

zumtobel group

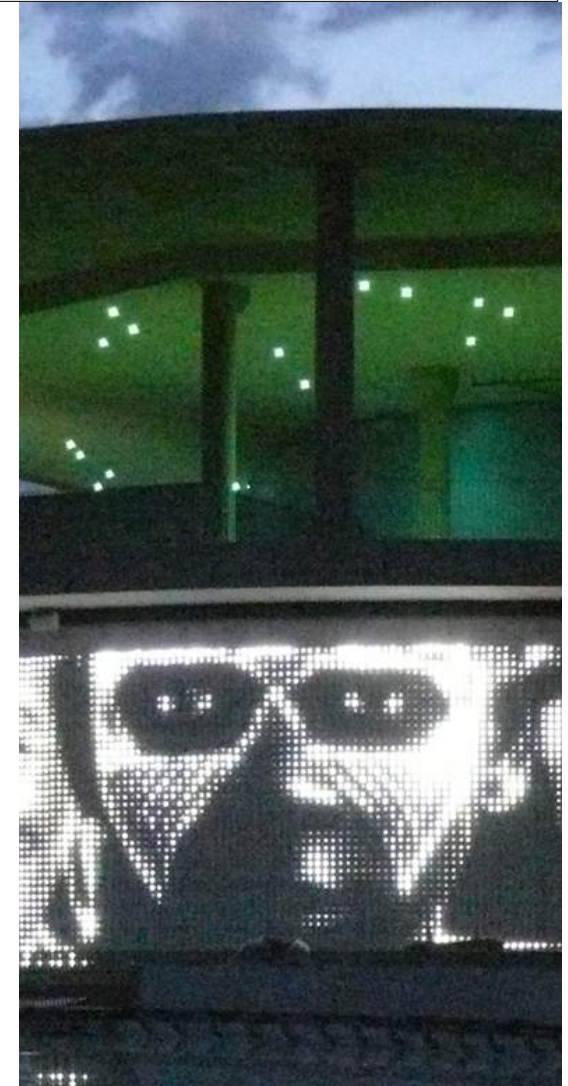
**1st Quarter Results
Zumtobel Group 2008/09**

September 16, 2008

Highlights 1st quarter 2008/09

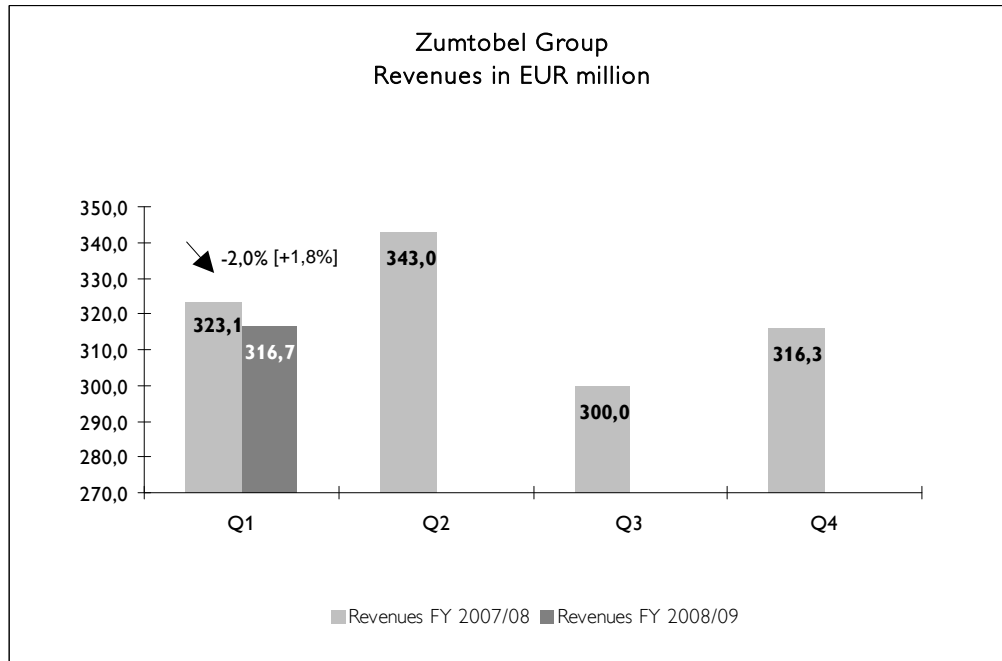
In line with expectations in a challenging environment

- Growth adjusted for FX effects plus 1,8%
- Strong Euro negatively affects revenue growth by 12,3 EUR million
- Adjusted EBIT 28,0 EUR million (8,8% of revenues)
- Positive development of working capital continued
- Revenues of LED products increased by 35,1%

