

Quarterly Report of Zumtobel AG

1 May 2009 to 31 January 2010



zumtobel group

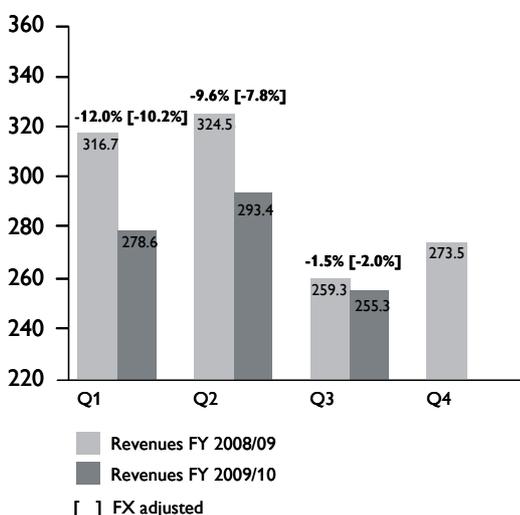
Overview of the Third Quarter 2009/10

- >> Growing market stabilisation during seasonally weak third quarter
- >> FX-adjusted revenues decrease by 2% in Q3 (1st-3rd Quarter: minus 7.0%)
- >> Adjusted EBIT margin falls from 1.0% to 0.5% (1st-3rd Quarter: 5.8%)
- >> Positive development of working capital continues
- >> Revenues from the sale of LED-based products grow by 29.8% in third quarter
- >> Moderate optimism for the fourth quarter

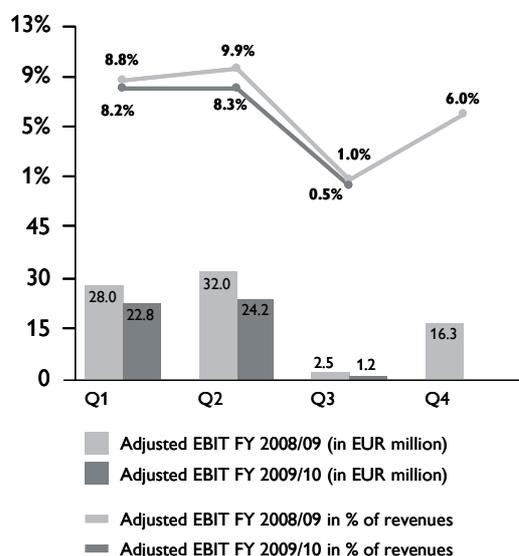
Key Data in EUR million	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %	FY 2008/09
Revenues	255.3	259.3	(1.5)	827.3	900.5	(8.1)	1,174.0
Adjusted EBITDA	12.3	13.3	(7.1)	81.3	94.5	(14.0)	121.6
as a % of revenues	4.8	5.1		9.8	10.5		10.4
Adjusted EBIT	1.2	2.5	(51.2)	48.3	62.6	(22.9)	78.9
as a % of revenues	0.5	1.0		5.8	6.9		6.7
EBIT	(1.0)	5.6	<(100)	39.0	63.1	(38.2)	57.0
as a % of revenues	(0.4)	2.2		4.7	7.0		4.9
Net profit for the period	(3.6)	(4.0)	10.4	21.3	38.1	(44.2)	13.3
as a % of revenues	(1.4)	(1.5)		2.6	4.2		1.1
Total assets				1,041.3	1,071.2	1.0	1,053.9
Equity				447.8	479.0	0.9	456.0
Equity ratio in %				43.0	44.7		43.3
Net debt				161.1	205.5	(21.6)	163.5
Cash flow from operating results				71.3	101.4	(29.7)	107.3
ROCE in %				10.4	13.3		11.9
Investments	12.2	15.1	(18.8)	29.3	45.4	(35.4)	64.7
Headcount incl. contract worker (full-time equivalent)				7,253	7,575	(4.3)	7,165

The seasonal development of business

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

The signs of gradual recovery in the operating environment for the Zumtobel Group continued to increase during the third quarter of the 2009/10 financial year. However, our markets are expected to remain volatile over the near-term. One positive note for the third quarter was the more moderate decline of "only" 1.5% in revenues to EUR 255.3 million. In comparison: the second quarter revenue decline was substantially higher at 9.6%. Demand has improved notably, above all in the Components Segment, which provides us with reason for optimism over the coming months. Third quarter earnings were favourably influenced by the effects of the "Excellerate" efficiency improvement programme that was launched in autumn 2008. We have been able to realise cost savings of more than EUR 59 million in all areas of the company since the start of this programme, which represents more than half of our target for gross savings of up to EUR 100 million by the end of the 2010/11 financial year.



Andreas Ludwig

Adjusted EBIT totalled EUR 1.2 million for the seasonally weakest third quarter. In total, adjusted operating profit amounted to EUR 48.3 million for the first three quarters, which was significantly less than the comparable prior year value of EUR 62.6 million but satisfactory given the current difficult market environment. The return on sales equalled 5.8% as of 31 January 2009. In the components business, we returned to a growth course in November 2009. Growth reached nearly 6.0% in the third quarter, and was driven in part due to higher market shares and restocking by TridonicAtco customers. The development of our late cyclical project business in the Lighting Segment was considerably more reserved, but also characterised by some positive signals. As a result of lower prices – and despite an improvement in the order situation – we expect a slight year-on-year decline in revenues for this segment during the last quarter of 2009/10. Our LED business continues to record dynamic growth with an increase of almost 50% in revenues for the first three quarters.

The equity ratio remained constant at 43.0% (43.3% as of 30 April 2009) in spite of negative effects from an increase in provisions for pensions in Great Britain and the resulting recognition of this amount in equity. Our debt coverage ratio also remained at a sound level of less than two. A further improvement was registered in the ratio of working capital to revenues, which totalled 18.4% for the third quarter. Free cash flow remained positive at EUR 4.8 million as of 31 January 2010.

Moderate rise in optimism

Even though it is certainly too early to count on an end to the significant declines that marked the 2009 calendar year, the positive signals are increasing – above all for our components business. Our fourth quarter earnings will be supported by the further stabilisation of revenues and positive results from the "Excellerate" programme. However, these factors will be more than offset by additional negative exchange rate effects (GBP, USD), rising pressure on prices and substantial costs related to our participation in the Light + Building trade fair.

