

Zumtobel Group

Capital Markets Day

Agenda

- 01.30 p.m. The Zumtobel Group – A Strategic Update
Andreas Ludwig (CEO Zumtobel Group)
- 02.15 p.m. Growth driver “energy efficiency”
Peter Dehoff (Strategic Lighting Applications ZLD)
- 03.00 p.m. Coffee break
- 03.15 p.m. LEDs – the next generation of light / the potential for Zumtobel
Roland Michal (CEO Zumtobel LED Division)
- 04.00 p.m. Financial update and guidance 2008/09
Thomas Spitzenpfeil (CFO Zumtobel Group)
- 04.45 p.m. Summary and Q&A
Andreas Ludwig (CEO Zumtobel Group)
- 05.30 p.m. End of event / departure

Zumtobel Group

Capital Markets Day

**- Strategic Update -
Andreas Ludwig**

**We aim to be the world authority on lighting.
What does this mean?**



We aim to be the world authority on lighting.

World means for us...

- World leading technology
- Global network of influencers and decision-makers
- Resources for the delivery of global lighting projects
- Competitive position in selected local markets



We aim to be the world authority on lighting.

Authority means for us...

- Cutting-edge in lighting technology
- Key player in the local markets we serve
- Coordinator of the distribution network
- Experts on the energy-saving potential of lighting



We aim to be the world authority on lighting.

Lighting means for us...

- Indoor professional
- Outdoor professional
- LED
- Control and emergency Systems
- Components
- Premium upmarket residential



We aim to be the world authority on lighting.

Our size and brands provide critical support for our position

Size

- Sustainable leading edge against multitude of mid-sized luminaire companies, specifically in R&D, quality, speed and manufacturing cost
- Credible global alternative to the lamp oligopoly in the component area
- Luminaires, components, controls & LED's under one roof to cover the complete lighting value chain
- Leverage through best trained lighting experts (academies) and multi-cultural employee base
- Determination and power to participate in shaping the lighting industry

We aim to be the world authority on lighting.

