

zumtobel group

# Zumtobel Group

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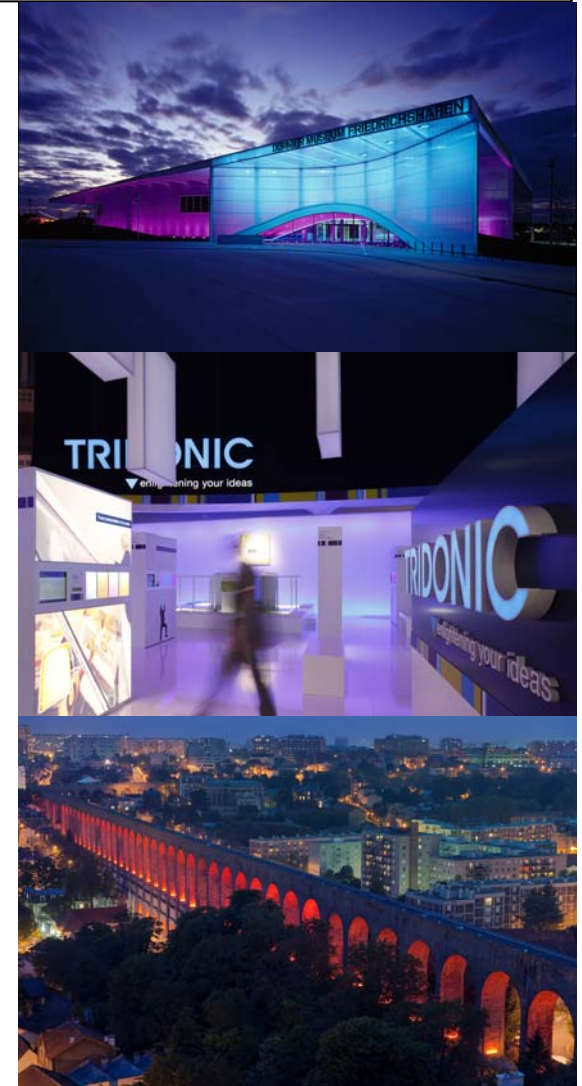
## **Annual results 2009/10**

June 28, 2010

# Highlights FY 2009/10

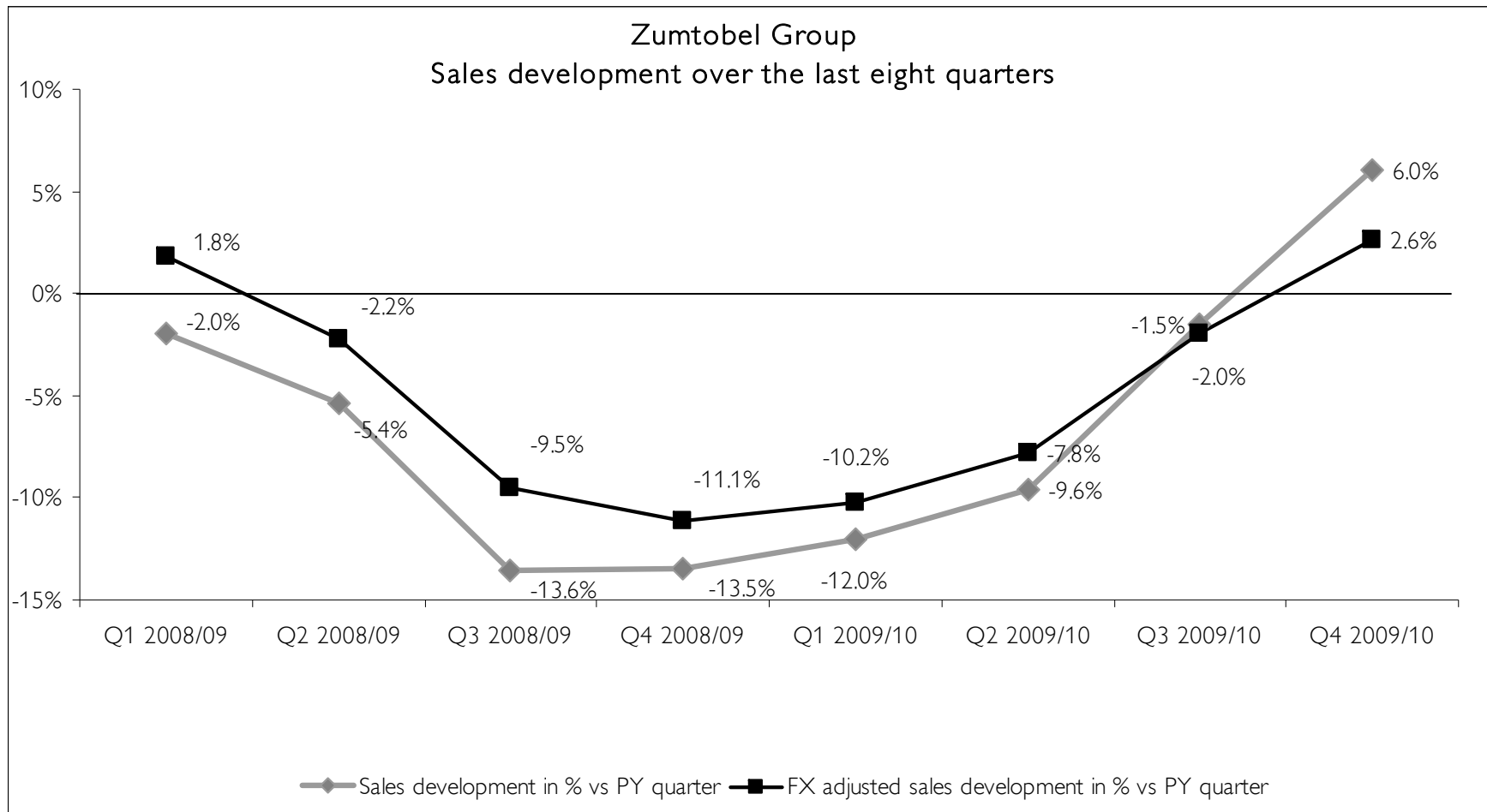
## Signs of stabilization – focus on cost-efficient growth

- FY 2009/10 strongly affected by global economic crisis
- Revenues down by -4.8% yoy, improving dynamics in H2 2009/10 (+2.3%)
- Sound upward trend in Components Segment since Q3 2009/10
- Crisis continues to affect late-cyclical Lighting Segment
- 37.0% increase in revenues on LED-based products to EUR 65.9 million
- Adjusted EBIT margin of 4.6% (PY 6.7%)
- Operating profit significantly burdened by special effects of EUR 96.7 million
- After-tax loss of EUR 67.0 million
- Free cash flow of EUR 39.2 million (PY EUR 57.8 million) supported by good working capital management
- Dividend proposal for EUR 0.15 per share



