

Interim Financial Report of Zumtobel AG

1 May 2009 to 31 October 2009



zumtobel group

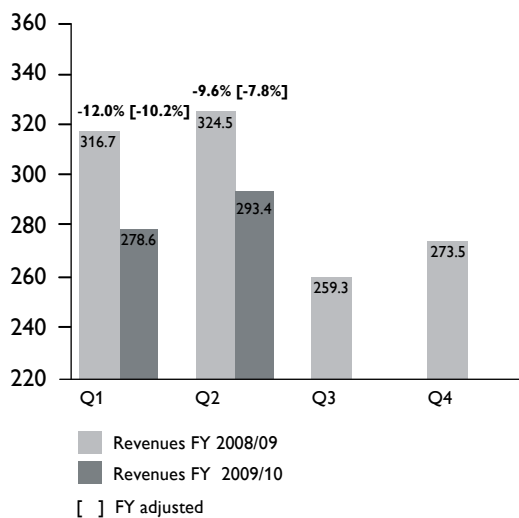
Overview of the First Half-Year 2009/10

- >> Half-year revenues decline 9.0% after adjustment for foreign exchange effects (2nd Quarter: minus 7.8%)
- >> Currency translation effects reduce revenues by EUR 11.6 million
- >> Adjusted EBIT margin at solid 8.2% despite adverse market conditions
- >> Effectiveness of cost savings measures reflected in earnings
- >> Positive development of working capital continues
- >> Revenues from the sale of LED-based products grow by 57.6% in first half-year

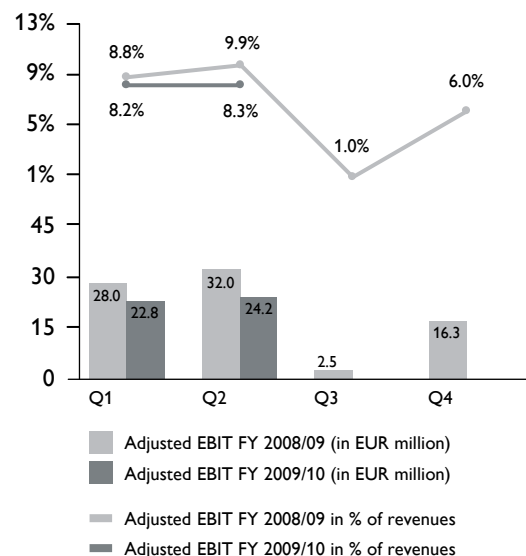
Key Data in EUR million	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %	FY 2008/09
Revenues	293.4	324.5	(9.6)	572.0	641.1	(10.8)	1,174.0
Adjusted EBITDA	35.4	43.0	(17.6)	69.0	81.2	(15.1)	121.6
as a % of revenues	12.1	13.2		12.1	12.7		10.4%
Adjusted EBIT	24.2	32.0	(24.4)	47.0	60.1	(21.7)	78.9
as a % of revenues	8.3	9.9		8.2	9.4		6.7%
EBIT	20.8	30.4	(31.7)	40.0	57.4	(30.4)	57.0
as a % of revenues	7.1	9.4		7.0	9.0		4.9%
Net profit for the period	14.7	27.9	(47.2)	24.9	42.1	(41.0)	13.3
as a % of revenues	5.0	8.6		4.3	6.6		1.1%
Total assets				1,095.7	1,133.6	1.0	1,053.9
Equity				480.5	497.9	1.0	456.0
Equity ratio in %				43.9	43.9		43.3
Net debt				144.6	178.4	(18.9)	163.5
Cash flow from operating results				62.7	79.2	(20.8)	107.3
ROCE in %				10.4	16.2		11.9
Investments	9.3	15.8	(41.0)	17.1	30.3	(43.6)	64.7
Headcount incl. contract worker (full-time equivalent)				7,365	7,921	(7.0)	7,165

