

zumtobel group

Zumtobel Group

2nd Quarter FY 2010/11

December 2, 2010

Highlights 1st Half-Year 2010/11

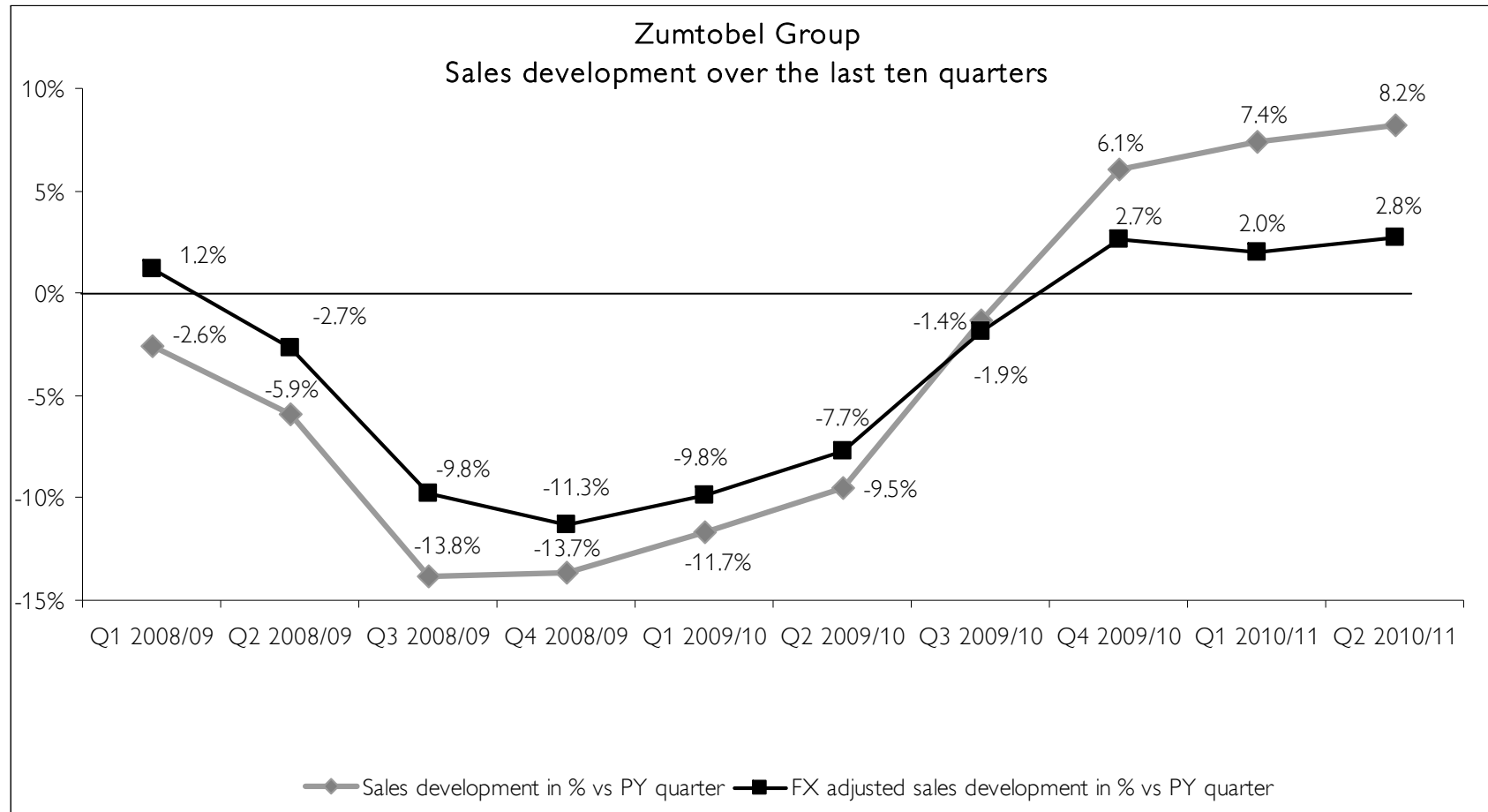
Improvement in revenues and earnings

- 8.0% year-on-year increase in Group revenues (FX-adjusted plus 2.5%)
- Stabilisation in late cyclical Lighting Segment with plus 3.6%, driven by renovation business (FX-adjusted minus 1.4%,)
- Continuation of sound development in Components Segment with plus 18.9% (FX-adjusted plus 13.7%)
- 21.4% increase in revenues from LED-based products to EUR 41.8 million
- Adjusted EBIT of EUR 48.5 million exceeds prior year (EUR 47.8 million) despite significant non-recurring license payment in Q1 2009/10
- Q2 adjusted EBIT growth (plus 28.2%) outpaces increase in revenues (plus 8.2%)
- Net profit up by 59.2% to EUR 39.6 million backed by improved financial results
- Higher working capital requirement as a result of increasing revenues and shorter payment terms leads to negative free cash flow of EUR 19.6 million
- Solid balance sheet: equity ratio increased from 35.8% to 37.7% debt coverage ratio at 1.98



