

# Quarterly Report of Zumtobel AG

1 May 2008 to 31 January 2009



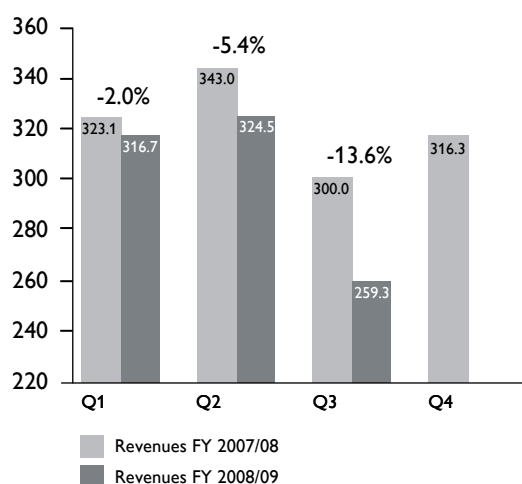
# Overview of the Third Quarter

- >> Significant deterioration in economic environment influences the seasonally weak third quarter
- >> Revenues decline by 9.5% after adjustment for foreign exchange effects
- >> Foreign currency effects reduce revenues by more than EUR 12 million (1st-3rd quarter: EUR 35 million)
- >> Adjusted EBIT margin falls from 10.1% to 6.9% during the first nine months
- >> Positive development of working capital continues
- >> Revenues from the sale of LED-based products grow by more than 20% in the third quarter (1st-3rd quarter: plus 30%)

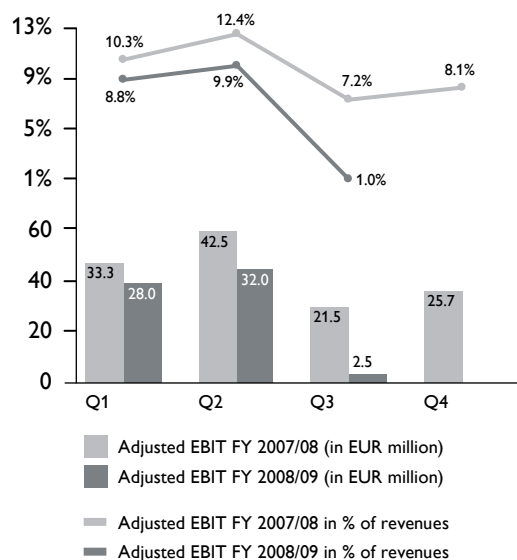
Key Data in EUR million	Q3 2008/09	Q3 2007/08	Change in %	Q1-Q3 2008/09	Q1-Q3 2007/08	Change in %	Full Prior Year 2007/08
Revenues	259.3	300.0	(13.6)	900.5	966.1	(6.8)	1,282.3
Adjusted EBITDA	13.3	31.1	(57.4)	94.5	126.4	(25.3)	162.2
<i>as a % of revenues</i>	5.1	10.4		10.5	13.1		12.7
Adjusted EBIT	2.5	21.5	(88.3)	62.6	97.2	(35.7)	123.0
<i>as a % of revenues</i>	1.0	7.2		6.9	10.1		9.6
Net profit for the period	(4.0)	13.6	<(100)	38.1	68.7	(44.5)	93.5
<i>as a % of revenues</i>	(1.5)	4.5		4.2	7.1		7.3
Total assets				1,071.2	1,132.6	(5.4)	1,105.9
Equity				479.0	485.0	(1.2)	514.2
<i>Equity ratio in %</i>				44.7	42.8		46.5
Net debt				205.5	161.4	27.3	129.0
Cash flow from operating results				101.4	129.8	(21.9)	166.0
<i>ROCE in %</i>				13.3	18.9		18.9
Investments	15.1	11.8	27.4	45.4	34.3	32.2	66.0
<i>as a % of revenues</i>	5.8	3.9		5.0	3.6		5.1
Headcount incl. contract worker (full-time equivalent)				7,575	7,911	(4.3)	7,908

## The seasonal development of business

Revenues (in EUR million)



Adjusted EBIT



# Letter to Shareholders

Dear Shareholders,

The full impact of the global financial crisis and its spread to the real economy reached the Zumtobel Group during the third quarter of the 2008/09 financial year. Business remained near the prior quarter level in November and December, but an increasingly difficult market environment and extended Christmas holidays triggered a substantial drop in business during January. In contrast to earlier economic downturns, we have noted that lighting industry customers are now reacting much faster to the uncertain market situation with reduced demand. We are seeing an increased number of postponed and cancelled projects in the Lighting Segment as well as inventory reductions by many customers in the components business. These developments led to a 13.6% decline in revenues for the third quarter (1 November 2008 to 31 January 2009). The Zumtobel Group recorded revenues of EUR 900.5 million for the first nine months of 2008/09, which represents a decrease of 6.8%. More than half of this decline – namely EUR 35.4 million – was caused by negative foreign exchange effects, above all from the weak British Pound and Australian Dollar. The consequences for the Lighting Segment were particularly strong with a 7.2% decline in revenues to EUR 664.8 million for the first three quarters, or 3.6% after foreign exchange effects. The Components Segment reported a decrease of 5.6% to EUR 284.3 million, or 2.4% after foreign exchange effects. In contrast, revenues from the sale of LED-based products still rose by 30% during the first nine months.



Andreas Ludwig



Thomas Spitzenpfeil

Earnings for the reporting period were clearly influenced by the decline in revenues and by special effects. The sale of the former plant location in the British town of Spennymoor made a non-recurring contribution of EUR 17.5 million to EBIT. However, this income was contrasted by restructuring costs of EUR 10.7 million, above all from the efficiency improvement programme that was initiated during the second quarter, as well as impairment charges of EUR 6.3 million to goodwill. The Zumtobel Group generated adjusted EBIT of EUR 62.6 million for the first three quarters, which is roughly one-third less than the record prior year value. Foreign exchange effects from the GBP had a negative effect of roughly EUR 9 million on earnings. Accordingly, the return on sales fell from 10.1% to 6.9%. The weak development of sales, higher costs for the development and expansion of LED activities and negative currency transaction effects led to a sharp drop in adjusted EBIT to EUR 2.5 million for the third quarter. Against the backdrop of this difficult economic environment, management is focusing on free cash flow, working capital and the balance sheet structure. These efforts were reflected in a reduction of net current assets – not only as an absolute value to roughly EUR 230 million (prior year: EUR 263.0 million) but also as a percentage of revenues to 19.2% (prior year: 20.6%). At the same time the equity ratio improved from 42.8% to 44.7%, which places the company in a good position to face the global recession.

## Protection of liquidity and free cash flow

The Zumtobel Group expects the operating environment will remain extremely difficult during the 2009 calendar year. The programme initiated during the past quarter to reduce structural costs should lead to savings of roughly EUR 25 million in 2009/10. The implementation of measures to reach this goal is proceeding as planned at all levels and locations throughout the Group. As a reaction to the unexpected strong drop in revenues, additional steps have been taken to adjust cost to reflect the decline in sales volumes. The goal is to adjust the overall cost structure of the Zumtobel Group as quickly as possible to meet the challenges posed by difficult markets and the development of sales volumes and to still hold free cash flow at a positive level, even under these difficult conditions.

Andreas J. Ludwig  
Chief Executive Officer

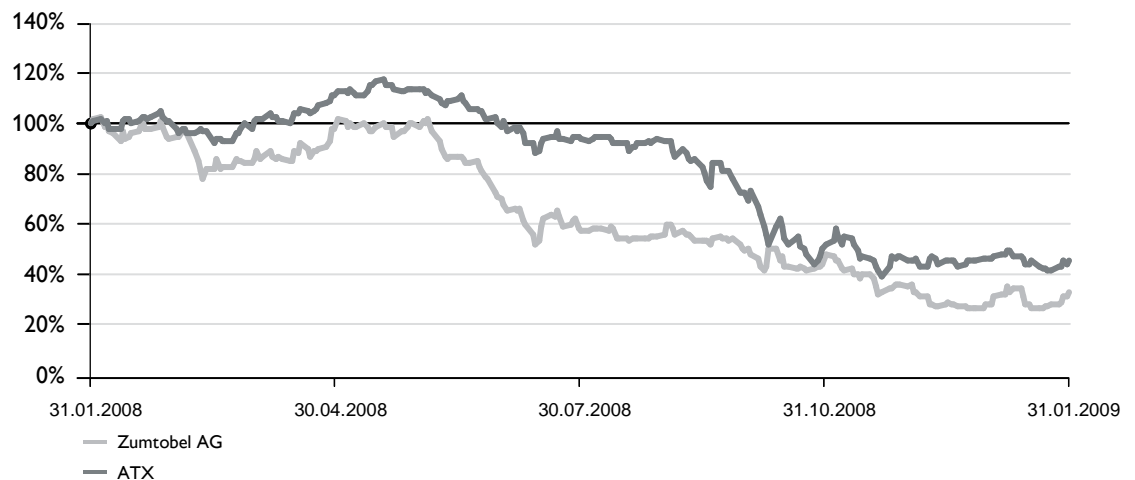
Thomas Spitzenpfeil  
Chief Financial Officer

## The Zumtobel Share

The extremely weak economic environment also had a negative effect on international stock exchanges during the third quarter of the 2008/09 financial year (1 November 2008 to 31 January 2009). The leading European index, the Euro STOXX50, fell by 14% during this period. The Vienna Stock Exchange was unable to detach from the unfavourable global developments, and was also negatively affected by the reserved attitude of international investors towards the CEE countries – a region where Austrian companies, and above all Austrian banks, have developed a very strong presence. The leading Austrian ATX (Austrian Traded Index), which also includes Zumtobel, recorded a decline of 13%. This downward spiral had a particularly strong effect on banks as well as smaller and mid-sized corporations because of their limited market liquidity. As a result, the Zumtobel share fell by more than 30% during the third quarter. The share price reached a high of EUR 9.45 on 3 November 2008 and closed the reporting quarter at EUR 6.54. Over the 12 months from 31 January 2008 to 31 January 2009 the ATX registered a decline of 55%. In comparison, the Zumtobel share traded 67% below the level on 31 January 2008. In addition to the weak market environment, the performance of the Zumtobel share was also negatively influenced by the above-average downturn in the construction industry and related sectors.

