

zumtobel group

Annual Results
Zumtobel Group 2008/09

29 June 2009

Highlights FY 2008/09

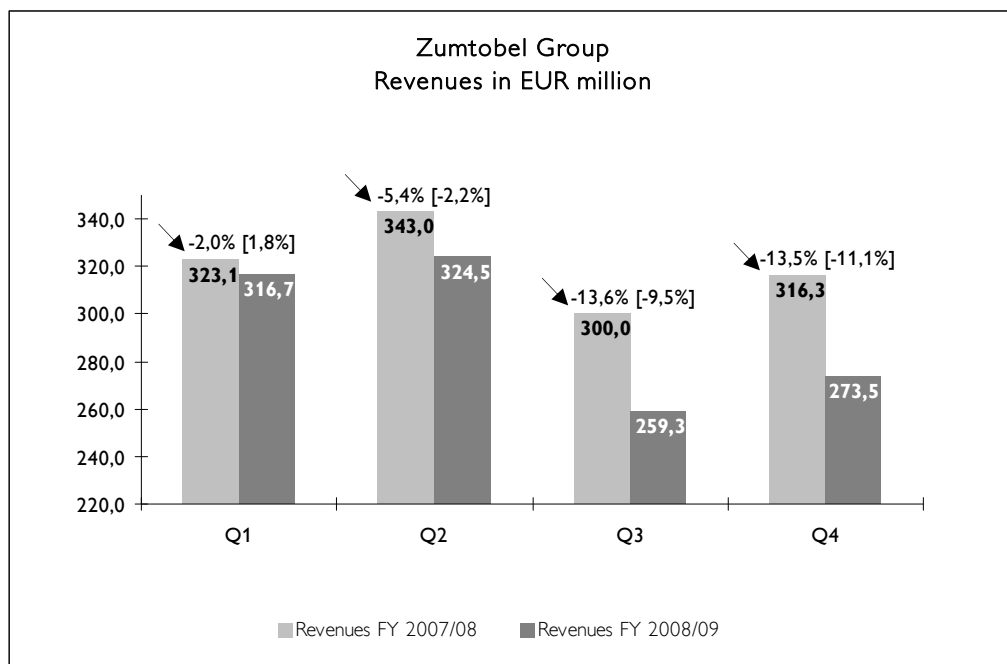
Economic crisis has started to impact Zumtobel Group

- All markets and both segments negatively affected by recession
- Negative currency effects of EUR 43 million, comparable revenues decline 5,1%
- “Excellerate” efficiency improvement programme yields first positive results
- Reduction of EUR 16,3 million in SG&A in 2nd half-year (predominantly in Q4)
- Significant special effects of minus EUR 21,9 million influence operating profit
- Adjusted EBIT margin equals 6,7%
- Strong balance sheet and free cash flow of EUR 57,8 million
- 37,0% increase in revenues on LED-based products to EUR 50,6 million
- Extensive cross-licensing agreement with Philips signed in May 2009



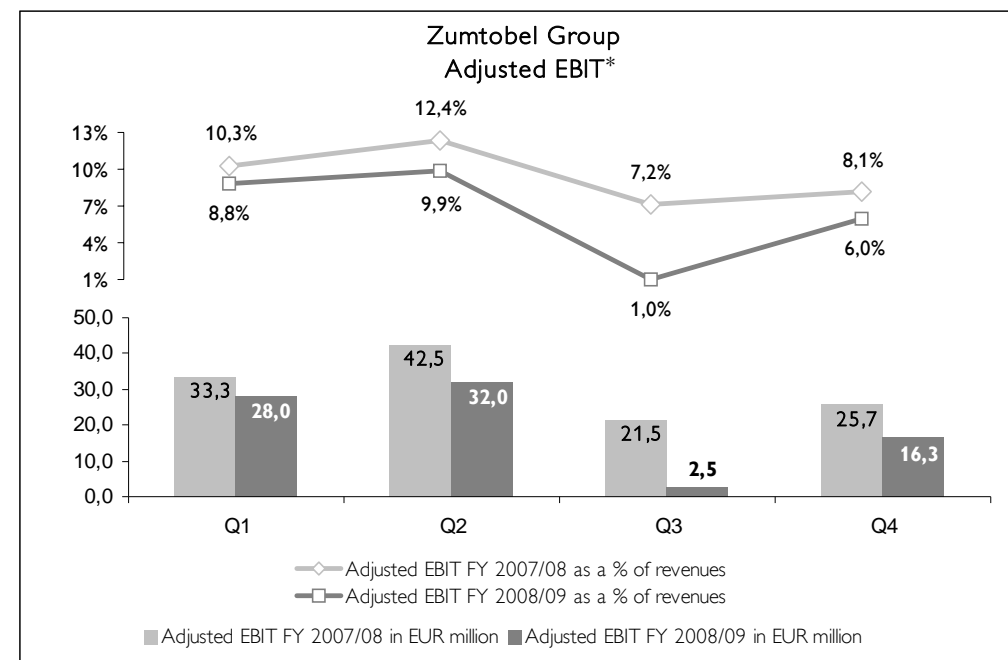
Zumtobel Group

FX adjusted decline of 5,1% in revenues



Revenues FY 2008/09 1.174,0 EUR million (-8,4% [-5,1%])

Revenues FY 2007/08 1.282,3 EUR million



Adjusted EBIT FY 2008/09 78,9 EUR million (margin of 6,7%)