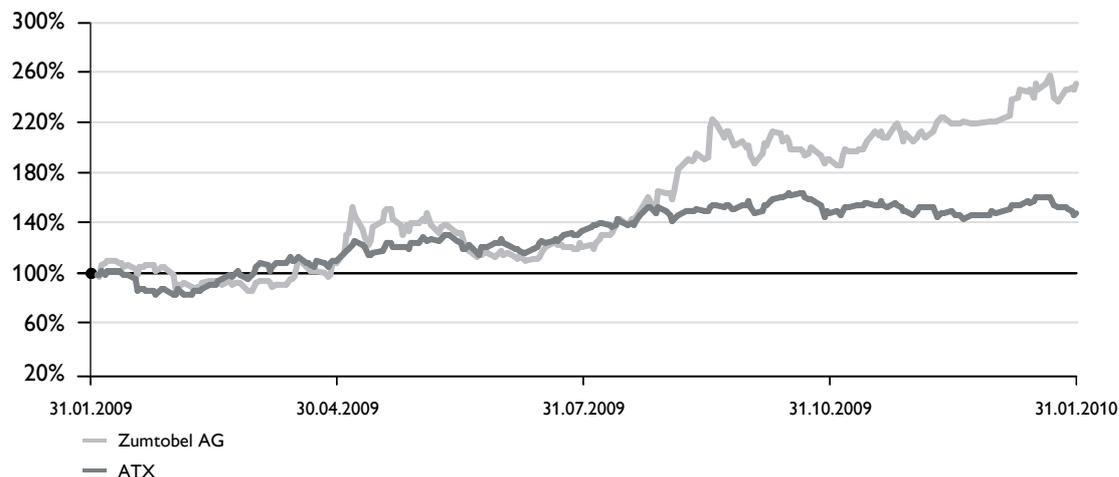
Andreas Ludwig
Chief Executive Officer

The Zumtobel Share

Zumtobel share price continues to rise in third quarter

The momentum that characterised the development of the Zumtobel share during the first half of the 2009/10 financial year (starting on 1 May 2009) continued during the third quarter. Positive statements by analysts and the expectations of many investors for the increasing recovery of the Zumtobel operating business drove the share price upward by 31.6% from November to January to a quarterly closing price of EUR 15.50. This performance outpaced the leading Austrian ATX index – which also includes the Zumtobel share – which stagnated during the third quarter. Zumtobel shareholders have benefited from growth of 128% in the share price since the start of the 2009/10 financial year, compared with a plus of 34% for the ATX since the beginning of May 2009. The value of the company rose to EUR 674 million as of 31 January 2010 based on a total of 43.5 million shares outstanding. The shareholder structure remained unchanged, with the Zumtobel family continuing to hold a stake of approx. 35%. The British insurance company Aviva plc holds a stake of roughly 5%, and the remaining 60% represents free float.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 3rd Quarter

Closing price at 30.04.09	€ 6.80	Currency	EUR
Closing price at 31.01.10	€ 15.50	ISIN	AT0000837307
Performance Q1-Q3 2009/10	127.9%	Ticker symbol/Vienna Stock Exchange (XETRA)	ZAG
Performance Q3 2009/10	31.6%	Market segment	Prime Market
Market capitalisation at 31.01.10	€ 674 Mio	Reuters symbol	ZUMV.VI
Share price - high at 19.01.10	€ 15.83	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	194,746	Datastream	O:ZAG
Free float	59.4%	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

Growing momentum for global economic recovery in 2010

The optimism of experts over the development of the global economy is growing stronger from quarter to quarter. The International Monetary Fund (IMF) is forecasting worldwide economic growth of 3.9% for 2010, which represents a substantial upward revision of the previously estimated 3.1%. Economists see the world divided into two camps: the emerging and developing countries can expect a renewed dynamic upswing with a cumulative plus of 6.0%, while growth in the primarily western industrialised nations will remain moderate at 2.1%. The IMF has forecasted a GNP increase of 2.7% for the USA and only 1.0% for the EU countries. Based on the improvement in export indicators, Germany should generate growth of 1.5%. Austria and Switzerland, which form the key Zumtobel D/A/CH region together with Germany, should realise similar growth in 2010. These countries will lag far behind China and India, which are expected to record an increase of 10.0% and 7.7%, respectively. The IMF sees the major risks for the recovery of the worldwide economy in the expected gradual expiration of government support programmes at the end of 2010 as well as in a shift away from the previous low-interest policies by national banks and continued restrictive lending practices by financial institutions.

In its November 2009 report, Euroconstruct issued a further downward revision to its growth forecasts for the seven most important European markets of the Zumtobel Group (Austria, Switzerland, Germany, France, Great Britain, Italy and Scandinavia) with an adjustment from minus 6.3% to minus 8.8% for the 2009 calendar year and from minus 2.6% to minus 2.7% for the 2010 calendar year. The 2011 calendar year is expected to bring a slight decline of 0.3%.

Significant events since 30 April 2009

The Zumtobel Group and the Dutch Philips Group signed an extensive worldwide cross-licensing agreement in May 2009 for current and future patents in the areas of lighting technology and solid state lighting. This agreement includes a balanced mutual settlement payment that reflects the strong position of both companies in the lighting technology sector. As a result of this agreement the Zumtobel Group with all its brands becomes a qualified supplier under the Philips LED-based luminaires licensing programme. One immediate benefit of this status is that customers of the OEM brands sold by the Zumtobel Group, TridonicAtco and Ledon will in any case be exempted from paying royalties to Philips. The positive financial effect of this agreement was recognised to the income statement in the first quarter. In the future, the Zumtobel Group will be required to make revenue-based license payments to the Philips Group.

Extensive cross-licensing agreement with Philips

The annual general meeting on 24 July 2009 approved a capital decrease through the withdrawal of 1,204,344 treasury shares. This measure took effect on 20 August 2009 with recording in the company register. The withdrawal of treasury shares reduced the company's share capital from EUR 111,760,860.00 to EUR 108,750,000.00, which is now divided into 43,500,000 bearer shares with zero par value (previously 44,703,344 shares).

Capital decrease completed

The Supervisory Board of Zumtobel AG appointed Martin Brandt to the Management Board as of 1 September 2009. As Chief Operating Officer (COO), he is responsible for the operating business in the lighting segment.

Management Board of Zumtobel AG expanded

In October 2009 the Zumtobel Group together with the Fraunhofer-Gesellschaft and several staff members of the Fraunhofer Institute for Photonic Microsystems (IPMS) founded "Ledon OLED Lighting GmbH & Co. KG", which will focus on the development and production of future-oriented OLED (organic lighting diodes) lighting modules.

Zumtobel Group invests in OLED technologies

Zumtobel Group enters LED lamp business

In January 2010 the Zumtobel Group announced its entry into the LED lamp business, and subsequently founded the subsidiary "LEDON Lamp GmbH". This company will be responsible for marketing an extensive line of innovative LED lamps.

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 2010, 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

- >> 7.0% decrease in FX-adjusted revenues
- >> Despite decline in revenues, increased signs of market stabilisation
- >> 48.1% increase in revenues from LED-based products

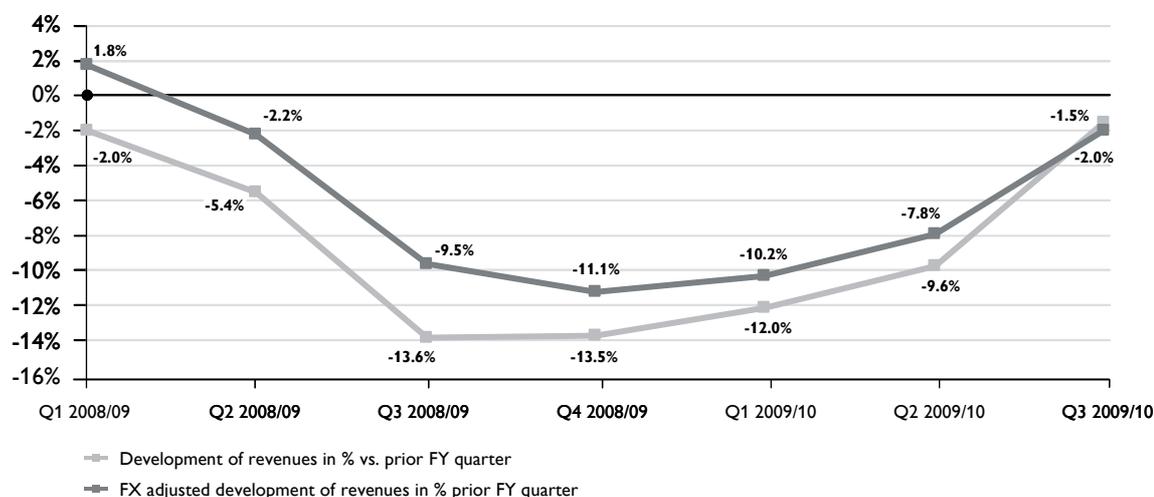
7.0% decrease in FX-adjusted revenues

During the first nine months of the 2009/10 financial year (1 May to 31 January 2010) revenues fell by 8.1% to EUR 827.3 million (prior year: EUR 900.5 million). The development of business was negatively influenced by currency translation effects of EUR 10.3 million or 1.1%. After an adjustment for these effects, revenues were 7.0% lower than the comparable prior year period. The difficult operating environment represented a challenge for both segments during the first nine months. Group revenues fell by 1.5% (minus 2.0% after FX adjustments) during the third quarter whereby this more moderate decline resulted also from the easier comparative base.

