

zumtobel group

**3rd Quarter Results
Zumtobel Group 2007/08**

18 March 2008

Q3 2007/08 key facts and figures

Further improvement in EBIT margin, growth more moderate

Zumtobel Group

Continuing growth

Zumtobel Group:

- Revenues: EUR 300.0 million (+1.5%)
- Negative FX impact of EUR 7.5 million
- LED activities > 100%

Zumtobel Lighting Division (+0.5%):

- Solid growth in Europe
- Continuing weakness in Asia

TridonicAtco Division (+3.9%):

- Continuous shift from magnetic to electronic ballasts
- Phase-out of copper effect

Increasing profitability

Zumtobel Group:

- EBIT: EUR 21.5 million (+5.4%)
- EBIT margin: 7.2% (+30bp)
- ROCE: 18.9% (+210bp)

Zumtobel Lighting Division:

- Underperformance in Australia
- New Spennymoor plant takes shape

TridonicAtco Division:

- Positive product mix and volume effect

Strong market position

Continuous investment in our brands

Energy efficiency initiative

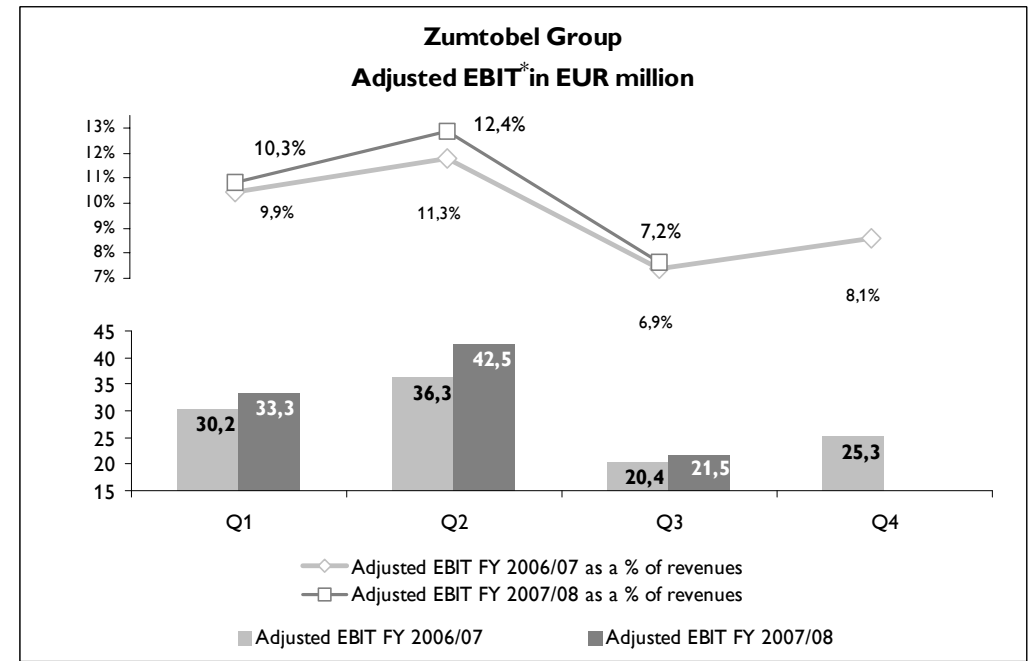
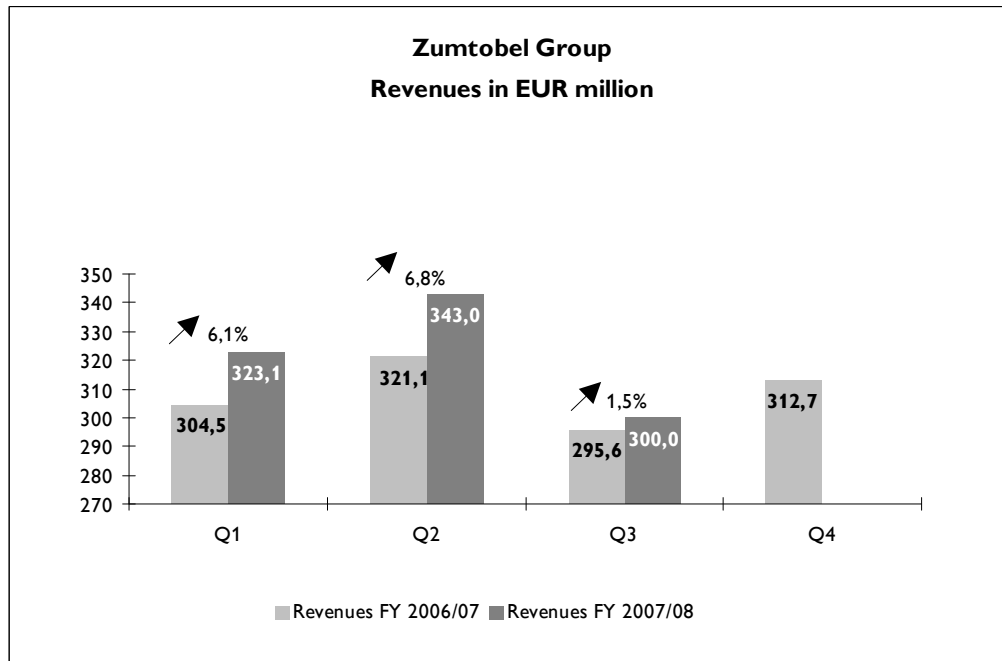
Zumtobel Brand