The market capitalisation of the Zumtobel Group fell below EUR 300 million at the end of January 2009, based on an unchanged number of shares (44.7 million). Free float declined to 61.4% at the end of the reporting period as a result of the share buyback programme, and the Zumtobel family continues to hold a stake of 34%.

Development of the Zumtobel Share



### Key Data on the Zumtobel Share for the 3rd quarter

Closing price at 30.04.08	€ 19.64	Currency	EUR
Closing price at 31.01.09	€ 6.54	ISIN	AT0000837307
Performance Q1-Q3 2008/09	(66.7)%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Performance since IPO	(68.1)%	Market segment	Prime Market
Market capitalisation at 31.01.09	€ 292 Mio	Reuters symbol	ZUMV.VI
Share price - high at 02.05.08	€ 20.49	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	146,128	Datastream	O:ZAG
Free float	61.4%	Number of issued shares	44,704,344

# Group Management Report

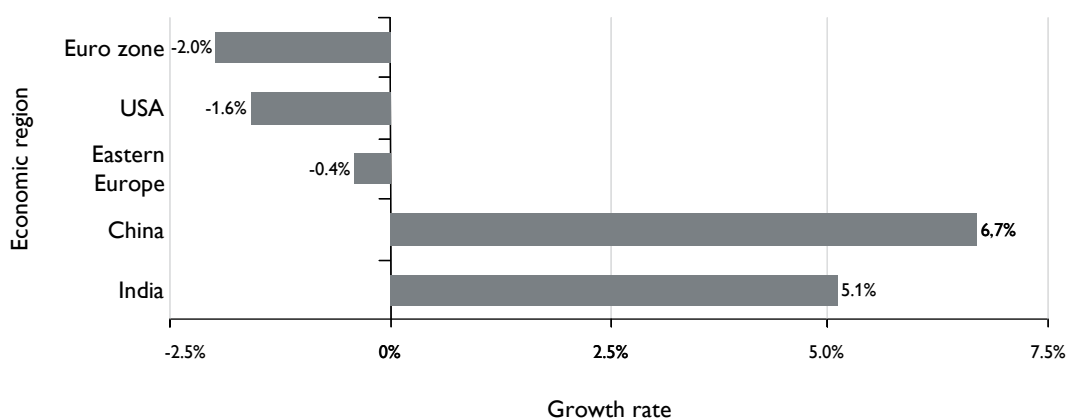
## The Economic Environment

### Global economy in deep recession

The third quarter brought a further significant deterioration in macroeconomic conditions. Economic forecasts are also connected with an unusually high degree of uncertainty, and nearly daily revisions to these reports make it clear that the crisis has not yet bottomed out. The February 2009 report by the International Monetary Fund (IMF) included an estimate of 0.5% for global growth in 2009, which represents the deepest recession since the end of World War II. According to the EU Commission, the economic and financial crisis has triggered an unparalleled slump in demand across all industrial sectors in Europe – but the extent and speed of this crisis are completely new. The stabilising effects of falling raw material prices, the economic recovery programmes started by many governments and substantial cuts in interest rates by numerous central banks are not expected to provide positive impulses before the second half of the year – if at all. The traditional industrial nations (USA, Eurozone, Japan, UK, and Canada) are facing a decline of 2.0% in economic momentum according to the IMF. The gross national product is forecasted to decline by 1.6% in the USA, by -2.6% in Japan and by 2.0% in the Eurozone. Germany, the worldwide number 1 in exports, has been hit particularly hard by the weakening global trade, and is expected to record a drop of 2.5% in gross national product. A decline in economic indicators is also predicted for the other D/A/CH countries of Austria and Switzerland as well as the rest of Western Europe. The collapse of the financial sector has had an especially strong impact in Great Britain, where the IMF is expecting a drop of 2.8%. Another important factor is the development of the Pound, which lost substantial value in 2008.

The positive development recorded in Central and Eastern Europe during recent years has come to a halt, and the IMF is forecasting a decline of 0.4% in economic growth for the entire East European region in 2009. Russia has been affected to a significant degree by the slump in raw material and energy prices. Other emerging countries that have recorded dynamic growth in recent years are also beginning to feel the effects of the global crisis. The IMF is still forecasting an increase of 6.7% for China as a direct consequence of massive government support for investments in these countries and 5.1% in India.

Economic development outlook for 2009



As a result of the economic crisis and significantly slower growth in commercial construction on all major markets, the Zumtobel Group expects a noticeable decline in the demand for lighting solutions, luminaires, light management systems and lighting components.

## Significant events since 30 April 2008

### Acquisition in new areas of application

The acquisition of SpaceCannon, which was announced in April 2008, was consolidated in the Group financial statements as of 5 May 2008. SpaceCannon is specialised above all in LED-based lighting solutions for exterior, facade and event lighting.

### New credit agreement secures long-term financing

On 12 June 2008 a five-year credit arrangement was concluded with a consortium of seven banks. This credit has a total volume of EUR 480 million, whereby EUR 186 million were used to refinance existing liabilities. The remaining line of credit equals EUR 294 million and is available for use at the discretion of the company.

### Sale of former plant location in Spennymoor / UK

A legally binding contract was signed with a British property developer on 8 December 2008 for the sale of the former plant location in the North English town of Spennymoor. The sale price totals GBP 20.4 million and is payable in five annual instalments of GBP 4.0 million each; the first payment was received as agreed at the beginning of March 2009. The full payment of the purchase price is secured by way of legal charge over the property in favour of Thorn Lighting Limited. This sale represents the final step in the "LITE" project, which was started in October 2006 to optimise the property portfolio of Zumtobel Group.

### Conclusion of share buyback programme

Zumtobel AG concluded its share buyback programme on 18 December 2008. A total of 1,943,555 shares, or 4.35% of share capital, were purchased on the Vienna Stock Exchange during the period from 11 August 2008 to 18 December 2008 at an average price of EUR 8.91 per share. No further buybacks are planned for the time being.

### New lighting plant in Spennymoor opened

Operations at the new lighting plant in Spennymoor / UK started during February 2009. The new production building has 40,000 m<sup>2</sup> of space, and includes a lighting plant for the Thorn Brand and a components plant for TridonicAtco as well as a new customer and training centre (Thorn Academy of Light).

There are no other significant events to be reported.

## Related Party Transactions

Closely related persons include the Management Board and Supervisory Board of Zumtobel AG. As of the closing date for the interim financial statements on 31 January 2009, there were no business transactions with closely related persons.

The Group has concluded supply and delivery agreements with associated companies and joint ventures, which reflect third party conditions.

## Revenues

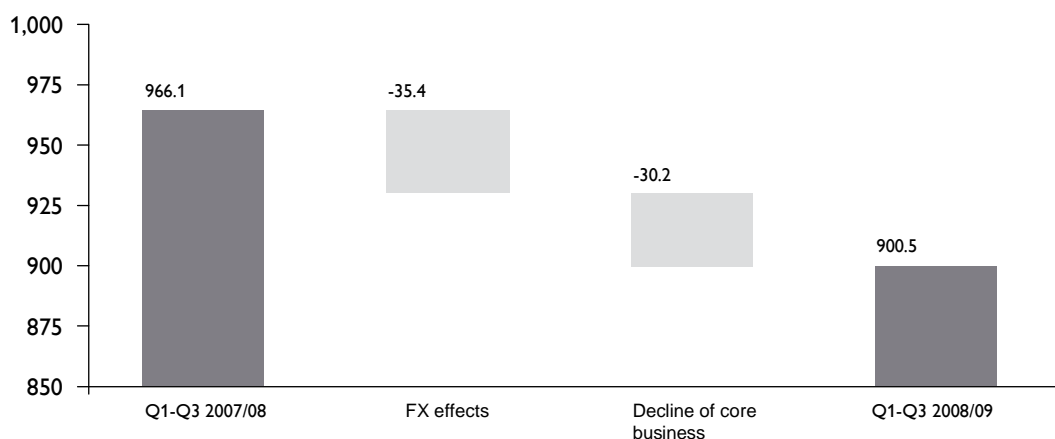
- >> Revenues decline by 3.1% after adjustment for foreign exchange effects
- >> Growth of approx. 30% in revenues from LED-based products
- >> Markets increasingly affected by recession

Group revenues for the first nine months of the 2008/09 financial year (1 May to 31 January 2009) declined by 6.8% to EUR 900.5 million (prior year: EUR 966.1 million). This development resulted in part from negative currency translation effects of EUR 35.4 million, which represent 3.7% of revenues. After an adjustment for these effects, revenues for the first nine months were 3.1% less than in the comparable prior year period. The third quarter was influenced by a significant downturn in growth on the major markets for the Zumtobel Group, with revenues declining 13.6% in relation to the third quarter of 2007/08 (- 9.5% after FX adjustments).