FX effects positive for first time in third quarter

The negative foreign exchange effects resulted from the strength of the Euro, above all versus the British Pound (GBP) and the Swedish Krone (SEK), whereby it should be noted that this effect was positive for the first time in the third quarter with a plus of EUR 1.3 million. The appreciation of the Euro over the comparable prior year period was responsible for a 7.5% reduction in revenues denominated in the British Pound and 6.3% for the Swedish Krone, based on the respective average monthly exchange rates. Further negative effects resulted from a decline in the value of several Eastern European currencies. These factors were only offset to a limited extent by positive contributions from the Swiss Franc (CHF), New Zealand Dollar (NZD) and Australian Dollar (AUD). The combined total of all currency translation adjustments was a negative translation effect of EUR 10.3 million in the first three quarters.

Development of revenues over the last seven quarters



The market environment for the Lighting Segment remained tense throughout the reporting period, with the development of business negatively influenced by declining prices. Foreign exchange factors also had an above-average effect of EUR 8.5 million on segment revenues, which fell by 8.0% (minus 6.8% after FX adjustments) to EUR 611.3 million (prior year: EUR 664.8 million). In the third quarter revenues fell by 3.3% (minus 3.5% after FX adjustments).

Growing pressure on prices in Lighting Segment

In the Components Segment, the development of revenues in Q3 showed a sound upward trend in relation to the comparable quarters of the prior year. Revenues rose by 6.0% (plus 4.8% after FX adjustments), in part due to higher market shares and restocking by TridonicAtco customers. The technical substitution trend in this business continued in favour of technologically more sophisticated electronic ballasts. Foreign exchange effects in the first three quarters were responsible for a reduction of EUR 1.8 million in revenues. Revenues fell by 6.0% in the first three quarters (minus 5.3% after FX adjustments) to EUR 267.3 million (prior year: EUR 284.3 million).

Sound Q3 revenue development in Components Segment

Segment development in EUR million	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %	FX adjusted in %
Lighting Segment	184.6	190.9	(3.3)	611.3	664.8	(8.0)	(6.8)
Components Segment	86.7	81.8	6.0	267.3	284.3	(6.0)	(5.3)
Reconciliation	(15.9)	(13.4)	(19.4)	(51.3)	(48.6)	5.5	-
Zumtobel Group	255.3	259.3	(1.5)	827.3	900.5	(8.1)	(7.0)

The Zumtobel Group continued its dynamic growth in the future-oriented technological field of LED during the reporting period. Revenues from the sale of LED-based products and solutions rose by a strong 48.1% during the first nine months to EUR 49.1 million (3rd quarter: plus 29.8%).

48.1% increase in revenues from LED-based projects

Distribution of regional revenues	Q3 2009/10		Q1-Q3 2009/10		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	63.2	(7.8)	213.0	(8.0)	25.7
Eastern Europe	12.4	(10.5)	44.2	(18.7)	5.3
Northern Europe	22.1	(1.0)	68.1	(9.0)	8.2
Western Europe	81.2	0.0	259.5	(9.6)	31.4
Southern Europe	22.7	(0.2)	68.7	(17.0)	8.3
Europe	201.6	(3.4)	653.4	(10.5)	79.0
Asia	23.2	9.0	71.5	7.6	8.6
Australia & New Zealand	22.3	22.5	72.9	2.4	8.8
America	6.2	(11.2)	21.9	(6.6)	2.7
Others	2.0	(52.1)	7.6	(17.2)	0.9
Total	255.3	(1.5)	827.3	(8.1)	100.0

Lower revenues but first signs of market stabilisation

Revenues recorded by the Zumtobel Group in Europe declined 10.5% (minus 8.6% after FX adjustments) to EUR 653.4 million for the first nine months of 2009/10 (prior year: EUR 730.2 million), and represented 79% of total Group revenues. In the D/A/CH region (Germany, Austria, Switzerland), the Lighting Segment recorded a double-digit, year-on-year revenue decline in Germany and Austria during the third quarter. The development of business was negatively affected by the severe winter weather, above all in Germany. Revenues in Switzerland nearly reached the prior year level. Eastern Europe recorded a minus of 10.5% for the third quarter (minus 10.3% after FX adjustments). After an adjustment for negative currency translation effects from the above-mentioned decrease in the British Pound, revenues in Western Europe rose by 1.0% during the third quarter (nominal: unchanged). In Southern Europe and Northern Europe, the massive revenue declines in previous quarters were followed by the first signs of an easing in the market environment with quarterly revenues matching the prior year.

Continued revenue growth in Asia

Revenues in Asia rose by 7.6% to EUR 71.5 million during the reporting period (prior year: EUR 66.4 million). This development was driven by the dynamic growth of the Chinese economy. After an adjustment for foreign exchange effects, revenues in this region were 8.0% higher than the prior year. Business in America is still negatively influenced by the extremely weak condition of the construction industry. Revenues in this region fell by 6.6% (nominal equals FX adjusted) during the first nine months to EUR 21.9 million (prior year: EUR 23.5 million). Australia/New Zealand benefited from an appreciation of the local currencies. Revenues rose by 2.4% during the first three quarters (minus 3.2% after FX adjustments) and by 22.5% in the third quarter (plus 0.5% after FX adjustments), with this increase resulting above all from the lighting business.

Earnings

- >> Adjusted EBIT margin equals 5.8%
- >> Pressure on prices reduces profitability
- >> Gross profit margin declines to 35.1%
- >> Continued positive results from "Excellerate" efficiency programme
- >> Substantial reduction in selling and administration expenses
- >> Improvement in financial results

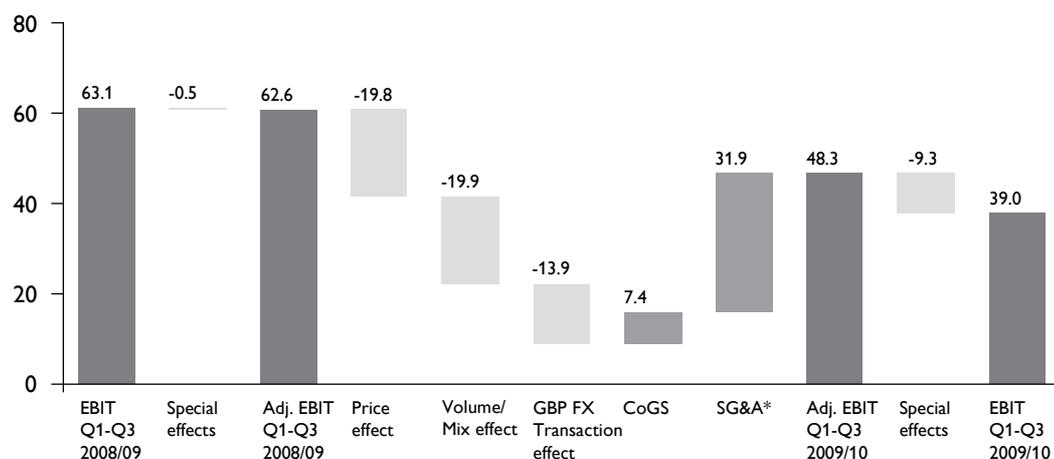
Income statement in EUR million	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Revenues	255.3	259.3	(1.5)	827.3	900.5	(8.1)
Cost of goods sold	(171.1)	(169.0)	(1.3)	(537.0)	(563.9)	4.8
Gross profit	84.2	90.3	(6.8)	290.3	336.5	(13.7)
as a % of revenues	33.0	34.8		35.1	37.4	
SG&A expenses adjusted for special effects	(83.0)	(87.8)	5.5	(242.0)	(273.9)	11.7
Adjusted EBIT	1.2	2.5	(51.2)	48.3	62.6	(22.9)
as a % of revenues	0.5	1.0		5.8	6.9	
Special effects	(2.2)	3.1	<(100)	(9.3)	0.5	<(100)
EBIT	(1.0)	5.6	<(100)	39.0	63.1	(38.2)
as a % of revenues	(0.4)	2.2		4.7	7.0	
Financial results	(1.8)	(11.3)	83.7	(14.0)	(18.2)	23.0
Profit before tax	(2.8)	(5.6)	49.8	24.9	44.8	(44.3)
Income taxes	(1.1)	1.6	<(100)	(3.5)	(5.7)	37.8
Net profit for the period from discontinued operations	0.4	0.0		(0.1)	(1.0)	88.8
Net profit for the period	(3.6)	(4.0)	10.4	21.3	38.1	(44.2)
Depreciation and amortisation	11.5	17.0	(32.4)	33.5	38.2	(12.2)
Earnings per share (in EUR)	(0.09)	(0.09)	3.9	0.49	0.88	(44.2)