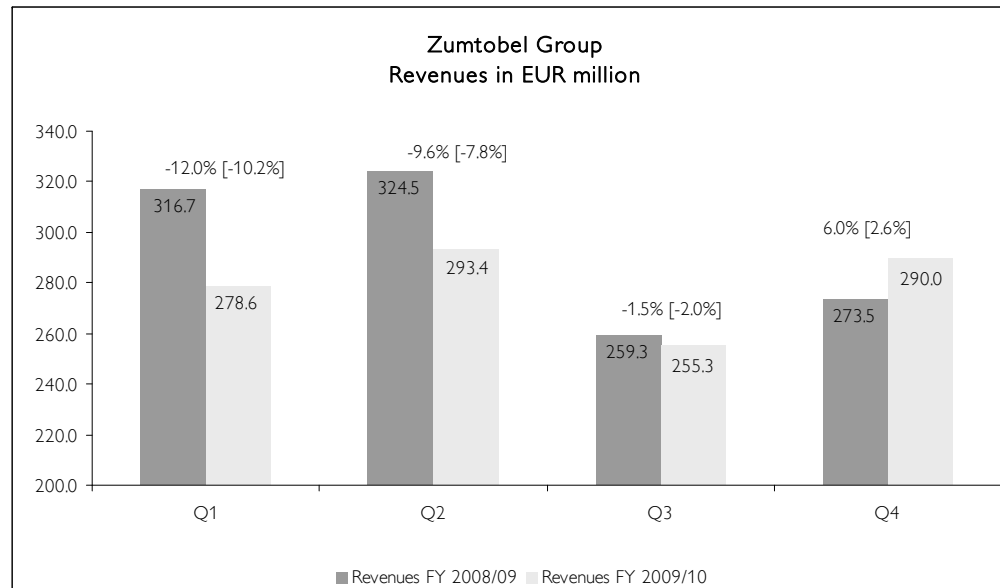
# Revenue development on Group level over the last 8 quarters

Returning to growth path in Q4 2009/10



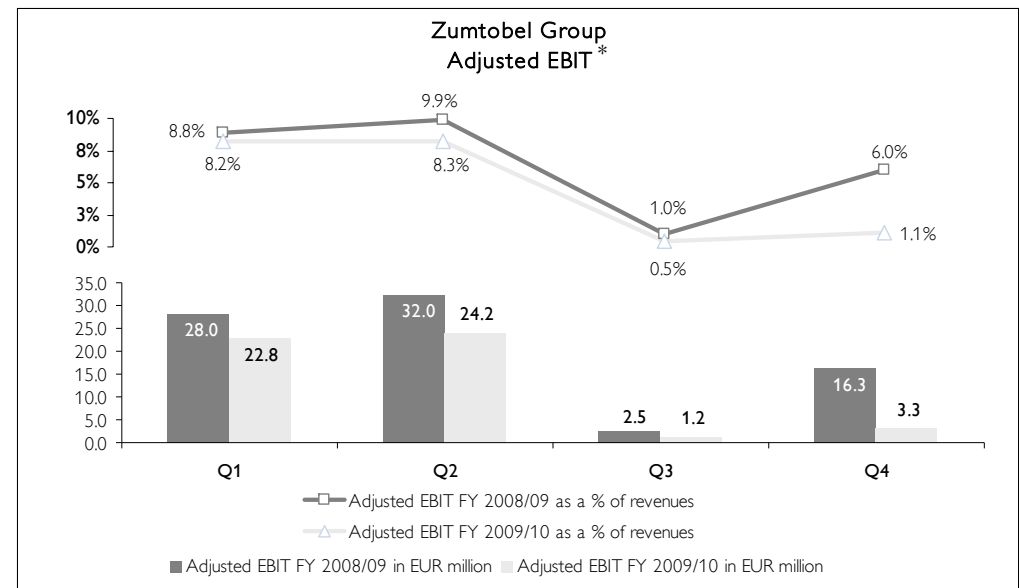
# Zumtobel Group

## Revenue decline of 4.8%, adjusted EBIT margin under pressure



Revenues FY 2009/10 EUR 1,117.3 million (-4.8% [-4.7%])

Revenues FY 2008/09 EUR 1,174.0 million



Adjusted EBIT FY 2009/10 EUR 51.5 million (margin of 4.6%)

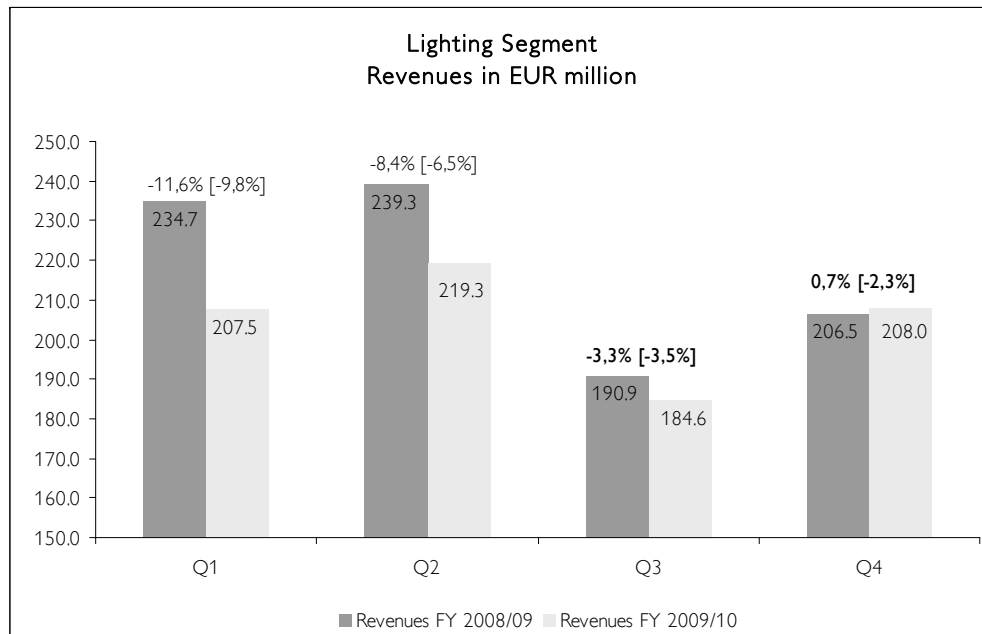
Adjusted EBIT FY 2008/09 EUR 78.9 million (margin of 6.7%)