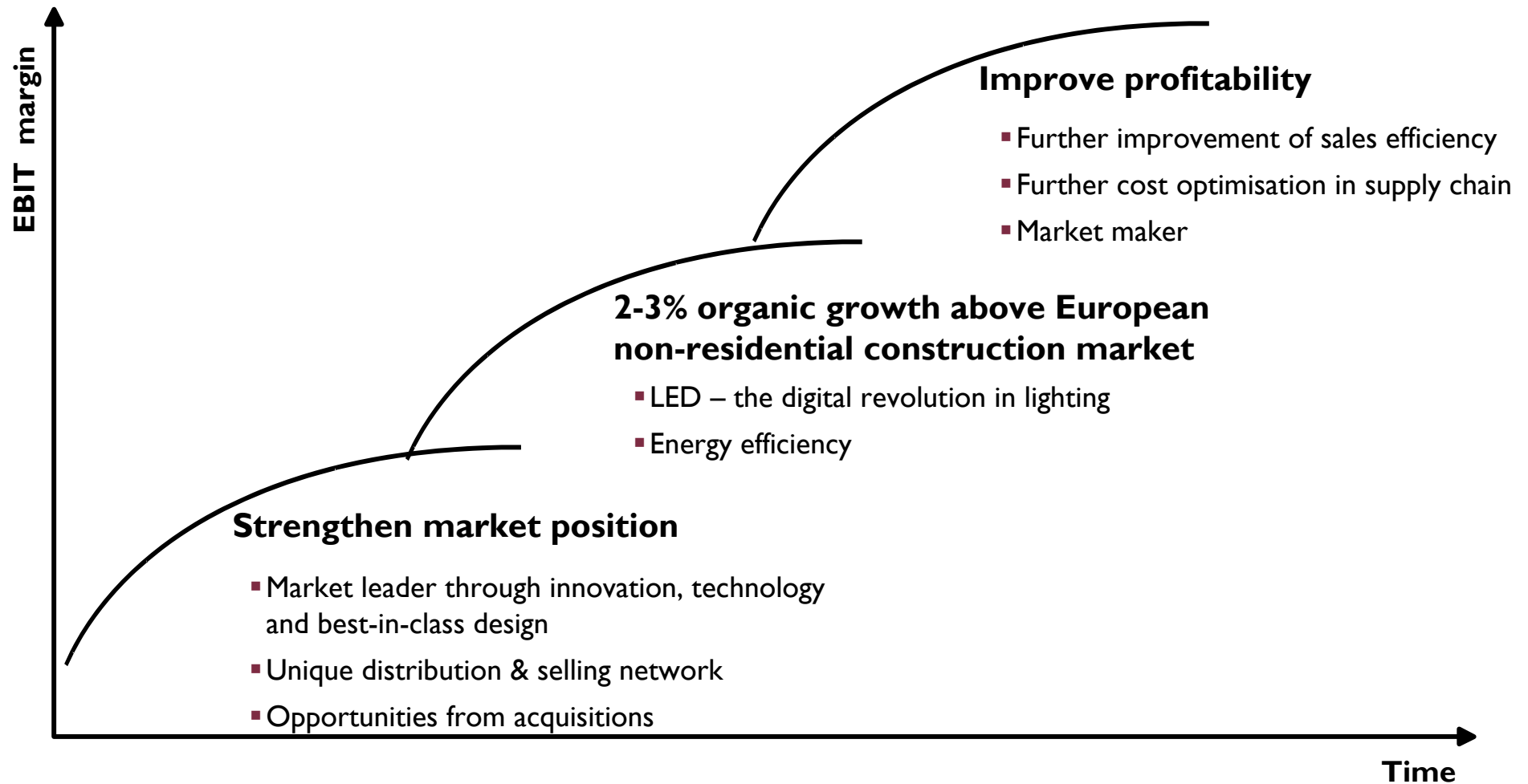
Our size and brands provide critical support for our position

Brands

- All our brands stand for innovation leadership
- Zumtobel and Thorn brands to address different target groups and distribution channels for professional luminaires and lighting solutions
- Leading worldwide position for lighting management and components (TridonicAtco)
- Ledon brand to address new fields of application for LED

We aim to be the world authority on lighting.

Three key drivers to achieve this ambitious target



Strengthen market position

Well positioned in Europe – potential from bolt on acquisitions

Leading position in Europe with our established brands

	AT	BNL	CH	D	DK	F	I	NO	S	GB	EUROPE 10
Zumtobel / Thorn	1	2	2	3	4	2	7	3	2	1	1
TridonicAtco	1	3	2	3	3	4	3	1	1	1	2