Note: EBITDA totalled EUR 72.5 million for the first three quarters of 2009/10.

EBIT fell by EUR 24.1 million to EUR 39.0 million for the reporting period (prior year: EUR 63.1 million). This represents a decrease of 230 basis points from the comparable prior year level to a return on sales of 4.7%. EBIT was reduced by negative special effects of EUR 9.3 million resulting from the "Excellerate" programme as well as provisions for legal proceedings and non-recurring income from the cross-licensing agreement with the Philips Group. After an adjustment for the special effects, the EBIT margin fell from 6.9% to 5.8% during the first nine months of 2009/10.

Adjusted EBIT margin equals 5.8%

Development of adjusted EBIT (in EUR million)



* SG&A = Selling and administrative expenses and other operating results adjusted for special effects

Gross profit margin falls to 35.1%

The gross profit margin fell by 230 basis points to equal 35.1% of revenues for the first three quarters of 2009/10. Gross profit was negatively influenced above all by lower volumes and prices (approx. 2.2% versus the prior year) as well as significant currency transaction effects. The growing strength of the Euro in relation to the British Pound during the reporting period was responsible for a negative currency transaction effect of roughly EUR 13.9 million alone on exports to Great Britain. Moreover, procurement activities in the Components Segment were no longer supported by the advantageous USD hedges that expired during the past year. The cost of materials – adjusted for price effects and the negative GBP currency translation effect – fell from 41.7% to 40.3%. Capacity adjustments and productivity improvements as part of the “Excellerate” programme held production-related personnel expenses at the prior year level (15.7%) despite a substantial decline in revenues, increased insourcing and compensation increases mandated by collective bargaining agreements.

Continued positive effects of cost reduction

Selling and administrative expenses, adjusted for special effects, fell by 10.3% or EUR 31.9 million year-on-year to EUR 242.0 million during the first three quarters of 2009/10 as a result of the implemented cost reduction measures (prior year: EUR 273.9 million). This improvement also reflected the full recognition of the positive effects from the cross-licensing agreement with the Philips Group during the first quarter.

Special effects in operating profit

Special effects of EUR 9.3 million (prior year: plus EUR 0.5 million) were recognised as expenses during the first nine months of 2009/10. These costs are related above all to the “Excellerate” efficiency improvement programme (EUR 5.4 million) as well as provisions related to legal proceedings.

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

Adjusted EBIT in EUR million	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Reported EBIT	(1.0)	5.6	<(100)	39.0	63.1	(38.2)
thereof special effects	(2.2)	3.1	<(100)	(9.3)	0.5	<(100)
Adjusted EBIT	1.2	2.5	(51.2)	48.3	62.6	(22.9)
<i>as a % of revenues</i>	0.5	1.0		5.8	6.9	

Improvement in financial results

Financial results improved by EUR 4.2 million to minus EUR 14.0 million for the reporting period. The reduction in interest expense during the first three quarters is attributable above all to lower interest rates and improved financing conditions. In addition, interest expense for the prior year included non-recurring costs of approx. EUR 4.4 million related to the refinancing of the acquisition credit agreement concluded in 2001. Other financial income and expenses totalled minus EUR 5.9 million (prior year: minus EUR 1.8 million) and are comprised primarily of results from the fair value measurement of forward exchange contracts as of 31 January 2010.

Financial result in EUR million	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Interest expense	(2.4)	(5.4)	55.1	(7.9)	(19.7)	60.0
Interest income	0.3	0.4	(40.8)	0.8	1.9	(58.7)
Net financing costs	(2.2)	(5.0)	56.4	(7.1)	(17.8)	60.1
Other financial income and expenses	0.5	(6.6)	>100	(5.9)	(1.8)	<(100)
Profit/(loss) from associated companies	(0.2)	0.3	<(100)	(1.0)	1.4	<(100)
Financial results	(1.8)	(11.3)	83.7	(14.0)	(18.2)	23.0

Profit before tax fell by 44.3% to EUR 24.9 million for the first nine months of 2009/10 (prior year: EUR 44.8 million) and income tax expense equalled EUR 3.5 million. Results from discontinued operations totalled minus EUR 0.1 million and included subsequent expenses from the residential lighting activities that were terminated at the end of 2008/09. Net profit for the reporting period declined to EUR 21.3 million (prior year: EUR 38.1 million). Earnings per share for the shareholders of Zumtobel AG (diluted EPS based on 42.7 million shares) equalled EUR 0.49 (prior year: EUR 0.88).

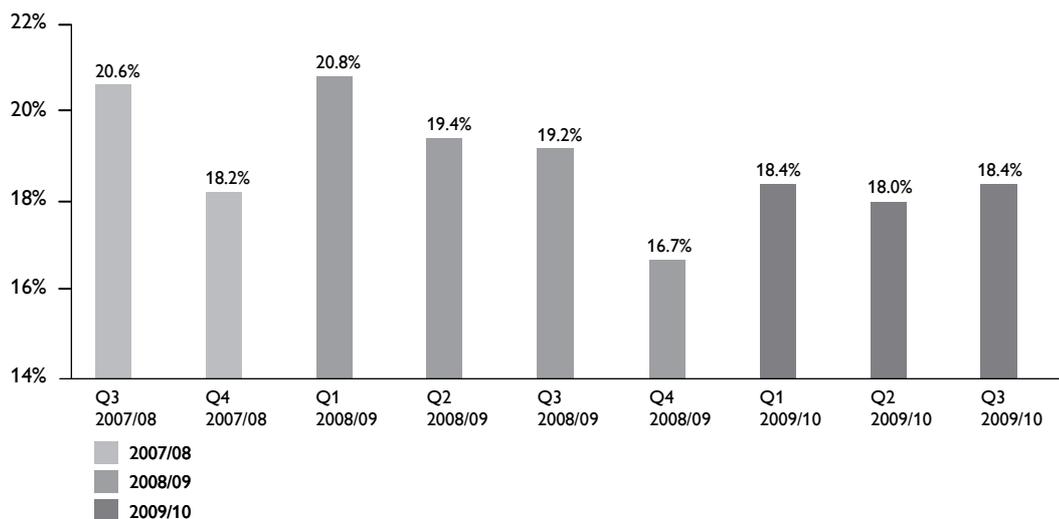
44.3% decline in profit before tax

Cash Flow and Asset Position

Working capital totalled EUR 202.3 million as of 31 January 2010 (prior year: EUR 230.4 million). As a percentage of rolling 12-month revenues, this indicator declined year-on-year for the tenth quarter in succession to equal 18.4% (prior year: 19.2%). The reduction in working capital was responsible for cash inflows of EUR 4.2 million (prior year: minus EUR 5.4 million). The change in other operating items of minus EUR 35.2 million (prior year: minus EUR 31.2 million) was comprised primarily of the receivable from the cross-licensing agreement and a change in other tax receivables and liabilities as well as a reduction in holiday liabilities.