**Revenues decline by 3.1% after FX effects**

These currency translation effects were related to the strong rise in the value of the Euro, in particular with respect to the British Pound (GBP) and the Australian Dollar (AUD): The increase in the value of the Euro over the comparable prior year period was responsible for a reduction of 15.2% or EUR 27.4 million in revenues denominated in the British Pound and 9.5% or EUR 6.9 million in revenues denominated in the Australian Dollar, based on the respective average exchange rates. Additional negative effects resulted from a decline in the value of revenues recorded in the New Zealand Dollar (NZD), US Dollar (USD) and Swedish Krone (SEK) as well as a number of Asian currencies. These factors were only offset to a limited extent by positive contributions from the Swiss Franc (CHF), Canadian Dollar (CND) and several East European currencies. The combined total of all currency translation adjustments was a negative effect of EUR 35.4 million.

Development of revenues (in EUR million)



Currency translation effects in the Lighting Segment totalled an above-average EUR 25.6 million. Revenues for the first nine months fell by 7.2% to EUR 664.8 million (prior year: EUR 716.5 million), although an adjustment for foreign exchange factors results in a minus of 3.6%. The downturn in the global economy continued during the third quarter and led to an increased number of postponed or cancelled projects as well as greater pressure on prices. Revenues for the third quarter were 14.7% lower than in the comparable period of the previous year (minus 10.8% after FX adjustments).

**Lighting Segment negatively affected by cancellation and postponement of projects**

**Sharp decline in lighting industry has negative effect on Components Segment**

The Components Segments recognised negative foreign exchange adjustments of EUR 9.8 million during the first nine months of 2008/09. Revenues declined by 5.6% (minus 2.4% after FX adjustments) for the reporting period. A sizeable increase in market weakness led to a drop of 18.2% in revenues to EUR 75.4 million (prior year: EUR 92.2 million) – and minus 14.5% after foreign exchange effects – during the third quarter. In addition, the first substantial slowdown was registered in customer orders: lighting industry customers reacted to the weaker market demand and unusually high uncertainty over the further development of the economy with smaller orders as part of their inventory reduction activities. In the components business, the technical substitution trend continued in favour of more sophisticated electronic ballasts.

Segment development in EUR million	Q3 2008/09	Q3 2007/08	Change in %	Q1-Q3 2008/09	Q1-Q3 2007/08	Change in %	FX adjusted in %
Lighting Segment	190.9	223.8	(14.7)	664.8	716.5	(7.2)	(3.6)
Components Segment	75.4	92.2	(18.2)	284.3	301.2	(5.6)	(2.4)
Other & Consolidation	(7.0)	(16.0)	56.3	(48.6)	(51.6)	5.7	-
Zumtobel Group	259.3	300.0	(13.6)	900.5	966.1	(6.8)	(3.1)

**Growth of approx. 30% in revenues from LED-based products**

The Zumtobel Group successfully continued to develop its business in the area of LED-based products and solutions during the first nine months of 2008/09. Revenues rose by 28% to EUR 35.2 million (prior year: EUR 27.5 million), or by roughly 15% after an adjustment for the acquisition of SpaceCannon.

Distribution of regional revenues	Q3 2008/09		Q1-Q3 2008/09		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	68.6	(3.6)	231.4	(0.9)	25.7
Eastern Europe	13.9	(14.0)	54.4	5.0	6.0
Northern Europe	22.3	(17.8)	74.9	(5.5)	8.3
Western Europe	81.1	(19.1)	286.9	(11.4)	31.9
Southern Europe	22.8	(22.8)	82.7	(15.5)	9.2
<b>Europe</b>	<b>208.7</b>	<b>(14.6)</b>	<b>730.2</b>	<b>(7.1)</b>	<b>81.1</b>
Asia	21.3	2.6	66.4	4.3	7.4
Australia & New Zealand	18.2	(25.4)	71.2	(12.8)	7.9
America	7.0	(12.5)	23.5	(11.1)	2.6
Others	4.1	63.8	9.1	14.4	1.0
<b>Total</b>	<b>259.3</b>	<b>(13.6)</b>	<b>900.5</b>	<b>(6.8)</b>	<b>100.0</b>

**Revenues in Europe fall by 3.8% after FX effects**

Most of the key markets for the Zumtobel Group are now in the midst of a recession. With the exception of Asia, all markets reported a decline in revenues during the third quarter. The Zumtobel Group registered a decline of 14.6% in revenues generated in Europe during this three-month period. During the first three quarters of the current financial year, revenues in Europe amounted to EUR 730.2 million, or 81.1% of Group revenues. Negative currency translation effects of EUR 26.4 million (or minus 3.3% of revenues) also represented a contributing factor for the year-on-year decline of 7.1% in revenues.

**Markets increasingly affected by recession**

In the D/A/CH region (Germany, Austria and Switzerland) the slowdown in market demand became increasingly noticeable during the third quarter and revenues consequently declined by 3.6%. The previous growth market of Eastern Europe was unable to continue the positive development from the first six months, with a 13.9% drop in revenues during the third quarter of this financial year. All markets in Northern Europe showed slight recessionary tendencies during the third quarter. Business in Sweden was

also negatively affected by a decline in the value of the Swedish Krone versus the Euro. As expected, revenues for the first nine months in Western Europe were negatively affected by weak markets in France and the above-mentioned decrease in the value of the British Pound (GBP). Without these currency translation adjustments, the development of revenues in Great Britain would have been only slightly negative. In Southern Europe, the Components Segment was affected above all by rapidly growing weakness in Italy and Spain. Revenues in Southern Europe declined 22.8% during the third quarter.

Revenues in Asia rose by 2.6% during the third quarter. Above all the Components Segment profited from market growth in China and the Far East. The development of business in the America region was again negatively influenced by a very weak construction industry, and revenues fell by 11.1% during the reporting period. Revenues in Australia/New Zealand dropped 12.8% during the first nine months – but nearly reached the comparable prior year level (minus 2.0%) after an adjustment for the devaluation of the AUD and NZD.

## Earnings

- >> Adjusted EBIT margin equals 6.9%
- >> EBIT substantially reduced by foreign exchange effects
- >> Gross profit margin nearly reaches prior year level
- >> Significant special effects in operating profit
- >> Stable financial results in spite of negative non-recurring effects

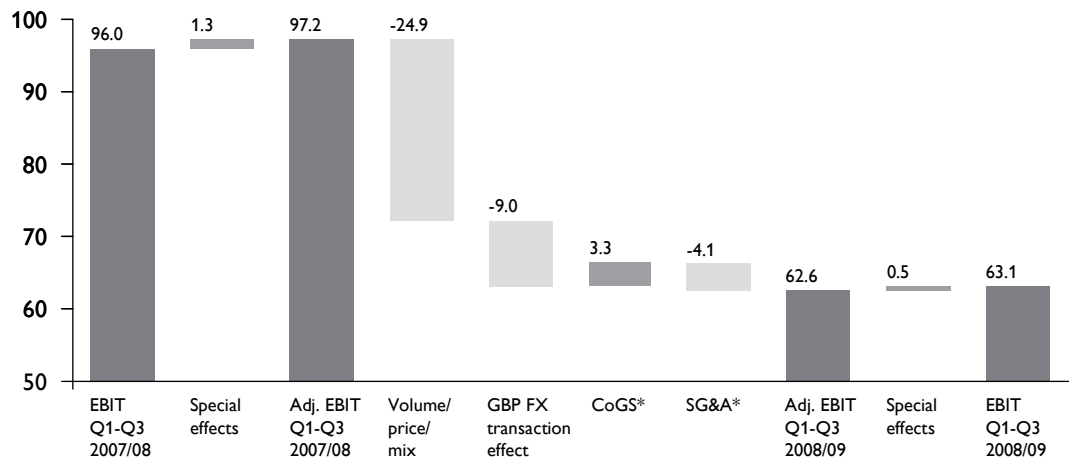
Income statement in EUR million	Q3 2008/09	Q3 2007/08	Change in %	Q1-Q3 2008/09	Q1-Q3 2007/08	Change in %
Revenues	259.3	300.0	(13.6)	900.5	966.1	(6.8)
Cost of goods sold	(169.0)	(189.7)	10.9	(563.9)	(599.0)	5.8
Gross profit	90.3	110.3	(18.1)	336.5	367.1	(8.3)
<i>as a % of revenues</i>	34.8	36.8		37.4	38.0	
SG&A expenses adjusted for special effects	(87.8)	(88.8)	1.1	(273.9)	(269.9)	(1.5)
Adjusted EBIT	2.5	21.5	(88.3)	62.6	97.2	(35.7)
<i>as a % of revenues</i>	1.0	7.2		6.9	10.1	
Special effects	3.1	(0.2)	>100	0.5	(1.3)	>100
EBIT	5.6	21.3	(73.5)	63.1	96.0	(34.3)
Financial results	(11.2)	(6.2)	(82.1)	(18.2)	(18.4)	1.1
Profit before tax	(5.6)	15.1	<(100)	44.8	77.5	(42.2)
Income taxes	1.6	(1.5)	>100	(5.7)	(8.6)	34.0
Net profit for the period from discontinued operations	0.0	0.0		(1.0)	(0.2)	<(100)
Net profit for the period	(4.0)	13.6	<(100)	38.1	68.7	(44.5)
Depreciation and amortisation	17.0	9.7	76.4	38.2	29.2	30.8
Earnings per share (in EUR)	(0.09)	0.31	<(100)	0.88	1.54	(43.0)

Note: EBITDA (EBIT plus depreciation) equalled EUR 95.0 million.

EBIT adjusted for special effects fell by EUR 34.6 million to EUR 62.6 million for the first nine months of 2008/09 (prior year: EUR 97.2 million). This represents a decrease of 320 basis points from the comparable prior year level to a return on sales of 6.9%.