Ledon – a specialist and innovation driver for LED Lighting technology

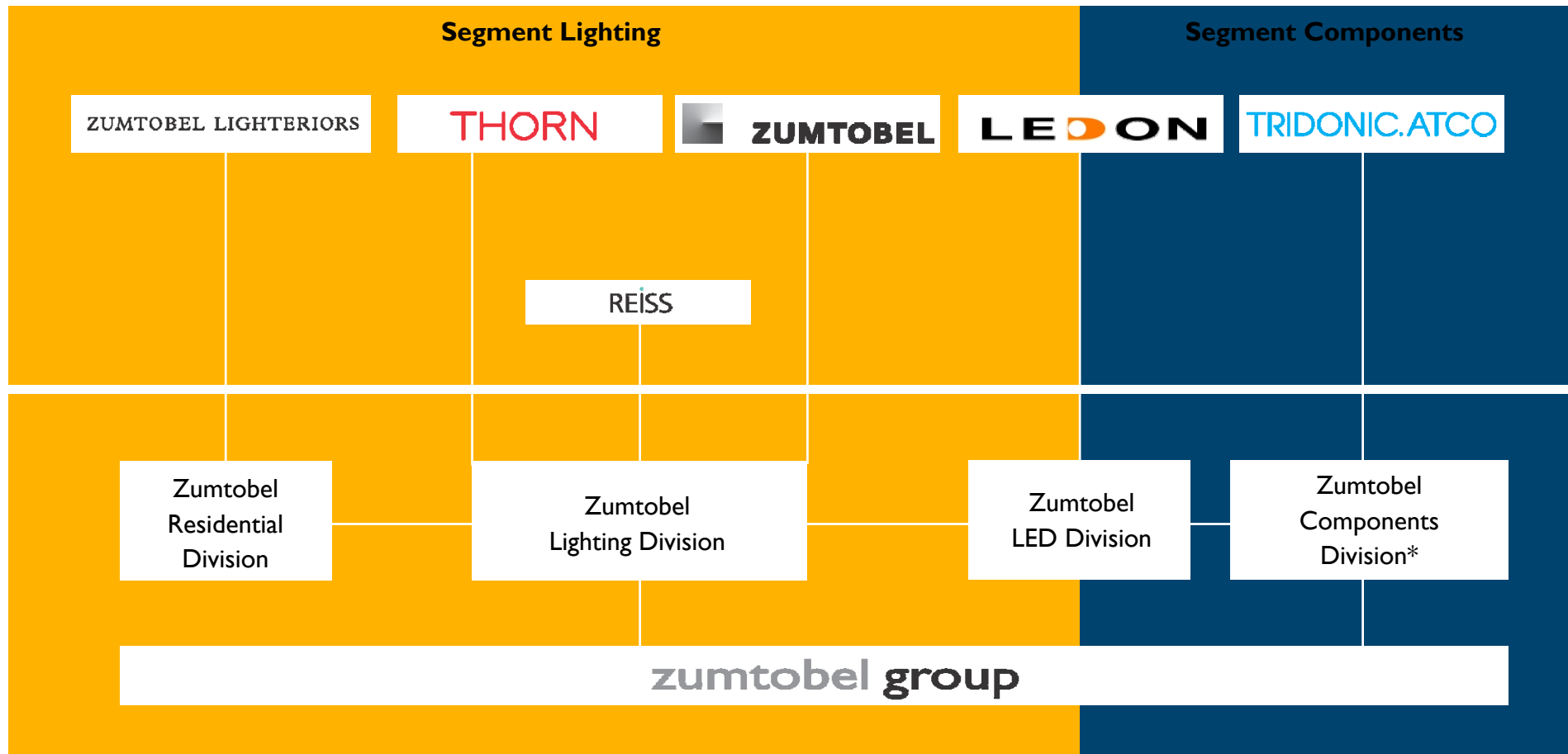
Potential from acquisitions

- New technologies (LEDs, electronic components, ...)
- Regional expansion (Spain, Eastern Europe, Asia, ...)
- New applications (outdoor, high-end residential, ...)

Strengthen market position

Strong individual brands under the Zumtobel Group

The new structure



* also includes modules and systems

2-3% organic growth above European non-residential construction market

Well prepared for future growth

General market

- Sound growth to date in European core markets
- Long-term effects of the present capital market turmoil are still uncertain
- Energy efficiency as a growth driver
- Dynamic LED growth
- Continued shift from magnetic to electronic ballasts

Geographical expansion

- Steady and strong growth in Eastern Europe
- Continued focus on growth in dynamic Asia markets
- Expansion of our foothold in Middle East

Energy efficiency as a growth driver

Huge potential for efficiency and resource optimisation in professional lighting!