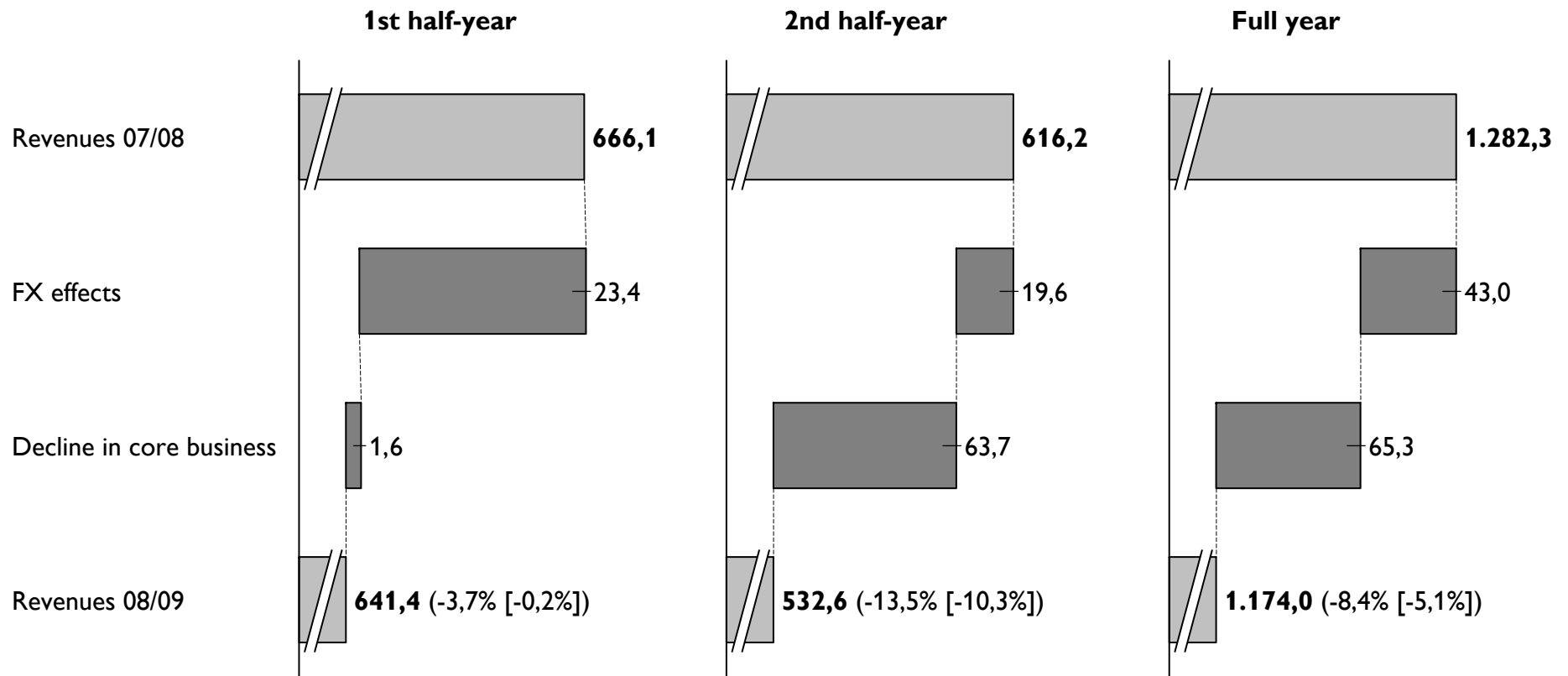
Adjusted EBIT FY 2007/08 123,0 EUR million (margin of 9,6%)

[] = FX – adjusted figures

*) Reported EBIT adjusted for special effects

Revenue Development in FY 2008/09

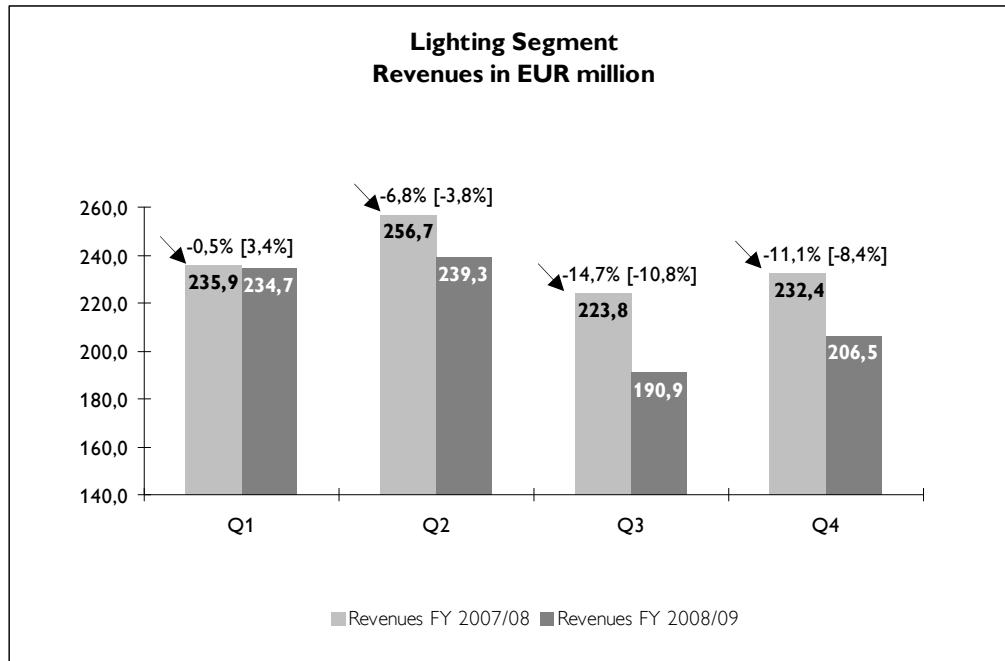
A financial year of two different speeds