**Adjusted EBIT margin  
equals 6.9%**

Development of adjusted EBIT (in EUR million)



**Gross profit margin nearly reaches prior year level**

The gross profit margin declined 60 basis points to 37.4% of revenues for the first nine months of 2008/09. Gross profit was negatively affected by the decline in revenues, substantial negative foreign exchange effects from the strong Euro and higher expenditures for research and development. The year-on-year increase in the Euro versus the British Pound (GBP) led to an additional negative currency transaction effect of roughly EUR 9 million from exports to Great Britain. The implementation of efficiency and cost reduction programmes held personnel expenses in the production area at 15.3% of revenues, which is only slightly higher than the comparable prior year level of 15.1%. The cost of materials fell from 42.7% to 42.1% (respectively to 41.1%, after an adjustment for GBP currency transaction effects) – due to lower purchase prices for raw materials (e.g. aluminium, copper and plastic) and the utilisation of foreign currency hedges in the procurement area. The EBIT transition shows gross savings of roughly EUR 12.1 million compared with the first nine months of 2007/08. In contrast, the other components of the cost of goods sold rose by EUR 8.7 million during the first three quarters. This increase was related above all to a EUR 4.9 million rise in development costs to EUR 25.4 million (plus 23.9% over the prior year) as well as an increase of EUR 2 million in depreciation. A major part of the development costs (EUR 2.3 million) was related to the expansion of LED activities.

**1.1% reduction in SG&A expenses in Q3**

After an adjustment for special effects, selling, administrative and other expenses (SG&A) rose by 1.5% to EUR 273.9 million for the first nine months of 2008/09 (prior year: EUR 269.9 million). Previously implemented cost savings measures led to a reduction of 1.1% in selling and administrative expenses during the third quarter.

**Significant special effects in operating profit**

The first three quarters of 2008/09 were influenced by significant special effects. The sale of the former plant location in the North English city of Spennymoor made a non-recurring contribution of EUR 17.5 million (proceeds on sale less carrying amount) to EBIT during the third quarter of 2008/09. This income is contrasted by restructuring costs of roughly EUR 10.7 million for redundancy payments and other expenses, which were related in particular to the extensive efficiency improvement programmes implemented at all locations during the second quarter of 2008/09. Earnings were also negatively influenced by impairment charges of EUR 6.3 million (EUR 4.7 million at TridonicAtco Australia and EUR 1.5 million at Zumtobel Residential).

\* COGS = Cost of goods sold; SG&A = Selling, general and administrative expenses

The following table shows the Group's operating performance after an adjustment for the above-mentioned special effects.

Adjusted EBIT in EUR million	Q3 2008/09	Q3 2007/08	Change in %	Q1-Q3 2008/09	Q1-Q3 2007/08	Change in %
Reported EBIT	5.6	21.3	(73.5)	63.1	96.0	(34.3)
thereof special effects	3.1	(0.2)	>100	0.5	(1.3)	>100
Adjusted EBIT	2.5	21.5	(88.3)	62.6	97.2	(35.7)
<i>as a % of revenues</i>	<i>1.0</i>	<i>7.2</i>		<i>6.9</i>	<i>10.1</i>	

Financial results for the reporting period remained nearly unchanged in comparison with the prior year; in spite of negative special effects. Interest expense of EUR 19.7 million includes non-recurring expenses of roughly EUR 4.4 million in connection with the premature refinancing of the loan contracted in 2001 to fund the Thorn acquisition as well as the interest component (EUR 1.3 million) of the lease for the new plant in England. The remaining interest expense totalled EUR 14.1 million for the first nine months of 2008/09 (prior year: EUR 17.1 million) and comprises chiefly interest expense for the current credit agreement. Other financial income and expenses totalled minus EUR 1.8 million. Negative valuation effects of EUR 2.2 million from derivatives – above all from USD and GBP forward exchange contracts – and EUR 3.7 million from the valuation of foreign currency receivables and liabilities were recognised in the financial result during the third quarter.

**Stable financial results  
in spite of negative  
non-recurring effects**

Financial result in EUR million	Q3 2008/09	Q3 2007/08	Change in %	Q1-Q3 2008/09	Q1-Q3 2007/08	Change in %
Interest expense	(5.4)	(5.9)	7.6	(19.7)	(17.1)	(15.0)
Interest income	0.4	1.2	(61.9)	1.9	3.0	(36.8)
Net financing costs	(5.0)	(4.7)	(5.7)	(17.8)	(14.1)	(26.2)
Other financial income and expenses	(6.6)	(1.9)	<(100)	(1.8)	(6.7)	73.1
Profit/(loss) from associated companies	0.3	0.4	(23.1)	1.4	2.4	(42.7)
Financial results	(11.3)	(6.2)	(82.1)	(18.2)	(18.4)	1.1

Profit before tax fell by EUR 32.7 million (-42.2%) to EUR 44.8 million for the first nine months of 2008/09. Income tax equalled EUR 5.7 million (prior year: EUR 8.6 million), which represents a tax rate of 13% on profit before tax. Net profit for the reporting period dropped 44.5% to EUR 38.1 million. The negative results from discontinued operations resulted from an impairment charge to the performance-based receivable from the sale of the airfield business. Earnings per share for the shareholders of Zumtobel AG (basic EPS on an average of 43.8 million shares) equalled EUR 0.88 (prior year: EUR 1.54).

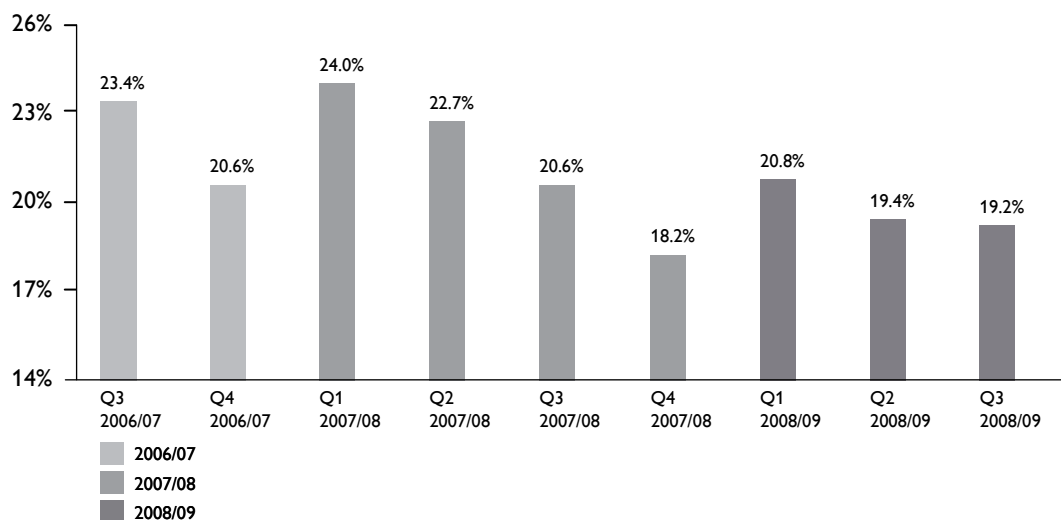
**42.2% decline in profit  
before tax**

## Cash Flow and Asset Position

The positive development of working capital continued during the third quarter. Cash outflows of EUR 5.4 million were lower than in the previous year (EUR 21.6 million) chiefly due to a decline in trade receivables. As of 31 January 2009 working capital totalled EUR 230.4 million (prior year: EUR 263.0 million). As a percentage of rolling 12-month revenues, working capital declined year-on-year for the sixth quarter in succession to 19.2% (prior year: 20.6%).

**Positive development  
of working capital  
continues**

### Working Capital as a % of rolling 12-month revenues



### Free cash flow of EUR 21.8 million

Cash flow from operating activities totalled EUR 55.1 million for the first nine months (prior year: EUR 91.9 million). This year-on-year decline resulted primarily from the drop in operating profit and an increase in other receivables related to the sale of the former plant site in Spennymoor. Cash outflows for investments totalled EUR 45.4 million for the first nine months, or EUR 11.1 million more than in the previous year. This change was caused above all by investments in equipment for the new plant in Spennymoor. As a result of these factors, free cash flow fell to EUR 21.8 million during the reporting period (prior year: EUR 71.3 million).

Balance sheet data in EUR million	31 January 2009	31 January 2008	30 April 2008
Total assets	1,071.2	1,132.6	1,105.9
Net debt	205.5	161.4	129.0
Equity	479.0	485.0	514.2
Equity ratio in %	44.7	42.8	46.5
Gearing in %	42.9	33.3	25.1
Average capital employed	666.7	649.7	650.2
ROCE in %	13.3	18.9	18.9
Investments	45.4	34.3	66.0
Working capital	230.4	263.0	232.9
As a % of rolling 12 month revenues	19.2	20.6	18.2

### Solid balance sheet structure

The equity ratio increased to 44.7% compared to the level on 31 January 2008 in spite of the EUR 31.3 million dividend payment and a EUR 18.5 million increase in the provision for pensions that resulted from a decline in the fair value of underlying pension plan assets. Net liabilities rose by EUR 17.3 million to EUR 205.5 million as a result of the share buyback, and led to an increase in gearing from 33.3% to 42.9%.

## Major Risks and Uncertainties in the Fourth Quarter of the 2008/09 Financial Year

The major risks for the development of business in the Zumtobel Group during the final quarter of 2008/2009 and in 2009/10 are related above all to the dependency of selling markets on business activity in the commercial construction sector. The global economic crisis could lead to delays in the completion of existing contracts as well as the postponement or suspension of ongoing projects. Additionally, new construction projects could be postponed for an indeterminate period of time or cancelled due to a lack of credit financing. Another substantial year-on-year decline in revenues is expected for the fourth quarter. However, it is too early to precisely estimate the possible effects of the economic and financial crisis on the development of our business in 2009/10. The previously announced cost reduction programmes and further such measures should minimise the consequences of this risk.