- **Lighting consumes 19% of the electricity generated worldwide**
- **60% of artificial lighting in Europe is inefficient**
 - 75% of office and industry lighting in Europe is inefficient
 - 30% of street lighting in Europe is over 20 years old with technology dating from 1960
- **Greatest savings potential lies in professional lighting (up to 80%)**
- **Statutory regulations and innovation in the industry stimulate dynamics**

Energy efficiency as a growth driver

Considerations on potentials in the European lighting market

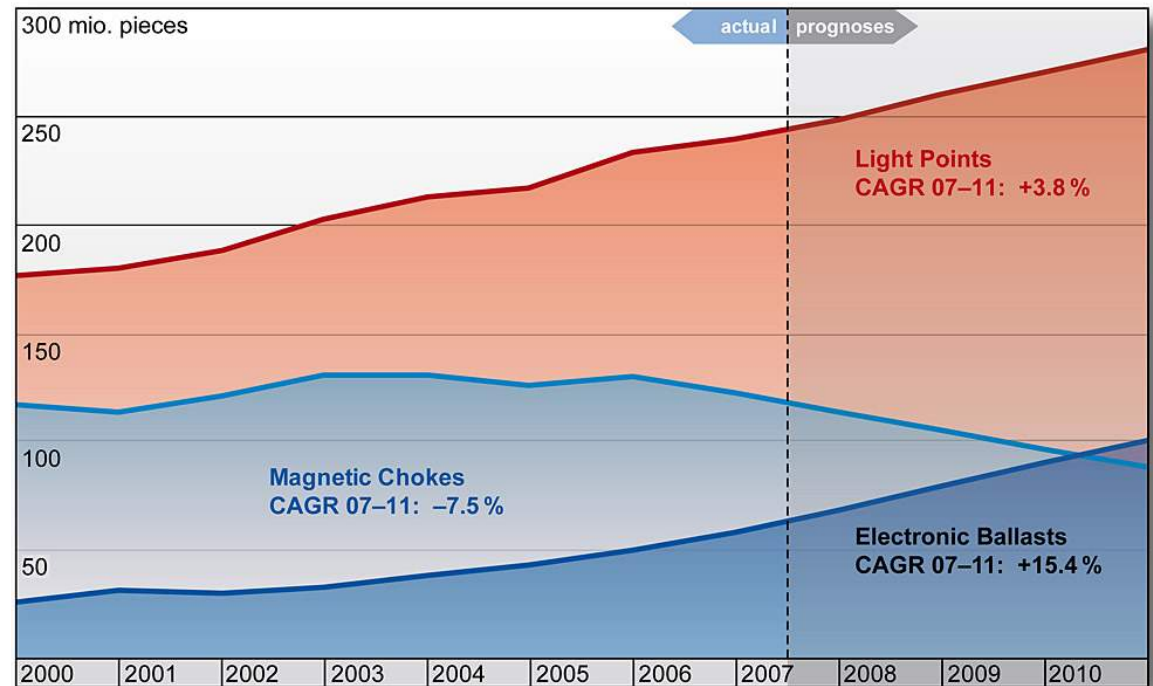
Change from replacement rate:

	Actual	Scenario
Replacement rate p.a.	5,0%	5,6%
equals years of	20	18
=> Market growth potential equals EUR mill.		11,1% 300,0

Frost & Sullivan forecast:

- European energy efficient lighting market: EUR 660 million
- Growth rate of more than 8%

Unbroken trend towards electronic ballasts :