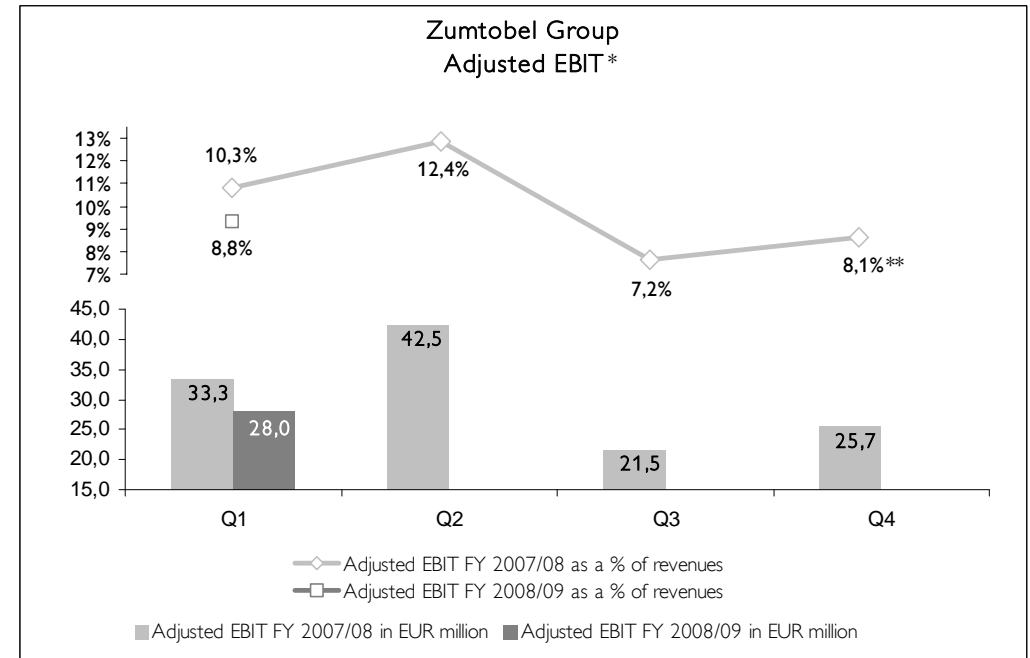


Zumtobel Group

FX adjusted growth of 1,8%



[] = FX - adjusted



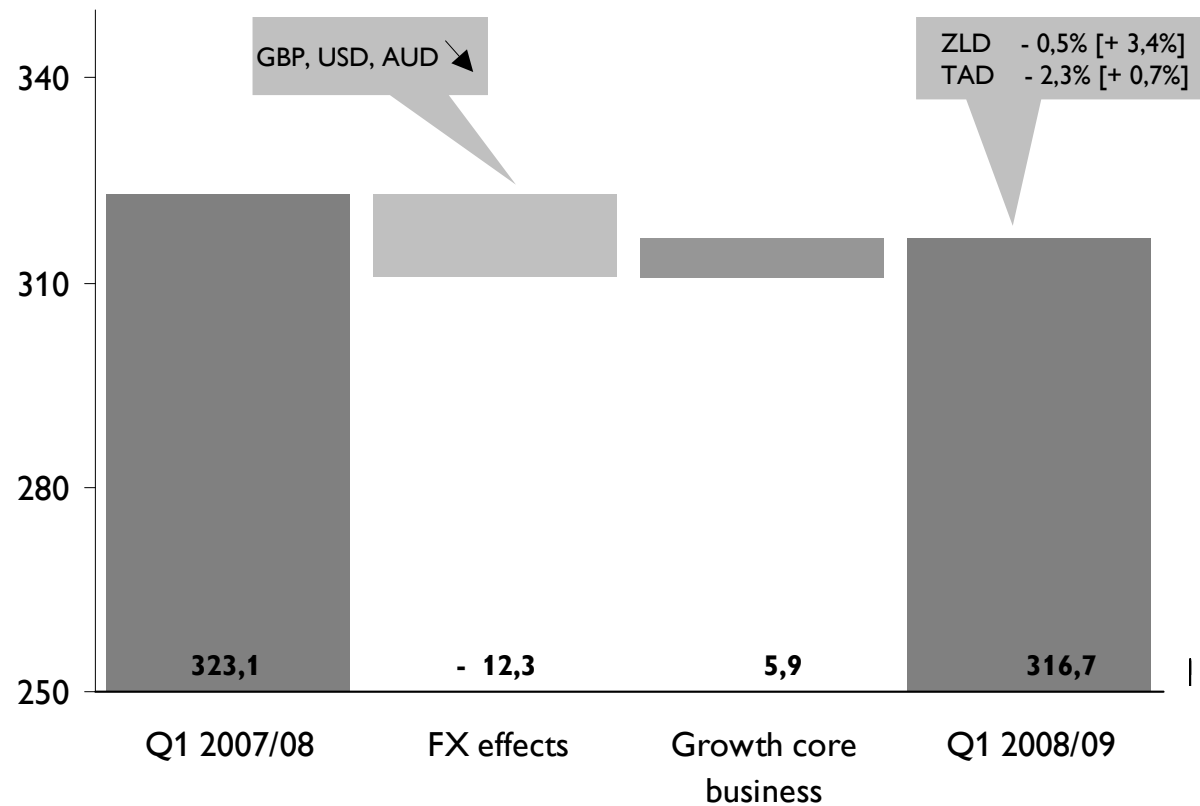
*) Reported EBIT adjusted for special effects