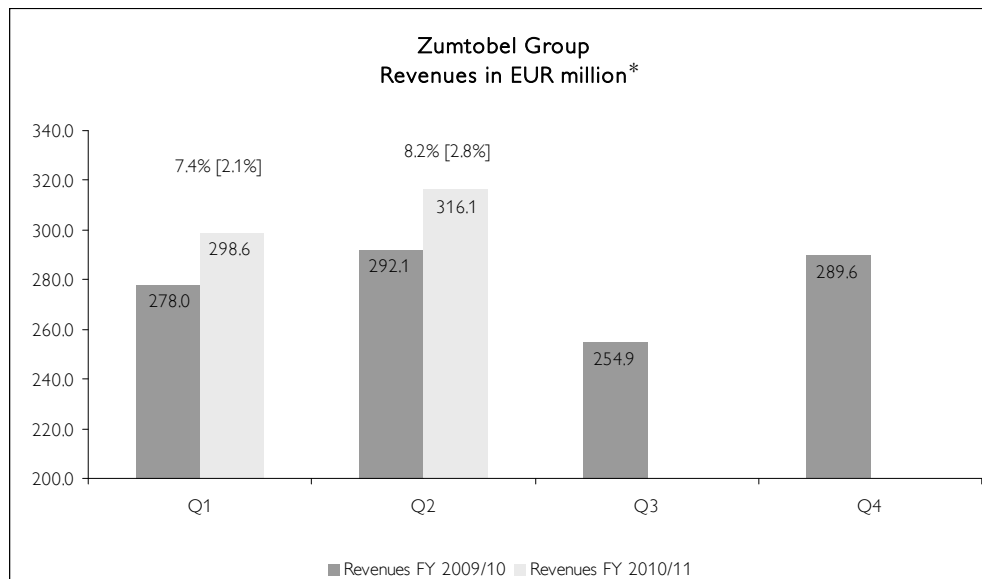
Revenue development on Group level over the last 10 quarters

