certificate. This also applies to the annual financial statements for financial year 2012/2013 prepared by Carl Zeiss Meditec AG in accordance with the provisions of the German Commercial Code *(HGB)*.

The Annual General Meeting on 5 March 2013 appointed EY GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor for the annual financial statements of Carl Zeiss Meditec AG and the consolidated financial statements for financial year 2012/2013 for the first time, after the Supervisory Board had first obtained a declaration confirming the auditor's independence.

The Supervisory Board agreed with the auditor that the Chairmen of the Supervisory Board and the Audit Committee shall be immediately informed of any disqualification or bias issues that may arise during the audit, if these cannot be remedied. The requirements concerning the internal rotation of the auditors (Section 319a (1) sentence 1 No. 4 *HGB*) shall be complied with.

It was also agreed that the auditor shall promptly report all findings and events of relevance to the responsibilities of the Supervisory Board that may arise during the course of the audit. In addition, the auditor shall inform the Chairman of the Supervisory Board and the Audit Committee, or make a note in the audit report, if it discovers circumstances during the course of the audit that could cause an inaccuracy in the declaration on the German Corporate Governance Code submitted by the Management Board and the Supervisory Board.

II DISCRETIONARY PROVISIONS OF THE GERMAN CORPORATE GOVERNANCE CODE

In accordance with its voluntary commitment to good corporate governance, Carl Zeiss Meditec AG implements not only the recommendations of the Code – with just two exceptions – but also observes any relevant "discretionary provisions" of the Code.

The following table gives an overview of these provisions.

Table 1: Implementation status of discretionary provisions of the Code by Carl Zeiss Meditec AG in financial year 2012/2013

No.	Discretionary provision	Compliance by the Company
2.2.4	The meeting chairman should ensure that the annual general meeting proceeds quickly. He should follow the guideline that an ordinary general meeting should last no longer than 4 to 6 hours.	✓
2.3.2	Proxies nominated by the company should also be contactable during the annual general meeting.	✓
2.3.3	The company should allow shareholders to follow the AGM via modern communication media (e. g. the Internet).	~~✓~~ Experiences of other companies show that very few shareholders have taken advantage of such opportunities to date, resulting in an unfavorable cost/benefit ratio. Carl Zeiss Meditec shall monitor current developments and respond quickly to any fundamental changes.
3.7	In the event of a takeover offer the Management Board should convene an extraordinary general meeting.	~~✓~~ This shall be reviewed, if required. However, the necessity did not arise in financial year 2012/2013.
3.10	The company should comment on the Code's suggestions in its corporate governance report.	✓
5.1.2	When new management board members are appointed, the maximum possible term of office of five years should not be the general rule.	✓

Declaration by the Management Board and Supervisory Board of Carl Zeiss Meditec AG on the German Corporate Governance Code in accordance with Section 161 *AktG*

Under Section 161 *AktG* the Management Board and Supervisory Board of Carl Zeiss Meditec AG are obliged to submit an annual declaration of conformity stating whether the recommendations of the Government Commission on the German Corporate Governance Code, as published in the official section of the Federal Gazette *(Bundesanzeiger)*, were and are being complied with. In addition, they must state, giving reasons, which recommendations were not and are not being complied with. The latest amendment to the German Corporate Governance Code in its version dated 13 May 2013 was published in the Federal Gazette on 10 June 2013.

The Management Board and Supervisory Board of Carl Zeiss Meditec AG hereby declare, pursuant to Section 161 (1) Sentence 1 *AktG*, that since issuing its last Declaration of Conformity on 29 November 2012, Carl Zeiss Meditec AG has conformed and does conform to all recommendations of the Government Commission on the German Corporate Governance Code, as published by the German Federal Ministry of Justice in the official section of the Federal Gazette, initially in the version dated 15 May 2012 – published in the Federal Gazette on 15 June 2012 – and subsequently, since it entered into effect, in the version dated 13 May 2013 – published in the Federal Gazette on 10 June 2013 – with the following two exceptions:

Section 5.4.1 of the German Corporate Governance Code stipulates that the Supervisory Board shall set specific targets regarding its composition, which – taking the company-specific situation into account – shall consider the Company's international activities, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Section 5.4.2, an age limit to be defined for Supervisory Board members, and diversity. These targets should, in particular, also include the appointment of a reasonable number of women to the Supervisory Board. Proposals of the Supervisory Board to the responsible election bodies should take these targets into consideration. The objectives of the Supervisory Board and the implementation status shall be published in the Corporate Governance report.