[ ] = FX – adjusted figures

\*) Reported EBIT adjusted for special effects

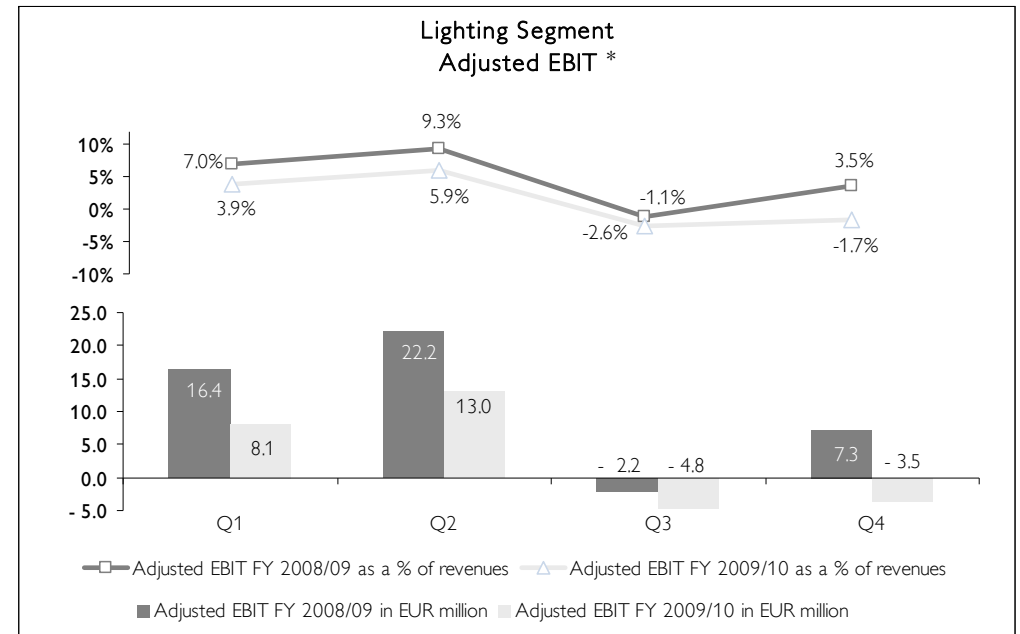
# Lighting Segment

Tense operating environment aggravated by declining prices



Revenues FY 2009/10 EUR 819.4 million (-6.0% [-5.7%])

Revenues FY 2008/09 EUR 871.4 million



Adjusted EBIT FY 2009/10 EUR 12.8 million (margin of 1.6%)

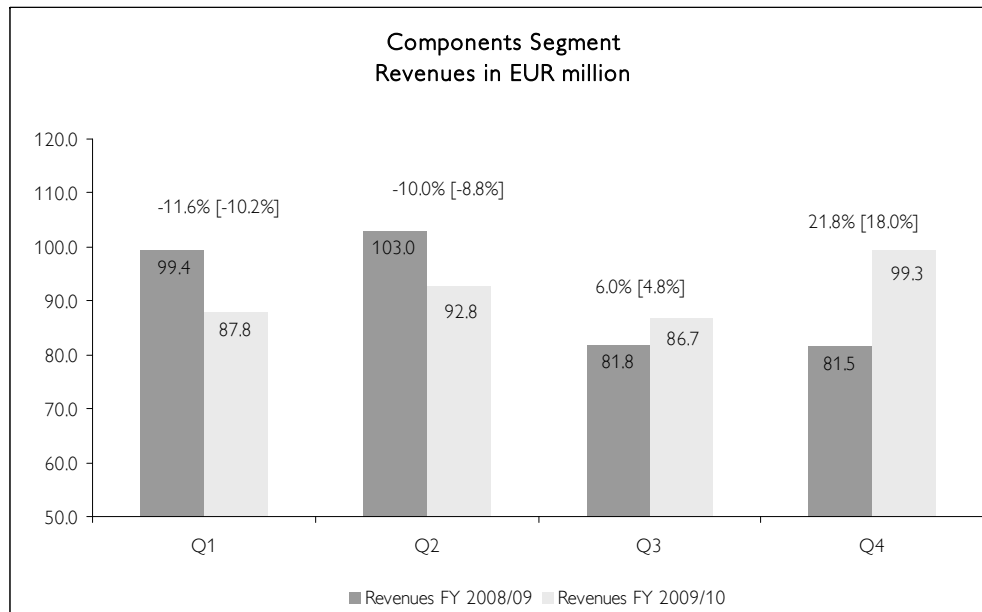
Adjusted EBIT FY 2008/09 EUR 43.7 million (margin of 5.0%)

[ ] = FX – adjusted figures

\*) Reported EBIT adjusted for special effects

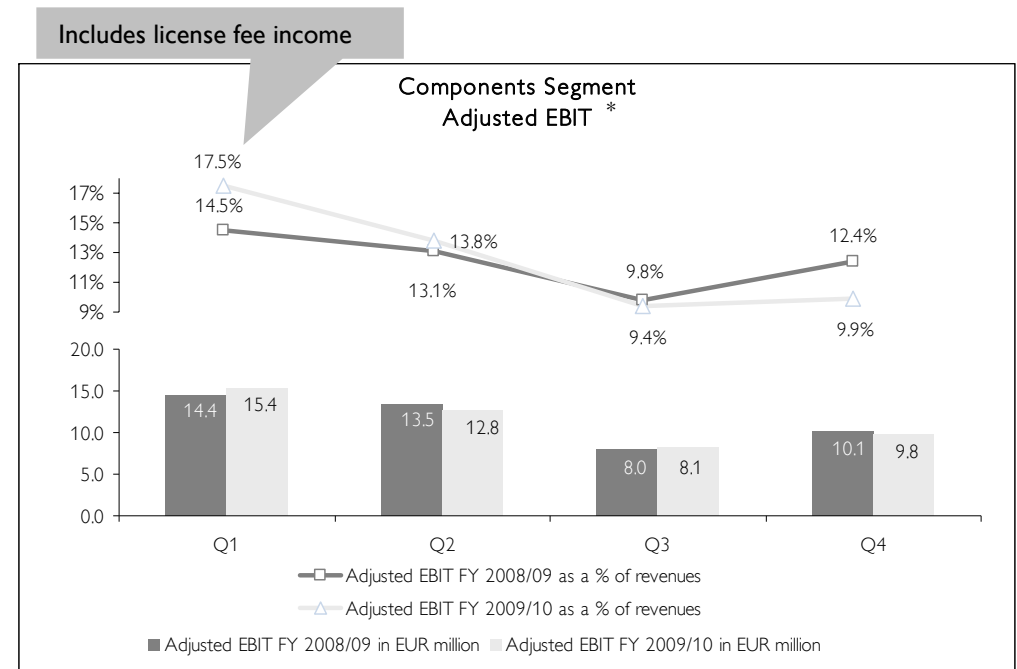
# Components Segment

Sound upward trend starting in the second half year of 2009/10



Revenues FY 2009/10 EUR 366.6 million (0.2% [-0.1%])