Ongoing stabilization in Group revenues

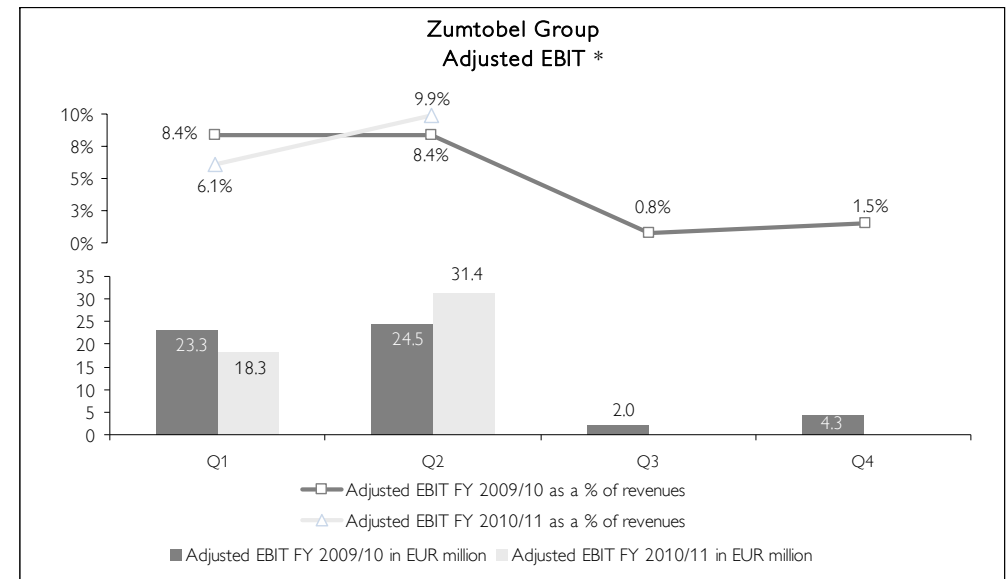


Zumtobel Group

Adjusted EBIT growth (+ 28.2%) outpaces increase in revenues (+ 8.2%) in Q2



Revenues FY 2009/10 EUR 1,114.6 million



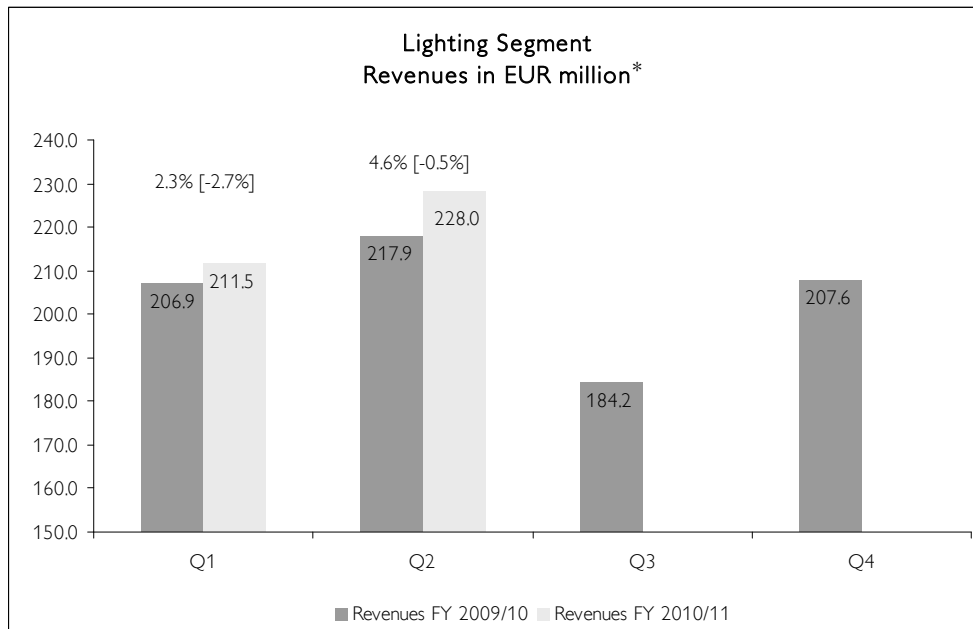
Adjusted EBIT FY 2009/10 EUR 54.1 million (margin of 4.9%)

[] = FX – adjusted figures

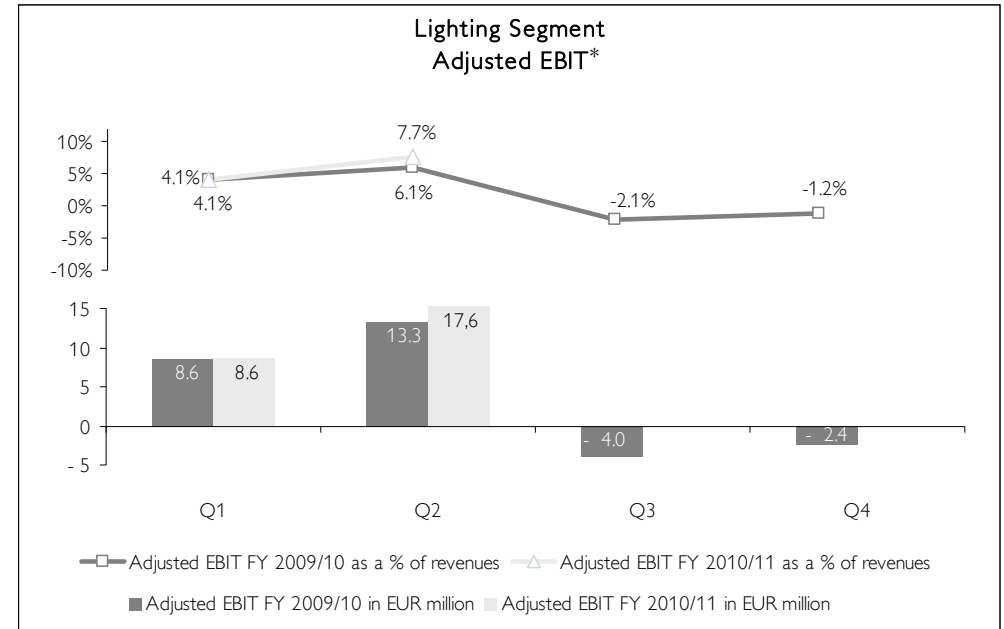
*) Figures adjusted for discontinuation of SpaceCannon. Reported EBIT adjusted for special effects.