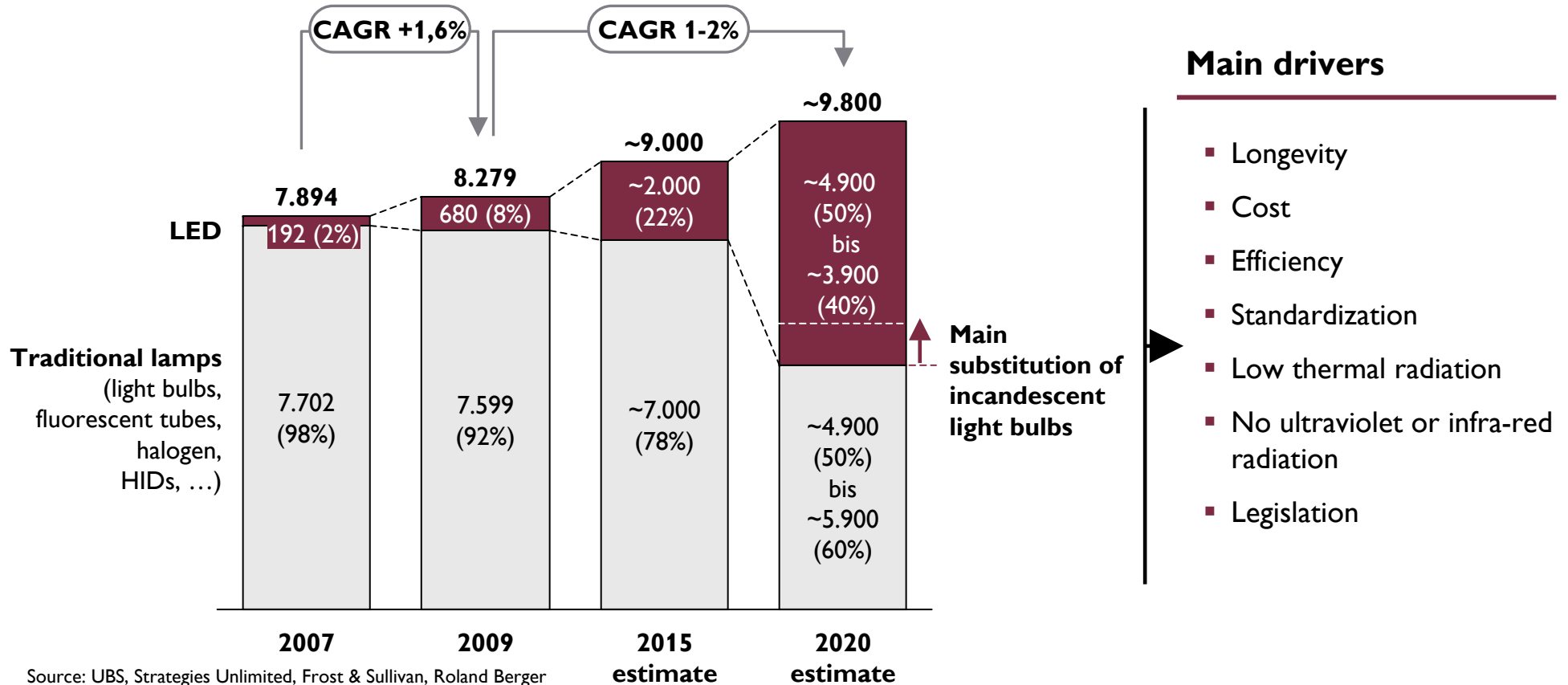


Source: ZVEI Statistic (actual), TridonicAtco & SCD (prognoses)

Dynamic LED growth

Market research forecasts 20% CAGR for LED (2009-2020)

Substitution through LED – revenues traditional lamp market*) [EUR mill.]



Source: UBS, Strategies Unlimited, Frost & Sullivan, Roland Berger

*) Worldwide; without automotive

Our LED target: >EUR 100 mill. revenues for FY 2010/11

Improve profitability

Continued focus on margin expansion and margin quality

Manufacturing

- Significant investment in production facilities
- Increased focus on implementation of lean 6-sigma and VA/VE
- Significant number of local improvement measures in place

Sales Excellence

- Improve hit rate
- Increase revenues per sales person
- Optimise price level
- Upgrading of Thorn brand

Engineering

- Increase in new product rate
- Standardisation and platform concept

Sourcing / Raw Materials

- Reduce number of suppliers
- Centralisation of purchasing
- Closer coordination and relationships with key global suppliers