Revenues FY 2008/09 EUR 365.8 million



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

Adjusted EBIT FY 2008/09 EUR 46.0 million (margin of 12.6%)

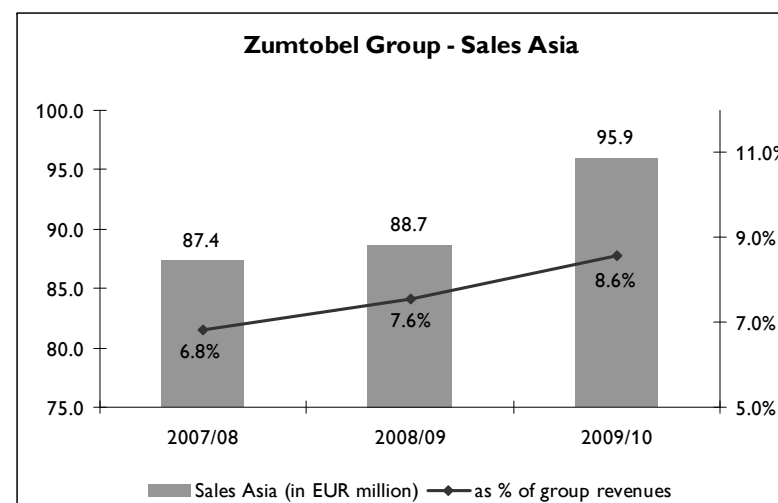
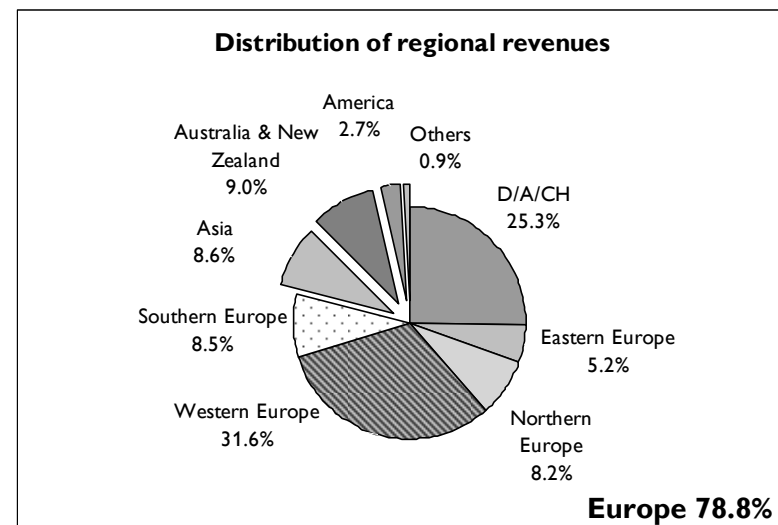
[ ] = FX – adjusted figures

\*) Reported EBIT adjusted for special effects

# Regional revenue development

Trend to stabilization in most markets, increasing footprint in Asia

2009/10	4th quarter 2009/10		2009/10	
	Revenues	Change in %	Revenues	Change in %
D/A/CH	69.2	3.2	282.2	-5.5
Eastern Europe	14.0	13.6	58.3	-12.7
Northern Europe	23.1	2.0	91.2	-6.5
Western Europe	93.7	-3.1	353.1	-7.9
Southern Europe	26.7	16.0	95.4	-9.8
<b>Europe</b>	<b>226.8</b>	<b>2.3</b>	<b>880.2</b>	<b>-7.5</b>
Asia	24.4	9.6	95.9	8.1
Australia & New Zealand	27.8	48.1	100.6	11.9
America	8.3	-1.1	30.2	-5.1
Others	2.8	15.2	10.3	-10.4
<b>Total</b>	<b>290.0</b>	<b>6.0</b>	<b>1117.3</b>	<b>-4.8</b>