**Market risk**

In order to safeguard its ability to meet payment obligations at all times, the Zumtobel Group concluded a five-year financing agreement in June 2008. This agreement has a total volume of EUR 480 million and provides the Group with sufficient financial latitude.

**Liquidity risk**

The bank liabilities held by the Group carry variable interest rates. In order to reduce the volatility in interest expense, the Zumtobel Group converted roughly one-third of its bank liabilities in November 2008 to fixed interest rates through an interest rate swap with a term ending in June 2013.

**Interest rate risk**

The foreign exchange risk connected with non-Euro operating transactions is hedged primarily through forward exchange contracts. These hedges are based on rolling quarterly planning for the net foreign exchange positions over a period of two to three quarters in the future. Translation risks are not hedged. The main Group currencies are the EUR, GBP, USD, AUD and CHF. Management expects that the revenues recorded by the Zumtobel Group for the fourth quarter of 2008/09 will also be negatively influenced by the weak British Pound and Australian Dollar. In the 2009/10 financial year an increase in the value of the Euro compared with the GBP and AUD balances hedged in 2008/09 would generate a further negative transaction effect. Moreover, the continuing strength of the US Dollar in 2009/10 would have an adverse effect on the purchase of goods in this currency.

**Foreign exchange risk**

## Outlook for the Zumtobel Group

The Zumtobel Group expects the operating environment will remain extremely difficult during the 2009 calendar year. The programme initiated during the past quarter to reduce structural costs should lead to savings of roughly EUR 25 million in 2009/10. The implementation of measures to reach this goal is proceeding as planned at all levels and locations throughout the Group. As a reaction to the unexpected strong drop in revenues, additional steps have been taken to adjust costs to reflect the decline in sales volumes. The goal is to adjust the overall cost structure of the Zumtobel Group as quickly as possible to meet the challenges posed by difficult markets and the development of sales volumes and to still hold free cash flow at a positive level, even under these difficult conditions.

Dornbirn, 12 March 2009

Andreas Ludwig  
Chief Executive Officer

Thomas Spitzenpfeil  
Chief Financial Officer

# Income Statement

in TEUR	Q3 2008/09	Q3 2007/08	Change in %	Q1-Q3 2008/09	Q1-Q3 2007/08	Change in %
Revenues	259,329	299,977	(13.6)	900,459	966,077	(6.8)
Cost of goods sold	(169,001)	(189,723)	10.9	(563,950)	(598,976)	5.8
<b>Gross profit</b>	<b>90,328</b>	<b>110,254</b>	<b>(18.1)</b>	<b>336,509</b>	<b>367,101</b>	<b>(8.3)</b>
<i>as a % of revenues</i>	34.8	36.8		37.4	38.0	
Selling expenses	(69,352)	(70,471)	1.6	(218,248)	(216,204)	(0.9)
Administrative expenses	(19,707)	(19,832)	0.6	(58,642)	(57,132)	(2.6)
Other operating results	4,376	1,314	>100	3,443	2,189	57.3
<i>thereof special effects</i>	3,141	(229)	>100	489	(1,285)	>100
<b>Operating profit</b>	<b>5,645</b>	<b>21,265</b>	<b>(73.5)</b>	<b>63,062</b>	<b>95,954</b>	<b>(34.3)</b>
<i>as a % of revenues</i>	2.2	7.1		7.0	9.9	
Interest expense	(5,425)	(5,869)	7.6	(19,718)	(17,146)	(15.0)
Interest income	440	1,153	(61.9)	1,922	3,039	(36.8)
Other financial income and expenses	(6,594)	(1,889)	<(100)	(1,805)	(6,719)	73.1
Profit/(loss) from associated companies	329	428	(23.1)	1,364	2,380	(42.7)
<b>Financial results</b>	<b>(11,250)</b>	<b>(6,177)</b>	<b>(82.1)</b>	<b>(18,237)</b>	<b>(18,446)</b>	<b>1.1</b>
<i>as a % of revenues</i>	(4.3)	(2.1)		(2.0)	(1.9)	
<b>Profit before tax</b>	<b>(5,605)</b>	<b>15,088</b>	<b>&lt;(100)</b>	<b>44,825</b>	<b>77,508</b>	<b>(42.2)</b>
Income taxes	1,608	(1,463)	>100	(5,697)	(8,635)	34.0
<b>Net profit for the year from continuing operations</b>	<b>(3,997)</b>	<b>13,625</b>	<b>&lt;(100)</b>	<b>39,128</b>	<b>68,873</b>	<b>(43.2)</b>
<b>Net profit for the year from discontinued operations</b>	<b>0</b>	<b>0</b>		<b>(994)</b>	<b>(195)</b>	<b>&lt;(100)</b>
<b>Net profit for the period</b>	<b>(3,997)</b>	<b>13,625</b>	<b>&lt;(100)</b>	<b>38,134</b>	<b>68,678</b>	<b>(44.5)</b>
<i>as a % of revenues</i>	(1.5)	4.5		4.2	7.1	
<i>thereof due to minority shareholders</i>	(193)	59	<(100)	(302)	363	<(100)
<i>thereof due to shareholders of the parent company</i>	(3,804)	13,566	<(100)	38,436	68,315	(43.7)
Average number of shares outstanding - basic (in 1000 pcs.)	42,910	44,510		43,797	44,510	
Average diluting effect (stock options) (in 1000 pcs.)	(64)	307		(64)	307	
Average number of shares outstanding - diluted (in 1000 pcs.)	42,845	44,817		43,732	44,817	
<b>Earnings per share (in EUR)</b>						
Basic earnings per share	(0.09)	0.31		0.88	1.54	
Diluted earnings per share	(0.09)	0.30		0.88	1.52	
<b>Earnings per share from continuing operations (in EUR)</b>						
Basic earnings per share	(0.09)	0.30		0.89	1.54	
Diluted earnings per share	(0.09)	0.30		0.89	1.53	

# Balance Sheet

in TEUR	31 January 2009	in %	30 April 2008	in %
Goodwill	280,984	26.2	278,967	25.2
Intangible assets	44,504	4.2	40,635	3.7
Property, plant and equipment	231,877	21.6	211,222	19.1
Investments in associated companies	7,707	0.7	6,486	0.6
Financial assets	649	0.1	15,604	1.4
Other receivables & assets	19,678	1.8	5,338	0.5
Deferred taxes	49,416	4.6	43,035	3.9
<b>Non-current assets</b>	<b>634,815</b>	<b>59.3</b>	<b>601,287</b>	<b>54.4</b>
Inventories	171,622	16.0	162,181	14.7
Trade receivables	171,037	16.0	225,113	20.4
Other receivables & assets	37,824	3.5	28,750	2.6
Financial assets	21	0.0	497	0.0
Liquid funds	55,929	5.2	87,678	7.9
Available for sale assets	0	0.0	442	0.0
<b>Current assets</b>	<b>436,433</b>	<b>40.7</b>	<b>504,661</b>	<b>45.6</b>
<b>ASSETS</b>	<b>1,071,248</b>	<b>100.0</b>	<b>1,105,948</b>	<b>100.0</b>
Share capital	111,761	10.4	111,761	10.1
Additional paid-in capital	339,049	31.6	355,893	32.2
Reserves	(12,414)	(1.2)	(48,409)	(4.4)
Net profit for the period	38,436	3.6	92,986	8.4
Capital attributed to shareholders of the parent company	476,832	44.5	512,231	46.3
Capital attributed to minority shareholders	2,194	0.2	1,969	0.2
<b>Equity</b>	<b>479,026</b>	<b>44.7</b>	<b>514,200</b>	<b>46.5</b>
Provisions for pensions	53,418	5.0	35,762	3.2
Provisions for severance compensation	30,888	2.9	29,931	2.7
Other provisions	10,362	1.0	10,392	0.9
Borrowings	217,392	20.3	211,631	19.1
Other liabilities	500	0.0	1,012	0.1
Deferred taxes	9,643	0.9	10,224	0.9
<b>Non-current liabilities</b>	<b>322,203</b>	<b>30.1</b>	<b>298,952</b>	<b>27.0</b>
Provisions for taxes	30,361	2.8	29,196	2.6
Other provisions	21,665	2.0	21,121	1.9
Borrowings	44,054	4.1	5,024	0.5
Trade payables	100,837	9.4	144,326	13.0
Other liabilities	73,102	6.8	93,129	8.4
<b>Current liabilities</b>	<b>270,019</b>	<b>25.2</b>	<b>292,796</b>	<b>26.5</b>
<b>EQUITY AND LIABILITIES</b>	<b>1,071,248</b>	<b>100.0</b>	<b>1,105,948</b>	<b>100.0</b>