Lighting Segment

Stabilisation of late cyclical lighting activities driven by renovation business



Revenues FY 2009/10 EUR 816.7 million



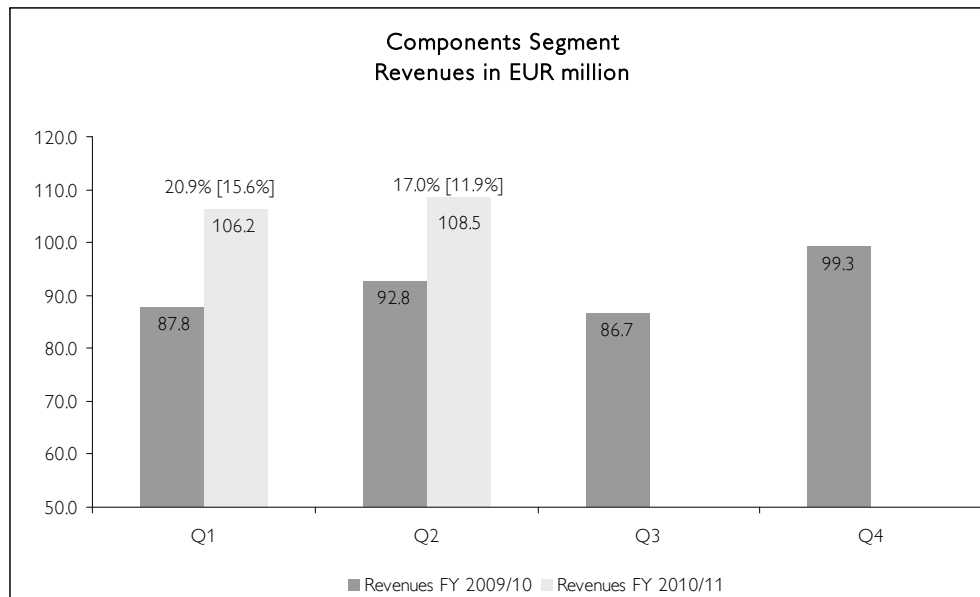
Adjusted EBIT FY 2009/10 EUR 15.4 million (margin of 1.9%)

[] = FX – adjusted figures

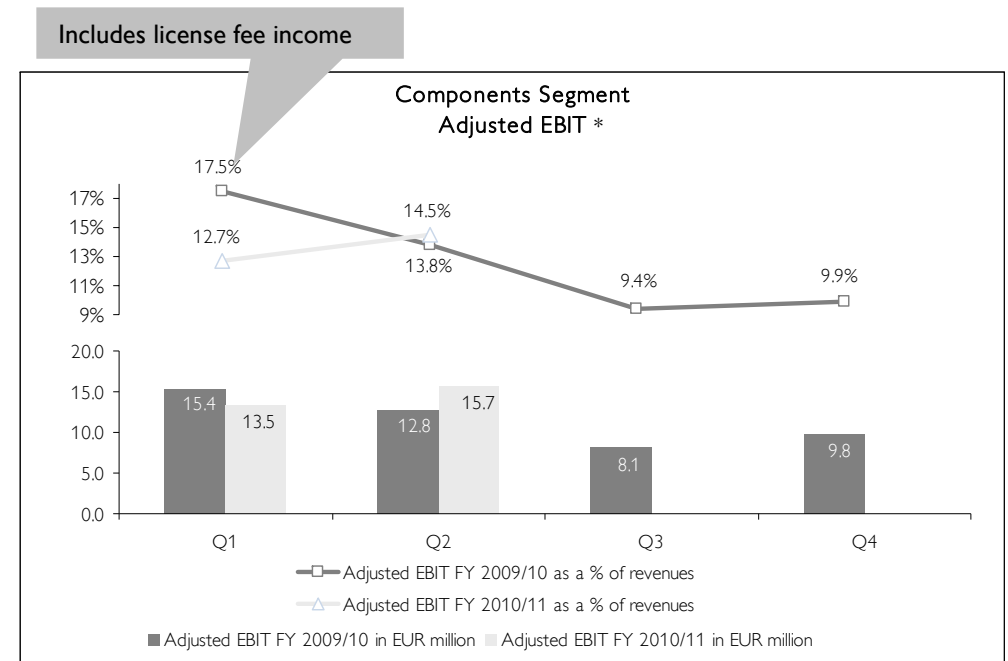
*) Figures adjusted for discontinuation of SpaceCannon. Reported EBIT adjusted for special effects.

Components Segment

Improved product-mix and increase in Tridonic's share of the electronic ballasts market – supply shortage for electronic parts remains challenging



Revenues FY 2009/10 EUR 366.6 million



Adjusted EBIT FY 2009/10 EUR 46.1 million (margin of 12.6%)