Positive development of working capital continues

Working capital as % of rolling 12-month revenues



Investments in property, plant and equipment amounted to EUR 29.3 million for the first three quarters of 2009/10, which is substantially less than the comparable prior year period (prior year: EUR 45.4 million). This position consists primarily of capitalised research and development costs as well as investments in production equipment for the Dornbirn, Lemgo and Spennymoor plants. The higher cash outflows for equipment purchases in the first half of 2008/09 reflect investments at the new factory in Spennymoor. Free cash flow equalled EUR 4.8 million and was significantly less than the comparable prior year level (EUR 21.8 million), which was positively influenced by EUR 19.1 million from the sale of financial investments. The improvement in cash flow from financing activities resulted from a decline in interest expense, the waiver of a dividend for the 2008/09 financial year and the share buyback in 2008/09.

Positive free cash flow below prior year level

Balance sheet data in EUR million	31 January 2010	31 January 2009	30 April 2009
Total assets	1,041.3	1,071.2	1,053.9
Net debt	161.1	205.5	163.5
Equity	447.8	479.0	456.0
<i>Equity ratio in %</i>	43.0	44.7	43.3
<i>Gearing in %</i>	36.0	42.9	35.9
Average capital employed	618.7	666.7	664.0
<i>ROCE in %</i>	10.4	13.3	11.9
Investments	29.3	45.4	64.7
Working capital	202.3	230.4	196.4
<i>As a % of rolling 12 month revenues</i>	18.4	19.2	16.7

Solid balance sheet structure

There were almost no changes in the balance sheet structure compared with 30 April 2009. The equity ratio declined from 43.3% to 43.0% as of 31 January 2010. Equity was reduced by an increase in the provision for pensions in Great Britain, since lower interest rates and changes in the mortality tables resulted in a higher present value for these defined benefit obligations. Net liabilities fell from EUR 205.5 million to EUR 161.1 million, and led to an improvement in gearing from 42.9% on 31 January 2009 to 36.0% on 31 January 2010.

In order to safeguard its ability to meet payment obligations at all times, the Zumtobel Group concluded a five-year, EUR 480 million financing agreement in June 2008 that provides sufficient financial latitude. This agreement requires compliance with specific financial covenants, i.e. a debt coverage ratio of less than 3.5 and an equity ratio of more than 25%. As of the balance sheet date on 31 January 2010 the debt coverage ratio was 1.98 and the equity ratio 43.0%.

Outlook: moderate rise in optimism

Even though it is certainly too early to count on an end to the significant declines that marked the 2009 calendar year, the positive signals are increasing – above all for our components business. Our fourth quarter earnings will be supported by the further stabilisation of revenues and positive results from the “Excellerate“ programme. However, these factors will be more than offset by additional negative exchange rate effects (GBP, USD), rising pressure on prices and substantial costs related to our participation in the Light + Building trade fair.

Dornbirn, 16 March 2010

The Management Board

Andreas Ludwig
Chief Executive Officer

Thomas Spitzenfeil
Chief Financial Officer

Martin Brandt
Chief Operating Officer

Income Statement

in TEUR	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Revenues	255,329	259,329	(1.5)	827,300	900,459	(8.1)
Cost of goods sold	(171,140)	(169,001)	(1.3)	(537,043)	(563,950)	4.8
Gross profit	84,189	90,328	(6.8)	290,257	336,509	(13.7)
<i>as a % of revenues</i>	33.0	34.8		35.1	37.37	
Selling expenses	(66,843)	(69,352)	3.6	(200,786)	(218,248)	8.0
Administrative expenses	(17,282)	(19,707)	12.3	(51,891)	(58,642)	11.5
Other operating results	(1,048)	4,376	<(100)	1,401	3,443	(59.3)
<i>thereof special effects</i>	(2,205)	3,141	<(100)	(9,283)	489	<(100)
Operating profit	(984)	5,645	<(100)	38,981	63,062	(38.2)
<i>as a % of revenues</i>	(0.4)	2.2		4.7	7.0	
Interest expense	(2,435)	(5,425)	55.1	(7,895)	(19,718)	60.0
Interest income	260	440	(40.8)	793	1,922	(58.7)
Other financial income and expenses	503	(6,594)	>100	(5,898)	(1,805)	<(100)
Profit/(loss) from associated companies	(156)	329	<(100)	(1,034)	1,364	<(100)
Financial results	(1,828)	(11,250)	83.7	(14,034)	(18,237)	23.0
<i>as a % of revenues</i>	(0.7)	(4.3)		(1.7)	(2.0)	
Profit before tax	(2,812)	(5,605)	49.8	24,947	44,825	(44.3)
Income taxes	(1,145)	1,608	<(100)	(3,541)	(5,697)	37.8
Net profit from continuing operations	(3,957)	(3,997)	1.0	21,406	39,128	(45.3)
Net profit from discontinued operations	375	0		(112)	(994)	88.8
Net profit for the period	(3,582)	(3,997)	10.4	21,294	38,134	(44.2)
<i>as a % of revenues</i>	(1.4)	(1.5)		2.6	4.2	
<i>thereof due to minority shareholders</i>	56	(193)	>100	393	(302)	>100
<i>thereof due to shareholders of the parent company</i>	(3,638)	(3,804)	4.3	20,901	38,436	(45.6)
Average number of shares outstanding - basic (in 1000 pcs.)	42,713	42,910		42,714	43,797	
Average diluting effect (stock options) (in 1000 pcs.)	57	(64)		57	(64)	
Average number of shares outstanding - diluted (in 1000 pcs.)	42,770	42,845		42,771	43,732	
Earnings per share (in EUR)						
Basic earnings per share	(0.09)	(0.09)		0.49	0.88	
Diluted earnings per share	(0.09)	(0.09)		0.49	0.88	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	(0.09)	(0.09)		0.50	0.89	
Diluted earnings per share	(0.09)	(0.09)		0.50	0.89	

Statement of Comprehensive Income

in TEUR	Q3 2009/10	Q3 2008/09	Change in %	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Net profit for the period	(3,582)	(3,997)	10.4	21,294	38,134	(44.2)
Currency differences	4,203	(417)	>100	1,039	2,947	(64.8)
Currency differences arising from loans	1,843	(8,456)	>100	2,708	(10,255)	>100
Hedge accounting	298	(2,279)	>100	(289)	(1,408)	79.5
Actuarial loss / gain	(24,938)	1	<(100)	(24,938)	(25,670)	2.9
Taxes	(10,714)	572	<(100)	(10,567)	7,539	<(100)
Subtotal other comprehensive income	(29,308)	(10,579)	<(100)	(32,047)	(26,847)	(19.4)
<i>thereof due to minority shareholders</i>	179	(4)	>100	(10)	136	<(100)
<i>thereof due to shareholders of the parent company</i>	(29,487)	(10,575)	<(100)	(32,037)	(26,983)	(18.7)
Total comprehensive income	(32,890)	(14,576)	<(100)	(10,753)	11,287	<(100)
<i>thereof due to minority shareholders</i>	236	(198)	>100	383	(166)	>100
<i>thereof due to shareholders of the parent company</i>	(33,126)	(14,379)	<(100)	(11,136)	11,453	<(100)