An international company such as Carl Zeiss Meditec AG also considers aspects such as internationality and the appropriate participation of women when appointing its Management Board and Supervisory Board. Carl Zeiss Meditec has taken these principles into consideration when filling positions in the past and shall continue to do so when making decisions in the future. The Supervisory Board of Carl Zeiss Meditec AG does not specify quantitative objectives in terms of these principles.

It believes that the composition of the Supervisory Board should be geared, first and foremost, to the interests of the Company, and be efficient in advising and monitoring the Management Board. Accordingly, when appointing the Supervisory Board of Carl Zeiss Meditec AG, the priority shall therefore be to ensure that the members have the necessary capabilities, skills and specialist qualifications to properly fulfil their duties, and that they are independent.

Section 5.4.6 of the Code in its version dated 15 May 2012 provides, for the first time, for a variable remuneration promised to the members of the Supervisory Board to be tied to the sustainable success of the Company.

Art. 19 of Carl Zeiss Meditec AG's Articles of Association contains the detailed regulations concerning the remuneration of the members of the Supervisory Board. These provisions stipulate a variable remuneration, which is dependent on the Company's earnings per share and is limited to no more than the fixed remuneration (including the fixed remuneration for advisory activities).

The Supervisory Board has addressed the issue of the remuneration of the Supervisory Board, as already announced at the Annual General Meeting on 5 March 2013. At its meeting on 20 September 2013 the Supervisory Board approved a draft resolution pertaining to the amount and structure of the remuneration of the Supervisory Board. This resolution provides for the existing remuneration to be limited to a fixed sum. The draft proposal to amend the remuneration of the Supervisory Board, effective retrospectively from 1 October 2013, shall be submitted to the Annual General Meeting for resolution on 4 March 2014.

Jena, 27 November 2013

For the Supervisory Board
(Prof. Dr. Michael Kaschke)

For the Management Board
(Dr. Ludwin Monz)

Explanatory report of the Management Board of Carl Zeiss Meditec AG on the disclosures pursuant to Art. 289 Section 4 and 315 Section 4 *HGB*

As an introduction please refer to the disclosures pursuant to Art. 289 Section 4 and 315 Section 4 *HGB* in the consolidated management report for financial year 2012/2013, which are self-explanatory. In addition to these disclosures, the Management Board of Carl Zeiss Meditec AG is issuing the following explanatory report:

Classes of shares other than those described in the disclosures of the consolidated management report for financial year 2012/2013 as mentioned above do not exist. Nor are there restrictions on behalf of Carl Zeiss Meditec AG concerning the voting rights or transfer of shares. Furthermore, the Management Board is not aware of any other agreements concluded, for example, between individual shareholders.

The voting rights announcement last issued by Carl Zeiss AG pursuant to Art. 21 Section 1, Art. 22 Section 1 Sentence 1 No. 1 German Securities Trading Act *(Wertpapierhandelsgesetz, WpHG)* is dated 15 February 2006. Another voting rights announcement in connection with Germany's Transparency Directive Implementation Act *(Transparenzrichtlinie-Umsetzungsgesetz, TUG)* by 20 January 2007 was not required due to Art. 41 Section 4a Sentence 2 *WpHG*. The voting rights announcement pursuant to Section 21 (1), Section 24 *WpHG*, which was issued by Carl Zeiss AG on behalf of Carl Zeiss, Inc., is dated 27 October 2006. All above mentioned voting rights announcements can be inspected on the Company's website at **www.meditec.zeiss.com/ir**, "Corporate Governance – Vote Rights Disclosures".

The Company did not issue shares with special rights that grant supervisory powers.

The legal provisions concerning the appointment and dismissal of members of the Management Board are set forth in Section 84 and Section 85 *AktG*. In compliance with this, Art. 6 (2) of the Articles of Association of Carl Zeiss Meditec AG stipulates that the Supervisory Board shall be responsible for appointing and dismissing the members of the Management Board. Pursuant to statutory provisions, a member of the Management Board may only be dismissed for compelling reasons. The Supervisory Board is responsible for concluding and terminating contracts of employment with the members of the Management Board.

Further details on the authorization of the Management Board to repurchase own shares can be found in the Invitation to the Annual General Meeting 2010 under Agenda item 6 "Resolution on authorization to purchase Company's own shares" and the related report of the Management Board. The invitation may be inspected on the Company's website at: **www.meditec.zeiss.com/ir**, "Investors", "AGM 2010".