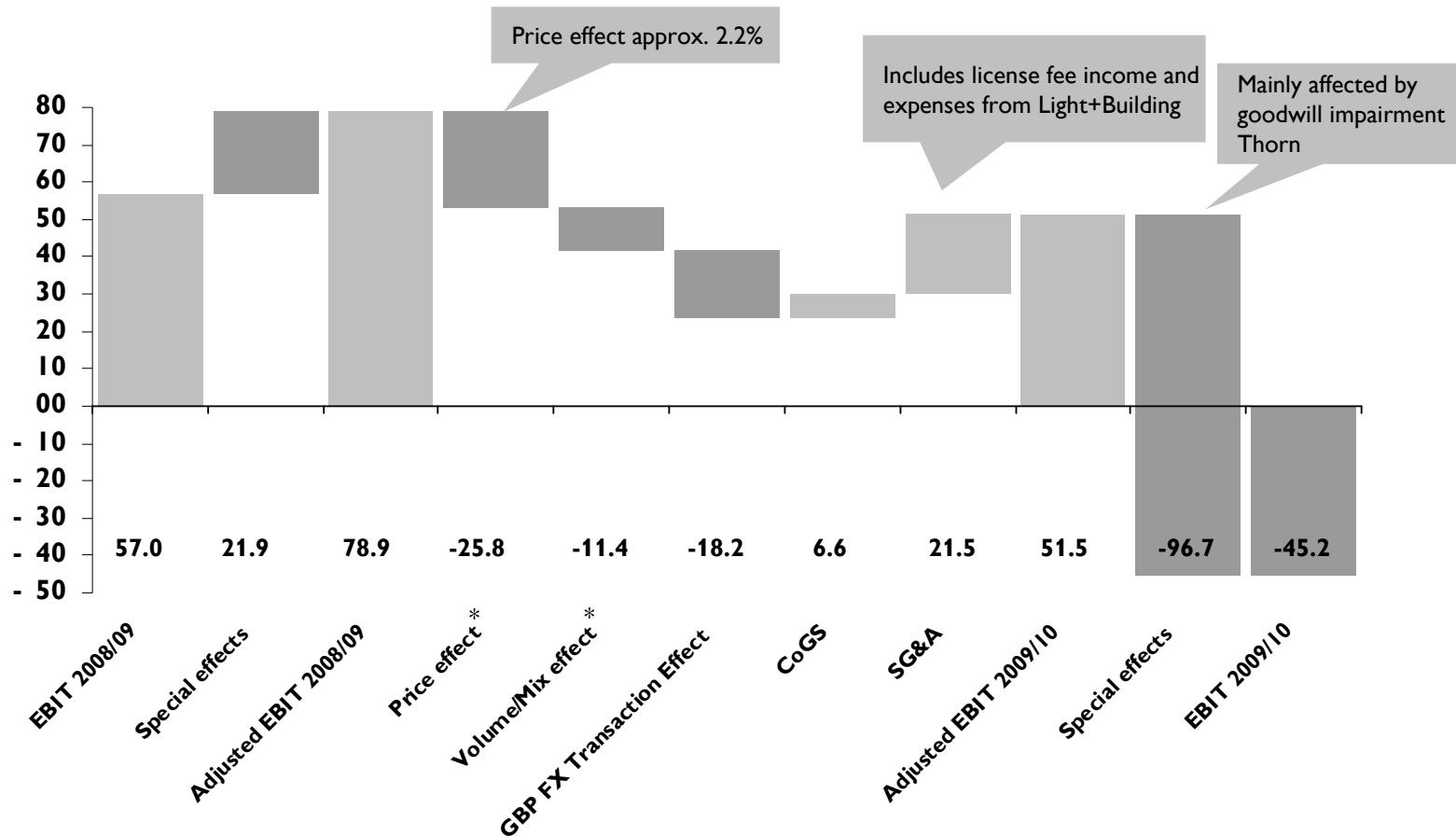
# Income Statement

## Operating results significantly burdened by special effects

Income statement in EUR million	4th quarter 2009/10	4th quarter 2008/09	Change in %	2009/10	2008/09	Change in %
Revenues	290.0	273.5	6.0	1,117.3	1,174.0	-4.8
Cost of goods sold	-195.0	-175.9	-10.8	-732.1	-739.9	1.1
Gross profit	95.0	97.6	-2.7	385.2	434.1	-11.3
as a % of revenues	32.8	35.7		34.5	37.0	
SG&A expenses adjusted for special effects	-91.7	-81.3	-12.9	-333.7	-355.2	6.0
Adjusted EBIT	3.3	16.3	-80.1	51.5	78.9	-34.7
as a % of revenues	1.1	6.0		0.0	0.0	0.0
Special effects	-87.4	-22.4	<-100	-96.7	-21.9	<-100
EBIT	-84.2	-6.0	<-100	-45.2	57.0	<-100
Financial results	-1.7	-9.5	81.6	-15.8	-27.7	43.1
Profit/loss before tax	-85.9	-15.5	<-100	-61.0	29.3	<-100
Income taxes	-2.4	-0.6	<-100	-6.0	-6.3	5.6
Net profit/loss for the period from discontinued operations	0.0	-8.7	100.0	-0.1	-9.6	98.8
Net profit/loss for the period	-88.3	-24.8	<-100	-67.0	13.3	<-100
Depreciation and amortisation	89.2	14.8	>100	122.7	53.0	>100
Earnings per share (in EUR)	-2.06	-0.57	<-100	-1.57	0.31	<-100

# EBIT Development in FY 2009/10

Negatively influenced by unfavourable currency/volume/pricing effects



\* Calculated @ gross profit which implies that indirect CoGS are treated as 100% variable.

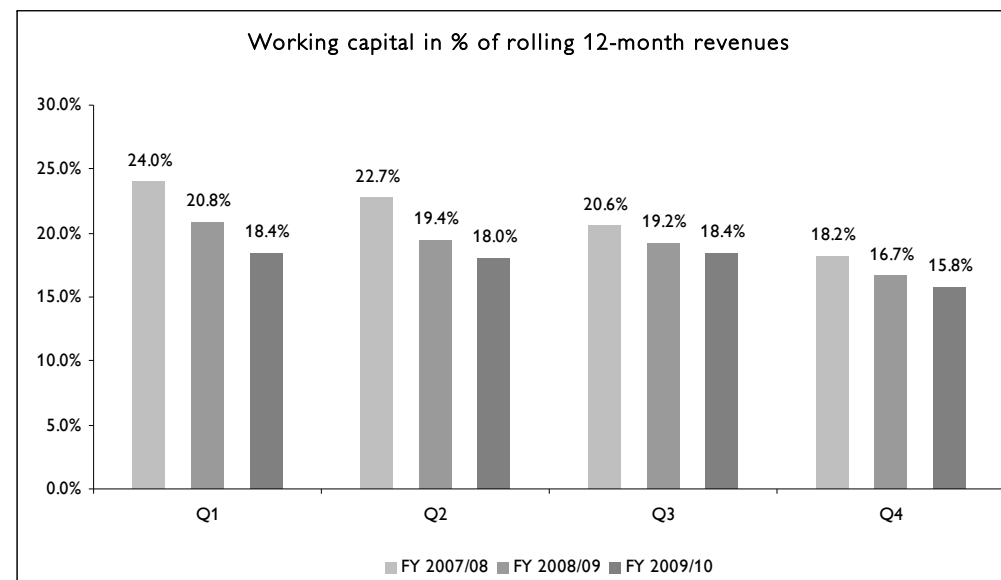
Figures in EUR million

# Balance Sheet

Improvement in Working Capital – net debt reduced by EUR 41.6 m

in EUR million	30 April 2010	30. April 2009 (restated)*
Total assets	983.5	1,018.8 *
Net debt	121.9	163.5
Equity	351.6	420.9 *
<i>Equity ratio in %</i>	<i>35.8</i>	<i>41.3 *</i>
<i>Gearing in %</i>	<i>34.7</i>	<i>38.8 *</i>
Average capital employed	587.5	661.2 *
<i>ROCE in %</i>	<i>8.8</i>	<i>12.6 *</i>
Investments	49.4	64.7
Working capital	176.2	196.4
<i>As a % of rolling 12 month revenues</i>	<i>15.8</i>	<i>16.7</i>