- Vienna Airport – largest order to date worth approximately EUR 9 million



Zumtobel Group

Typical seasonal revenues and adjusted EBIT

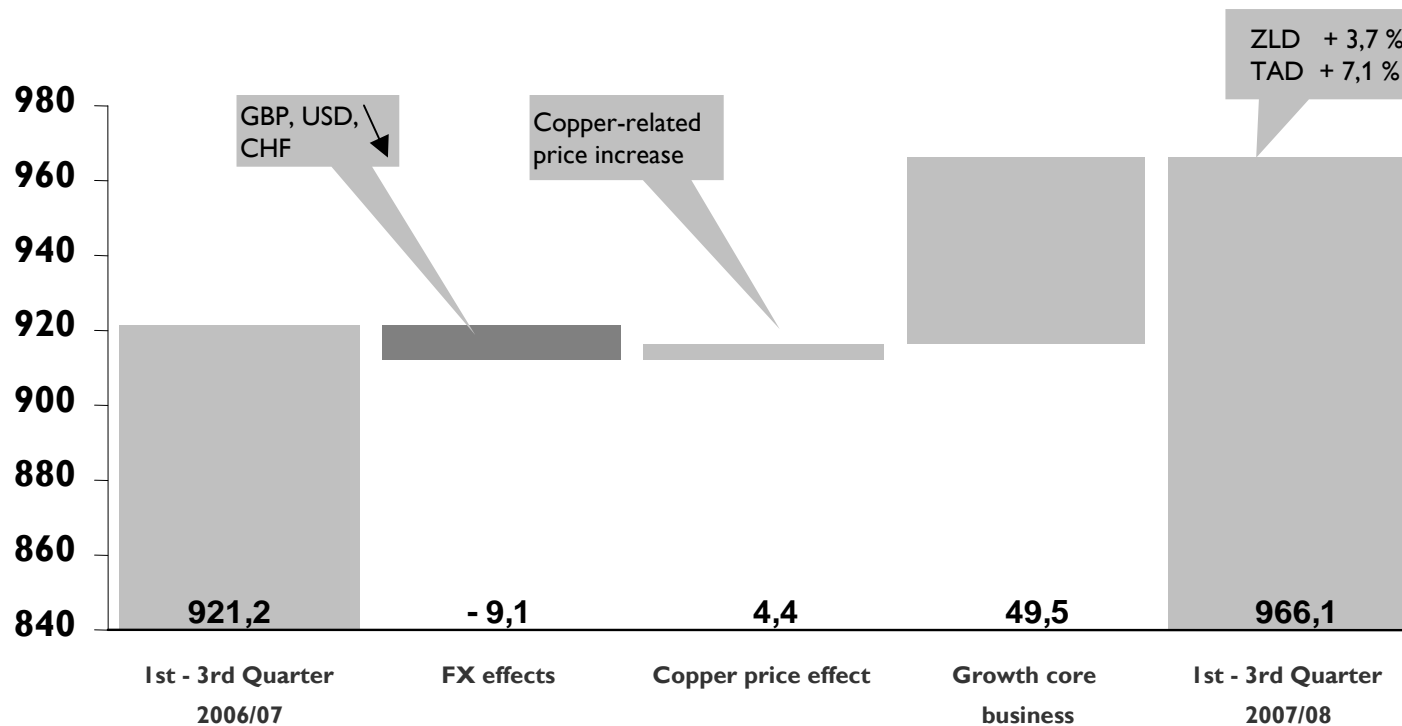


*) Reported EBIT adjusted for special effects

The comparable prior-year figures were adjusted to reflect the application of IFRS 5 and IAS 19