[] = FX – adjusted figures
 Figures in EUR million

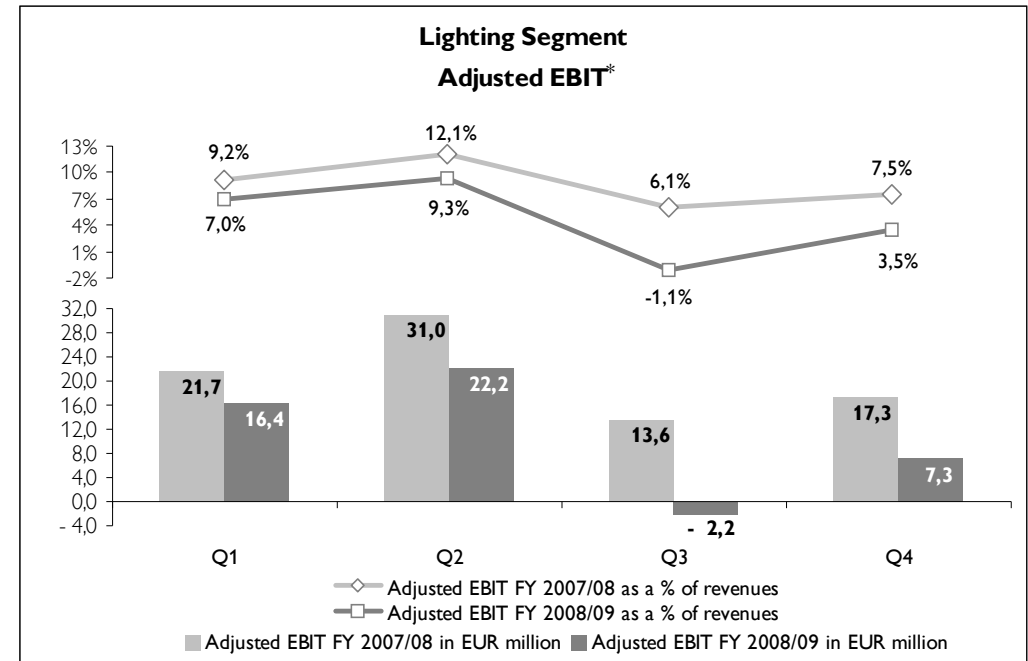
Lighting Segment

Counteracting volume decline with “Excellerate”



Revenues FY 2008/09 EUR 871,4 million (-8,2% [-4,8%])

Revenues FY 2007/08 EUR 948,9 million



Adjusted EBIT FY 2008/09 EUR 43,7 million (margin of 5,0%)

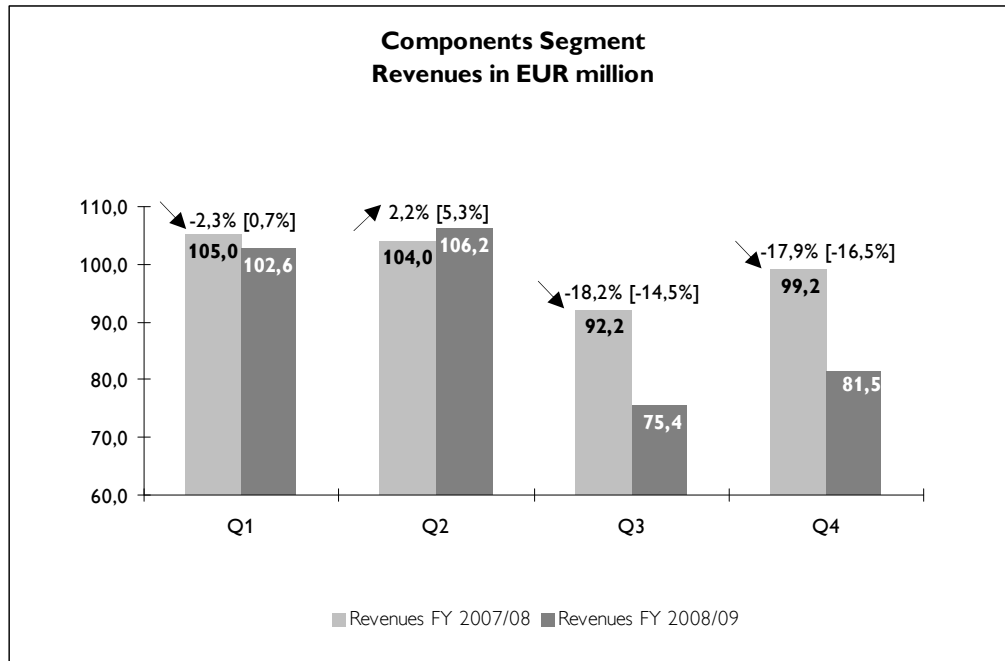
Adjusted EBIT FY 2007/08 EUR 83,6 million (margin of 8,8%)