# Cash Flow Statement

in TEUR	Q1-Q3 2008/09	Q1-Q3 2007/08
Operating profit from continuing and discontinued operations	62,068	95,759
Depreciation and amortisation	38,180	29,185
Gain/loss from disposal of fixed assets	1,107	4,903
<b>Cash flow from operating results</b>	<b>101,355</b>	<b>129,847</b>
Inventories	(14,125)	(6,107)
Trade receivables	46,227	13,078
Trade payables	(37,600)	(29,127)
Prepayments received	85	538
<b>Change in working capital</b>	<b>(5,413)</b>	<b>(21,618)</b>
Non-current provisions	(2,530)	(3,721)
Current provisions	495	(645)
Other current and non-current receivables and liabilities	(29,210)	(5,927)
<b>Change in other operating items</b>	<b>(31,245)</b>	<b>(10,293)</b>
<b>Taxes paid</b>	<b>(9,583)</b>	<b>(6,046)</b>
<b>Cash flow from operating activities</b>	<b>55,114</b>	<b>91,890</b>
Proceeds from the sale of non-current assets	521	7,806
Capital expenditures	(45,393)	(34,326)
Change in non-current and current financial assets	19,147	5,996
Change in liquid funds from changes in the consolidation range	(7,620)	0
<b>Cash flow from investing activities</b>	<b>(33,345)</b>	<b>(20,524)</b>
<b>FREE CASH FLOW</b>	<b>21,769</b>	<b>71,366</b>
Change in net borrowings	(2,205)	(16,522)
<i>thereof restricted cash</i>	502	2,209
Dividends	(31,255)	(22,572)
Share buyback / Exercise of options	(16,845)	1,629
Interest paid	(14,859)	(13,192)
<b>Cash flow from financing activities</b>	<b>(65,164)</b>	<b>(50,657)</b>
Effects of exchange rate changes on cash and cash equivalents	(1,708)	(3,568)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(45,103)</b>	<b>17,141</b>
Cash and cash equivalents at the beginning of the period	86,163	118,970
Cash and cash equivalents at the end of the period	41,060	136,111
<b>Change absolute</b>	<b>(45,103)</b>	<b>17,141</b>

# Statement of Changes in Equity

1st – 3rd Quarter 2008/09

in TEUR	Attributed to shareholders of the parent company						Total equity
	Share capital	Additional paid-in capital	Reserves	Net profit for the period	Total	Minority interests	
<b>30 April 2008</b>	<b>111,761</b>	<b>355,893</b>	<b>(48,409)</b>	<b>92,986</b>	<b>512,231</b>	<b>1,969</b>	<b>514,200</b>
+/- Additions to reserves	0	0	92,986	(92,986)	0	0	0
+/- Net profit for the period	0	0	0	38,436	38,436	(302)	38,134
+/- Share buyback / Exercise of options	0	(16,844)	0	0	(16,844)	0	(16,844)
+/- Dividends	0	0	(31,255)	0	(31,255)	0	(31,255)
+/- Currency differences not recognised through profit or loss	0	0	2,811	0	2,811	136	2,947
+/- Currency differences arising from loans	0	0	(10,255)	0	(10,255)	0	(10,255)
+/- Hedge accounting not recognised through profit or loss	0	0	(1,056)	0	(1,056)	0	(1,056)
+/- Actuarial loss	0	0	(18,483)	0	(18,483)	0	(18,483)
+/- Stock options - Addition	0	0	1,247	0	1,247	1	1,248
+/- Change from acquisition of minority interest	0	0	0	0	0	190	190
+/- Capital increase minority interest	0	0	0	0	0	200	200
<b>31 January 2009</b>	<b>111,761</b>	<b>339,049</b>	<b>(12,414)</b>	<b>38,436</b>	<b>476,832</b>	<b>2,194</b>	<b>479,026</b>

1st – 3rd Quarter 2007/08

in TEUR	Attributed to shareholders of the parent company						Total equity
	Share capital	Additional paid-in capital	Reserves	Net profit for the period	Total	Minority interests	
<b>30 April 2007</b>	<b>111,761</b>	<b>354,143</b>	<b>(129,074)</b>	<b>103,193</b>	<b>440,023</b>	<b>1,567</b>	<b>441,590</b>
+/- Additions to reserves	0	0	103,193	(103,193)	0	0	0
+/- Net profit for the period	0	0	0	68,315	68,315	363	68,678
+/- Share buyback / Exercise of options	0	1,629	0	0	1,629	0	1,629
+/- Dividends	0	0	(22,280)	0	(22,280)	(292)	(22,572)
+/- Currency differences not recognised through profit or loss	0	0	(8,181)	0	(8,181)	(82)	(8,263)
+/- Hedge accounting not recognised through profit or loss	0	0	(1,083)	0	(1,083)	0	(1,083)
+/- Stock options	0	0	3,865	0	3,865	1	3,866
+/- Business combination achieved in stages	0	0	0	0	0	157	157
+/- Initial consolidation	0	0	0	0	0	988	988
<b>31 January 2008</b>	<b>111,761</b>	<b>355,772</b>	<b>(53,560)</b>	<b>68,315</b>	<b>482,288</b>	<b>2,702</b>	<b>484,990</b>

Statement of recognised income and expense

in TEUR	Q1-Q3 2008/09	Q1-Q3 2007/08
<b>Net profit for the period</b>	<b>38,134</b>	<b>68,678</b>
Hedge accounting	1,408	(1,444)
Actuarial loss	(25,670)	0
Deferred taxes	6,836	361
<b>Income recognised directly in equity</b>	<b>(17,426)</b>	<b>(1,083)</b>
<b>Total</b>	<b>20,708</b>	<b>67,595</b>
Attributed to shareholders of the parent company	21,010	67,232
Attributed to minority interests	(302)	363

# Notes

## Accounting and Valuation Methods

The interim financial statements as of 31 January 2009 were prepared in accordance with the principles set forth in International Financial Reporting Standards (IAS 34, Interim Financial Reporting). The company has elected to make use of the option set forth in IAS 34 and provide selected explanatory notes.

The accounting and valuation methods remain unchanged as of 31 January 2009. Additional information on these methods is provided in the consolidated financial statements as of 30 April 2008.

The quarterly financial statements of all companies included in the consolidated financial statements were prepared in accordance with uniform accounting and valuation principles.

The condensed consolidated interim financial statements were prepared in accordance with all IFRS/IAS issued by the International Accounting Standards Board (IASB) as well as all interpretations (IFRIC/SIC) of the International Financial Reporting Interpretations Committee and Standing Interpretations Committee that were valid as of the balance sheet date and have been adopted by the European Union through its endorsement procedure.

## Foreign Currency Translation

The major currencies used to translate the financial statements of subsidiaries into the Euro are as follows:

1 EUR equals	Average exchange rate Income Statement		Closing rate Balance sheet	
	31 January 2009	31 January 2008	31 January 2009	30 April 2008
AUD	1.7993	1.6279	2.0110	1.6610
CHF	1.5715	1.6485	1.4870	1.6140
USD	1.4333	1.4032	1.2810	1.5540
SEK	9.8278	9.2913	10.6000	9.3570
GBP	0.8214	0.6963	0.8978	0.7901
HKD	11.1534	10.9407	9.9390	12.1100

## Consolidation Range

The condensed consolidated interim financial statements include all major Austrian and foreign companies that are controlled by Zumtobel AG.

The changes in the consolidation range during the interim financial period are shown below:

Consolidation Range	Consolidation Method		
	full	at equity	TOTAL
<b>30 April 2008</b>	<b>97</b>	<b>5</b>	<b>102</b>
Included during reporting year for first time	4	0	4
<i>Thereof newly founded</i>	2	0	2
<i>Thereof acquisition</i>	2	0	2
Merged / liquidated during reporting period	(3)	0	(3)
<b>31 January 2009</b>	<b>98</b>	<b>5</b>	<b>103</b>

As of 5 May 2008 Zumtobel acquired 100% of the shares in the Italian Space Cannon VH S.P.S. (now SpaceCannon), which is headquartered in Fubine. The preliminary allocation of the purchase price led to the recognition of TEUR 6,749 in goodwill. This company recorded net profit of TEUR 266 for the first three quarters of 2008/09.

In addition, 90% of the shares in Zumtobel Residential Lighting S.r.l. (formerly Oylight - now Zumtobel Residential), which is headquartered in Milan, Italy, were initially consolidated during May. The purchase price equalled TEUR 1,574. Goodwill disclosed during the preliminary allocation of the purchase price amounted to TEUR 1,535, and was recognised to profit and loss during the third quarter of 2008/09. This company reported a loss of TEUR 2,261 for the first three quarters of 2008/09.

Zumtobel LED Illuminazione Holding srl, Italy, and Zumtobel Licht doo, Croatia, were founded during the first quarter of the reporting year.

Luxmate GmbH, Germany, was merged with Zumtobel Licht GmbH, Germany, in May 2008.

The German companies Zumtobel Lighting GmbH & Co. KG and Zumtobel Electronic GmbH were merged with Zumtobel Lighting GmbH, Germany, during January 2009.

## **Notes to the Income Statement**

The following comments explain the major changes to individual items in relation to the comparable prior year period.

### **Earnings per share**

Basic earnings per share were calculated by dividing net profit for the period by the average number of shares outstanding as of the balance sheet date for these interim financial statements.

Diluted earnings per share are based on the assumption that the options granted under the stock option programme (SOP/MSP) will be exercised. These shares are included in the calculation of the average number of shares outstanding.

### **Seasonality**

In previous years, sales volumes were higher during the first two quarters than during the second half-year for seasonal reasons; in particular, the third quarter fell significantly below the average. This distribution reflects the Group's dependency on developments in the construction industry as well as the seasonal distribution of business in this sector. The current development of revenues is also negatively affected by the international economic crisis.