Balance Sheet

in TEUR	31 January 2010	in %	30 April 2009	in %
Goodwill	275,455	26.5	275,455	26.1
Intangible assets	51,773	5.0	49,669	4.7
Property, plant and equipment	227,508	21.8	233,427	22.1
Investments in associated companies	3,990	0.4	7,861	0.7
Financial assets	637	0.1	624	0.1
Other receivables & assets	18,219	1.7	15,436	1.5
Deferred taxes	31,923	3.1	46,228	4.4
Non-current assets	609,505	58.5	628,700	59.7
Inventories	148,950	14.3	148,819	14.1
Trade receivables	162,786	15.6	169,378	16.1
Other receivables & assets	48,804	4.7	37,946	3.6
Financial assets	25	0.0	21	0.0
Liquid funds	71,218	6.8	69,008	6.5
Current assets	431,783	41.5	425,172	40.3
ASSETS	1,041,288	100.0	1,053,872	100.0
Share capital	108,750	10.4	111,761	10.6
Additional paid-in capital	342,075	32.9	339,048	32.2
Reserves	(27,929)	(2.7)	(10,217)	(1.0)
Net profit for the period	20,901	2.0	13,426	1.3
Capital attributed to shareholders of the parent company	443,797	42.6	454,018	43.1
Capital attributed to minority shareholders	4,035	0.4	1,962	0.2
Equity	447,832	43.0	455,980	43.3
Provisions for pensions	70,511	6.8	47,370	4.5
Provisions for severance compensation	30,739	3.0	30,758	2.9
Other provisions	11,281	1.1	10,718	1.0
Borrowings	215,336	20.7	215,600	20.5
Other liabilities	21	0.0	84	0.0
Deferred taxes	8,009	0.8	9,133	0.9
Non-current liabilities	335,897	32.3	313,663	29.8
Provisions for taxes	27,843	2.7	25,332	2.4
Other provisions	30,066	2.9	34,534	3.3
Borrowings	16,936	1.6	16,886	1.6
Trade payables	96,046	9.2	109,895	10.4
Other liabilities	86,668	8.3	97,582	9.3
Current liabilities	257,559	24.7	284,229	27.0
EQUITY AND LIABILITIES	1,041,288	100.0	1,053,872	100.0

Cash Flow Statement

in TEUR	Q1-Q3 2009/10	Q1-Q3 2008/09
Operating profit from continuing and discontinued operations	38,869	62,068
Depreciation and amortisation	33,530	38,180
Gain/loss from disposal of fixed assets	727	1,107
Results from discontinued operations	(1,833)	0
Cash flow from operating results	71,293	101,355
Inventories	4,043	(14,125)
Trade receivables	12,904	46,227
Trade payables	(14,077)	(37,600)
Prepayments received	1,299	85
Change in working capital	4,169	(5,413)
Non-current provisions	(4,692)	(2,530)
Current provisions	(3,956)	495
Other current and non-current receivables and liabilities	(26,580)	(29,210)
Change in other operating items	(35,228)	(31,245)
Taxes paid	(4,722)	(9,583)
Cash flow from operating activities	35,512	55,114
Proceeds from the sale of non-current assets	1,908	521
Capital expenditures	(29,342)	(45,393)
Change in non-current and current financial assets	(3,247)	19,147
Change in liquid funds from changes in the consolidation range	0	(7,620)
Cash flow from investing activities	(30,681)	(33,345)
FREE CASH FLOW	4,831	21,769
Change in net borrowings	3,801	(2,205)
<i>thereof restricted cash</i>	(9)	502
Dividends	(329)	(31,255)
Share buyback / exercise of options	19	(16,845)
Interest paid	(6,028)	(14,859)
Cash flow from financing activities	(2,537)	(65,164)
Effects of exchange rate changes on cash and cash equivalents	3,070	(1,708)
CHANGE IN CASH AND CASH EQUIVALENTS	5,364	(45,103)
Cash and cash equivalents at the beginning of the period	55,953	86,163
Cash and cash equivalents at the end of the period	61,317	41,060
Change absolute	5,364	(45,103)

Statement of Changes in Equity

1st – 3rd Quarter 2009/10

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	
30 April 2009	111,761	339,048	(10,217)	13,426	454,018	1,962	455,980
+/- Additions to reserves	0	0	13,426	(13,426)	0	0	0
+/- Total comprehensive income	0	0	(32,037)	20,901	(11,136)	383	(10,753)
+/- Capital decrease through withdrawal of own shares	(3,011)	3,011	0	0	0	0	0
+/- Stock options - exercises	0	16	0	0	16	0	16
+/- Dividends	0	0	0	0	0	(329)	(329)
+/- Change in consolidation method	0	0	0	0	0	2,019	2,019
+/- Stock options - addition	0	0	899	0	899	0	899
31 January 2010	108,750	342,075	(27,929)	20,901	443,797	4,035	447,832

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	
30 April 2008	111,761	355,893	(48,409)	92,986	512,231	1,969	514,200
+/- Additions to reserves	0	0	92,986	(92,986)	0	0	0
+/- Total comprehensive income	0	0	(26,983)	38,436	11,453	(166)	11,287
+/- 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)
+/- Change from acquisition of minority interest	0	0	0	0	0	190	190
+/- Stock options - addition	0	0	1,247	0	1,247	1	1,248
+/- Initial consolidation	0	0	0	0	0	200	200
31 January 2009	111,761	339,049	(12,414)	38,436	476,832	2,194	479,026

Notes

Accounting and Valuation Methods

The interim financial statements as of 31 January 2010 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 interim financial statements as of 31 January 2010 were not audited.

These 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.

The accounting and valuation methods remain unchanged as of 31 January 2010. Additional information on these methods is provided in the consolidated financial statements as of 30 April 2009. The following new or revised IAS/IFRS were applied for the first time in preparing the interim financial statements as of 31 January 2010:

In accordance with the changes to IAS 1 "Presentation of Financial Statements", the income statement was expanded to include the income and expenses recognised in equity and the results of this calculation are presented in a statement of comprehensive income. The statement of changes in equity only shows transactions with shareholders. Total comprehensive income is shown on a separate line in the statement of changes in equity.

IFRS 8 "Operating Segments" requires internal reports (management approach) to be used as the basis for identifying operating segments and for selecting the revenue and asset data to be disclosed. Since the external segment reporting of the Zumtobel Group already reflects these internal reports, the application of IFRS 8 did not result in any major changes.

The change to IAS 23 "Borrowing Costs" requires the capitalisation of borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset. The effect of this change on the interim financial statements as of 31 January 2010 is negligible.

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

Foreign Currency Translation

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

	Average exchange rate		Closing rate	
	31 January 2010	31 January 2009	31 January 2010	30 April 2009
1 EUR equals				
AUD	1.6803	1.7993	1.5639	1.8146
CHF	1.5104	1.5715	1.4662	1.5066
USD	1.4363	1.4333	1.3966	1.3275
SEK	10.4443	9.8278	10.2388	10.6915
GBP	0.8832	0.8214	0.8666	0.8934

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		TOTAL
	full	at equity	
30 April 2009	96	5	101
Change in consolidation method	1	(1)	0
Included during reporting period for first time	1	2	3
Merged / liquidated during reporting period	(2)	0	(2)
31 January 2010	96	6	102

The following companies were liquidated during the first quarter of 2009/10:

- >> Multilux (Pty) Ltd., Australia
- >> Staff/Conlux Administration Coy. Pty. Ltd., Australia

Thorn Gulf LLC, Dubai, which was previously included in the consolidated financial statements at equity, was fully consolidated as of 1 May 2009. LEDON Lamp GmbH, which maintains its registered headquarters in Austria, was founded during the first half of 2009/10.

In November 2009 LEDON OLED Lighting GmbH & Co KG, Dresden, and LEDON OLED Verwaltungs GmbH, Dresden, were founded together with the Fraunhofer Institute. This cooperation is designed to intensify investments in the future-oriented OLED (organic light-emitting diode) technology. Zumtobel holds a 51% stake in OLED Lighting GmbH & Co KG and a 49% stake in LEDON OLED Verwaltungs GmbH. These two companies are included in the interim financial statements at equity.

The majority shareholders of z-werkzeugbau GmbH exercised their option to acquire the remaining 30% of the company during the third quarter of 2009/10. This option will become legally valid after a period of six months at the earliest.