The seasonal development of business

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

Despite the late cyclical nature of the lighting business, the Zumtobel Group has noted the first signs of an easing in the tense market environment. Group revenues fell by 9.6% during the seasonally strong second quarter of 2009/10 to EUR 293.4 million (minus 7.8% after an adjustment for foreign exchange effects), but nevertheless represent an improvement over the first quarter when the year-on-year decline reached 12% (minus 10.2% after an adjustment for foreign exchange effects). In comparison with the first three months of this financial year, the second quarter brought a 5.3% improvement in revenues (prior year: 2.5%). The past 12 months were especially influenced by the implementation of the "Excellerate" efficiency improvement programme that was launched in autumn 2008 and has already had a positive effect on earnings. Wide-ranging cost reduction measures in all areas of the corporation during the last four quarters have cut expenses by more than EUR 45 million. This places us in a good position to realise the previously announced gross savings of up to EUR 100 million by the end of the 2010/11 financial year. EBIT for the second quarter totalled EUR 20.8 million, or EUR 24.2 million after an adjustment for non-recurring effects. Although the economic environment remained difficult, the adjusted EBIT margin for the first half-year reached 8.2% (prior year: 9.4%). An analysis of the Zumtobel segments shows that we were able to expand our share of the European components market over the past months with our large range of innovative products. Rising demand was also registered on selected submarkets towards the end of the second quarter due to a slight increase in stocks by TridonicAtco customers. Less surprising developments were the continuing adverse conditions and strong price competition that affected the cyclically slower project business in our Lighting Segment on all core markets across Europe. Our LED business continues to record dynamic growth: With a 57.6% increase in revenues from LED-based products during the first half-year, we are on course to meet our growth targets.



Andreas Ludwig

With respect to our balance sheet structure and liquidity, the foundation of the Zumtobel Group remains very solid. Compliance with the financial covenants defined in the current financing agreement is guaranteed with an equity ratio of 43.9% and debt coverage ratio of 1.55. We can also report further success in working capital management: working capital as a percentage of revenues fell to a historical second quarter low of 18.0%. Free cash flow was also clearly positive at EUR 23.0 million at the end of October.

Development of demand remains uncertain

In spite of isolated positive signals, we are unable to report a turnaround in demand because the economic situation remains tense and visibility is limited. However, we still assume the lighting industry will only reach the low point of the crisis in 2010 due to the late cyclical nature of our business. We therefore expect a decline in revenues for the full 2009/10 financial year ending on 30 April 2010, which should be more moderate during the second six months because of the lower prior year comparative values. The measures from the "Excellerate" programme should make it possible for us to also generate positive operating results in the seasonally weaker second half of the year. We are convinced that the company will be substantially leaner and more flexible after the implementation of the restructuring measures, without losing any of its strength as a market and technology leader.