The Company has not entered into any significant agreements contingent upon a change of control following a takeover bid.

Nor has the Company concluded any compensation agreements with the members of the Management Board or employees for the event of a takeover offer.

Additional information

Additional information

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Financial terms

Capex

Abbreviation for “Capital expenditure”.
Indicates the level of investment in property, plant and equipment.
Usually stated as the capex ratio, i.e., cash flow from investments in property, plant and equipment in the reporting period in relation to consolidated revenue for the same period.

DSO

Abbreviation for “Days of sales outstanding”.
This key ratio indicates how many days the Company will need to reduce the receivables at the end of the reporting period, assuming that the receivables are being paid on an ongoing basis and only the most recent receivables are open at the end of the reporting period.

Earnings per share

Indicates the consolidated earnings per share that were generated.
Calculation: consolidated net income divided by the weighted average number of outstanding shares in the reporting period.

EBIT

Abbreviation for “Earnings before interest and taxes”.

EBITDA

Abbreviation for “Earnings before interest, taxes, depreciation and amortization”.
Property, plant and equipment and intangible assets are depreciated and amortised, respectively, insofar as they have a limited useful life.

IFRS

Abbreviation for “International Financial Reporting Standards”, until 2001: “International Accounting Standards” or IAS.
International accounting regulations developed and published by the London-based “International Accounting Standards Board” (IASB).
Pursuant to Section 62 German Stock Exchange Regulations *(Börsenordnung, BörsO)*, companies in Germany that are listed on the official or regulated market with extended admission criteria (Prime Standard), must prepare consolidated financial statements according to IFRSs or US GAAP.

Working capital

Calculated from the difference between current assets and current liabilities and thus reflects, in purely financial terms, the extent to which current liabilities are covered by current assets.
Working capital is also an indicator of how much capital generated from operating activities is tied up in the company, i.e., it indicates the portion of current assets not tied up to cover current liabilities and that therefore “work” in the procurement, production and selling process.

Technical terms

Astigmatism

Vision defect caused by an irregularly shaped cornea. Different light incidences entering the pupil are not evenly refracted such that e. g. a ball is perceived as a line or a rod.

AT LISA® tri and AT LISA® tri toric

ZEISS AT LISA® tri and ZEISS AT LISA® tri toric represent the next generation of ZEISS multifocal IOLs and are the first trifocal and trifocal toric preloaded true-MICS IOLs for True Living Vision. These two members of the ZEISS AT LISA® tri family, based on the proven ZEISS AT LISA® platform, offer excellent intermediate vision without compromising distance and near vision due to an optimized optic design with an additional dedicated focal point.

BLUEMIXS™ 180 Injector

Novel injector, which can also be used for the implantation of preloaded refractive ZEISS MICS intraocular lenses (multifocal, toric and multifocal toric IOLs). The lenses to be implanted do not have to be loaded first, thus ensuring quick and safe implantation. The injector enables an incision of 1.8 mm and is therefore MICS-compatible.

CALLISTO eye®

CALLISTO eye® is a modular platform assisting the surgeon in the operation room and thus optimizing the documentation and visualization of diagnostic and patient data. CALLISTO eye® works seamlessly with the OPMI LUMERA® 700 surgical microscope and simplifies operation and mirroring of microscopic settings into the eyepiece.

Cataract

Deterioration of vision through opacity of the lens.
Most common cause of blindness worldwide; typical disease among the elderly.

Cirrus™ HD-OCT

High-resolution diagnostic system for the structural examination of cross-sections and three-dimensional reconstructions of the fundus of the eye (e. g. for the early detection of glaucoma or the diagnosis of age-related macular degeneration).

CIRRUS™ photo 800/600

CIRRUS™ photo delivers fundus images and OCT scans in a single, integrated system and thus provides a deeper insight and more comprehensive diagnostic findings. Each examination mode is, in itself, a diagnostic instrument of the highest quality. In combination the different modes of operation allow you to examine and describe the status of the patient more easily and in greater detail.

Ear, nose and throat surgery

Abbreviation: “ENT surgery”
Also: Otorhinolaryngology
Medical field concerned with the recognition and surgical treatment of diseases, injuries, malformations and malfunctions in the entire head and neck area.

FORUM®

State-of-the-art data management system for ophthalmology. It serves to store all relevant examination data and images in a central location and also gives access to and presents this data in a clinically relevant manner via viewer software, in the practices and clinics, or by remote access. FORUM® can communicate with virtually all available examination devices and EMR (Electronic Medical Record) systems.