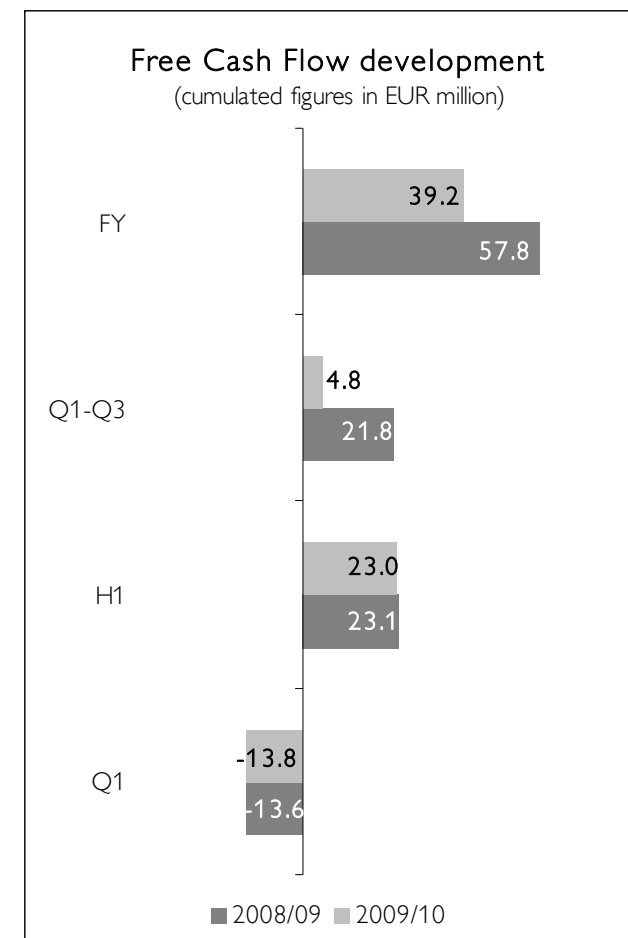
\* Retrospective application of IAS 21 ("Effect of changes in exchange rates of foreign currencies") relating to goodwill. Restated positions are marked with "\*"



# Cash Flow Statement

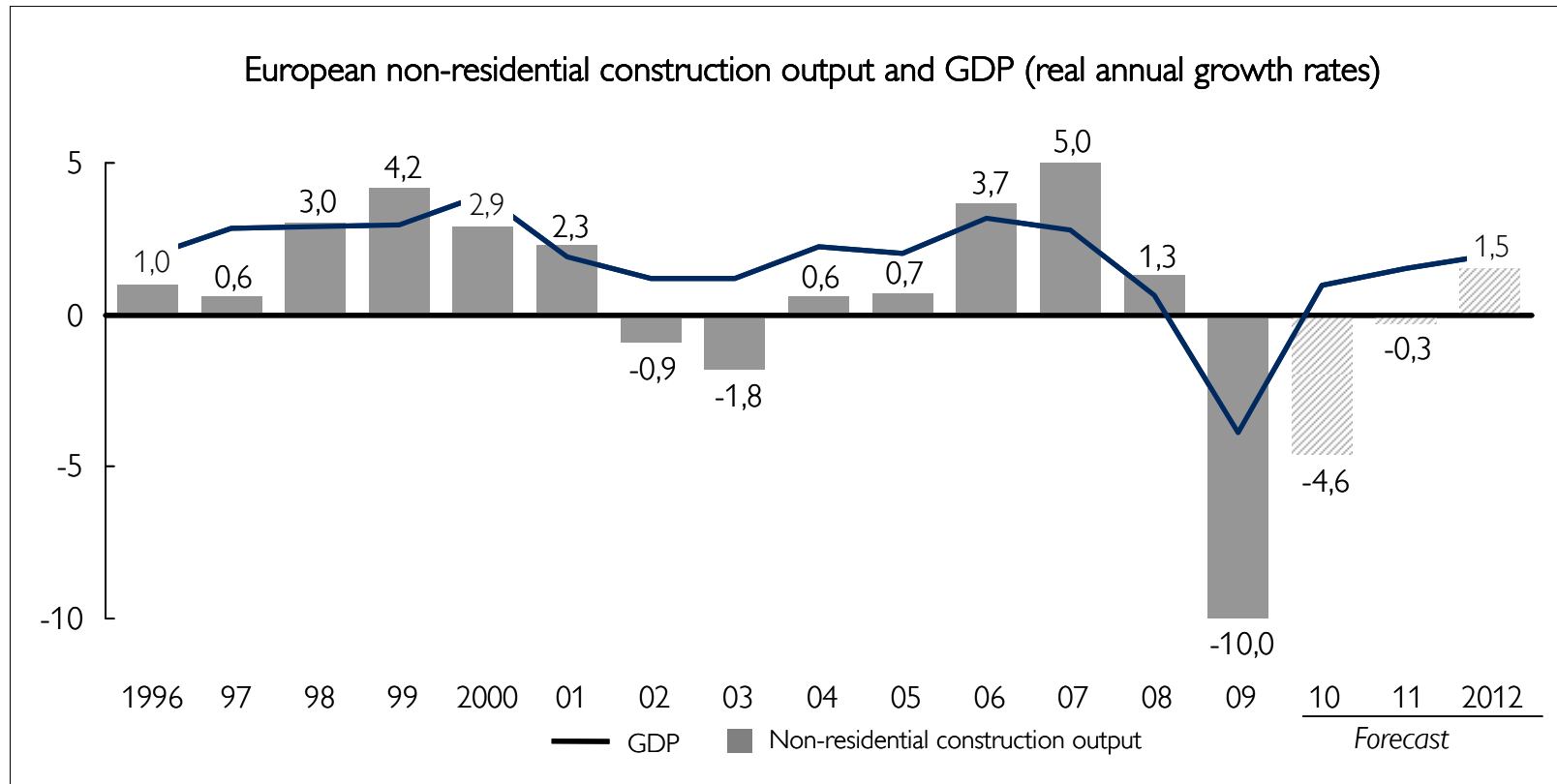
## Positive Free Cash Flow despite difficult economic situation

Cash Flow Statement in EUR million	2009/10	2008/09
Cash flow from operating results	77.6	107.3
Change in working capital	35.0	26.8
Change in other operating items	-23.5	-7.7
Taxes paid	-7.1	-12.1
Cash flow from operating activities	82.0	114.1
Proceeds from the sale of non-current assets	5.8	4.1
Capital expenditures	-49.4	-64.7
Change in non-current and current financial assets	-1.5	11.7
Change in liquid funds from changes in the consolidation range	0.0	-7.5
Cash flow from investing activities	-42.8	-56.3
<b>FREE CASH FLOW</b>	<b>39.2</b>	<b>57.8</b>
Cash flow from financing activities	-7.5	-86.5
Effects of exchange rate changes on cash and cash equivalents	6.6	-1.5
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>38.2</b>	<b>-30.2</b>



## Market environment

Overall set to stay difficult throughout 2010 and 2011



Source: Euroconstruct and Global Insight (GDP) for 19 European countries

- Construction markets (esp. non-residential) with larger amplitudes compared with GDP
- No recovery in European non-residential construction markets to be expected before 2011