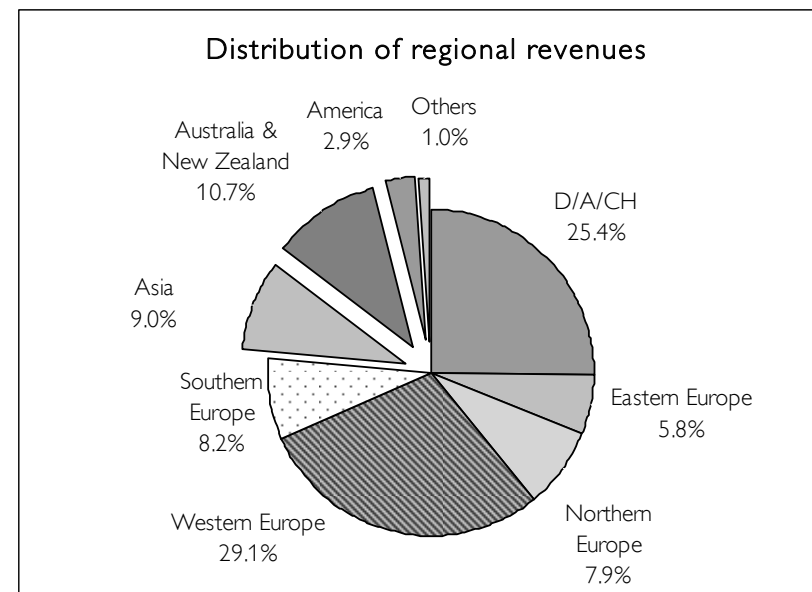
[] = FX – adjusted figures

*) Reported EBIT excluding special effects

Regional revenue development

Stabilization in most regions, Western Europe remains weak

Distribution of regional revenues	Q2 2010/11		1st HY 2010/11		in % of Group
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	
D/A/CH	82.8	7.5	156.2	4.3	25.4
Eastern Europe	18.9	18.9	36.0	13.2	5.8
Northern Europe	26.5	1.5	48.8	6.1	7.9
Western Europe	88.9	-2.6	179.1	0.4	29.1
Southern Europe	24.2	25.6	50.3	14.2	8.2
Europe	241.4	5.1	470.4	4.5	76.4
Asia	28.8	16.0	55.3	14.4	9.0
Australia & New Zealand	34.1	26.2	65.7	30.0	10.7
America	8.5	11.4	17.7	12.8	2.9
Others	3.2	10.3	6.4	13.7	1.0
Total	316.1	8.2	615.4	8.0	100.0



Europe 76.4% (prior year: 78.9%)

Income Statement

Positive special effects and improved financial results support net profit

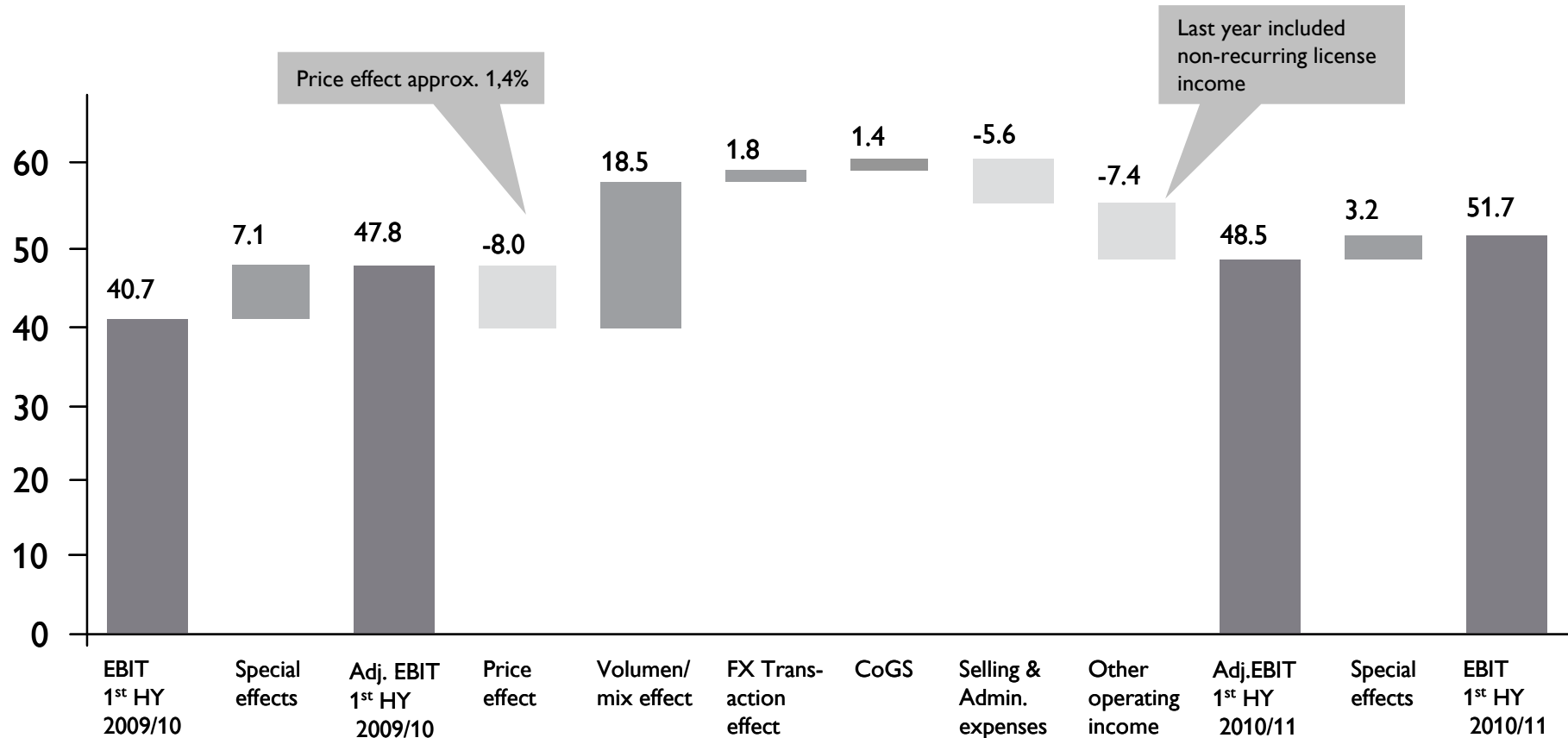