What we accomplished

Strong track record in 2007/08

Zumtobel Lighting Division

- Sound growth in core markets for Zumtobel
- Thorn is back on growth track in Europe
- Improvement in Thorn margins :
 - Academy of Light
 - Wholesaler initiative - LumExpress
 - Continuous product upgrade

Zumtobel Component Division

- Capacity expansion for electronic ballasts
- Volume of electronic ballasts increased by 21%

Zumtobel LED Division

- 90% y-o-y growth
- A centre of competence
- To address new fields of business
- To support the other Group brand
- Strategic partnership with CREE for high brightness LED

What we accomplished

Strong track record in 2007/08

Upgrading of existing facilities

- Expansion of TridonicAtco production in China
- New powder-coating paint line installed in lighting factory in Dornbirn
- New state-of-the-art factory under construction in Spennymoor
- Completion of relocation to new lighting factory in Sydney

Acquisitions

- OY light – high-end residential lighting
- Multilux Kft – former Zumtobel sales partner in Budapest
- Light Makers – Danish Zumtobel sales organisation

What we accomplished

The new Spennymoor plant

Key Facts

- Total fenced area: 98,775 sqm
- Total building area 40,334 sqm, thereof
 - new factory 26,000 sqm (Thorn and Tridonic)
 - new laboratories 1,397 sqm
 - new Thorn Academy of Light 2,283 sqm
- Improved logistic and production cost

Key Milestones

- Outer shell completed
- Building and outfitting to be completed
- Transfer of Thorn and Tridonic to new plant
- Process for sale of old land (tender to underwriting)
- Completion date for transfer of title and closing