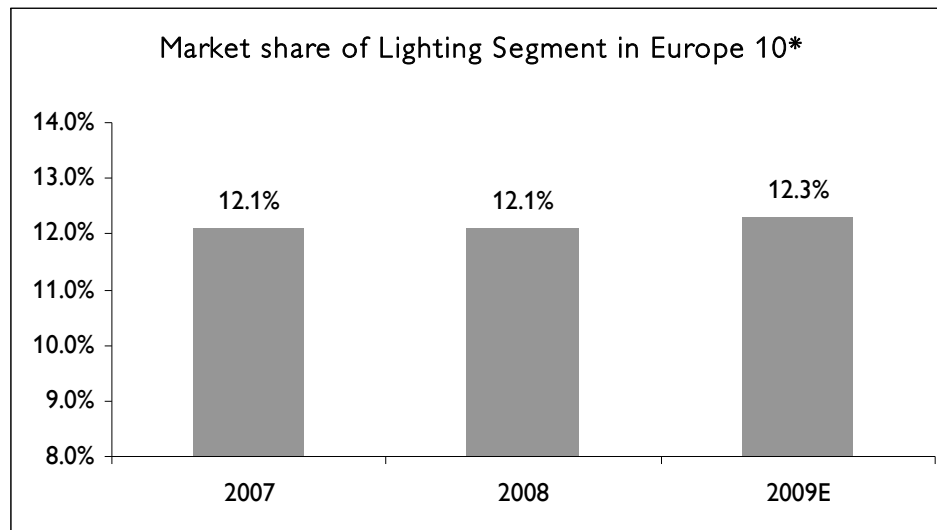
# Market position in professional lighting

## Strong position in Europe

### Leading position in Europe in both segments

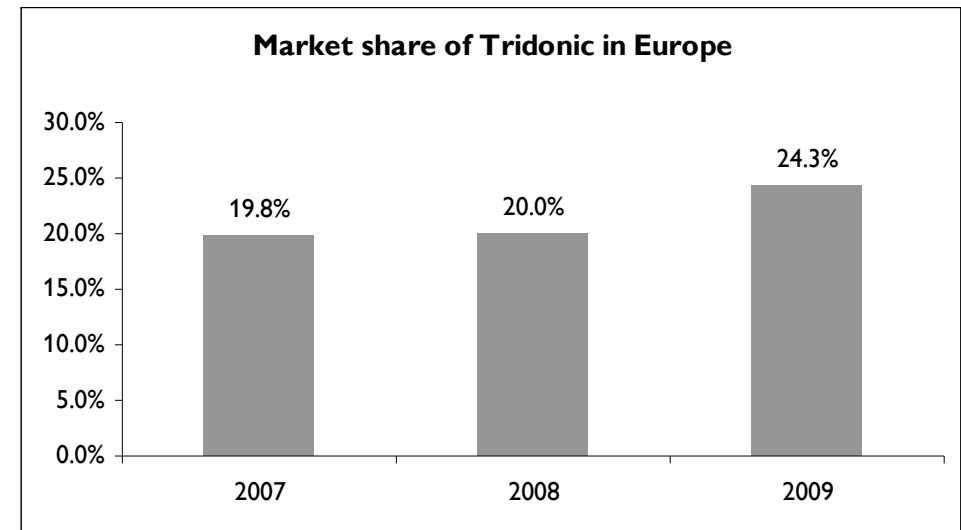
	AT	BNL	CH	D	DK	F	I	NO	S	GB	EUROPE 10
Zumtobel / Thorn	1	2	2	3	4	2	6	3	2	1	1
Tridonic / Ledon	1	3	2	3	3	3	2	1	1	1	2

- Lighting Segment managed to maintain market leading position



\* Top 10 markets in Europe: AT, BNL, CH, D, DK, F, I, NO, S, GB  
 Source: Zumtobel Group (time line refers to calendar year)

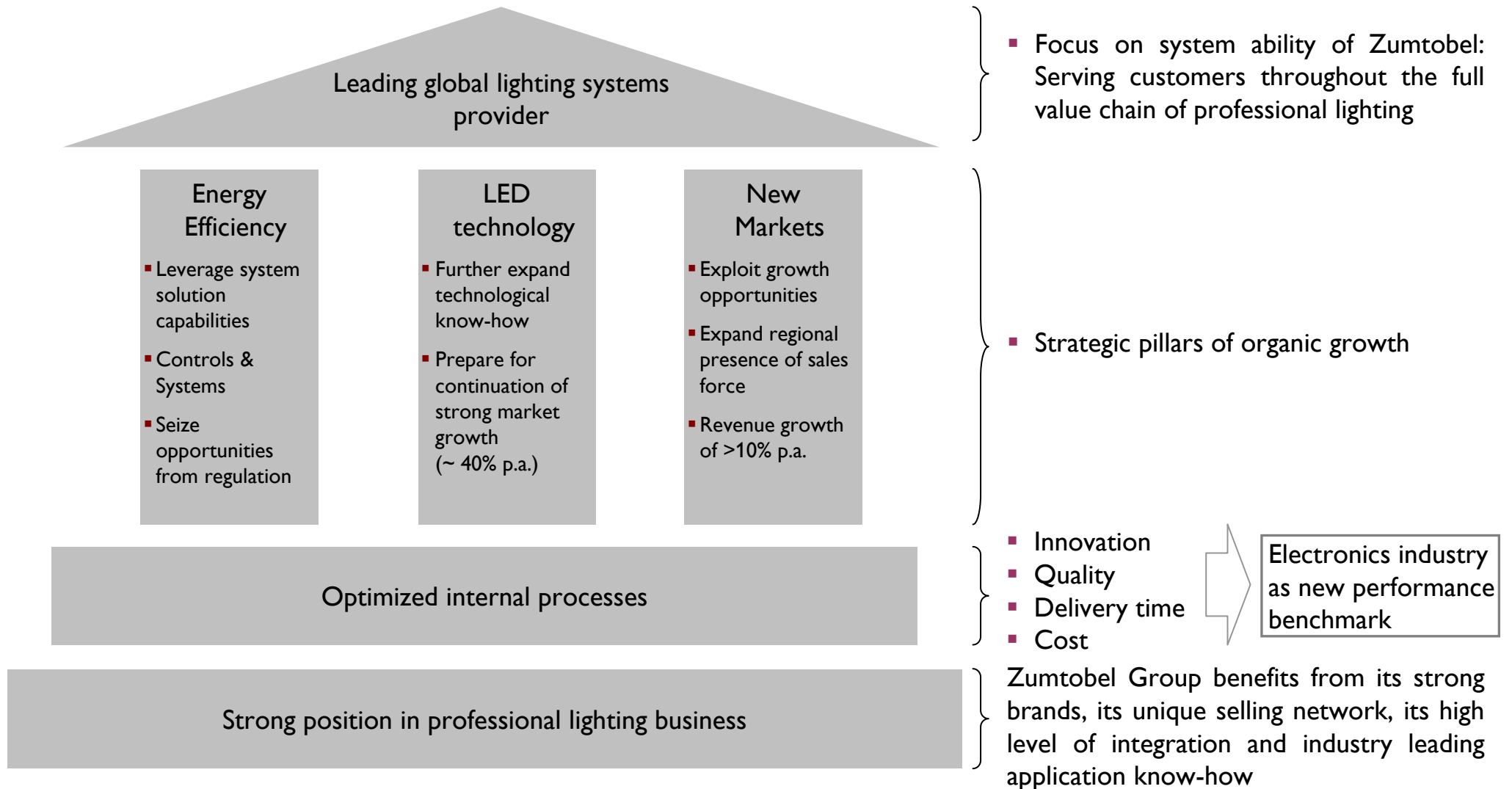
- Tridonic successfully increased market share