Income statement in EUR million	Q2 2010/11	Q2 2009/10	Change in %	1st HY 2010/11	1st HY 2009/10	Change in %
Revenues	316.1	292.1	8.2	615.4	570.1	8.0
Cost of goods sold	-203.7	-189.5	-7.5	-403.9	-372.3	-8.5
Gross profit	112.3	102.5	9.5	211.5	197.8	6.9
<i>as a % of revenues</i>	35.5	35.1		34.4	34.7	
SG&A expenses adjusted for special effects	-79.4	-81.5	2.5	-163.0	-150.0	-8.7
Adjusted EBIT	31.4	24.5	28.2	48.5	47.8	1.5
<i>as a % of revenues</i>	9.9	8.4		7.9	8.4	
Special effects	1.5	-3.4	>100	3.2	-7.1	>100
EBIT	32.9	21.1	56.2	51.7	40.7	27.0
<i>as a % of revenues</i>	10.4	7.2		8.4	7.1	
Financial results	-2.3	-4.3	46.5	-5.9	-12.1	51.2
Profit before tax	30.6	16.8	82.6	45.8	28.6	60.0
Income taxes	-2.4	-1.9	-25.6	-3.9	-2.4	-64.2
Net profit/loss from discontinued operations	-2.3	-0.2	<-100	-2.3	-1.4	-66.5
Net profit/loss for the period	26.0	14.7	76.8	39.6	24.9	59.2
Depreciation and amortisation	21.5	21.9	-1.8	21.5	21.9	-1.8
Earnings per share (in EUR)	0.66	0.36	85.2	0.92	0.57	62.1