[] = FX – adjusted figures

*) Reported EBIT adjusted for special effects

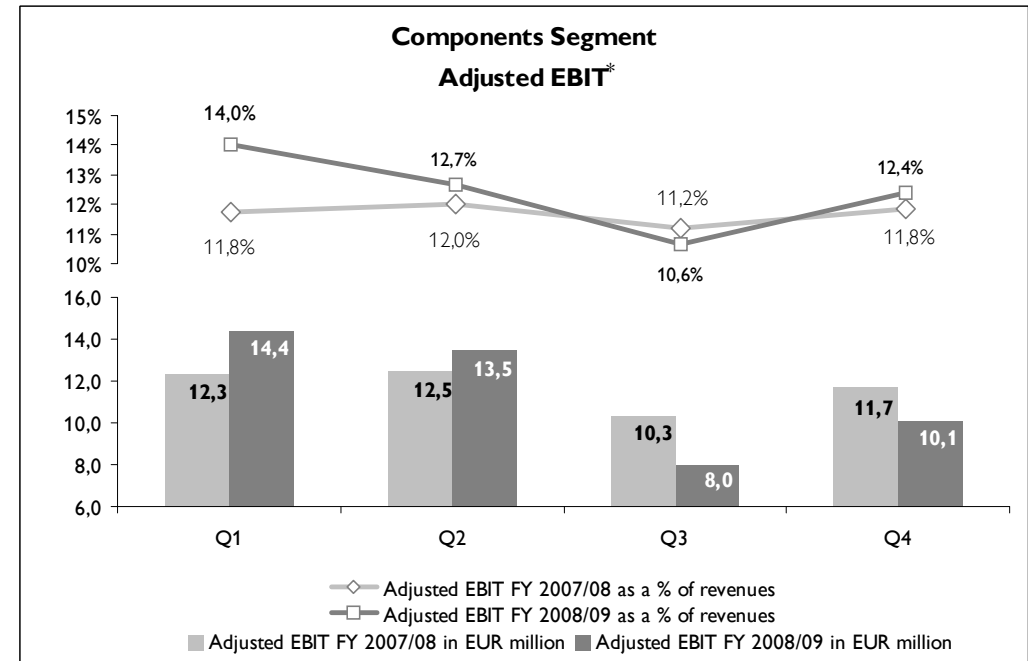
Components Segment

Defending profitability through technology switch



Revenues FY 2008/09 EUR 365,8 million (-8,7% [-5,1%])

Revenues FY 2007/08 EUR 400,4 million



Adjusted EBIT FY 2008/09 EUR 46,0 million (margin of 12,6%)

Adjusted EBIT FY 2007/08 EUR 46,9 million (margin of 11,7%)