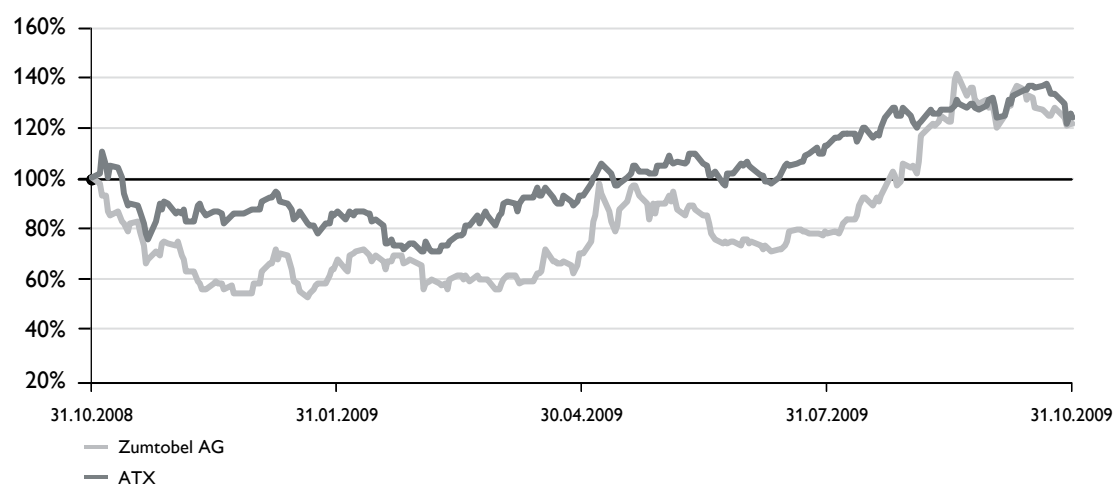
Andreas Ludwig
Chief Executive Officer

The Zumtobel Share

Positive market climate also supports increase in Zumtobel share price

The development of the Zumtobel share during the first half of the 2009/10 financial year (beginning on 1 May 2009) was supported by a generally favourable market climate as well as capital market expectations of a recovery in the operating business beginning in 2010. During the six months up to the end of October, the price of the Zumtobel share rose by 73% to EUR 11.78. The EUR 14-mark was even exceeded intraday in mid-September. This increase was triggered by an upgrading of the stock by financial analysts, who raised their target prices along a range of up to EUR 16. The leading Austrian ATX index, which also includes the Zumtobel share, rose by 33% during this same period. Based on market capitalisation, the Zumtobel Group had a total value of more than EUR 512 million as of 31 October 2009. The shareholder structure remained nearly unchanged, with the Zumtobel family continue to hold a stake of approx. 35%. The company is aware of one institutional investor with more than 5% of voting rights, the British insurance company Aviva plc. The remainder of nearly 60% represents free float. By the copy deadline for this quarterly report at the end of November, the price of the Zumtobel share had risen to EUR 12.67.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 1st Half-Year

Closing price at 30.04.09	€ 6.80	Currency	EUR
Closing price at 31.10.09	€ 11.78	ISIN	AT0000837307
Performance 1st half-year 2009/10	73.2%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Performance Q2 2009/10	56.0%	Market segment	Prime Market
Market capitalisation at 31.10.09	€ 512 Mio	Reuters symbol	ZUMV.VI
Share price - high at 17.09.09	€ 14.25	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	143,281	Datastream	O:ZAG
Free float	59.4%	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

Global economy slowly gains momentum

Many experts interpret the positive signals sent by numerous economies since mid-2009 as a sign that the worst global recession in more than 60 years is drawing to a close. However, the recovery forecasted for the coming year will most likely remain modest – above all due to the end of the extensive government stimulus packages that played such an important role in lessening the impact of the crisis as well as the continuing restrictive lending practices followed by financial institutions and the resulting negative effect on capital investment. Economic forecasts are accordingly reserved: estimates by the International Monetary Fund (IMF) call for a decline of 1.1% in the global economy during 2009 and growth of 3.1% in 2010. The traditional industrialised economies will only gain momentum at a slow pace during the coming year. The USA can hope for a turnaround to plus 1.5% in 2010 after a minus of 2.7% this year. Following a sharp 4.2% drop in the GDP, the Euro zone cannot expect any notable impulses for growth in the coming year (+0.3%). The Organisation for Economic Cooperation and Development (OECD) has forecasted a GDP decline of 2.7% to 6.1% in the D/A/CH countries (Germany, Austria and Switzerland), a key region for the Zumtobel Group, whereby Germany will suffer the most because of its strong dependence on exports. All three countries can expect moderate growth of less than 1% for the coming year. In contrast, economic development in many emerging countries remains dynamic. China can look to growth of 8.5% in 2009 and even 9.0% for 2010 according to the IMF. The experts have also issued positive forecasts for the so-called BRIC-states (Brazil, India and Russia), especially for 2010.

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.

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

**Zumtobel Group
invests in OLED
technologies**

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

There were no other significant events after the balance sheet date on 30 April 2009.

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 October 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 in the first-half year