YTD revenue development

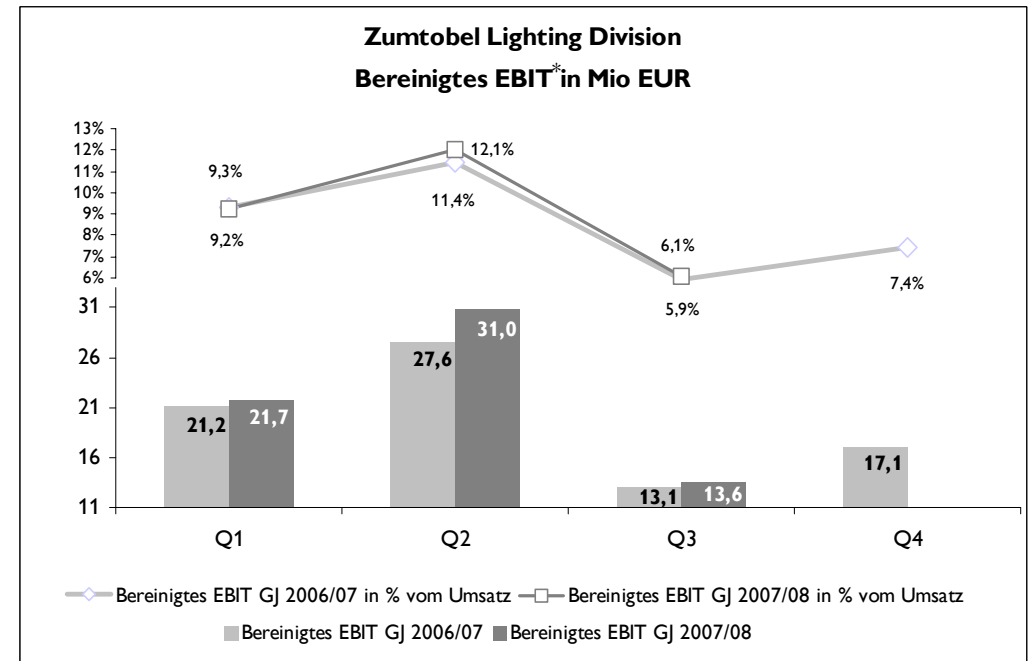
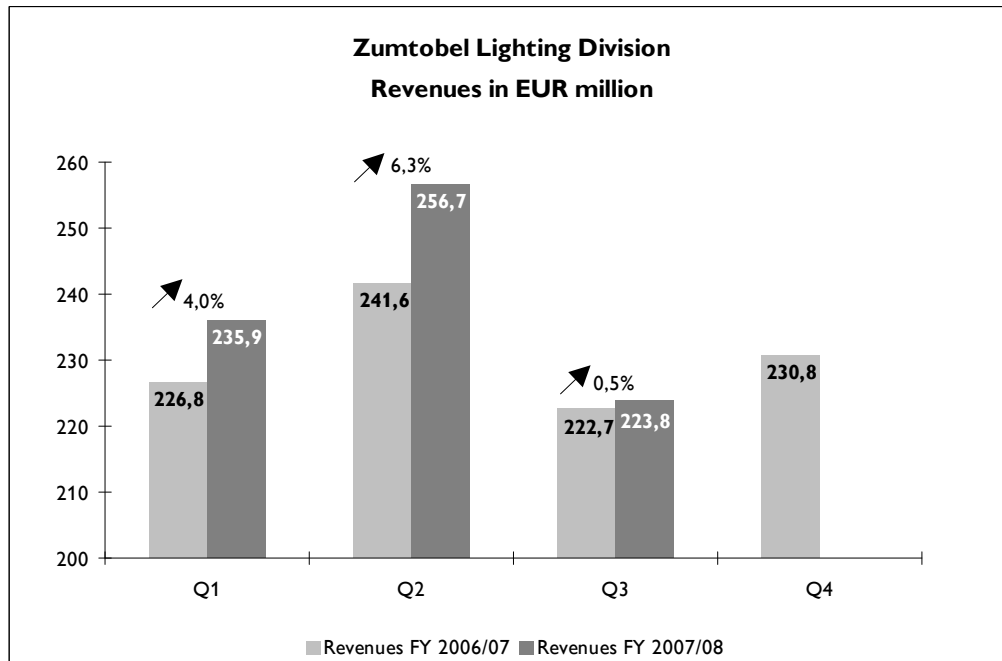
4.9% organic growth like-for-like, FX adjusted 5.9%



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Segment reporting

Zumtobel Lighting Division

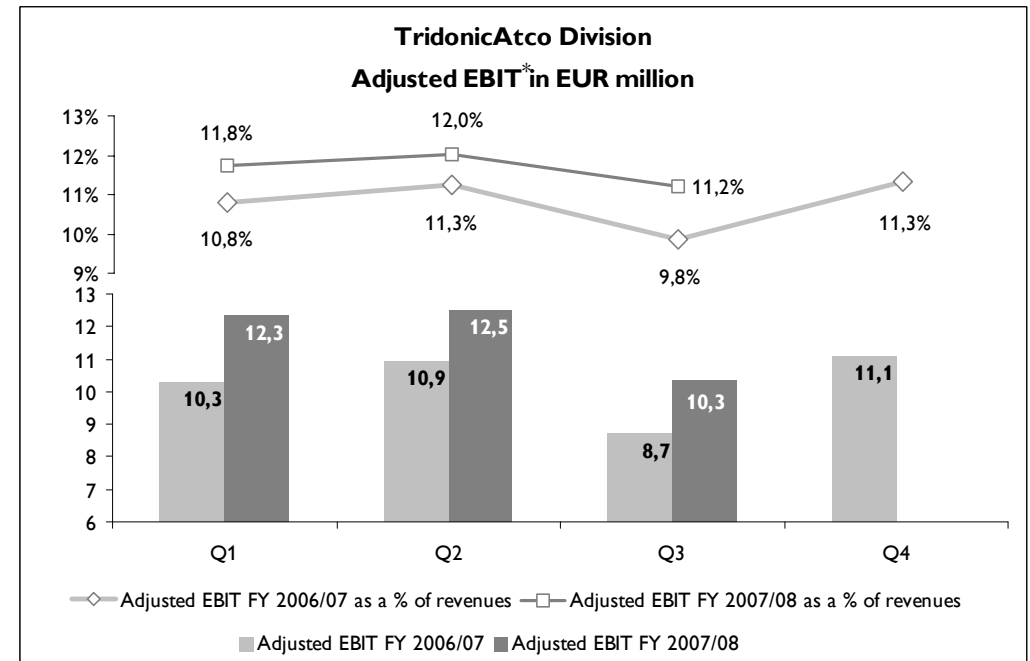
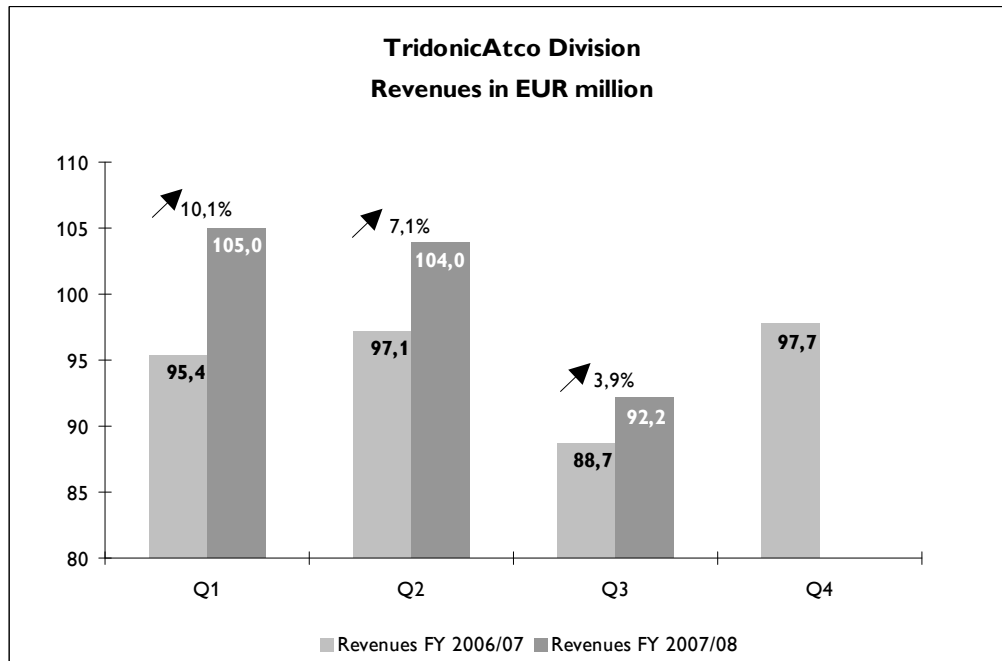