Source: Zumtobel Group / ZVEI statistic (time line refers to calendar year)

# Continuation of Zumtobel Group Strategy

Build on core strengths, optimize internal processes to foster growth for becoming a global lighting systems provider



# Chances and Risks

## Cautious optimism for upcoming quarters

### Chances

- Improving revenue dynamics
  - Stabilization in late-cyclical Lighting Segment
  - Components Segment back on growth path
- Dynamic growth in LED business
- Exploiting energy efficiency opportunities
- Continue growth in Emerging Markets (especially Asia)
- Gain market share in established markets

### Risks

- Further decline in non-residential construction
- Uncertainty of economic recovery due to sovereign debt crisis
- Sales price pressure especially in Lighting segment
- Worldwide shortage of electronic components
- Continuing low visibility and high volatility
- Raw material price increases (e.g. Steel, Plastics, Copper)

- Continuing exposure to volatile FX-rates (USD currently with negative effect, GBP positiv)

# Outlook and Goals

## Improvement in Group revenue and earnings expected for 2010/11

### Macroeconomic environment:

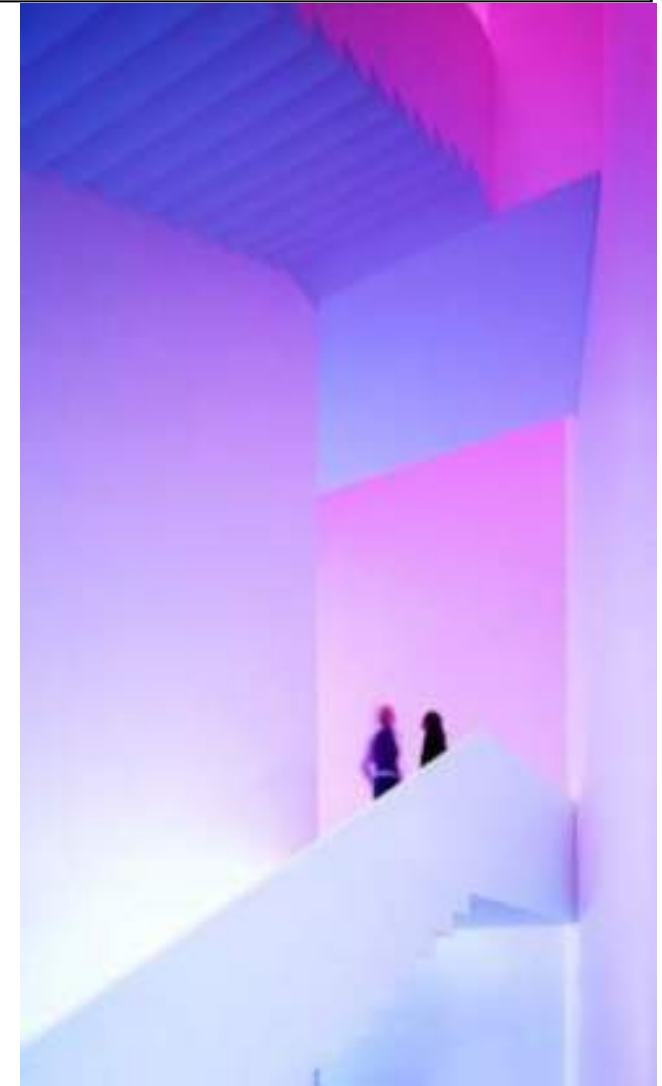
- Continuing weakness in non-residential construction
- Uncertainty regarding economic recovery due to sovereign debt crisis

### Outlook 2010/11:

- Low visibility due to nature of business
- Improvement in revenues on Group level
  - Components segment returned to growth path, expected to continue over the near term
  - Lighting segment experiences stabilization in revenue development
  - LED products to continue dynamic growth, EUR 100 million in revenues expected for 2010/11
- Improvement in earnings (adj. EBIT) on Group level
  - Supported by improving revenues and cost optimization
  - Squeezed by price pressure, material price increase, investments into growth opportunities (more sales people, higher R&D etc.)
- Optimization of internal processes

# Financial Calendar

- Fri, July 23, 2010 Shareholders' Meeting
- Tues, July 27, 2010 Ex-dividend day
- Fri, July 30, 2010 Dividend payout day
- Mon, Sept. 6, 2010 1<sup>st</sup> Quarterly Report 2010/11  
(1 May, 2010 – 31 July, 2010)
- Thur, Dec. 2, 2010 Interim Financial Report 2010/11  
(1 May, 2010 – 31 Oct., 2010)
- Mon, Mar. 7, 2011 3<sup>rd</sup> Quarterly Report 2010/11  
(1 May, 2010 – 31 Jan., 2011)
- Mon, June 27, 2011 Financial Results 2010/11



# Research and Development

Expenses for research and development increased by 9.5%

Expenditures for research and development in EUR million	2009/10	2008/09	Change in %
R&D through P&L	36.8	34.5	6.6
Capitalised R&D	15.3	13.1	17.2
R&D total	52.1	47.6	9.5
<i>as a % of revenues</i>	4.7	4.1	
Headcount (full-time equivalent) Research and development	431	449	-4.0

Primary focal points of R&D activities:

- LED
- Energy efficiency

# Five-Year Overview

in EUR million	2009/10	2008/09 <sup>1</sup>	2007/08 <sup>1</sup>	2006/07 <sup>1</sup>	2005/06 <sup>1-2</sup>
Revenues	1,117.3	1,174.0	1,282.3	1,234.0	1,168.0
Adjusted EBITDA	96.4	121.6	162.2	154.1	137.7
<i>as a % of revenues</i>	10.4	10.4	12.7	12.5	11.8
Adjusted EBIT	51.5	78.9	123.0	112.3	99.1
<i>as a % of revenues</i>	4.6	6.7	9.6	9.1	8.5
Net profit 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

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

<sup>2</sup> figures were adjusted to reflect the application of IFRS 5 and IAS 19

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