Special effects H1 2010/11:
 Revaluation of building: EUR 2.0 million
 Release of legal provision: EUR 3.1 million
 Restructuring: EUR -1.9 million
Special effects H1 2009/10:
 Mainly measures for cost optimization

H1 2010/11:
 Improvement driven by effects from the market valuation of financial instruments (improved by EUR 4.6 million in H1 2010/11) and a better interest result (by EUR 0.7 million)

EBIT development HI 2010/11

Price pressure softened; growth initiatives increase selling expenses

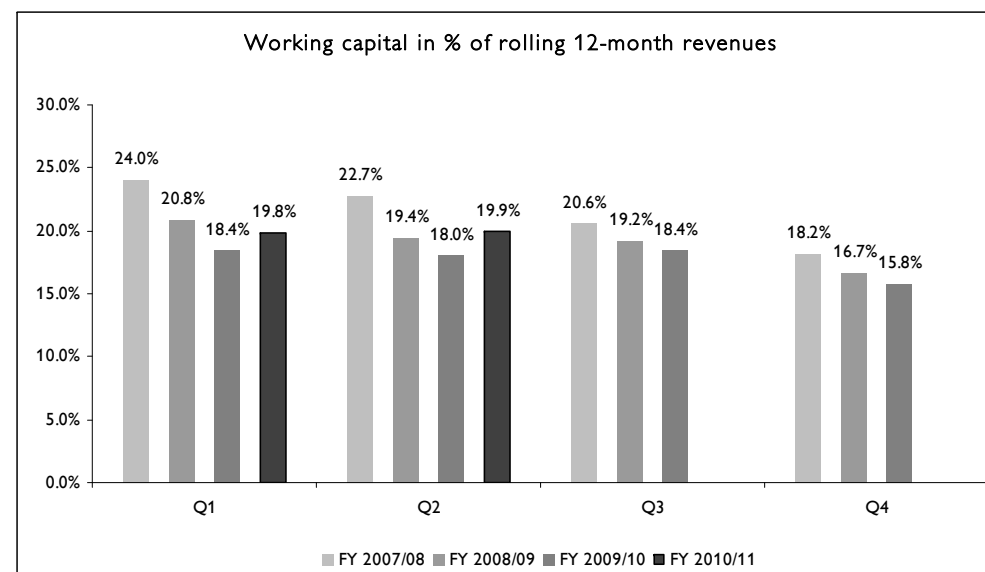


Figures in EUR million

Balance Sheet

Solid balance sheet structure

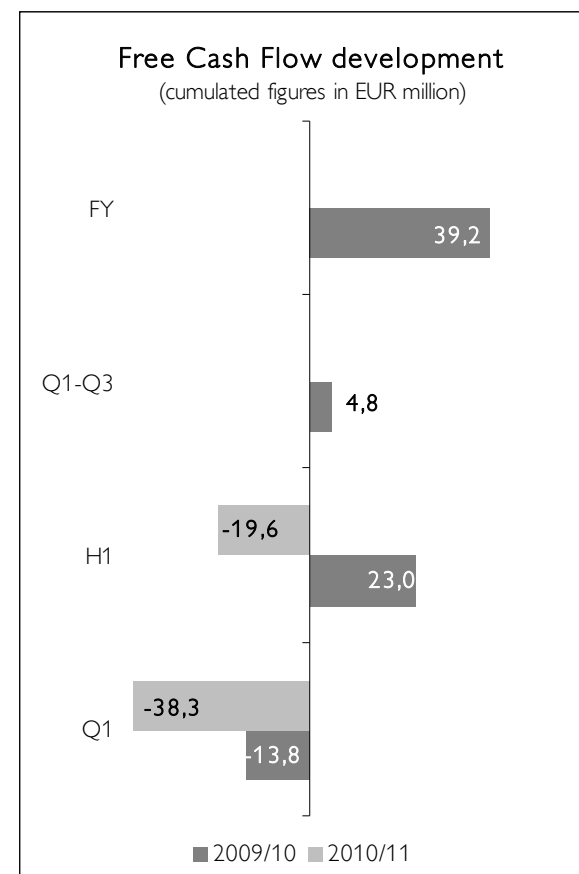
Balance sheet data in EUR million	31 Oct. 2010	30 April 2010
Total assets	1,017.6	983.5
Net debt	150.9	121.9
Equity	384.0	351.6
Equity ratio in %	37.7	35.8
Gearing in %	39.3	34.7
Average capital employed	553.0	587.5
ROCE in %	9.6	8.8
Investments	22.3	49.4
Working capital	231.4	176.2
As a % of rolling 12 month revenues	19.9	15.8



Cash Flow Statement

Seasonally negative free cash flow affected by sales driven working capital increase

Cash Flow Statement in EUR million	1st HY 2010/11	1st HY 2009/10
Cash flow from operating results	68.8	62.0
Change in working capital	-56.2	3.4
Change in other operating items	-10.4	-22.9
Taxes received/paid	1.8	-2.8
Cash flow from operating activities	4.0	39.8
Proceeds from the sale of non-current assets	0.5	1.8
Capital expenditures on non-current assets	-22.3	-16.8
Change in non-current and current financial assets	-1.8	-2.1
Change in liquid funds from changes in the consolidation range	-0.1	0.0
Cash flow from investing activities	-23.6	-17.1
FREE CASH FLOW	-19.6	22.7
Cash flow from financing activities	-1.6	18.4
Effects of exchange rate changes on cash and cash equivalents	-0.2	0.5
CHANGE IN CASH AND CASH EQUIVALENTS	-21.5	41.6



Zumtobel Group Outlook

Strategy Update

- **Key elements of Zumtobel Group's strategic framework**
 - Focus on substantial **market share gains** in all brands and in all regions (all above in emerging markets)
 - Turning the Zumtobel Group into a **truly global player**
 - **Emerging markets, Energy efficiency and LED Technology** remain the key growth drivers
 - Continuous improvement of **internal processes** (innovation cycle, quality, delivery time, etc.)
 - **Strategic partnerships and selective acquisitions** for product, technology and market reasons possible

Next steps:

- **Break-down into segment, brand and regional specific strategies**
- **Budgeting and mid-term planning process**
- **Presentation of new Group Strategy to capital market: April 2011**

Zumtobel Group Outlook

Opportunities and risks for the short and medium term

Opportunities

- Improving revenue dynamics
 - On-going stabilisation in Lighting Segment
 - Growth in Components Segment continues
- Market share gains in established as well as emerging markets
- Dynamic growth in LED business
- Exploiting energy efficiency opportunities
- Alignment of internal processes to global organization

Risks

- Uncertainty about sustainability of economic recovery (e.g. EU debt crisis)
- Worldwide shortage for some materials, above all electronic parts
- Rising material prices (e.g. especially raw materials such as Copper, Steel, Plastics)
- Continuing low visibility
- Sales price pressure especially in Lighting Segment
- Still no support from non-residential construction

