

On Course to Further Success

The 1999/2000 fiscal year was an important one for the Carl Zeiss Group. It completed an important stage on the road to achieving a sustained improvement in its earning power. The visible expression of this success was the clearly positive result, the first in several years. All business groups contributed to this success and ended the year with considerable growth rates thanks to a strong market position, a high rate of innovation and extensive process enhancement.

The focusing of operations on the four growth markets Semiconductor Technology/ Microelectronics, Life Sciences, Eye Care and Industrial Metrology offers good opportunities for further growth.

Reaping the fruits of restructuring

After several years of low earnings, the Carl Zeiss Group reaped the first fruits of its extensive restructuring measures. In the 1999/2000 fiscal year, sales totaled EUR 2.0bn, a rise of 22 % over the previous year. With a total of EUR 2.3bn, incoming orders topped the EUR 2bn mark for the first time ever and surpassed last year's figure by 34 %. The global workforce of the Carl Zeiss Group totals 13,845 people, including 9,972 in Germany.

Fig. 1: The German Secretary for Education and Research, Ms. Edelgard Bulmahn (right), is seen here at an LSM 510 from Carl Zeiss in the laser scanning microscopy lab of the GSF Environmental and Medical Research Center, Neuherberg, Germany. The Microscopy business group of Carl Zeiss is involved in numerous cooperation projects with external research facilities, including a technology transfer with the GSF, Munich Technical University and the Bavarian Research Foundation. (Photo: GSF).



Leading the way in surgery

The Medical Systems group, comprising the Surgical Products and the Ophthalmic Instruments divisions, achieved an increase in sales of 22 % to EUR 418m in 1999/2000 fiscal year.

Zeiss is the No.1 in surgical microscopes in the world. Using innovative methods of optical visualization, the company has given new impetus to microsurgery. Business in the last fiscal year was also stimulated by surgical microscopes specially developed for new disciplines in microsurgery.

The Ophthalmic Instruments division recorded almost the same level of sales last year as Surgical Products.

Triumph for Semiconductor Technology

With its optical systems for chip fabrication and inspection systems used in production, the Semiconductor Technology business group achieved record levels of sales and growth. In the past fiscal year, revenues rose by 54 % to EUR 410m.

Optical systems from Carl Zeiss Semiconductor Technology form the centerpiece of machines used for chip fabrication (wafer steppers and wafer scanners) which are produced by our Dutch partner company ASM Lithography (ASML). In the year 2000, ASML caught up with the world leader in this market.

Favorable market conditions, attractive products and cooperation with successful partners resulted in strong growth for the Inspection Systems and Laser Optics areas.

High tech for progressive lenses

The Consumer Optics business group, which is responsible for business with eyeglass lenses, eyeglass frames, contact lenses and binoculars, generated sales totaling EUR 390m, a rise of 9.1 %. Also after the sale of the eyeglass frame business to the Ferdinand Menrad Group, Schwäbisch Gmünd, Germany, Zeiss will continue to be represented as a frame brand in the marketplace.

The most important segment in the eyeglass lens business is high quality progressive lenses. Binoculars for hobby and professional use and riflescopes for hunting are much-coveted ambassadors of the Zeiss brand all over the world.

State-of-the-art technologies in microscopy

In the year under review, the Microscopy business group recorded sales of EUR 232m, 24 % more than last year. The three divisions Light Microscopy, Advanced Imaging Microscopy and Molecular Medicine cover the entire spectrum of applications in biology, medicine, pharmaceutical research and materials research. Among the major manufacturers of light microscopes, Zeiss was able to extend its technological leadership with new products. Carl Zeiss is the world market leader in the field of laser scanning microscopes.

For the first time, the Molecular Medicine division achieved a significant volume of sales thanks to a major order from F. Hoffmann-La Roche AG in Basel/Switzerland. The jointly developed Ultra High Throughput Screening Systems (UHTS) were installed in all the research centers of Hoffman-La Roche throughout the world.

Bridge-type CMMs a particular success

With an increase in sales of 7 % to EUR 261m, the Industrial Metrology group expanded its market leadership and now has a 25 % share of the world market. In addition to numerous orders from renowned manufacturers in the international automotive and supplier industries, it was an expansion of business with the aeronautical, plastics and mechanical engineering industries which yielded good results.

With its pioneering measuring ma-



chines, Carl Zeiss is now a supplier of all renowned car manufacturers. Today, Zeiss Industrial Metrology leads the world in the field of services for coordinate metrology and has an excellent chance of becoming the number one full service provider worldwide.

Future-oriented business with optical components

The Opto-Electronic Systems group recorded a strong increase in sales of 24 % to EUR 258m.

The Optical Components business unit strongly expanded its OEM business with optical systems for projec-

Fig. 2: In the screening lab of Hoffman-La Roche Inc. in Nutley, New Jersey (USA), a UHTS system from Carl Zeiss is used for automatic drug discovery. (Photo: Roche, Nutley).



tion displays. New partnerships are safeguarding the unit's position in the digital projection systems market, which continues to report a high level of growth. For example, a joint development project was launched with InFocus (USA), the market leader in the field of digital data and video projectors.

The Spectral Sensor Systems business unit recorded marked increases both in sales and incoming orders for its sensors and process spectroscopy systems. The Planetarium business unit strengthened its position as the world's leader in this field.

The Camera Lens business unit achieved marked growth in sales with its new developments for the professional camera systems from Arri and Hasselblad and for the large camera series of its partners Kyocera and Sony.

Surefire success through innovation

Optical technologies are the most important focus of research and development in the Carl Zeiss Group. Research activities are centered on lithography optics, microstructured optics, optical technologies for new applications in the life sciences, image technology and projection systems.

Today, the Carl Zeiss Group generates approximately 45 % of its revenue with products and solutions launched in the past three years – an achievement requiring major efforts in research and development. In the reporting year, investments in R&D totaled EUR 139m, the equivalent of 7 % of sales. Partnerships in national and international networks are increasingly extending our own expertise and accelerating innovative developments – indeed, they are making them possible in the first place in some cases.

Further growth in sight

The Carl Zeiss Group has started the 2000/2001 fiscal year with a positive trend in incoming orders, sales and the operating result. In the first four months the Carl Zeiss Group recorded a global order volume of approximately EUR 773m, almost 25 % more than in the corresponding period last year. With a total of EUR 656m, sales were 22 % above the comparable level of the previous year.

Despite certain risks inherent in the downturn in the US economy and the slowdown in investment activity evident among chip manufacturers, the Carl Zeiss Group is on course to further growth.

Fig. 3: A constant flow of new orders for planetariums – the photo shows the Universarium Mark IX for Oakland during its assembly – testifies to the leading position of Carl Zeiss on the planetarium market.



Fig. 4: The burgeoning demand for PC's, telecommunications instruments and other digital technologies stimulated investments in the chip industry and fueled demand for semiconductor lenses from Carl Zeiss. (Photos 3 and 4: Kasper).

Take another look - discover the world around you both near and far

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ETWAS VON WENIGER GEWICHT

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ETWAS

STEHEN AM SELBEN ORT

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ETWAS WEISSES
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