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Segment reporting

TridonicAtco Division



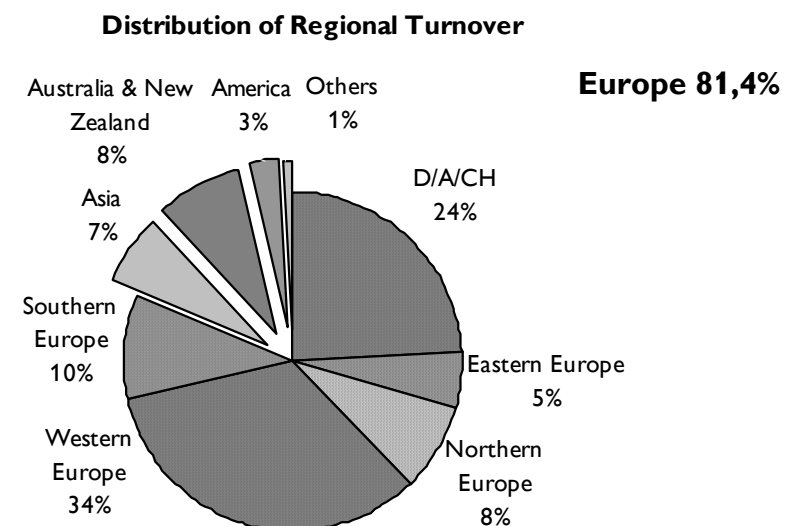
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Segment reporting: Regional trends

Solid growth in Europe

Distribution of Regional Turnover	3rd Quarter 2007/08	1st - 3rd Quarter 2007/08	
	Growth +- in %	Growth +- in %	Revenues in EUR million
D/A/CH	3,6	5,9	233,6
Eastern Europe	11,5	8,2	51,8
Northern Europe	2,8	5,2	79,3
Western Europe	0,5	7,8	323,9
Southern Europe	6,7	12,4	97,8
Europe	3,0	7,5	786,4
Asia	-8,4	-9,0	63,7
Australia & New Zealand	3,7	3,1	81,6
America	-13,2	-14,3	26,4
Others	-18,3	-19,7	8,0
Total	1,5	4,9	966,1