- Continuing exposure to volatile FX-rates (AUD, USD, GBP, CHF)

Zumtobel Group Outlook

Increasing optimism allows more concrete guidance for FY 2010/11

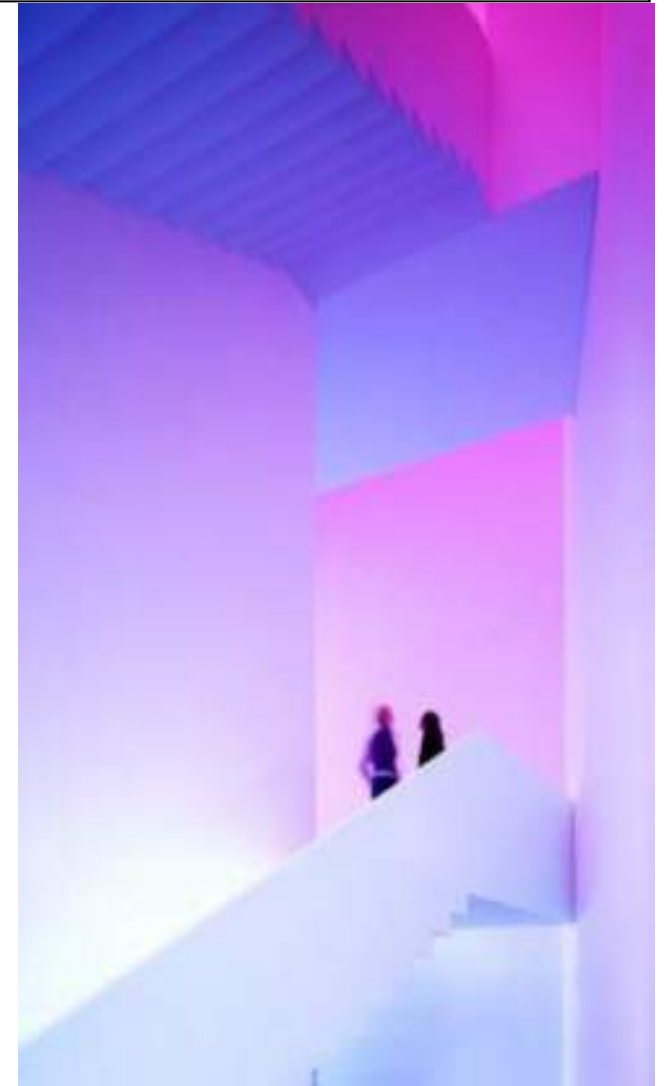
- **Group revenues of up to EUR 1.2 bn** (prior year: EUR 1.114,6 million*)
 - Components Segment: growth momentum to slow in H2 2010/11 due to base effect
 - Lighting Segment: Stabilisation in revenues with modest recovery in some regions
 - LED revenues of up to EUR 100 million in 2010/11

- **Adjusted Group EBIT margin to reach between 5 to 6%** (prior year: 4.9%*)

*) Prior year figures adjusted for discontinuation of Space Cannon.

Financial Calendar

- Mon, Mar. 7, 2011 3rd Quarterly Report 2010/11
(1 May, 2010 – 31 Jan., 2011)
- Mon, June 27, 2011 Financial Results 2010/11



Five-Year Overview

in EUR million	2009/10**	2008/09 ¹ **	2007/08 ¹	2006/07 ¹	2005/06 ¹⁻²
Revenues	1,114.6	1,169.0	1,282.3	1,234.0	1,168.0
Adjusted EBIT	54.1	78.9	123.0	112.3	99.1
<i>as a % of revenues</i>	4.9	6.7	9.6	9.1	8.5
Net profit/loss for the period	-67.0	13.3	93.5	103.6	49.5
<i>as a % of revenues</i>	-6.0	1.1	7.3	8.4	4.2
Total assets	983.5	1,018.8	1,082.4	1,132.5	1,072.2 *
Equity	351.6	420.9	490.7	428.7	174.2 *
<i>Equity ratio in %</i>	35.8	41.3	45.3	37.9	16.2 *
Net debt	121.9	163.5	129.0	185.7	356.1
Cash flow from operating results	77.6	107.3	166.0	173.8	128.8
Investments	49.4	64.7	66.0	54.3	49.6
<i>as a % of revenues</i>	4.4	5.5	5.1	4.4	4.2
Headcount incl. contract worker (full-time equivalent)	7,329	7,165	7,908	7,911	7,384

¹ figures were adjusted for FX-effect on goodwill (retrospective application of IAS 21)

² figures were adjusted to reflect the application of IFRS 5 and IAS 19

** figures adjusted for discontinuation of SpaceCannon

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