***) 9,6% adjusted EBIT margin FY 2007/08

Revenue development in Q1 2008/09

Strong Euro negatively affects revenue growth by 12,3 EUR million

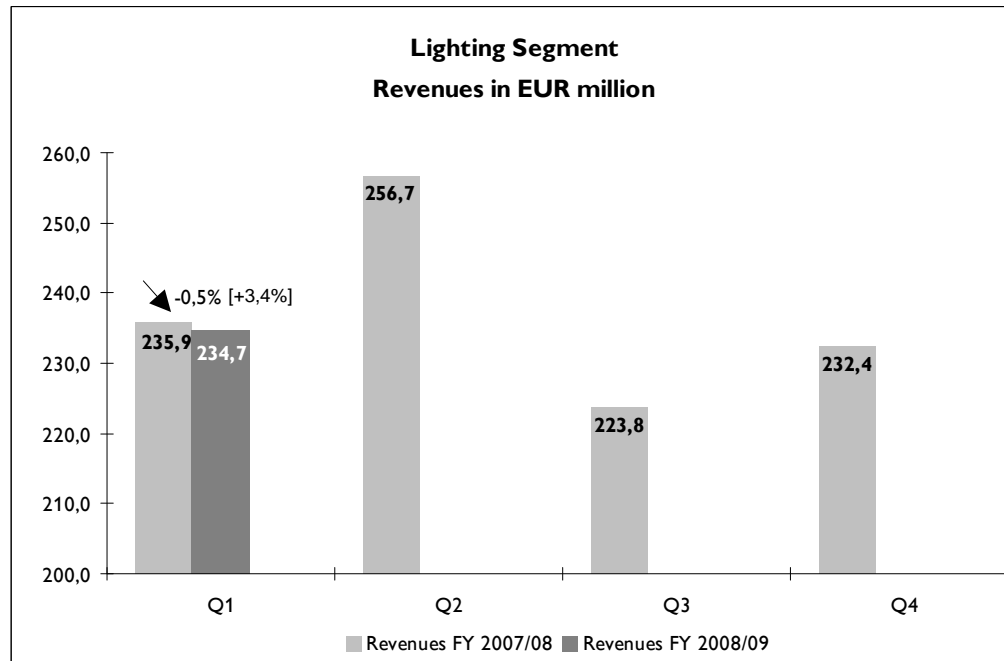
Development of revenues (in EUR million)