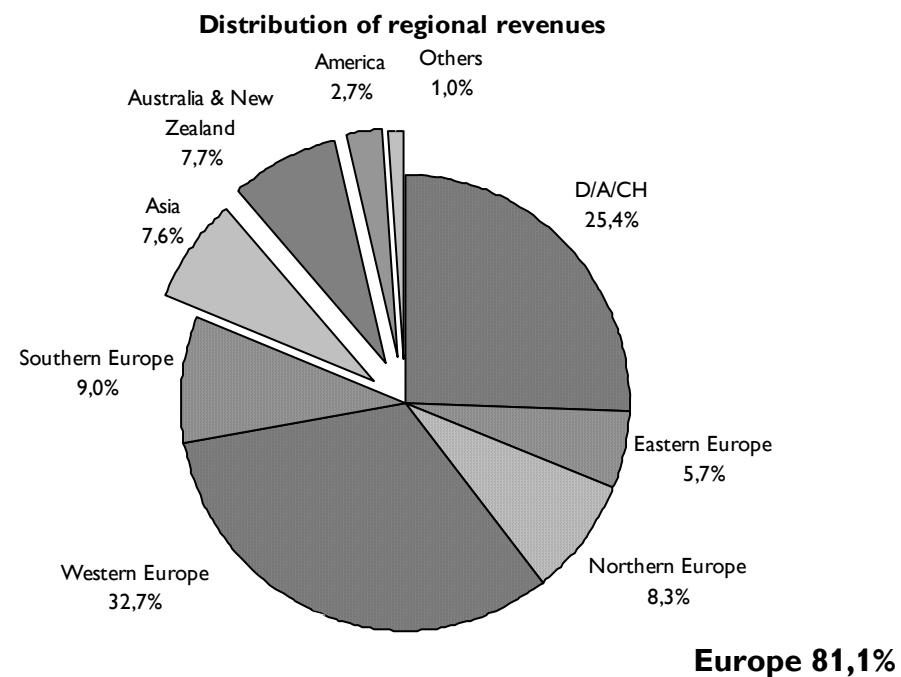
[] = FX – adjusted figures

*) Reported EBIT adjusted for special effects

Segment Reporting: Regional Trends

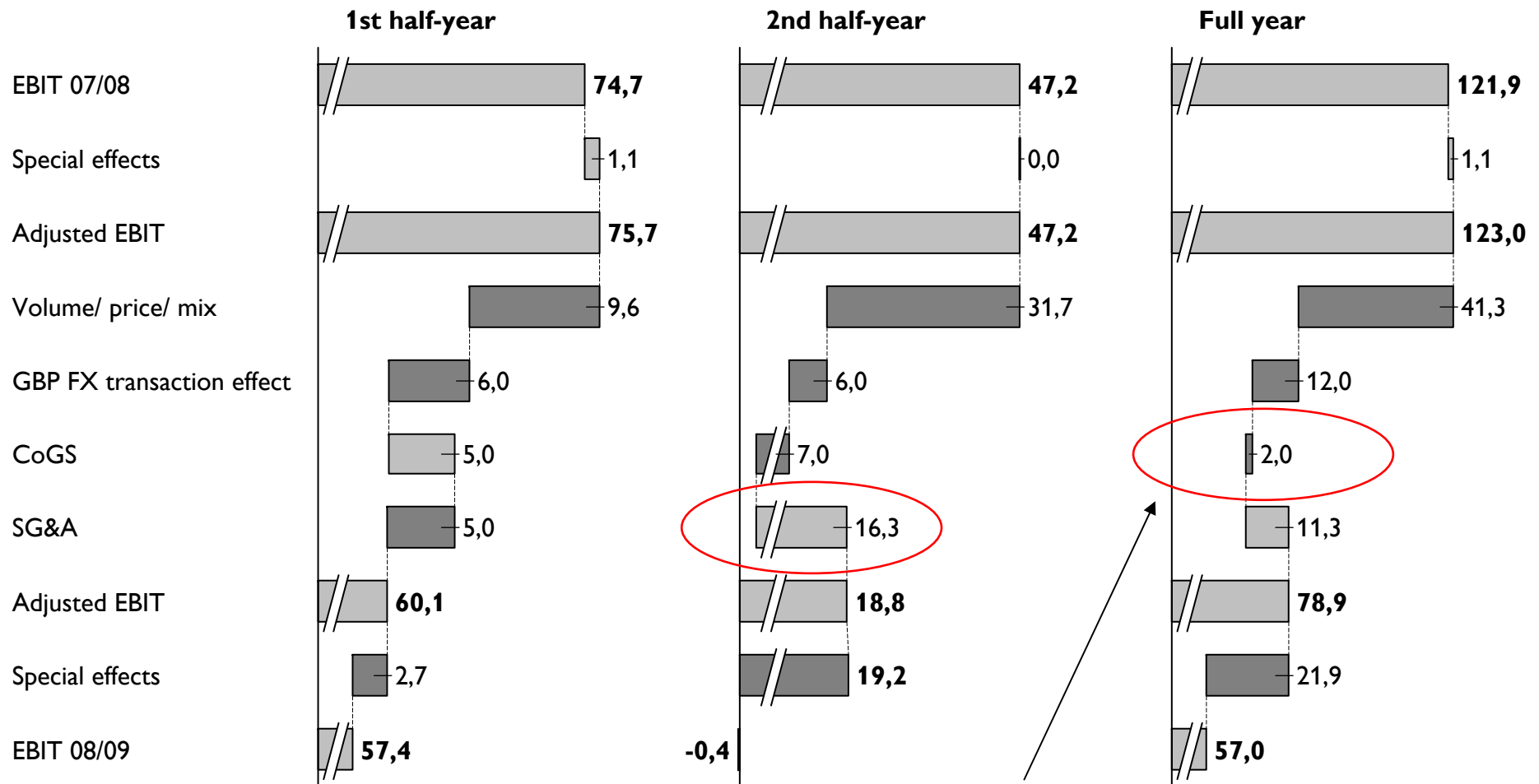
Accelerated decline in all our markets

Distribution of regional revenues	4th quarter 2008/09 change in %	FY revenues in EUR million	Change in %
D/A/CH	-11,0	298,5	-3,4
Eastern Europe	-23,4	66,7	-1,8
Northern Europe	-17,9	97,5	-8,7
Western Europe	-6,6	383,5	-10,3
Southern Europe	-28,3	105,7	-18,6
Europe	-12,9	952,0	-8,6
Asia	-6,2	88,7	1,5
Australia & New Zealand	-27,5	89,9	-16,3
America	-7,5	31,9	-10,2
Others	-18,5	11,5	5,5
Total	-13,5	1174,0	-8,4



EBIT Development in FY 2008/09

“Excellerate” yields first positive results



EUR 5,7 million increase in R&D costs

Figures in EUR million

Income Statement effects below EBIT

Financial results, taxes and discontinued operations

Income statement below EBIT in EUR million	2008/09	2007/08	Change in %
EBIT	57,0	121,9	-53,2
Financial results	-27,7	-34,0	18,3
Profit before tax	29,3	87,9	-66,7
Income taxes	-6,3	6,1	<-100
Net profit for the year from discontinued operations	-9,6	-0,5	<-100
Net profit for the year	13,3	93,5	-85,8