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

Sales volumes are generally higher during the first two quarters than during the second half-year for seasonal reasons; in particular, the third quarter falls 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.

Revenues

Revenues for the first three quarters of 2009/10 fell by 8.1% in year-on-year comparison to TEUR 827,300. Revenues for the third quarter of 2009/10 totalled TEUR 255,329, which is 1.5% lower than the third quarter of the previous financial year.

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 2009/10

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(355,313)	(2,951)	(242)	(34)	(358,540)
Personnel expenses	(132,405)	(102,428)	(33,566)	(2,647)	(271,046)
Depreciation	(27,834)	(4,065)	(1,118)	(513)	(33,530)
Other expenses	(44,865)	(86,318)	(21,185)	(6,233)	(158,601)
Own work capitalised	10,853	0	6	0	10,859
Internal charges	4,086	(7,490)	3,522	(118)	0
Total expenses	(545,478)	(203,252)	(52,583)	(9,545)	(810,858)
Other income	8,435	2,466	692	10,946	22,539
Total	(537,043)	(200,786)	(51,891)	1,401	(788,319)

1st – 3rd Quarter 2008/09

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(375,568)	(3,658)	(250)	0	(379,476)
Personnel expenses	(141,426)	(109,370)	(34,234)	(40)	(285,070)
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	4,647	(8,130)	3,483	0	0
Total expenses	(569,039)	(221,493)	(59,066)	(17,321)	(866,919)
Other income	5,089	3,245	424	20,764	29,522
Total	(563,950)	(218,248)	(58,642)	3,443	(837,397)

In order to improve the explanatory power of this report and achieve compatibility with internal reporting, the costs for temporary personnel were reclassified from the cost of materials to personnel expenses during the third quarter. The prior year data was adjusted accordingly. The segment report presents the number of employees including temporary personnel.

The cost of goods sold includes development costs of TEUR 24,247 (prior year: TEUR 25,364). Development costs totalling TEUR 9,936 were capitalised during the reporting period (prior year: TEUR 9.404), and the amortisation of capitalised development costs equalled TEUR 6,527 (prior year: TEUR 4.302).

Other Operating Results

in TEUR	Q3 2009/10	Q3 2008/09	Q1-Q3 2009/10	Q1-Q3 2008/09
Government grants	323	647	896	1,231
License revenues	959	614	9,671	1,591
Special effects	(2,205)	3,141	(9,283)	489
<i>Impairment charges (-) / write up (+) to non-current assets</i>	(410)	(6,268)	(509)	(6,268)
<i>Restructuring</i>	(325)	(8,050)	(5,447)	(10,686)
<i>Gains / losses on sale</i>	(27)	17,459	(27)	17,443
<i>Litigation</i>	(1,443)	0	(3,300)	0
Miscellaneous	(125)	(28)	117	132
Total	(1,048)	4,376	1,401	3,443

The government grants are comprised entirely of grants related to income.

The Zumtobel Group and the Philips Group signed an extensive worldwide cross-licensing agreement in May 2009 for current and future patents in the areas of lighting technology and solid state lighting. This exchange of patents had a positive, non-recurring effect on license income. In connection with the agreement, the Zumtobel Group is required to make revenue-based license payments. This position also includes license income from the LED business.

The line "restructuring" includes an impairment charge that was recognised to development costs during the third quarter of 2009/10. The comparable prior year amount includes an impairment charge of TEUR 4,733 to goodwill in the Atco Group".

A wide-ranging package of measures was implemented during the second half of the 2008/09 financial year as part of the "Excellerate" efficiency improvement programme, which calls for savings of up to EUR 100 million by 2010/11. The related expenses of TEUR 5,447 are reported on the line "restructuring". Restructuring costs of TEUR 10,686 in the prior year include TEUR 6,837 for the efficiency improvement programme as well as costs connected with the construction of the new plant in Spennymoor.

The gain on sale reported in 2008/09 was realised on the sale of the former plant site in Spennymoor.

The position "litigation" covers expenses relating to a legal case that has been pending since the 2000/01 financial year, in which the position of the Zumtobel Group as the respondent has taken an unfavourable development due to a revised legal interpretation by the supreme court.

Miscellaneous items represent the net total of income and expenses arising from ordinary business operations, which cannot be clearly allocated to other functional areas.

Interest Expense

Interest expense is comprised primarily of interest for the current credit agreement. The reduction resulted from the general decline in interest rates as well as a bonus margin, transaction costs and commitment fees of approx. TEUR 4,370 in the prior financial year that were related to the refinancing of the 2001 acquisition credit agreement.

Other Financial Income and Expenses

in TEUR	Q3 2009/10	Q3 2008/09	Q1-Q3 2009/10	Q1-Q3 2008/09
Interest component as per IAS 19 less income on plan assets	(990)	(684)	(2,797)	(2,049)
Foreign exchange gains and losses	351	(3,669)	185	(4,229)
Market valuation of financial instruments	1,142	(2,241)	(3,286)	4,599
Gains / losses on sale	0	0	0	(126)
Total	503	(6,594)	(5,898)	(1,805)

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 these interim financial statements.

Income Taxes

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

in TEUR	Q3 2009/10	Q3 2008/09	Q1-Q3 2009/10	Q1-Q3 2008/09
Current taxes	(1,062)	(504)	(3,627)	(6,584)
Deferred taxes	(83)	2,112	86	887
Income taxes	(1,145)	1,608	(3,541)	(5,697)

Results from Discontinued Operations

The results of discontinued operations include the subsequent effects from the termination of the residential lighting business at the end of 2008/09. The comparable prior year data include a valuation adjustment to a purchase price receivable, which resulted from the sale of a plant in a previous financial year.

Notes to the Statement of Comprehensive Income

Currency Differences

This position comprises translation effects resulting from the conversion of the financial statements of subsidiaries.

Currency Differences arising from Loans

These currency differences result from long-term SEK and GBP loans that qualify as a net investment in a foreign operation and must therefore be reported under comprehensive income.

Actuarial Loss / Gain

The actuarial loss for the reporting period is related to the provision for pensions in Great Britain, and resulted primarily from an increase in the present value of the defined benefit obligation (DBO) due to the application of lower interest rates and an adjustment of the mortality tables. The prior year actuarial loss resulted primarily from a decline in plan assets, which are connected with the provision for pensions in Great Britain.

Taxes

The change resulted from impairment charges to deferred tax assets, which were created during earlier years in connection with the provision for pensions in Great Britain and will presumably not be offset by sufficient taxable income over the mid-term.

Notes to the Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2009.

Intangible Assets

The change resulted chiefly from the capitalisation of internally generated intangible assets from development projects.

Property, Plant and Equipment

The decline in property, plant and equipment was related above all to scheduled depreciation combined with lower investment activity.

Investments in Associated Companies

The decline in investments in associated companies resulted primarily from a change in the method used to consolidate Thorn Gulf LLC, Dubai. This company was included in the consolidated financial statements at equity up to 30 April 2009, but was fully consolidated as of 1 May 2009 due to the attainment of control. In addition, an impairment charge was recognised to z-werkzeugbau gmbh as of 31 October 2009 to reflect the diminished prospects for earnings.

Other Non-current Receivables & Assets

This position includes the non-current portion of the receivable arising from the sale of the old factory in Spennymoor during December 2008 as well as the non-current components of the cross-licensing agreement with the Philips Group.

Deferred Tax Assets

The change is comprised primarily of impairment charges to deferred tax assets, which were created during earlier years in connection with the provision for pensions in Great Britain and will presumably not be offset by sufficient taxable income over the mid-term.

Other Current Receivables & Assets

This position includes the current portion of the receivable arising from the cross-licensing agreement with the Philips Group.