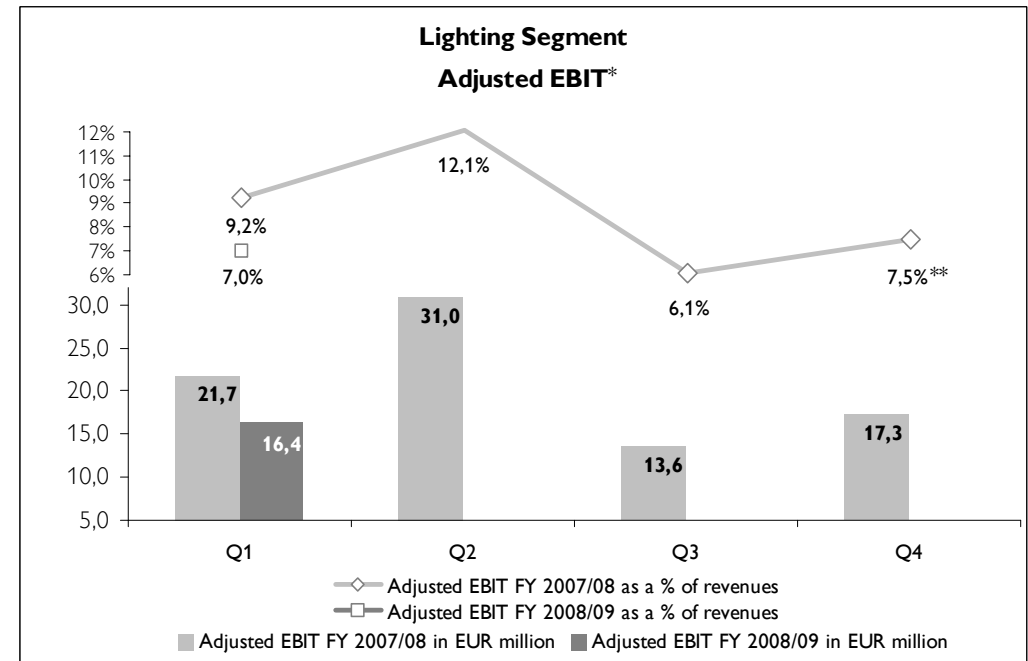
[] = FX - adjusted

Segment reporting

Lighting Segment with FX adjusted growth of 3,4%



[] = FX - adjusted

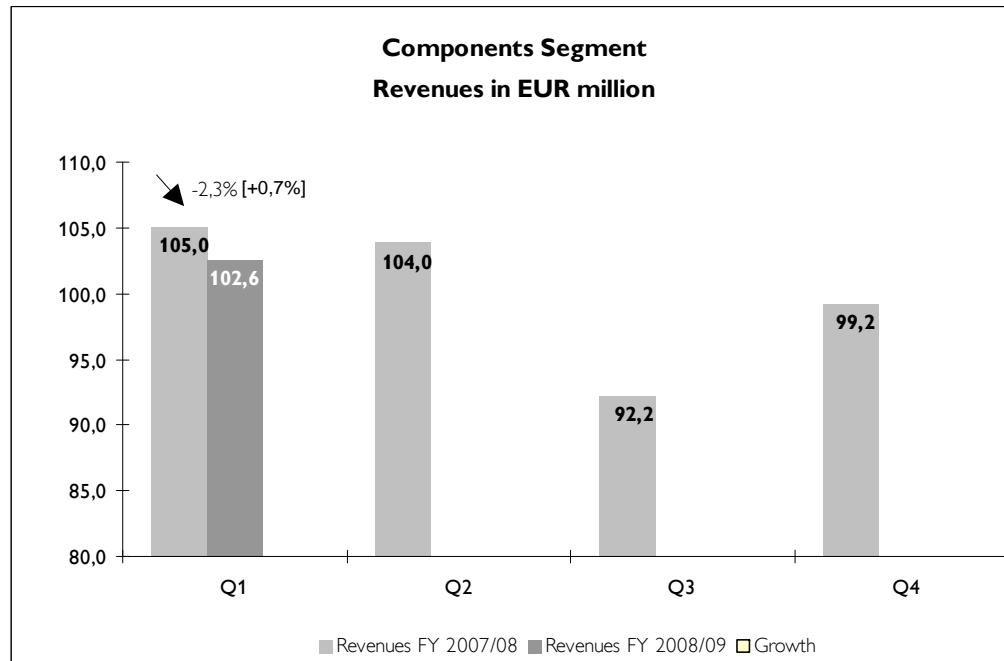


*) Reported EBIT adjusted for special effects

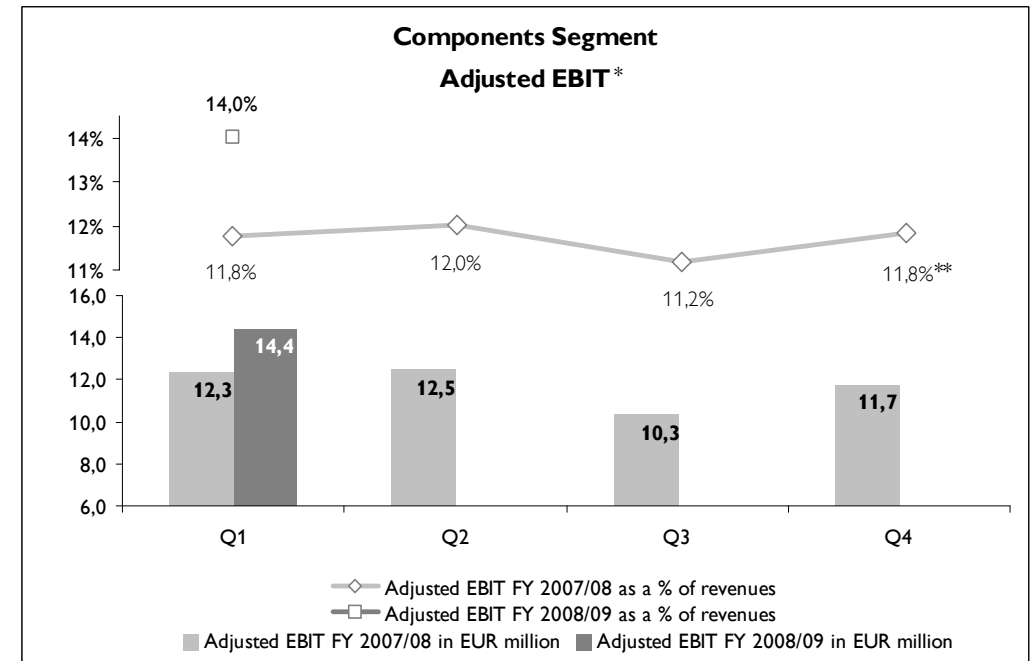
***) 8,8% adjusted EBIT margin FY 2007/08