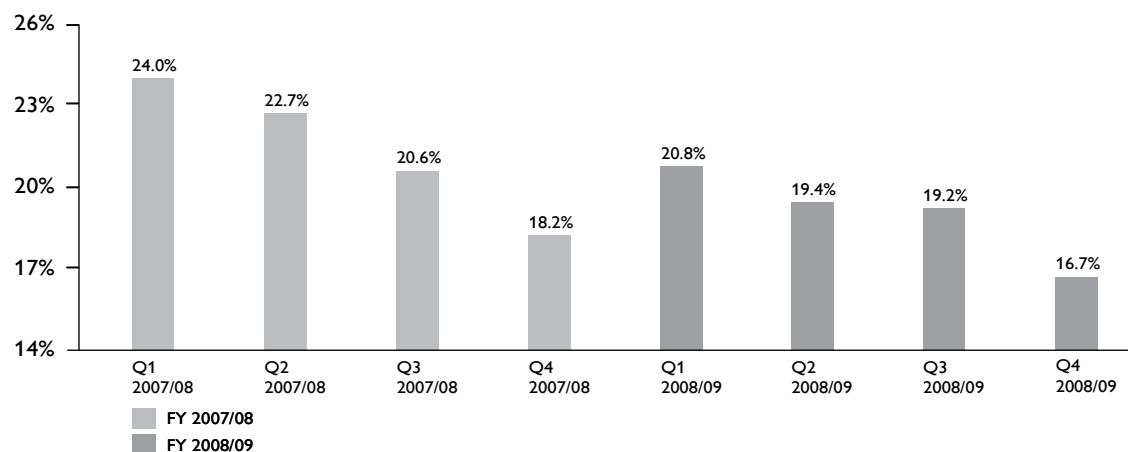
- Improvement in financial results despite negative non-recurring effect of EUR 4,4 million from arrangement costs for loan agreement
- Interest expenses for financing approx. EUR 6,1 million lower than in prior year
- No deferred tax income
- Results from discontinued operations totalled minus EUR 9,6 million

Balance Sheet

Positive development of working capital continues

Balance sheet data in EUR million	30 April 2009	30 April 2008
Total assets	1.053,9	1.105,9
Net debt	163,5	129,0
Equity	456,0	514,2
Equity ratio in %	43,3	46,5
Gearing in %	35,9	25,1
Average capital employed	664,0	650,2
ROCE in %	11,9	18,9
Investments	64,7	66,0
Working capital	196,4	232,9
As a % of rolling 12 month revenues	16,7	18,2

Working capital as a % of rolling 12-month revenues



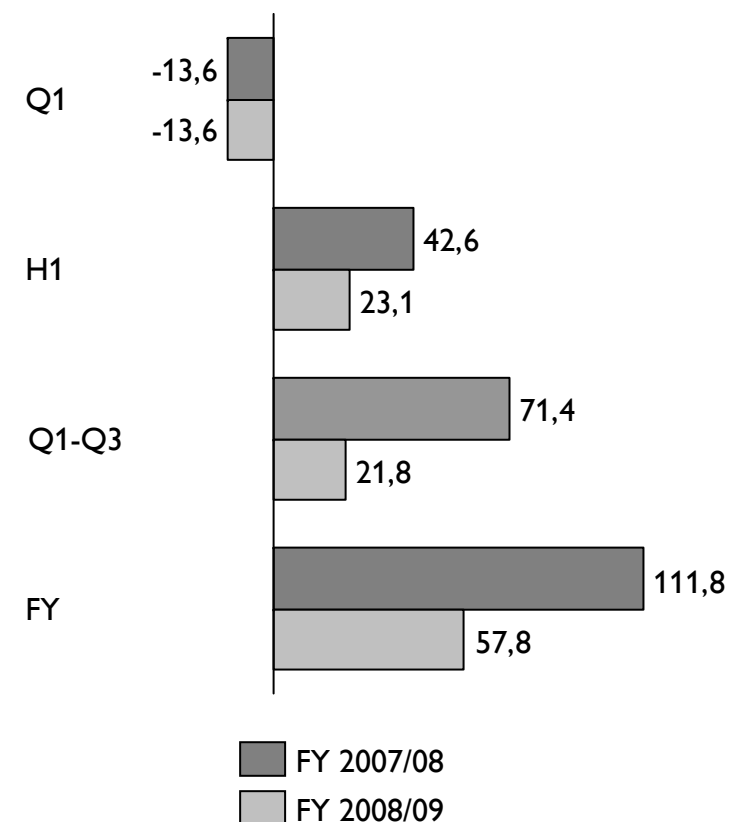
Cash Flow Statement

Strong focus on liquidity and free cash flow

Cash Flow Statement in EUR million	2008/09	2007/08
Cash flow from operating results	107,3	166,0
Change in working capital	26,8	9,8
Change in other operating items	-7,7	-7,7
Taxes paid	-12,1	-12,1
Cash flow from operating activities	114,1	156,0
Proceeds from the sale of non-current assets	4,1	11,6
Capital expenditures	-64,7	-66,0
Change in non-current and current financial assets	11,7	11,8
Change in liquid funds from changes in the consolidation range	-7,5	-1,5
Cash flow from investing activities	-56,3	-44,1
FREE CASH FLOW	57,8	111,8
Cash flow from financing activities	-86,5	-139,4
Effects of exchange rate changes on cash and cash equivalents	-1,5	-5,2
CHANGE IN CASH AND CASH EQUIVALENTS	-30,2	-32,8