Provisions for Pensions

The change is related to a higher provision for pensions in Great Britain, and resulted primarily from an increase in the present value of the defined benefit obligation (DBO) following changes in the actuarial parameters.

Other Current Provisions

The provisions for restructuring (TEUR 8,067) that are included under this position declined by TEUR 9,515, in comparison with 30 April 2009, whereby TEUR 1,319 are related to the reversal of provisions for restructuring measures.

Notes to the Cash Flow Statement

Cash flow from operating results totalled TEUR 71,293 for the reporting period, and was lower than the first three quarters of the prior year (TEUR 101,355) due to the decline in operating profit. However, cash flow from operating activities was clearly positive (TEUR 35,512; prior year: TEUR 55,114) due to the further reduction of working capital. The change in other current and non-current receivables and liabilities resulted above all from a receivable arising from the exchange of patents, the difference in other tax receivables and liabilities and a reduction in holiday liabilities.

Cash flow from investing activities is comprised primarily of capitalised research and development costs as well as investments in production equipment for the plants in Dornbirn, Lemgo and Spennymoor. The higher expenditures for property, plant and equipment in the first three quarters of 2008/09 were related to investments in the new plant in Spennymoor.

The improvement in cash flow from financing activities to TEUR -2,537 for the reporting period (prior year: TEUR -65,164) resulted chiefly from the waiver of the dividend, the share buyback in 2008/09 and a decline in interest expense.

Transition to cash and cash equivalents

in TEUR	31 Jan. 2010	30 April 2009
Liquid funds	71,218	69,008
Not available for disposal	(410)	(412)
Overdrafts	(9,491)	(12,643)
Cash and cash equivalents	61,317	55,953

Notes to the Statement of Changes in Equity

Capital Decrease through the Withdrawal of Treasury Shares

The annual general meeting on 24 July 2009 approved a capital decrease through the withdrawal of treasury shares. This measure took effect on 20 August 2009 with recording in the company register. The withdrawal of these treasury shares reduced the company's share capital from EUR 111,760,860.00 to EUR 108,750,000.00. Share capital is now divided into 43,500,000 bearer shares with zero par value (previously 44,703,344 shares).

Stock Option Programme and Share Buyback

in psc.	Total
30 April 2009	286,767
Share buyback	0
Exercised	(2,181)
31 January 2010	284,586

A total of 2,181 options were exercised at a price of EUR 7.5 each during the first three quarters of 2009/10 (prior year: 64,625 options).

Reserve for Stock Options

in TEUR	SOP	MSP	Total
30 April 2009	15,986	1,732	17,718
Addition through profit or loss	-	1,069	1,069
cancelled	-	(170)	(170)
31 January 2010	15,986	2,631	18,617

The Stock Option Programme (SOP) was replaced by the Matching Stock Programme (MSP) in 2008. No further options were allocated from the SOP.

The addition to the MSP is accrued and recognised through profit or loss over a period of two years. During the first three quarters of 2009/10, TEUR 1,069 (prior year: TEUR 1,247) were accrued. The cancelled claims shown in the above table are related to the premature termination of employment relationships.

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 2010.

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

Contingent Liabilities and Guarantees

The Zumtobel Group held no contingent liabilities arising from guarantees or warranties as of 31 January 2009 (30 April 2009: TEUR 29). Bank guarantees of TEUR 9,588 (30 April 2009: TEUR 7,881) were provided for various liabilities.

Subsequent Events

No significant events occurred after the balance sheet date.

Segment Reporting

The segment reporting of the Zumtobel Group is based on the Lighting Segment (lighting solutions, interior and exterior lighting, electronic-digital lighting and room management systems) and the Components Segment (electronic and magnetic lighting components). The prices charged on inter-segment sales reflect normal market conditions.

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

The column "reconciliation" includes consolidation entries as well as property, plant and equipment, financial liabilities and taxes and the assets, liabilities and related income statement items that were not allocated to the individual segments.

3rd Quarter

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	Q3 2009/10	Q3 2008/09	Q2 2007/08	Q3 2009/10	Q3 2008/09	Q2 2007/08	Q3 2009/10	Q3 2008/09	Q2 2007/08	Q3 2009/10	Q3 2008/09	Q2 2007/08
Net revenues	184,579	190,892	223,802	86,692	81,792	92,179	(15,942)	(13,355)	(16,003)	255,329	259,329	299,977
External revenues	184,272	191,919	224,305	70,933	67,237	75,528	124	173	144	255,329	259,329	299,977
Inter-company revenues	307	(1,027)	(504)	15,759	14,555	16,651	(16,066)	(13,528)	(16,147)	0	0	0
Operating profit	(6,621)	6,399	13,477	7,773	2,514	10,261	(2,136)	(3,268)	(2,472)	(984)	5,645	21,265
Investments	8,550	7,813	6,453	3,385	7,620	3,606	300	(371)	1,766	12,235	15,062	11,823
Depreciation	(6,347)	(8,133)	(5,987)	(4,743)	(8,635)	(3,394)	(425)	(260)	(271)	(11,515)	(17,028)	(9,653)

1st – 3rd Quarter

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	Q1-Q3 2009/10	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 2009/10	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 2009/10	Q1-Q3 2008/09	Q1-Q3 2007/08	Q1-Q3 2009/10	Q1-Q3 2008/09	Q1-Q3 2007/08
Net revenues	611,319	664,833	716,482	267,303	284,261	301,182	(51,322)	(48,635)	(51,587)	827,300	900,459	966,077
External revenues	610,174	664,215	717,241	216,758	235,483	248,060	368	761	777	827,300	900,459	966,077
Inter-company revenues	1,145	618	(759)	50,545	48,778	53,122	(51,690)	(49,396)	(52,363)	0	0	0
Operating profit	10,008	42,032	65,229	35,708	30,225	35,103	(6,735)	(9,195)	(4,378)	38,981	63,062	95,953
Investments	21,285	27,370	20,308	7,536	17,405	12,134	521	618	1,886	29,342	45,393	34,326
Depreciation	(19,385)	(20,569)	(18,140)	(13,102)	(16,279)	(13,216)	(1,043)	(1,332)	2,172	(33,530)	(38,180)	(29,185)

in TEUR	31 Jan. 2010	30 April 2009	30 April 2008	31 Jan. 2010	30 April 2009	30 April 2008	31 Jan. 2010	30 April 2009	30 April 2008	31 Jan. 2010	30 April 2009	30 April 2008
Assets	695,376	698,053	754,848	199,904	204,661	233,295	146,008	151,158	117,805	1,041,288	1,053,872	1,105,948

	31 Jan. 2010	30 April 2009	30 April 2008	31 Jan. 2010	30 April 2009	30 April 2008	31 Jan. 2010	30 April 2009	30 April 2008	31 Jan. 2010	30 April 2009	30 April 2008
Headcount (full-time equivalent)	5,153	5,261	5,805	1,982	1,775	1,991	119	129	112	7,253	7,165	7,908

The number of employees reported in the above table includes temporary employees working in the Zumtobel Group.

Dornbirn, 16 March 2010

The Management Board

Andreas Ludwig

Thomas Spitzenpfeil

Martin Brandt

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
Debt Coverage Ratio	Net debt divided by EBITDA
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 2009/10	28 June 2010
Annual Shareholders' Meeting	23 July 2010
Ex-dividend day	27 July 2010
Dividend payout day	31 July 2010
1st Quarterly Report 2010/11 (1 May 2010 – 31 July 2010)	14 September 2010
Interim Financial Report 2010/1 (1 May 2010 – 31 October 2010)	09 December 2010
3rd Quarterly Report 2010/11 (1 May 2010 – 31 January 2011)	16 March 2011
Annual Results 2010/11	27 June 2011

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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
www.zumtobel.com
www.thornlighting.com
www.tridonicatco.com
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Disclaimer

This interim financial 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 interim financial report is also presented in English, but only the German text is binding.



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