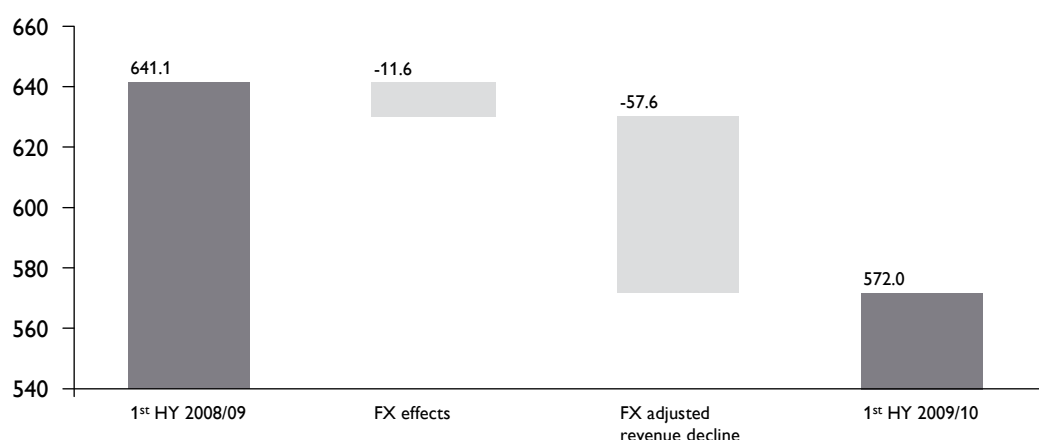
- >> 9.0% decrease in FX-adjusted revenues
- >> Both segments and nearly all markets affected by economic crisis
- >> 57.6% increase in revenues from LED-based products

**9.0% decrease in FX-
adjusted revenues**

During the first half of the 2009/10 financial year (1 May to 31 October 2009) revenues fell by 10.8% year-on-year to EUR 572.0 million (prior year: EUR 641.1 million). The development of business was negatively influenced by currency translation effects of EUR 11.6 million or 1.8%. After an adjustment for these effects, revenues were 9.0% lower than the comparable prior year period. The extremely difficult operating environment represented a challenge for both segments during the first six months of 2009/10. However, an analysis of the declines in per cent compared with earlier quarters indicates first signs of an easing in the tense market environment (3rd Quarter 2008/09: minus 13.6%; 4th Quarter 2008/09: minus 13.5%; 1st Quarter 2009/10: minus 12%; 2nd Quarter 2009/10: minus 9.6%).

The negative foreign exchange effects resulted from the strength of the Euro, above all versus the British Pound (GBP) and the Swedish Krone (SEK). The increase in the value of the Euro over the comparable prior year period was responsible for a 9.7% reduction in revenues denominated in the British Pound and 9.6% for the Swedish Krone, based on the respective average monthly exchange rates. Further negative effects resulted from a decline in the value of revenues recorded in the New Zealand Dollar (NZD), Turkish Lira (TRY) and several East European currencies. These factors were only offset to a limited extent by positive contributions from the Swiss Franc (CHF), US Dollar and certain Asian currencies. The combined total of all currency translation adjustments was a negative translation effect of EUR 11.6 million.

Development of revenues (in EUR million)



Foreign currency factors had an above-average effect of EUR 8.9 million on the Lighting Segment, with revenues falling 10.0% to EUR 426.7 million (prior year: EUR 473.9 million). An adjustment for foreign exchange factors shows a minus of 8.1% for the first half-year and 6.5% for the second quarter.

Substantial decline in both segments

The Components Segment reported negative foreign exchange effects of EUR 2.7 million for the first half of 2009/10. Revenues for this period fell by 13.5% (minus 12.2% after FX adjustments) to EUR 180.6 million (prior year: EUR 208.8 million). Foreign exchange effects in the second quarter were responsible for an 11.4% reduction in revenues. In the components business, the technical substitution trend continued in favour of technologically more sophisticated electronic ballasts.

Segment development in EUR million	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %	FX adjusted in %
Lighting Segment	219.3	239.3	(8.4)	426.7	473.9	(10.0)%	(8.1)%
Components Segment	92.8	106.2	(12.7)	180.6	208.8	(13.5)%	(12.2)%
Reconciliation	(18.6)	(21.0)	11.4	(35.4)	(41.6)		-
Zumtobel Group	293.4	324.5	(9.6)	572.0	641.1	(10.8)%	(9.0)%

The Zumtobel Group continued its growth in the future-oriented technological field of light emitting diodes (LED) during the past quarter. Revenues from the sale of LED-based products and solutions rose by a strong 57.6% to EUR 34.4 million also partly due to the conclusion of a major LED-component contract (2nd Quarter: plus 74.5%).