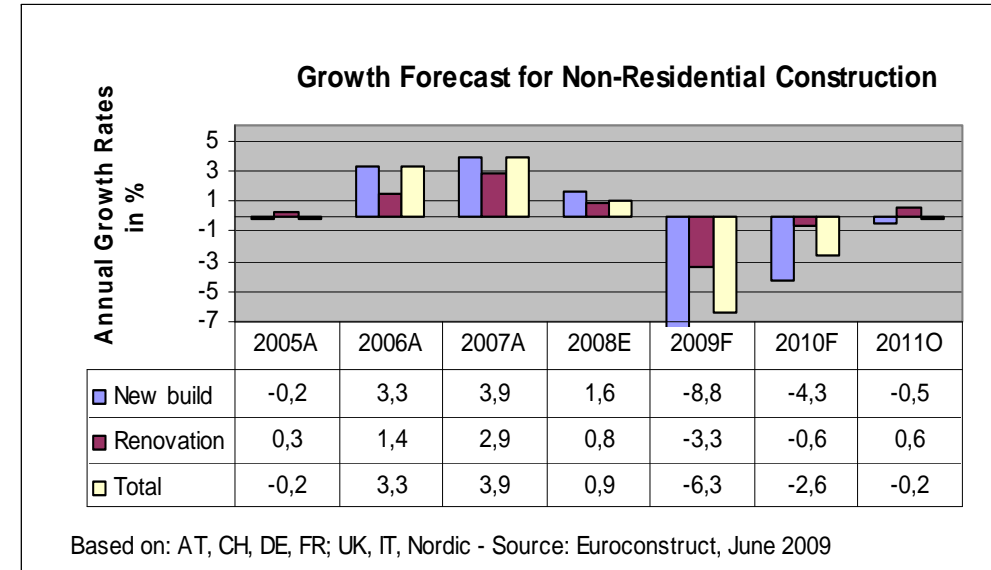
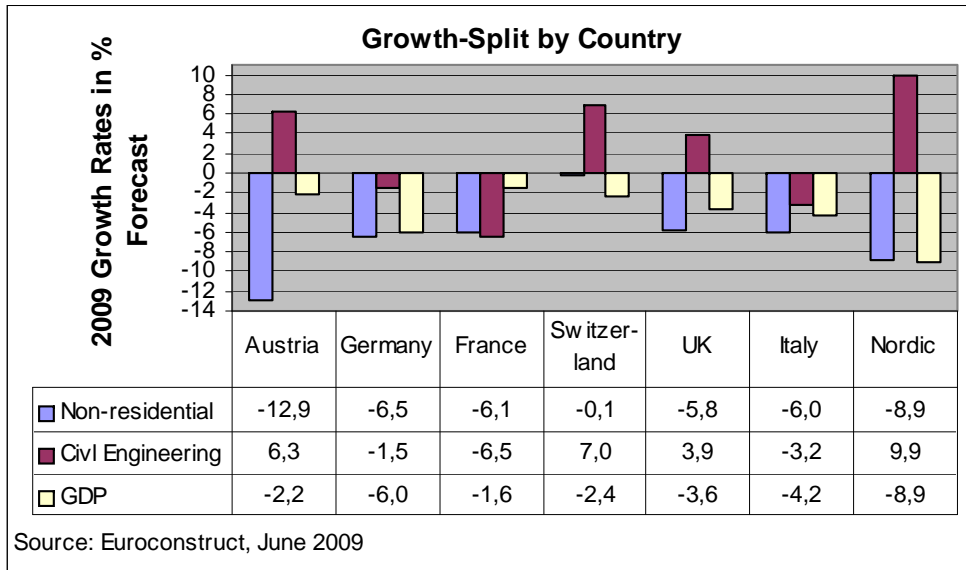
Development of free cash flow

(cumulative figures in EUR million)



Market Environment – Euroconstruct

Deep recession in all relevant markets



Further decline in commercial construction sector projected

- Z-7 countries 2009: -6,3%
- Z-7 countries 2010: -2,6%
- Z-7 countries 2011: -0,2%

“Exellerate” Efficiency Improvement Programme

Targeted cost savings increased to a total of up to EUR 100 million

Project scope:

- December 2008: Sustainable cost reduction programme (“Excellerate”) of roughly EUR 50 million by 2010/11
- March 2009: Additional proportional adjustment of capacity and overheads to reflect accelerated downturn

Project targets:

- Total cost savings from “Excellerate” of up to EUR 100 million by 2010/11 vs 2008/09
- To maintain positive free cash flow even under adverse conditions

Project progress:

- SG&A decrease of EUR 16,3 million recorded predominately in Q4
- Decrease of roughly 750 FTEs vs. end of Q2 2008/09
- Shutdown of lighting plant in Curtici / RO (announced 30 April 2009)
- Strategic withdrawal of activities in the area of residential lighting
- Streamlining set-up of LED activities

Outlook and Goals

Preparing for an even more demanding environment

- Stringent execution of increased “Excellerate” targets
- Maintain financial stability / Protect liquidity / Proposal to suspend dividend for FY 2008/09
- Focus on growth opportunities
 - LEDs as the technology of the future
 - Fully exploit energy efficiency opportunities
 - Stronger focus on selected global markets
 - Take advantage of global economic stimulus packages
- No detailed outlook for 2009/10 possible
 - Target:
 - ➔ To maintain positive free cash flow
 - Long-term goal:
 - ➔ To gain market share
 - ➔ To generate double-digit EBIT margins after the crisis

Financial Calendar

- Fri, 24 July 2009 Shareholders' Meeting
- Tue, 15 Sept. 2009 1st Quarterly Report 2009/10
(1 May – 31 July 2009)
- Wed, 9 Dec. 2009 Interim Financial Report 2009/10
(1 May – 31 October 2009)
- Tue, 16 March 2010 3rd Quarterly Report 2009/10
(1 May 2009 – 31 January 2010)