-> by end of September 2008

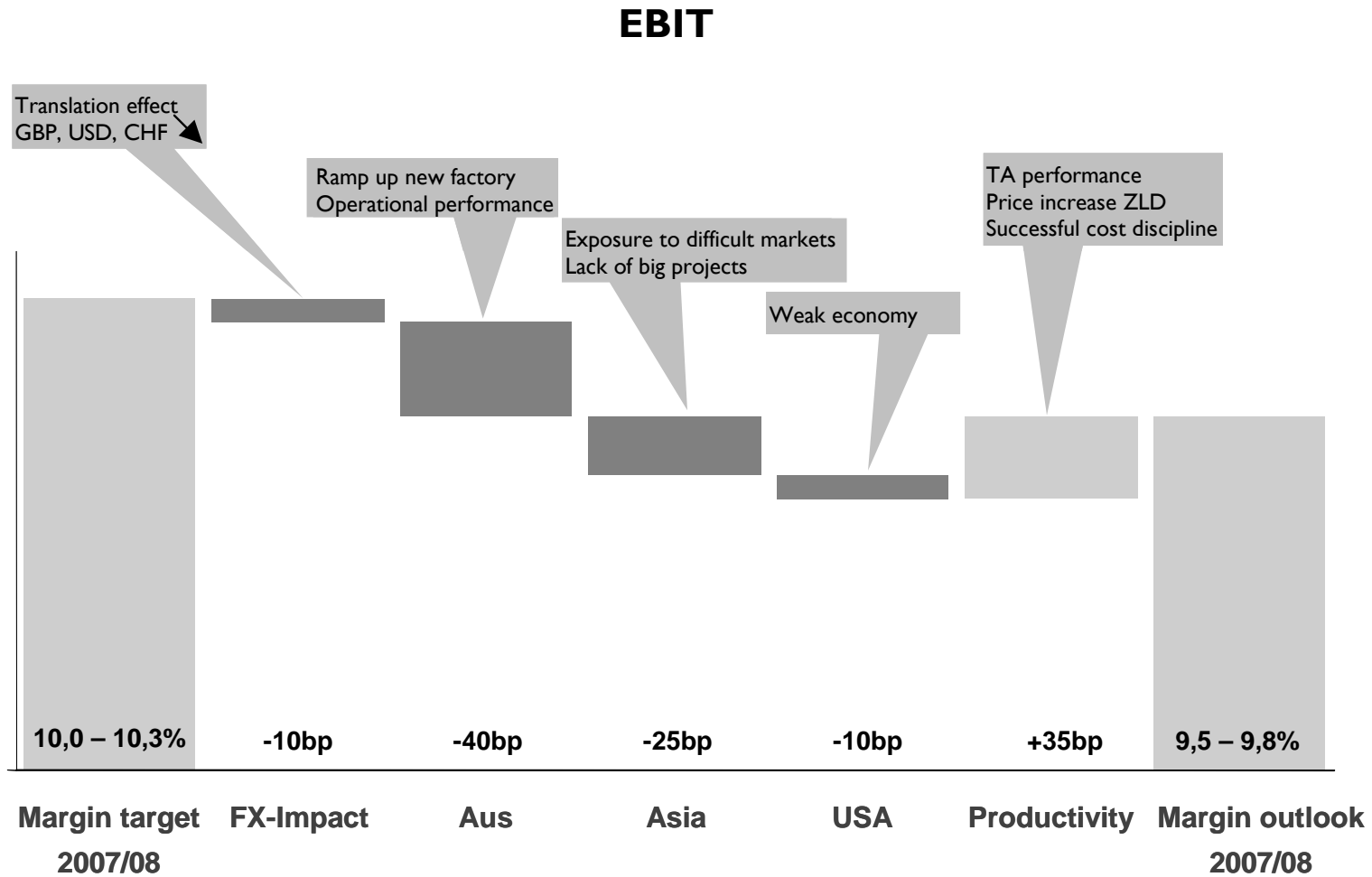
-> September to December 2008

-> April to June 2008

-> January 2009

Areas of concern

FX effect and overseas issues 2007/08



Areas of concern

Actions to solve the performance gaps in overseas

Asia

- Focus on high-end markets in Hong Kong, Singapore and mainland China
- Cut overhead cost

Australia

- Re-evaluate portfolio (magnetic, wire, luminaires)
- Improve operational performance of ZLD plant
- Benefits from factory relocation

US

- Maintain position as a niche player
- Cost optimisation, investigate plant consolidation