57.6% increase in revenues from LED-based products

Distribution of regional revenues	Q2 2009/10		1st HY 2009/10		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	77.0	(9.2)	149.8	(8.0)	26.2
Eastern Europe	15.9	(27.2)	31.8	(21.5)	5.6
Northern Europe	26.1	(7.9)	46.0	(12.5)	8.0
Western Europe	91.3	(11.1)	178.3	(13.3)	31.2
Southern Europe	20.6	(20.8)	45.9	(23.3)	8.0
Europe	231.0	(12.5)	451.8	(13.4)	79.0
Asia	24.9	5.5	48.3	7.0	8.4
Australia & New Zealand	27.0	0.8	50.6	(4.5)	8.8
America	7.6	(6.9)	15.7	(4.6)	2.7
Others	2.9	42.5	5.6	11.2	1.0
Total	293.4	(9.6)	572.0	(10.8)	100.0

Core markets still affected by economic crisis

Revenues recorded by the Zumtobel Group in Europe declined 13.4% (minus 10.8% after FX adjustments) to EUR 451.8 million for the reporting period (prior year: EUR 521.5 million), and represent 79% of Group revenues. With the exception of the D/A/CH region (Germany, Austria, Switzerland), the Zumtobel Group recorded double-digit year-on-year declines throughout Europe. After an adjustment for negative currency translation effects from the previously mentioned decrease in the Swedish Krone and the British Pound, revenues fell by 6.3% (nominal: minus 12.5%) during the reporting period in Northern Europe and 8.6% (nominal: minus 13.3%) in Western Europe. Eastern Europe recorded a minus of 21.5% (minus 17.8% after FX adjustments).

Positive development of revenues in Asia

Revenues in Asia rose by 7.0% to EUR 48.3 million (prior year: EUR 45.2 million), with strong growth recorded above all by the Lighting Segment. After an adjustment for foreign exchange effects, revenues in this region were 4.4% 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 4.6% to EUR 15.7 million (prior year: EUR 16.4 million) – or by 8.0% year-on-year after an adjustment for foreign exchange effects. Australia/New Zealand reported a 4.5% decrease in revenues for the reporting period, but second quarter revenues reached the prior year level. The development of the segments in this region differed significantly: the Components Segment was faced with the effects of declining demand, while the Lighting Segment recorded positive growth.

Earnings in the first-half year

- >> EBIT margin reaches solid 7.0%
- >> Gross profit margin equals 36.0%
- >> Positive results of "Excellerate" efficiency programme
- >> Selling and administration expenses cut by approx. EUR 20 million
- >> Improvement in financing costs

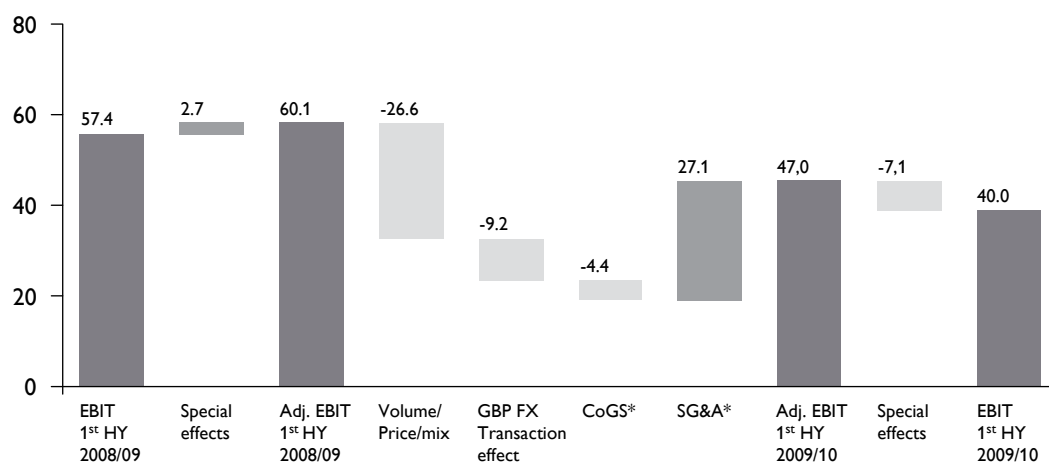
Income statement in EUR million	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %
Revenues	293.4	324.5	(9.6)	572.0	641.1	(10.8)
Cost of goods sold	(186.5)	(199.5)	6.5	(365.9)	(394.9)	7.4
Gross profit	106.9	124.9	(14.4)	206.1	246.2	(16.3)
as a % of revenues	36.4	38.5		36.0	38.4	
SG&A expenses adjusted for special effects	(82.7)	(92.9)	11.0	(159.0)	(186.1)	14.6
Adjusted EBIT	24.2	32.0	(24.4)	47.0	60.1	(21.7)
as a % of revenues	8.3	9.9		8.2	9.4	
Special effects	(3.4)	(1.6)	<(100)	(7.1)	(2.7)	<(100)
EBIT	20.8	30.4	(31.7)	40.0	57.4	(30.4)
as a % of revenues	7.1	9.4		7.0	9.0	
Financial results	(4.4)	3.0	<(100)	(12.2)	(7.0)	(74.7)
Profit before tax	16.4	33.4	(50.9)	27.8	50.4	(45.0)
Income taxes	(1.9)	(4.3)	55.8	(2.4)	(7.3)	67.2
Net profit for the period from discontinued operations	0.2	(1.3)	>100	(0.5)	(1.0)	51.1
Net profit for the period	14.7	27.9	(47.2)	24.9	42.1	(41.0)
Depreciation and amortisation	11.3	10.9	3.2	22.0	21.2	4.1
Earnings per share (in EUR)	0.35	0.63	(44.4)	0.57	0.95	(40.2)