Glaucoma

Ophthalmic disease which leads to increasing restriction of the field of vision, often caused by an increase in ocular pressure.
Second most common cause of blindness in industrialized countries.

IOL

Abbreviation of “Intraocular lens”.
Synthetic lens to replace the natural lens of the eye, used in cataract surgery.

IOLMaster® 500

Device for accurate and efficient non-contact measurement of the eye and calculation of the required intraocular lens prior to cataract surgery.

MEL® 90

The new and improved excimer laser for laser vision correction.

Neurosurgery

Medical field concerned with the treatment of diseases, injuries and malformations of the central nervous system (brain, spinal cord, peripheral nerves).

OPMI LUMERA® 700

Surgical microscope for ophthalmology, which uses Stereo Coaxial Illumination (SCI) to enable surgeons to visualize details of the eye that were previously extremely difficult to identify. Newly available assistance functions enable the surgeon to work more comfortably and more precisely, and the freely movable ceiling mount creates space and headroom in the operating room.

OPMI® Pentero® 900

High-end surgical microscope for neuro- and spinal surgery that accurately displays diseased tissue, e. g. brain tumors and vascular diseases.
Innovative technologies, such as various fluorescence modules are fully integrated in the surgical microscope and make surgical workflows more efficient.
Microsurgical procedures in the brain and spinal cord can thus be performed with much less invasion.

OPMI® VARIO 700

Multidisciplinary surgical microscope with outstanding optical features, intuitive user interface and ergonomic design for spinal, ear, nose and throat, plastic and reconstructive surgery, and neurosurgery.

ReLEx® smile

Minimally invasive procedure for the correction of vision defects which is based on lenticule extraction and which only uses state-of-the-art and precise femtosecond technology.

VISALIS® 500

A modular system for cataract and retinal surgery. It therefore offers all device functions required in the ophthalmic operating room and is very versatile in use.

Financial calendar and Event calendar 2013/2014

Table 1: Financial calendar 2013/2014

Date	Financial year 2013/2014
13 February 2014	3 Month Report
13 February 2014	Telephone conference
4 March 2014	Annual General Meeting
13 May 2014	6 Month Report
13 May 2014	Telephone conference
14 August 2014	9 Month Report
14 August 2014	Telephone conference
10 December 2014	Annual Financial Statements 2013/2014
10 December 2014	Analyst's Conference, Frankfurt am Main

Table 2: Event calendar 2013/2014

Date	Financial year 2013/2014
27–30 January 2014	ARAB Health (Image) Dubai, United Arab Emirates
14–16 February 2014	ESCRS Winter Meeting (European Society of Cataract & Refractive Surgery) (Ophthalmology) Ljubljana, Slowenia
19–21 March 2014	EBCC 9 (European Breast Cancer Conference) (Oncology) Glasgow, Scotland
2–6 April 2014	WOC & APAO (World Ophthalmic Congress/Asia-Pacific Academy of Ophthalmology) (Ophthalmology) Tokyo, Japan
4–8 April 2014	ESTRO 33 (European Society for Radiotherapy & Oncology) (Radiotherapy and Oncology) Vienna, Austria
5–9 April 2014	AANS (American Association of Neurological Surgeons) (Neurosurgery) San Francisco, USA
25–29 April 2014	ASCRS (American Society of Cataract and Refractive Surgery) (Ophthalmology) San Francisco, USA
15–17 May 2014	DOC (27th International Congress of German Ophthalmic Surgeons) (Ophthalmology) Nuremberg, Germany
26–28 June 2014	ESBS (The European Skull Base Society) (ENT) Paris, France
6–11 July 2014	ESPRAS/BAPRAS (Congress of the European Society of Plastic Reconstructive and Aesthetic Surgery) (P&R) Edinburgh, Scotland
11–14 September 2014	FDI (World Dental Congress) (Dental) New Dehli, India
11–14 September 2014	Euretina (Ophthalmology) London, Great Britain
13–17 September 2014	ESCRS Summer Meeting (European Society of Cataract & Refractive Surgery) (Ophthalmology) London, Great Britain
18–21 October 2014	AAO (American Academy of Ophthalmology) (Ophthalmology) Chicago, USA
18–23 October 2014	CNS (Congress of Neurological Surgeons) (Neurosurgery) Boston, USA

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Translation services by:
Herold Fachübersetzungen, Bad Vilbel, Germany
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The Annual Report 2012/2013 of Carl Zeiss Meditec AG
was published on 5 December 2013 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

Printed in Germany 01/2014

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