Growth drivers in 3rd quarter

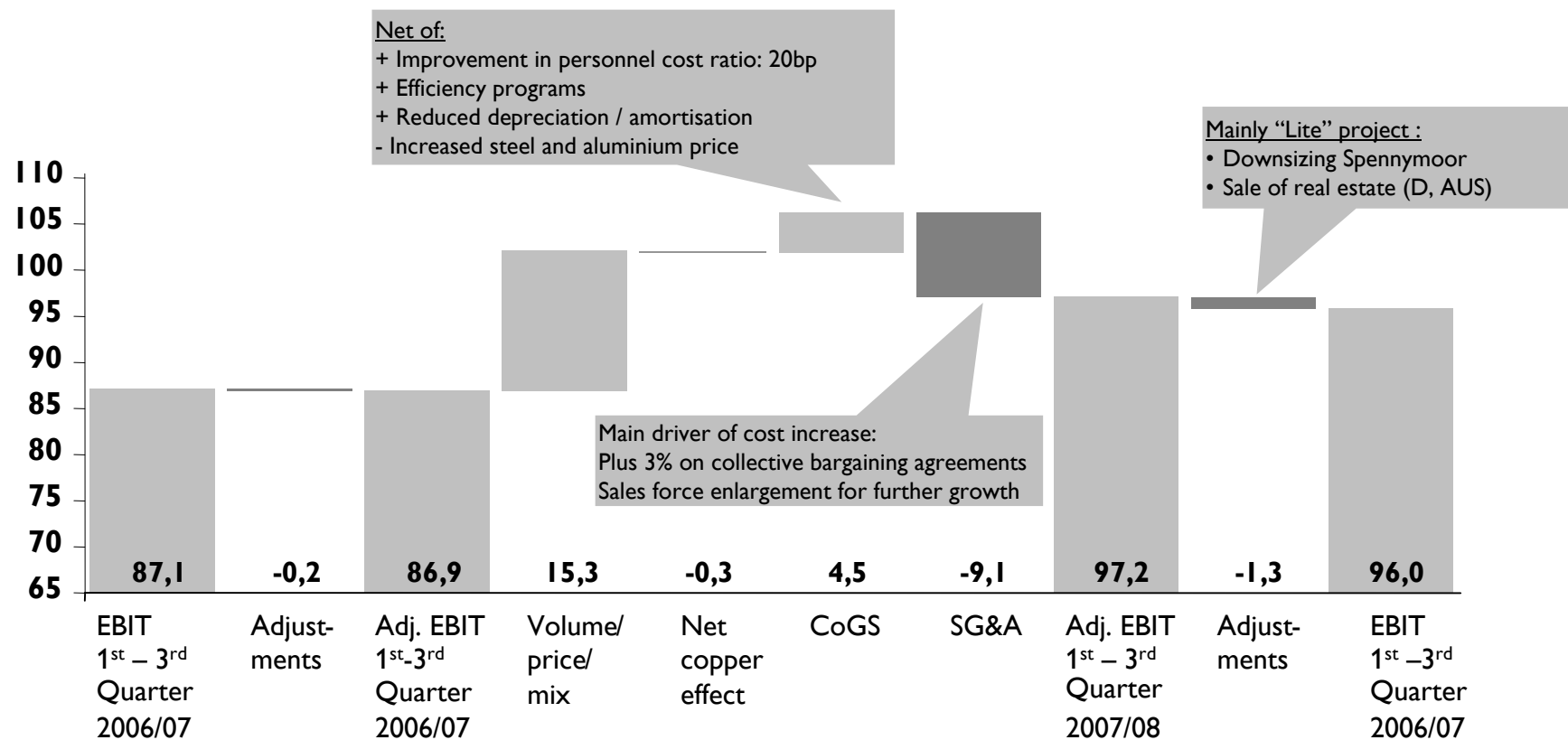
- Strong growth Eastern Europe (+11,5%)
- Solid growth in Europe, FX adjusted 5,4%
- Stable turnaround in Northern Europe
- LED activities: >100%

Growth issues

- Asia:
Disproportionate exposure to difficult markets in HK & Macao
Lack of big projects
- America:
Continuing difficult market conditions + strong translation impact
- Western Europe:
GBP depreciation depresses growth rate

YTD EBIT development

10.1% adjusted EBIT margin



The comparable prior-year figures were adjusted to reflect the application of IFRS 5 and IAS 19

Income statement

Comparable net profit rises by 18%

Income Statement in EUR million	3rd Quarter 2007/08	3rd Quarter 2006/07*	Change in %	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07*	Change in %
Revenues	300,0	295,6	1,5	966,1	921,2	4,9
Cost of goods sold	-189,7	-187,9	1,0	-599,0	-573,6	4,4
Gross profit	110,3	107,7	2,4	367,1	347,6	5,6
as a % of revenues	36,8	36,4		38,0	37,7	
SG&A expenses adjusted from special effects	-88,8	-87,3	1,7	-269,9	-260,7	3,5
Adjusted EBIT	21,5	20,4	5,4	97,2	86,9	11,9
as a % of revenues	7,2	6,9		10,1	9,4	
Special effects	-0,2	1,4	<-100	-1,3	0,2	<-100
EBIT	21,3	21,8	-2,5	96,0	87,1	10,1
Financial results	-6,2	-4,9	25,0	-18,4	-19,1	-3,4
thereof due to interest results	-4,7	-4,9	-4,4	-14,1	-17,5	-19,2
thereof due to foreign exchange gains and losses	-1,3	0,7	<-100	-4,9	0,0	<-100
Profit before tax	15,1	16,9	-10,5	77,5	68,1	13,9
Income taxes	-1,5	-0,9	65,9	-8,6	2,0	<-100
Net profit for the period from discontinued operations	0,0	0,1	-100,0	-0,2	9,5	<-100
Net profit for the period	13,6	16,1	-15,2	68,7	79,5	-13,6
thereof due to shareholders of the parent company	13,6	16,1	-15,7	68,3	79,3	-13,9
Basic earnings per share (in EUR)	0,31	0,36	-15,3	1,54	1,80	-14,7