### **Expenses**

The income statement was prepared in accordance with the cost of sales method. The cost of goods sold (incl. development expenses), selling expenses (incl. research expenses) and administrative expenses as well as other operating results include the following categories of expenses and income:

### 1st -3rd Quarter 2008/09

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(379,514)	(4,051)	(288)	0	(383,853)
Personnel expenses	(137,479)	(108,977)	(34,197)	(40)	(280,693)
Depreciation	(25,691)	(4,465)	(1,735)	(6,289)	(38,180)
Other expenses	(40,788)	(95,889)	(26,768)	(10,992)	(174,437)
Own work capitalised	9,787	19	438	0	10,244
Internal charges	4,646	(8,130)	3,484	0	0
<b>Total expenses</b>	<b>(569,039)</b>	<b>(221,493)</b>	<b>(59,066)</b>	<b>(17,321)</b>	<b>(866,919)</b>
<b>Other income</b>	<b>5,089</b>	<b>3,245</b>	<b>424</b>	<b>20,764</b>	<b>29,522</b>
<b>Total</b>	<b>(563,950)</b>	<b>(218,248)</b>	<b>(58,642)</b>	<b>3,443</b>	<b>(837,397)</b>

### 1st -3rd Quarter 2007/08

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(412,432)	(3,971)	(241)	(4)	(416,648)
Personnel expenses	(145,541)	(107,669)	(35,343)	(77)	(288,630)
Depreciation	(23,734)	(4,103)	(1,288)	(60)	(29,185)
Other expenses	(39,479)	(97,096)	(23,962)	(1,338)	(161,875)
Own work capitalised	9,341	4	205	0	9,550
Internal charges	4,747	(7,022)	2,277	(2)	0
<b>Total expenses</b>	<b>(607,098)</b>	<b>(219,857)</b>	<b>(58,352)</b>	<b>(1,481)</b>	<b>(886,788)</b>
<b>Other income</b>	<b>8,122</b>	<b>3,653</b>	<b>1,220</b>	<b>3,670</b>	<b>16,665</b>
<b>Total</b>	<b>(598,976)</b>	<b>(216,204)</b>	<b>(57,132)</b>	<b>2,189</b>	<b>(870,123)</b>

The cost of goods sold includes development costs of TEUR 25,364 (prior year: TEUR 20,472). Development costs of TEUR 9,404 were capitalised during the reporting period (prior year: TEUR 8,793), and the amortisation of capitalised development costs equalled TEUR 4,302 (prior year: TEUR 2,921). A detailed explanation of the changes in the third quarter is provided in the following.

### Other Operating Results

in TEUR	Q3 2008/09	Q3 2007/08	Q1-Q3 2008/09	Q1-Q3 2007/08
Government grants	647	343	1,231	1,497
License revenues	614	621	1,591	1,444
Special effects	3,141	(229)	489	(1,285)
<i>Other impairment</i>	(6,268)	(65)	(6,268)	(2,515)
<i>Restructuring</i>	(8,050)	(136)	(10,686)	(2,196)
<i>Gains / losses on sale</i>	17,459	(28)	17,443	3,426
Miscellaneous	(28)	579	132	533
<b>Total</b>	<b>4,376</b>	<b>1,314</b>	<b>3,443</b>	<b>2,189</b>

The license fees represent income from the LED business.

Special effects as defined in IAS 1 include the following major items:

Other impairment charges include a write-down of TEUR 4,733 to goodwill in Atco. This write-down was recognised to reflect a substantial decline in revenues and earnings from magnetic ballasts. In addition, the recognised difference of TEUR 1,535 from the acquisition of Zumtobel Residential is included under this position.

Restructuring costs include expenses of TEUR 6,837 for efficiency improvement to production processes, which were incurred during the third quarter. This position also covers expenses incurred in connection with the construction of a plant in Spennymoor (TEUR 2,781) as well as the costs for redundancy plans in Australia (TEUR 462).

The gains on sale represent TEUR 17,464 from the sale of the old plant location in Spennymoor during the third quarter.

### Interest Expense

The increase in interest expense compared with the prior year was related to non-recurring costs of TEUR 4,370, which were incurred in connection with the refinancing of the acquisition credit agreement. Interest expense also includes the interest component of the lease for the new factory in England (TEUR 1,281). The remaining TEUR 14,066 (prior year: TEUR 17,146) primarily represent interest expense for the current credit agreements.

### Other Financial Income and Expenses

in TEUR	Q3 2008/09	Q3 2007/08	Q1-Q3 2008/09	Q1-Q3 2007/08
Interest component as per IAS 19 less income on plan assets	(684)	(557)	(2,049)	(1,666)
Foreign exchange gains and losses	(3,669)	(4,396)	(4,229)	(4,891)
Market valuation of financial instruments	(2,241)	3,065	4,599	7
Impairment charges to financial assets	0	(1)		(361)
Gains / losses on sale	0	0	(126)	192
<b>Total</b>	<b>(6,594)</b>	<b>(1,889)</b>	<b>(1,805)</b>	<b>(6,719)</b>

Foreign exchange gains and losses consist above all of effects from the valuation of receivables and liabilities that are denominated in a foreign currency.

The market valuation of financial instruments shows the results from the valuation of forward exchange contracts at fair value as of the balance sheet date for the interim financial statements. The change in relation to the prior year resulted primarily from the development of the GBP and USD exchange rates.

### Income Taxes

The classification of income taxes into current and deferred taxes is shown in the following table:

in TEUR	Q3 2008/09	Q3 2007/08	Q1-Q3 2008/09	Q1-Q3 2007/08
Current taxes	(504)	(1,329)	(6,584)	(7,801)
Deferred taxes	2,112	(134)	887	(834)
<b>Income taxes</b>	<b>1,608</b>	<b>(1,463)</b>	<b>(5,697)</b>	<b>(8,635)</b>

## Results from Discontinued Operations

The negative results from discontinued operations resulted from a performance-based impairment charge of TEUR 1,288 to a receivable from the airfield business, which was recognised during the second quarter.

## Notes to the Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2008.

### Goodwill

The change in this position reflects the recognition of goodwill in SpaceCannon (TEUR 6,749) as well as the impairment charge to Atco goodwill (TEUR 4,733).

### Intangible Assets

The change in this position is related primarily to the capitalisation of internally generated assets resulting from development projects.

### Property, Plant and Equipment

The increase in property, plant and equipment resulted above all from the recognition of the newly constructed plant in Spennymoor, England.

### Financial Assets

The decline in non-current financial assets occurred primarily during the first quarter of 2008/09, and was related mainly to the sale of a fixed-interest financial asset that was contracted with a financial institution.

### Trade Receivables

Trade receivables declined substantially during the reporting period due to seasonal factors and working capital management.

### Other Receivables & Assets

The increase in other non-current receivables was related above all to long-term receivables arising from the sale of the plant in Spennymoor (TEUR 15,438).

### Provisions for Pensions

The increase in the provisions for pensions took place primarily during the second quarter, and was related chiefly to a decline in the market value of plan assets in Great Britain.

### Financial Liabilities

The increase in non-current financial liabilities resulted from the recognition of a finance lease for the Spennymoor plant in accordance with IAS 17. This lease has a volume of TEUR 20,345 and a term of 21 years. The increase in current financial liabilities was related to the use of short-term lines of credit.

On 12 June 2008 two five-year credit agreements were concluded with a consortium of seven banks, whereby one of these credit agreements represents a framework contract. The credits have a total volume EUR 480 million, whereby EUR 186 million were used to repay the EUR 200 million acquisition credit that was concluded in 2001. The remaining EUR 14 million were repaid from cash balances.

## Notes to the Cash Flow Statement

Cash flow from operating activities decreased by TEUR 36,776 compared with the first three quarters of the prior year. This development resulted chiefly from the decline in operating profit during the third quarter of 2008/09.

Cash flow from investing activities was TEUR 12,821 higher than the comparable prior year value. This change resulted above all from investments in the new plant in Spennymoor during the third quarter of 2008/09.

Cash flow from financing activities reflects the dividend payment of TEUR 31,255 that was made in August and the repurchase of the company's own shares during the reporting period for TEUR 16,845.

### Transition to cash and cash equivalents

in TEUR	31 January 2009	31 January 2008
Liquid funds	55,929	139,159
Not available for disposal	(210)	(665)
Demand deposits and others	(14,659)	(2,383)
<b>Cash and cash equivalents</b>	<b>41,060</b>	<b>136,111</b>

## Notes to the Statement of Changes in Equity

### Dividend

The Annual General Meeting on 29 July 2008 approved the payment of a EUR 0.70 dividend per share. A total of TEUR 31,255 was distributed to the shareholders of Zumtobel AG on 4 August 2008.

### Stock Option Programme and Share Buyback

in psc.	Total
<b>30 April 2008</b>	<b>112,181</b>
Share buyback	1,943,555
Exercised	(64,625)
<b>31 January 2009</b>	<b>1,991,111</b>

The annual general meeting on 29 July 2008 authorised the Management Board of Zumtobel AG, with the approval of the Supervisory Board, to repurchase the company's shares at an amount equalling up to 10% of share capital for a minimum price of EUR 5.00 and a maximum price of EUR 50.00 per share; this authorisation is valid for a period of 18 months. The Management Board of Zumtobel AG decided on this same date to utilise the authorisation and repurchase up to 1,943,555 of the company's shares for a maximum price of EUR 20.50 by 11 February 2009. A total of 1,943,555 shares had been repurchased for a total of TEUR 17,331 by 18 December 2008.

A total of 64,625 stock options were exercised during the first three quarters of 2008/09 (prior year: 203,125). The exercise price to be paid by employees equalled TEUR 486 (average price of EUR 7.5 per share; prior year, average price of EUR 8.0).

## Reserve for Stock Options

in TEUR	SOP	MSP	Total
<b>30 April 2008</b>	<b>15,986</b>	<b>1,558</b>	<b>17,544</b>
Addition through profit or loss	-	1,247	1,247
<b>31 January 2009</b>	<b>15,986</b>	<b>2,805</b>	<b>18,791</b>

The Stock Option Programme (SOP) has now been fully replaced by the Matching Stock Programme (MSP). No further options were allocated from the SOP.