Segment reporting

Components Segment with significantly improved profitability



[] = FX - adjusted



*) Reported EBIT adjusted for special effects

***) 11,7% adjusted EBIT margin FY 2007/08

Segment reporting: Regional trends

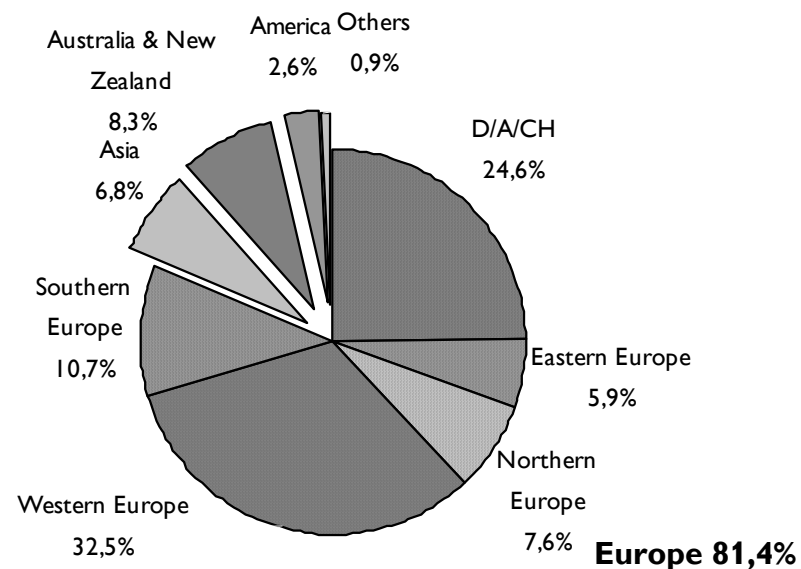
Accelerated growth in Emerging Markets

Q1 2008/09	Growth +- in %	Revenues in EUR million
D/A/CH	2,9	78,0
Eastern Europe	31,1	18,6
Northern Europe	6,1	24,2
Western Europe	-9,1	103,0
Southern Europe	-7,8	33,9
Europe	-2,0	257,7
Asia	5,5	21,6
Australia & New Zealand	-3,0	26,1
America	-16,1	8,2
Others	1,8	3,0
Total	-2,0	316,7

Growth drivers

- Strong growth in Eastern Europe +31,1%
- Back to growth in Asia +5,5%
- Solid growth in D/A/CH +2,9%
- FX adjusted growth in Europe +1,4%
- Increase of 35,1% in LED products