Change -2,0 m€ in FX
and derivatives

One-time expenses:
-2,3 m€ breakage costs

Sale of Airfield
business

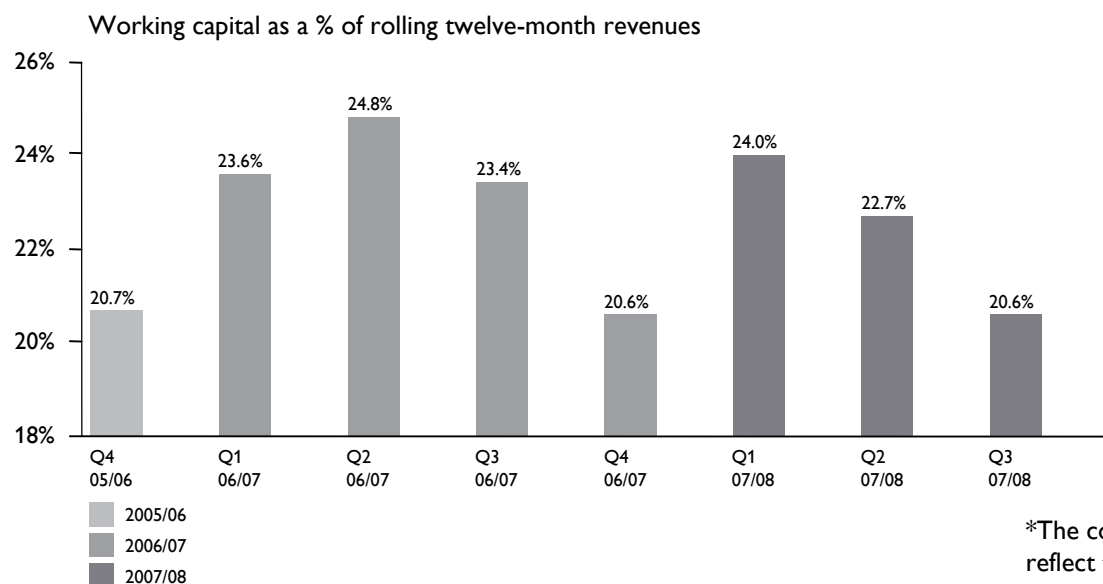
One-time effects:
Tax income 11,7m€ from deferred tax

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Balance sheet

Further improvement in working capital

in EUR million	31 January 2008	31 January 2007*	30 April 2007
Total assets	1.132,6	1.083,0	1.145,4
Net debt	161,4	213,2	185,7
Equity	485,0	437,4	441,6
Equity ratio in %	42,8	40,4	38,6
Gearing in %	33,3	48,7	42,1
Average capital employed	649,7	638,5	647,4
Investments	34,3	34,2	54,3
Working capital	263,0	286,9	253,7
As a % of rolling 12 month revenues	20,6	23,4	20,6



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Cash flow statement

Strong free cash flow generation

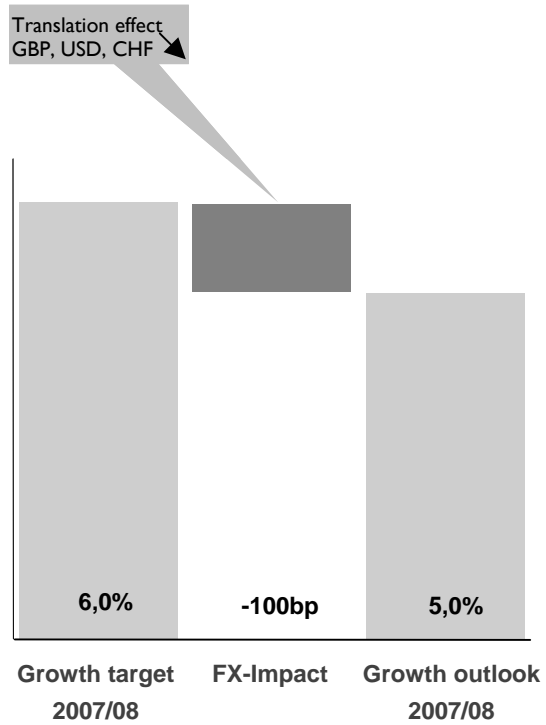
in TEUR	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07*
Cash flow from operating results	129.847	131.916
Change in working capital	-21.618	-47.578
Change in other operating items	-10.293	-24.748
Taxes paid	-6.046	-3.455
Cash flow from operating activities	91.890	56.135
Proceeds from the sale of non-current assets	7.806	-568
Capital expenditures	-34.326	-34.196
Change in non-current and current financial assets	5.996	-1.169
Change in liquid funds from changes in the consolidation range	0	4.603
Cash flow from investing activities	-20.524	-31.330
FREE CASH FLOW	71.366	24.805
Change in net borrowings	-16.522	-151.260
<i>thereof restricted cash</i>	<i>2.209</i>	<i>-1.875</i>
Capital increases	0	148.742
Dividends	-22.572	0
Share buyback	0	-14.194
Exercise of options	1.629	2.764
Interest paid	-13.192	-17.307
Cash flow from financing activities	-50.657	-31.255
CHANGE IN CASH AND CASH EQUIVALENTS	17.141	-5.861