Research and Development

Expenses for research and development increased by 15,7%

Expenditures for research and development in EUR million	2008/09	2007/08	Change in %
R&D through P&L	34,5	28,4	21,5
Capitalised R&D	13,1	12,7	2,9
R&D total	47,6	41,1	15,7
<i>as a % of revenues</i>	<i>4,1</i>	<i>3,2</i>	
Headcount (full-time equivalent) Research and development	449	411	9,2

Primary focal points of R&D activities:

- Energy efficiency
- LED

Income Statement

Reduction of EUR 11,3 million in SG&A (y-o-y)

Income statement in EUR million	4th quarter 2008/09	4th quarter 2007/08	Change in %	2008/09	2007/08	Change in %
Revenues	273,5	316,3	-13,5	1.174,0	1.282,3	-8,4
Cost of goods sold	-175,9	-193,9	9,3	-739,9	-792,9	6,7
Gross profit	97,6	122,4	-20,2	434,1	489,5	-11,3
as a % of revenues	35,7	38,7		37,0	38,2	
SG&A expenses adjusted for special effects	-81,3	-96,6	15,9	-355,2	-366,5	3,1
Adjusted EBIT	16,3	25,7	-36,5	78,9	123,0	-35,8
as a % of revenues	6,0	8,1		6,7	9,6	
Special effects	-22,4	0,2	<-100	-21,9	-1,1	<-100
EBIT	-6,0	25,9	<-100	57,0	121,9	-53,2
Financial results	-9,5	-15,5	38,8	-27,7	-34,0	18,3
Profit before tax	-15,5	10,4	<-100	29,3	87,9	-66,7
Income taxes	-0,6	14,7	<-100	-6,3	6,1	<-100
Net profit for the year from discontinued operations	-8,7	-0,3	<-100	-9,6	-0,5	<-100
Net profit for the year	-24,8	24,8	<-100	13,3	93,5	-85,8
Depreciation and amortisation	14,8	10,1	47,2	53,0	39,3	35,0
Earnings per share from continuing operations (in EUR)	-0,35	0,55	<-100	0,53	2,09	-74,8

'LITE' Project

Optimisation of real estate portfolio completed

Scope of LITE project (as announced in Oct. 2006)

- Streamline balance sheet to pursue a more asset-light approach
- Generate cash of min EUR 30 million → Target exceeded
- One-time EBIT impact of min EUR 20 million → Target exceeded

in EUR million	Country	Cash / receivable	One- time EBIT
Romford warehouse acquired to terminate onerous lease contract and subsequently sold	UK	-6,5	-4,1
Dombim undeveloped land sold	AT	4,4	2,4
Somersby plant sold	AUS	3,0	1,3
Rome old office sold	IT	0,8	0,5
Oslo	NO	2,6	0,6
Accounting effect FY 2006/07		4,3	0,7
Lindau sold	D	0,7	0,4
Smithfield plant sold	AUS	5,8	3,0
Schlachthausstrasse sold	AT	3,8	1,4
Accounting effect FY 2007/08		10,3	4,8
Spennymoor plant sold	UK	18,9	17,4
Accounting effect Q3 2008/09		18,9	17,4
Total LITE effect		33,6	22,9

Solid Financial Foundation

New credit agreement secures long-term liquidity and financing capabilities

5-year credit term with bank syndicate, starting 30 June 2008

- Volume EUR 480 million
- Simplification of financial covenants, only debt cover ratio and equity ratio
- Release of former securities – negative pledge only
- Sound credit rating reduces credit margin to 65 basis points
- One-off negative effect of EUR 4,4 million on financial results for arrangement of new financing

Use of funds:

- Part 1: EUR 186 million for refinancing the remainder of the Thorn acquisition loan
- Part 2: EUR 294 million ‘stand by’ facility with free availability for

General financing purposes (“war chest“)

Financing of acquisitions

Five-Year Overview

in EUR million	2008/09	2007/08	2006/07	2005/06 ¹	2004/05
Revenues	1.174,0	1.282,3	1.234,0	1.168,0	1.129,2
Adjusted EBITDA	121,6	162,2	154,1	137,7	132,0
<i>as a % of revenues</i>	10,4	12,7	12,5	11,8	11,7
Adjusted EBIT	78,9	123,0	112,3	99,1	90,1
<i>as a % of revenues</i>	6,7	9,6	9,1	8,5	8,0
Net profit for the year	13,3	93,5	103,6	49,5	29,1
<i>as a % of revenues</i>	1,1	7,3	8,4	4,2	2,6
Total assets	1.053,9	1.105,9	1.145,4	1.085,8	1.023,0
Equity	456,0	514,2	441,6	187,8	173,6
<i>Equity ratio in %</i>	43,3	46,5	38,6	17,3	17,0
Net debt	163,5	129,0	185,7	356,1	397,1
Cash flow from operating results	107,3	166,0	173,8	128,8	102,1
<i>ROCE in %</i>	11,9	18,9	17,3	15,9	14,8
Investments	64,7	66,0	54,3	49,6	45,9
<i>as a % of revenues</i>	5,5	5,1	4,4	4,2	4,1
Headcount inc. contract worker (full-time equivalent)	7.165	7.908	7.911	7.384	7.000

¹The figures were adjusted to reflect the application of IFRS 5 and IAS 19

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