The addition to the Matching Stock Programme (MSP) represents the options to be granted from the MSP I segments 2 and 3, MSP II segments 1 and 2 as well as MSP III segment 1 for a total of TEUR 1,247. The addition will be accrued over two years through profit or loss.

## Related Party Transactions

Related parties include the Managing Board and Supervisory Board of Zumtobel AG. The company had no business relationships with related parties as of the closing date for the interim financial statements on 31 January 2009.

Supply and delivery transactions are conducted with associated companies at normal market conditions.

## Contingent Liabilities and Guarantees

The Zumtobel Group holds contingent liabilities of TEUR 7 (30 April 2008: TEUR 440) for guarantees and warranties that do not meet the criteria for recognition as a provision. Bank guarantees of TEUR 7,488 (30 April 2008: TEUR 9,072) have been provided for various liabilities.

## Subsequent Events

The economic framework for the international construction industry and, as a consequence, for the lighting branch has continued to deteriorate. The efficiency improvement programme that was started during the second quarter will lead to additional restructuring costs in the fourth quarter of 2008/09 and in the 2009/10 financial year.

## Segment Reporting

### Business Segments

The following two subgroups represent the primary segments of business for the Zumtobel Group: the Lighting Segment (formerly the Zumtobel Lighting Division - lighting solutions, interior and exterior lighting, electronic-digital lighting and room management systems) and the Components Segment (formerly the TridonicAtco Division - electronic and magnetic lighting components). The prices charged on inter-segment sales reflect normal market conditions.

Segment assets and liabilities comprise directly allocated property, plant and equipment, intangible assets and working capital (excluding accrued interest, tax refunds and tax liabilities).

The column "Other and Consolidation" contains the assets, liabilities and related income statement items which were not allocated to the individual segments as well as property, plant and equipment, financial liabilities and taxes that relate to more than one segment.

### 3rd Quarter

in TEUR	Lighting Segment			Components Segment			Other & Consolidation			Group		
	Q3 2008/09	Q3 2007/08	Q3 2006/07	Q3 2008/09	Q3 2007/08	Q3 2006/07	Q3 2008/09	Q3 2007/08	Q3 2006/07	Q3 2008/09	Q3 2007/08	Q3 2006/07
Net revenues	190,892	223,802	222,701	75,423	92,179	88,686	(6,986)	(16,003)	(15,783)	259,329	299,977	295,604
External revenues	191,919	224,305	222,545	67,237	75,528	72,890	173	144	169	259,329	299,977	295,604
Inter-company revenues	(1,027)	(504)	156	8,186	16,651	15,795	(7,159)	(16,147)	(15,952)	0	0	0
Operating profit	6,399	13,477	14,578	2,514	10,261	8,724	(3,268)	(2,472)	(1,492)	5,645	21,265	21,810
Investments	7,813	6,453	5,618	7,620	3,606	3,962	(371)	1,766	885	15,062	11,823	10,466
Depreciation	(8,133)	(5,987)	(5,967)	(8,635)	(3,394)	(5,089)	(260)	(271)	1,151	(17,028)	(9,653)	(9,905)

## 1st -3rd Quarter

in TEUR	Lighting Segment			Components Segment			Other & Consolidation			Group		
	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 Half-Year 2006/07	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 Half-Year 2006/07	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 Half-Year 2006/07	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 Half-Year 2006/07
Net revenues	664,833	716,482	691,077	284,261	301,182	281,176	(48,635)	(51,587)	(51,028)	900,459	966,077	921,225
External revenues	664,215	717,241	690,880	235,483	248,060	230,238	761	777	107	900,459	966,077	921,225
Inter-company revenues	618	(759)	197	48,778	53,122	50,937	(49,396)	(52,363)	(51,135)	0	0	0
Operating profit	42,032	65,229	59,642	30,225	35,103	29,993	(9,195)	(4,378)	(2,485)	63,062	95,953	87,150
Investments	27,370	20,308	17,824	17,405	12,134	13,947	618	1,886	2,425	45,393	34,326	34,196
Depreciation	(20,569)	(18,140)	(18,709)	(16,279)	(13,216)	(14,800)	(1,332)	2,172	3,339	(38,180)	(29,185)	(30,169)

in TEUR	31 January 2009	30 April 2008	30 April 2007	31 January 2009	30 April 2008	30 April 2007	31 January 2009	30 April 2008	30 April 2007	31 January 2009	30 April 2008	30 April 2007
Assets	708,995	754,848	728,292	218,570	233,295	242,104	143,683	117,805	174,983	1,071,248	1,105,948	1,145,379
Liabilities	252,899	281,339	293,825	79,325	96,774	102,283	259,998	213,635	307,681	592,222	591,748	703,789

## Regional Segments

The distribution of countries to the individual regions is as follows:

DACH:	Germany, Austria, Switzerland
Eastern Europe:	Czech Republic, Croatia, Hungary, Poland, Romania, Russia, Slovakia, Baltic States
Northern Europe:	Denmark, Finland, Norway, Sweden, Iceland
Western Europe:	Great Britain, Benelux, France
Southern Europe:	Italy, Spain, Greece, Turkey
America:	North and South America
Asia:	Countries in the Far East and Middle East
Other:	Africa

The region "Europe" and the total Group level include various assets such as goodwill, which could not be directly allocated to the secondary regions during the consolidation.

in TEUR	External revenues					
	Q3 2008/09	Q3 2007/08	Q3 2006/07	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 2006/07
D/A/CH	68,576	71,126	68,668	231,428	233,556	220,512
Eastern Europe	13,901	16,165	14,499	54,369	51,795	47,887
Northern Europe	22,332	27,184	26,434	74,885	79,277	75,341
Western Europe	81,131	100,307	99,839	286,872	323,946	300,541
Southern Europe	22,764	29,505	27,656	82,677	97,806	87,004
Europe	208,704	244,287	237,096	730,231	786,380	731,285
Asia	21,259	20,728	22,627	66,428	63,681	69,989
Australia & New Zealand	18,226	24,420	23,556	71,179	81,605	79,172
America	7,036	8,037	9,258	23,476	26,421	30,828
Others	4,104	2,505	3,067	9,145	7,991	9,951
<b>Total</b>	<b>259,329</b>	<b>299,977</b>	<b>295,604</b>	<b>900,459</b>	<b>966,077</b>	<b>921,225</b>

in TEUR	Assets			Investments		
	31 January 2009	30 April 2008	30 April 2007	Q3 2008/09	Q3 2007/08	Q3 2006/07
D/A/CH	382,966	389,430	393,566	23,714	22,381	24,987
Eastern Europe	19,791	20,932	9,753	963	1,090	808
Northern Europe	25,368	31,346	29,162	1,109	864	591
Western Europe	163,018	178,089	178,887	16,242	6,497	4,373
Southern Europe	38,673	23,133	19,917	1,177	17	215
Europe	629,816	642,930	631,285	43,205	30,849	30,974
Asia	40,448	40,260	39,449	1,071	1,115	815
Australia & New Zealand	46,191	60,909	71,405	549	2,057	2,138
America	14,759	13,162	14,472	569	305	269
Other & Consolidation	340,034	348,686	388,768	0	0	0
<b>Total</b>	<b>1,071,248</b>	<b>1,105,948</b>	<b>1,145,379</b>	<b>45,393</b>	<b>34,326</b>	<b>34,196</b>

Dornbirn, 12 March 2009

The Management Board

Andreas Ludwig

Thomas Spitzenpfel

# Service

## Financial Terms

Adjusted EBIT	EBIT adjusted for special effects
Adjusted EBIT margin	= Adjusted EBIT as a percentage of revenues
Adjusted EBITDA	EBITDA adjusted for special effects
Average capital employed	= Goodwill + intangible assets + tangible assets + inventories + trade receivables – trade payables – provisions for income taxes – other provisions – other liabilities, as average over a period of four quarters
CAPEX	Capital expenditure
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Equity ratio	= Equity as a percentage of assets
Gearing	= Net debt as a percentage of equity
Net debt	= Non-current borrowings + current borrowings – liquid funds
ROCE	(Return On Capital Employed) = Total return based on adjusted EBIT as a percentage of average capital employed
WACC	Weighted average cost of capital (debt and equity)
Working capital	= Inventories + trade receivables – trade payables – prepayments received

## Financial Calendar

Annual Results 2008/09	29 June 2009
Annual Shareholders' Meeting	24 July 2009
Ex-dividend day	28 July 2009
Dividend payout day	31 July 2009

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## Financial Reports

Our financial reports are available for download under: <http://www.zumtobelgroup.com>.  
You can also order a copy by calling +43 (0)5572 509-1510.

## More Information

on Zumtobel AG and our brands can be found in the Internet under:

[www.zumtobelgroup.com](http://www.zumtobelgroup.com)  
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## Disclaimer

This quarterly report includes statements on future developments, which are based on information available at the present time and involve risks and uncertainties that could cause the results realised at a later date to vary from these forward-looking statements. These statements on future developments are not to be understood as guarantees. On the contrary, future developments and results are dependent on a wide range of factors and connected with various risks and incalculable events. Moreover, they are based on assumptions that may prove to be incorrect. Included here, for example, are unforeseeable changes in the political, economic and business environment, especially in the regions where the Zumtobel Group operates, as well as the competitive situation, interest rates and foreign exchange rates, technological developments and other risks and incalculable events. Other risks may arise as a result of price developments, unforeseeable events in the operating environments of acquired companies or Group companies as well as ongoing cost optimisation programmes. The Zumtobel Group does not plan to update these forward-looking statements. This quarterly report is also presented in English, but only the German text is binding.





zumtobel group