Distribution of regional revenues



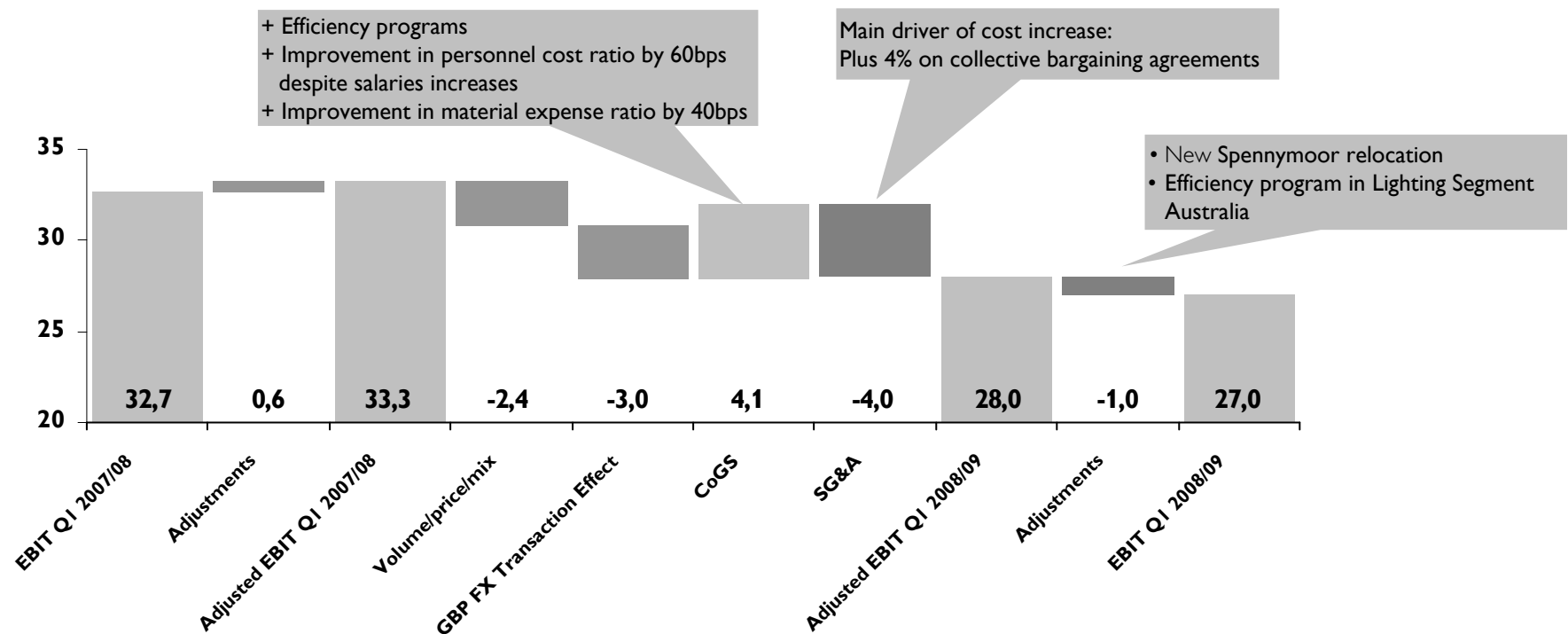
Growth issues

- Western Europe: Strong UK growth of 6% offset by currency impact
- Southern Europe: Components Segment impacted by slowdown in construction activities
- USA: 15% drop in the value of the US dollar
- Australia: FX adjusted growth of 0,8%

EBIT development in Q1 2008/09

Adjusted EBIT margin 8,8%

Development adjusted EBIT (in EUR million)



Income statement

Gross profit margin increased by 40bps

Income statement in EUR million	Q1 2008/09	Q1 2007/08	Change in %
Revenues	316,7	323,1	-2,0
Cost of goods sold	-195,4	-200,5	2,5
Gross profit	121,3	122,6	-1,1
<i>as a % of revenues</i>	38,3	37,9	
SG&A expenses adjusted for special effects	-93,2	-89,3	-4,4
Adjusted EBIT	28,0	33,3	-15,8
<i>as a % of revenues</i>	8,8	10,3	
Special effects	-1,0	-0,6	-73,8
EBIT	27,0	32,7	-17,4
Financial results	-10,0	-4,7	<-100
Profit before tax	17,0	28,0	-39,2
Income taxes	-3,0	-2,9	-6,5
Net profit for the period from discontinued operations	0,3	0,0	>100
Net profit for the period	14,3	25,1	-43,2
Depreciation and amortisation adjusted for special effects	10,2	10,1	1,7
Earnings per share (in EUR)	0,32	0,56	-42,9

Income statement effects below EBIT

Financial result

Financial result in EUR million	Q1 2008/09	Q1 2007/08
Interest expense	-8,9	-5,6
Interest income	1,1	0,8
Net financing costs	-7,8	-4,8
Other financial income and expenses	-2,6	-0,9
Profit/(loss) from associated companies	0,5	1,0
Financial results	-10,0	-4,7

- **Interest expenses impacted by one-off effect of 4,4 EUR million due to arrangement costs for the credit agreement**
- **Other financial income negatively influenced by market valuation effects of financial instruments**

Financial structure Zumtobel Group

New credit agreement secures long-term financing

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

Volume 480 EUR million

Simplification of financial covenants, debt cover ratio and equity ratio only

Release of former loan securities – negative pledge only

Sound credit rating reduces credit margin to 65 basis points

One-off negative effect of 4,4 EUR million on financial result for arrangement of the new financing

Usage of funds:

Part 1: 186 EUR million for refinancing the remainder of the Thorn acquisition loan