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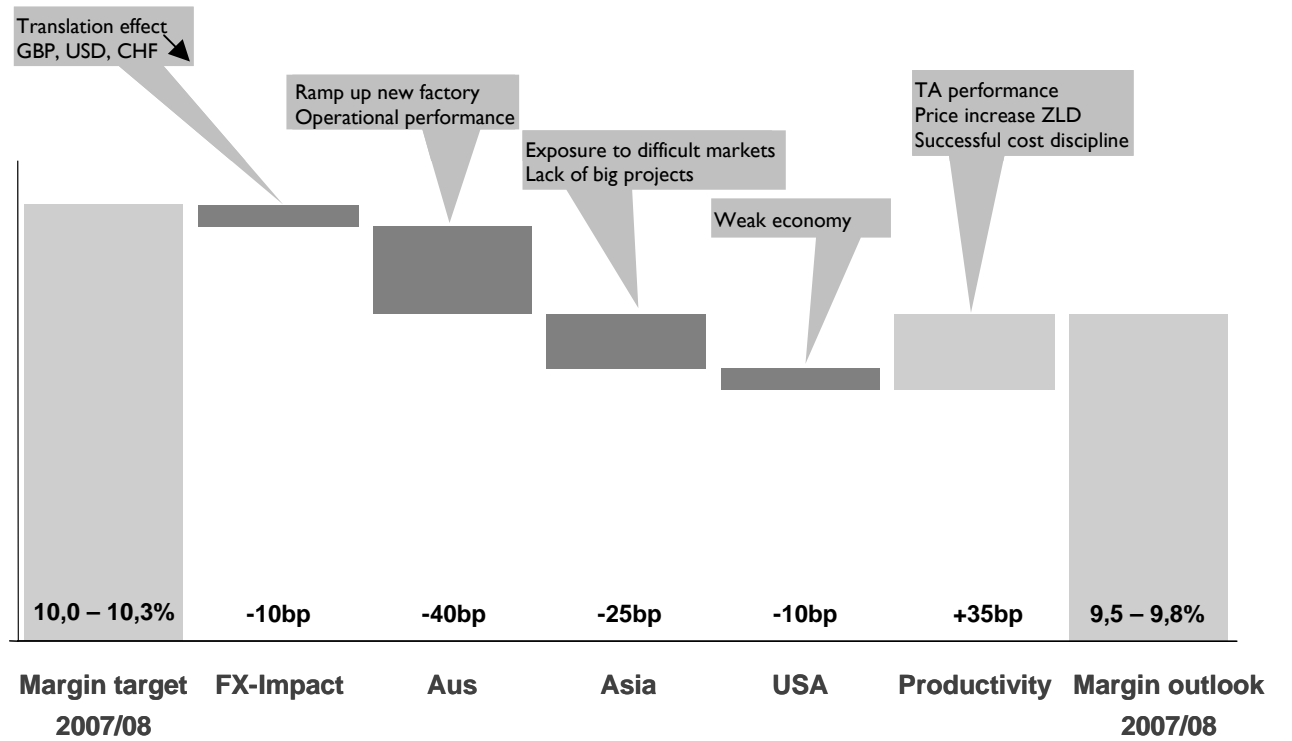
Outlook 2007/08

FX effect and overseas issues

Revenues



EBIT



Outlook 2008/09

Further growth in revenues and EBIT expected

Growth

- + Solid growth in Europe
- + Strong growth in Eastern Europe

- + Support from energy efficiency and reduction in CO₂ emissions

- + Dynamic LED growth

- + Continuous shift from magnetic to electronic ballasts

Margin expansion

- + Continuation of rationalisation
- + Further upgrading of Thorn brand

- Adverse effects of the present capital market turmoil

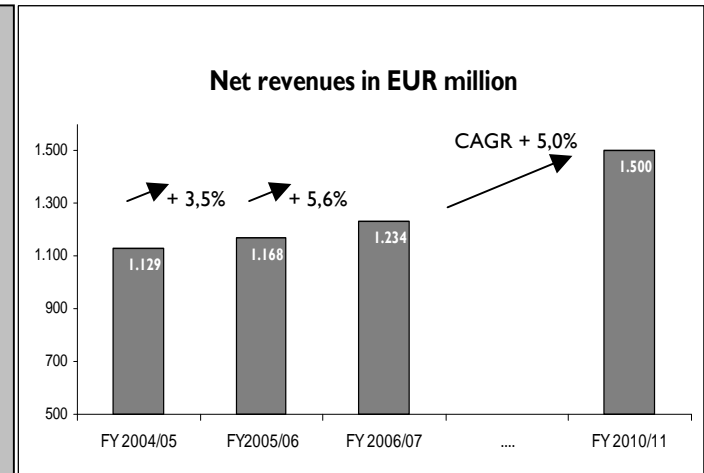
- Sharp year-on-year rise in currency transaction effects
- Higher payroll costs
- Rising material prices

Mid-term targets

We stick to our mid-term targets despite more adverse current conditions

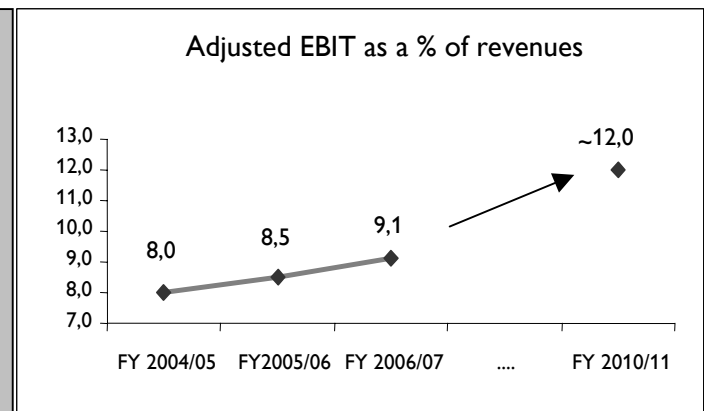
Growth targets

- Mid-term (FY 2010/11) target of EUR 1.5 bn
- Mid-term LED goal: > EUR 100 million revenues
- Additional upside from potential acquisitions



ROS targets

- FX and market conditions make margin expansion more difficult
- For the mid-term we confirm our target of a double-digit EBIT margin



Financial calendar

- Wed. April 09, 2008 Capital Market Day in Frankfurt (Germany)
- Mon. June 30, 2008 Annual Results 2007/08
- Tues. July 29, 2008 Annual Shareholders' Meeting
- Thurs. July 31, 2008 Ex-dividend day
- Mon. August 04, 2008 Dividend payout day
- Tues. Sept. 16, 2008 1st Quarterly Report 2008/09
(May, 01 - July, 31)
- Tues. Dec. 09, 2008 Interim Financial Report 2008/09
(May, 01 - October, 31)
- Thurs. March 12, 2009 3rd Quarterly Report 2008/09
(May, 01 - January, 31)