Outlook 2008/09

Further growth in revenues and EBIT

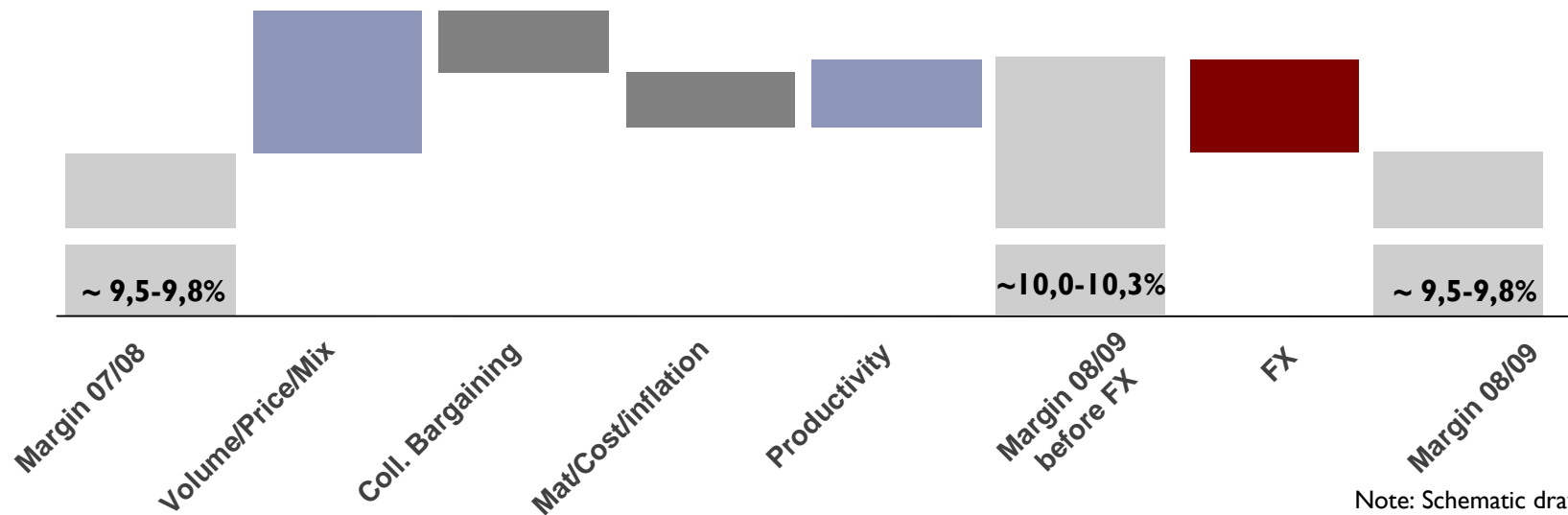
Sales

- 2-3% organic growth above European non-residential construction market
- Major support from growth in LED technology and energy efficiency

EBIT

FX-adjusted we target for double-digit margin

FX-impact results in sideward development in 2008/09



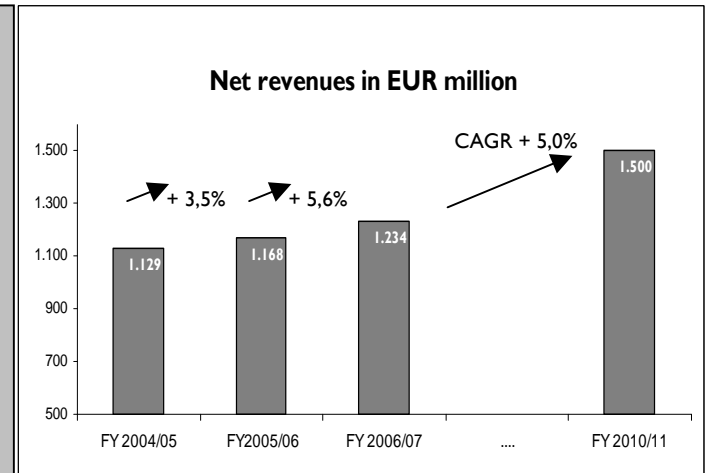
Note: Schematic drawing – not true to scale

Mid-term targets

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

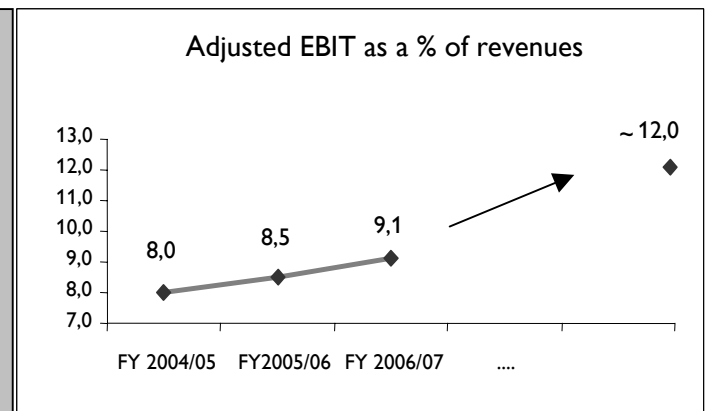
Growth targets

- **Mid-term (FY 2010/11) target of EUR 1.5 bn**
 - Zumtobel Lighting Division → € 1.1 billion
 - TridonicAtco Division → € 500 million (20% internal revenues)
- **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 strive to achieve a double-digit EBIT margin**
- **12% EBIT margin if favourable business environment returns ('blue sky' scenario)**



Zumtobel Group Building a bright future



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