Part 2: 294 EUR million 'stand by' facility with free availability for

General financing purposes

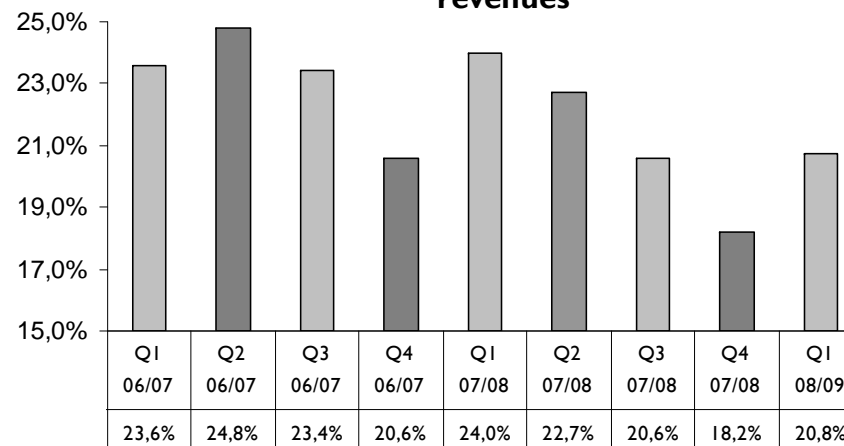
Financing of acquisitions

Balance sheet

Positive development of working capital

Balance sheet data in EUR million	31 July 2008	31 July 2007	30 April 2008
Total assets	1.135,8	1.147,0	1.105,9
Net debt	167,6	203,1	129,0
Equity	497,5	447,1	514,2
Equity ratio in %	43,8	39,0	46,5
Gearing in %	33,7	45,4	25,1
Average capital employed	655,4	648,5	650,2
ROCE in %	18,0	17,8	18,9
Investments	14,5	10,2	66,0
Working capital	264,9	300,7	232,9
As a % of rolling 12-month revenues	20,8	24,0	18,2

Working capital as a % of rolling 12-month revenues



Includes 3 EUR million fit-out costs New Spennymoor

Cash flow statement




Stable free cash flow despite lower operating results

in EUR million	Q1 2008/09	Q1 2007/08
Cash flow from operating results	34,2	41,5
Change in working capital	-28,4	-44,5
Change in other operating items	-10,7	-4,5
Taxes paid	-1,0	-1,5
Cash flow from operating activities	-6,0	-9,0
Proceeds from the sale of non-current assets	0,1	1,0
Capital expenditures	-14,5	-10,2
Cash flow from investing activities	-7,6	-4,6
FREE CASH FLOW	-13,6	-13,6
Change in net borrowings	3,0	0,9
Capital increases	0,0	0,0
Dividends	0,0	0,0
Cash flow from financing activities	-2,6	-3,4
CHANGE IN CASH AND CASH EQUIVALENTS	-16,0	-16,6




Performance Summary

Facing the challenges in a volatile environment

Old Europe (w/o CEE)

- Outgrow the market 
- Improve competitive cost position 
- Maintain efficient level of working capital 




New innovative technologies

- Strong growth in selected LED technology and applications 
- Increase of new product rate 
- Increase of revenues in energy-efficient products / systems 

Emerging Markets

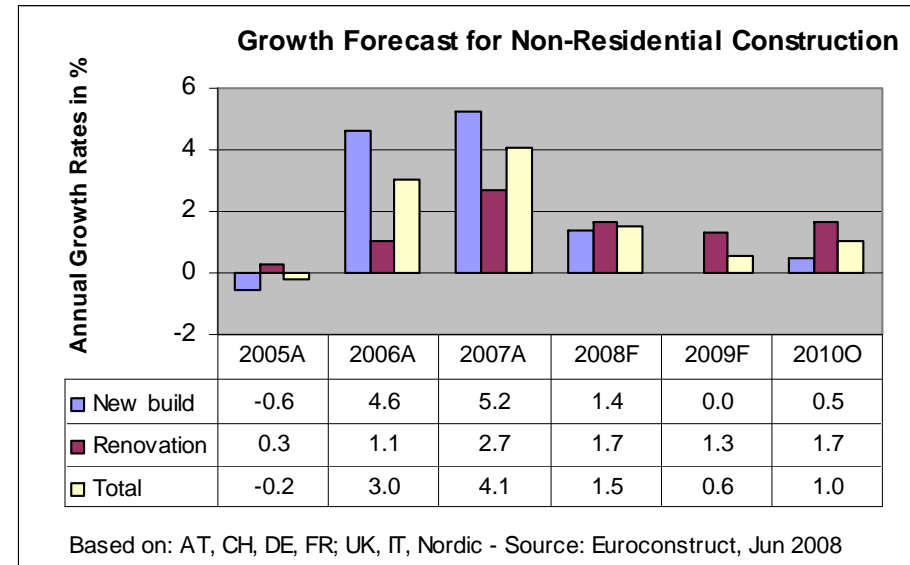
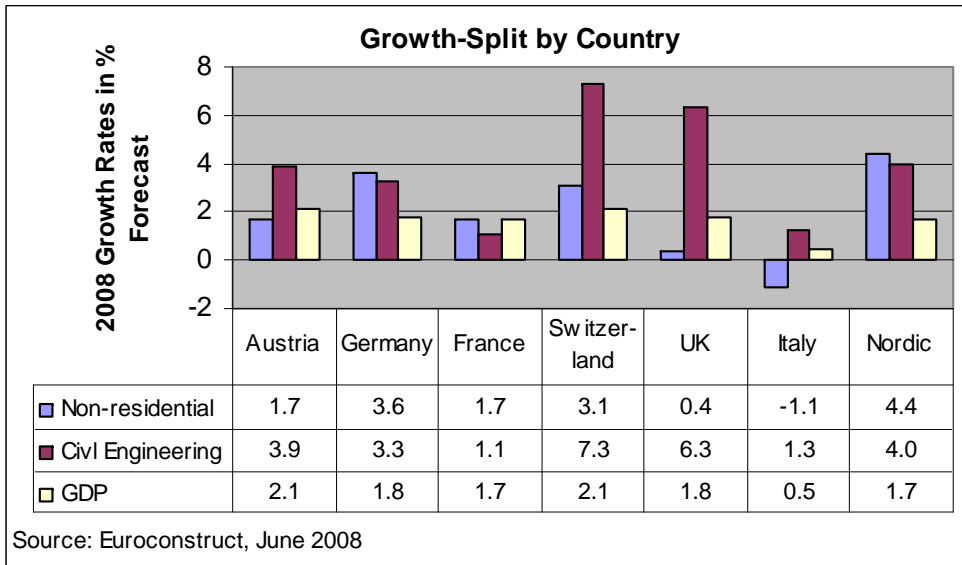
- Eastern Europe 
- Asia 
- Middle East 