Note: EBITDA (EBIT plus depreciation and amortisation) totalled EUR 62.0 million for the first half of 2009/10.

EBIT declined by EUR 17.4 million to EUR 40.0 million for the reporting period (prior year: EUR 57.4 million). This represents a decrease of 200 basis points from the comparable prior year level to a return on sales of 7.0%. EBIT was affected by negative special effects of EUR 7.1 million resulting above all from the "Excellerate" programme and non-recurring income from the cross-licensing agreement with the Philips Group.

**EBIT margin reaches
solid 7%**

Development of adjusted EBIT (in EUR million)



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

Gross profit margin declines to 36.0%

The gross profit margin fell 240 basis points to equal 36.0% of revenues for the first half of 2009/10. Gross profit was negatively influenced above all by lower volumes and prices 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 9.2 million alone on exports to Great Britain. The cost of materials rose to 44.1% (prior year: 42.2%), in particular due to the above-mentioned negative effects of the weak British Pound and the expiration of favourable USD procurement hedges in the Components Segment by the end of the 2008/09 financial year. Capacity adjustments and productivity improvements as part of the "Excellerate" programme held production-related personnel expenses to 14.5% of revenues (prior year: 14.5%) despite a substantial drop in sales, extended insourcing and compensation increases mandated by collective bargaining agreements.

Effectiveness of cost savings measures increasingly visible

Cost reduction measures supported a 10.3% (EUR 19.2 million) year-on-year reduction in selling and administrative expenses to EUR 168.6 million for the first half of 2009/10 (prior year: EUR 187.8 million). Other income reached an unusually high EUR 9.8 million (prior year: EUR 1.8 million). This development reflected the full recognition of the positive effects from the cross-licensing agreement with the Philips Group during the first quarter, while the scheduled license payments to Philips are expensed as incurred.

Special effects in operating profit

Special effects of EUR 7.1 million (prior year: EUR 2.7 million) were recognised as expenses during the first half of 2009/10. These costs are related above all to the "Excellerate" efficiency improvement programme that was launched during the second half of the previous financial year.

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

Adjusted EBIT in EUR million	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %
Reported EBIT	20.8	30.4	(31.7)	40.0	57.4	(30.4)
thereof special effects	(3.4)	(1.6)	<(100)	(7.1)	(2.7)	<(100)
Adjusted EBIT	24.2	32.0	(24.4)	47.0	60.1	(21.7)
<i>as a % of revenues</i>	8.3	9.9		8.2	9.4	

Improvement in financial results

Financial results declined EUR 5.2 million in relation to the comparable prior year period to total minus EUR 12.2 million for the first half of 2009/10. The reduction in interest expense during the reporting year 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 expired acquisition credit agreement concluded in 2001. Other financial income and expenses totalled minus EUR 6.4 million (prior year: plus EUR 4.8 million) and are comprised primarily of results from the fair value measurement of forward exchange contracts as of 31 October 2009.