Back-up

'LITE' Project

Optimisation of real estate portfolio

Scope of LITE project

- Streamline balance sheet to pursue a more asset-light approach
- Free up cash from unnecessary real estate assets
- Eliminate facilities which are outdated or an ongoing cost burden

Use of proceeds

- Deleveraging
- Funding of acquisitions
- Funding of dividends

Financial impact spread until April 08

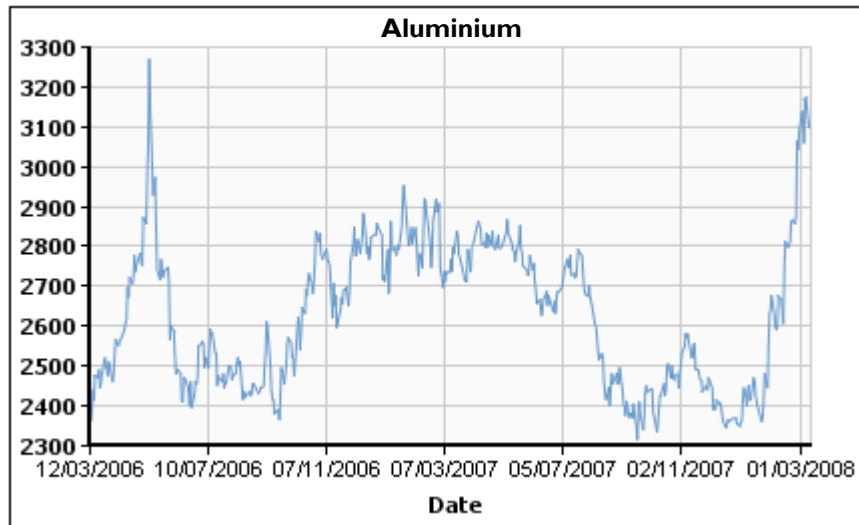
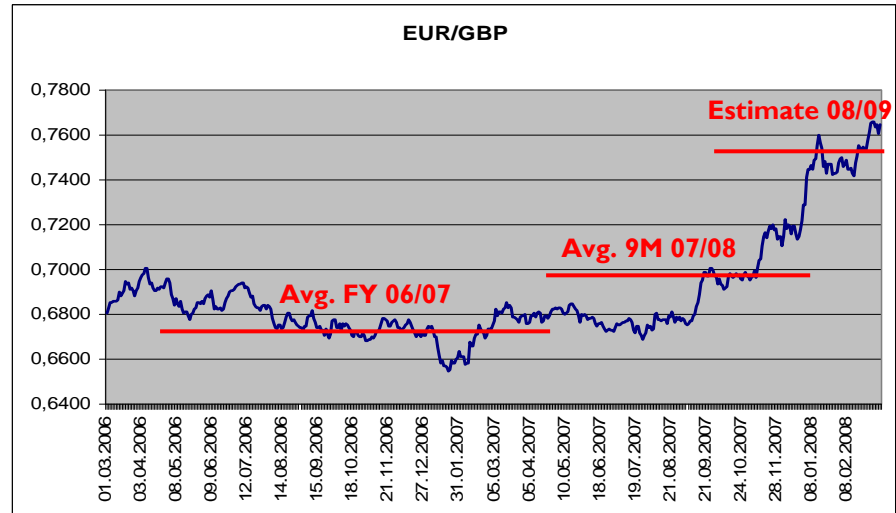
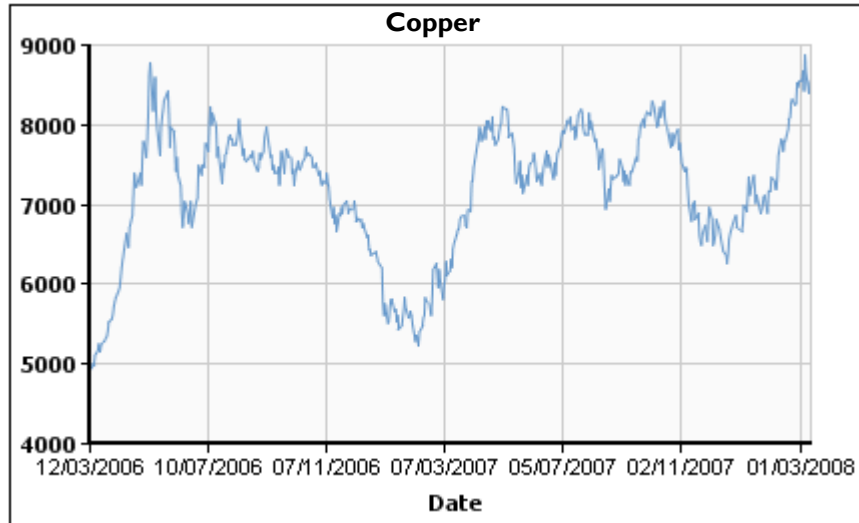
- Cash generated: 30m€ with upside
- One time EBIT impact : 20m€ with upside

in Mio €	country	cash	one time EBIT
Romford warehouse bought to terminate onerous lease contract and sold	UK	-6,5	-4,1
Dornbirn empty 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	D	0,7	0,4
Smithfield plant	AUS	5,8	2,2
Accounting effect Q1+ Q2 FY 2007/08		6,5	2,6

LITE Project was announced on October 27, 2006

Important changes in assumptions affecting FY 08/09

Negative development in currencies, copper, aluminium, plastic, steel ...



Further cost pressure from

- Collective bargaining agreements (~4%)
- Price increase for plastics (i.e. oil price)
- Steel price

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