Other activities

- Fix Australia 
- New Spennymoor 
- Share buyback 

Market environment – Euroconstruct

Declining growth rates in 2008 and 2009



Modest growth in European core markets :

- Z-7 Countries 2008: June 08: +1,5% (Nov. 07: +3,0%)
- Z-7 Countries 2009: June 08: +0,6% (Nov. 07: +2,1%)

Outlook 2008/09 / Mid-term targets

We stick to our targets despite more difficult environment

Outlook 2008/09

- **2-3% FX adjusted growth above relevant European markets**
- **EBIT margin of 8 to 9% expected**

Growth affected by:

- Increased uncertainty in market environment
- Volatile demand pattern
- Further translation effects in the second quarter of FY 2008/09

Profitability affected by:

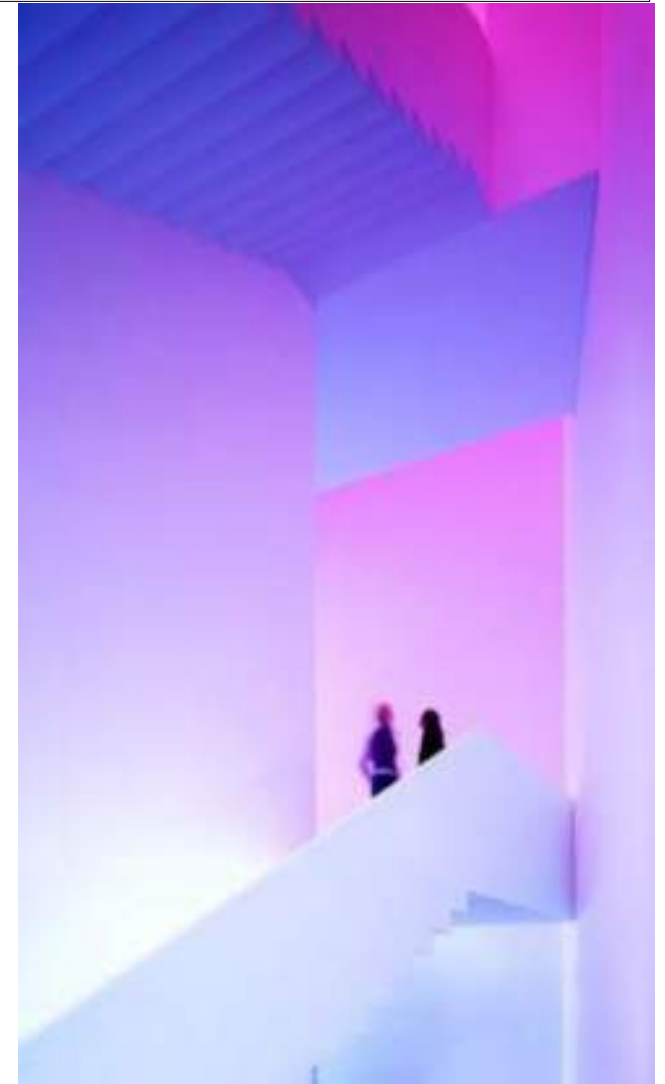
- Negative currency transaction effects of approx. 11 EUR million in FY 2008/09
- Rising material prices
- 4% increase of payroll costs

Mid-term targets 2010/11

- **Mid-term target of 1.5 EUR billion revenues**
- **Double-digit EBIT margin**
- **12% EBIT margin if favorable business environment returns ('blue sky' scenario)**

Financial calendar

- Tues. Dec. 09, 2008 Interim Financial Report 2008/09
(1 May 2008 – 31 October 2008)
- Thurs. March 12, 2009 3rd Quarterly Report 2008/09
(1 May 2008 – 31 January 2009)



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