Financial result in EUR million	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %
Interest expense	(2.9)	(5.4)	47.1	(5.5)	(14.3)	61.8
Interest income	0.4	0.4	(9.7)	0.5	1.5	(64.0)
Net financing costs	(2.5)	(5.0)	50.1	(4.9)	(12.8)	61.5
Other financial income and expenses	(1.2)	7.4	<(100)	(6.4)	4.8	<(100)
Profit/(loss) from associated companies	(0.7)	0.6	<(100)	(0.9)	1.0	<(100)
Financial results	(4.4)	3.0	<(100)	(12.2)	(7.0)	(74.7)

Profit before tax fell by 45.0% to EUR 27.8 million for the first half of 2009/10 (prior year: EUR 50.4 million), and income tax expense equalled EUR 2.4 million. Results from discontinued operations totalled minus EUR 0.5 million and included subsequent expenses from the residential lighting activities that were terminated at the end of 2008/09. Net profit for the period declined to EUR 24.9 million (prior year: EUR 42.1 million). Earnings per share for the shareholders of Zumtobel AG (diluted EPS based on 43.2 million shares) equalled EUR 0.57 (prior year: EUR 0.95).

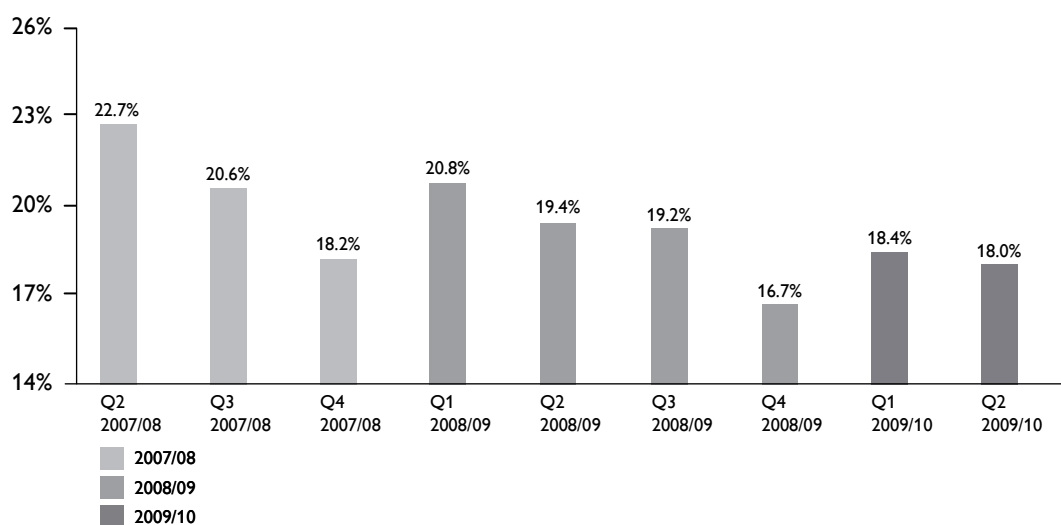
45.0% decline in profit before tax

Cash Flow and Asset Position

Working capital totalled EUR 199.1 million as of 31 October 2009 (prior year: EUR 244.1 million). As a percentage of rolling 12-month revenues, this indicator declined year-on-year for the ninth quarter in succession to equal 18.0% (prior year: 19.4%). The reduction in working capital was responsible for cash inflows of EUR 3.5 million during the reporting period (prior year: cash outflows of EUR 10.9 million from an increase in working capital). The increased change of EUR 22.3 million in other operating items (prior year: minus EUR 14.3 million) was comprised primarily of the recognition of the receivable from the cross-licensing agreement, a reduction in holiday liabilities and special contractually mandated payments to employees.

Positive development of working capital continues

Working capital as % of rolling 12-month revenues



Investments in property, plant and equipment amounted to EUR 17.1 million for the first half of 2009/10, which is substantially less than the comparable prior year period (prior year: EUR 30.3 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 23.0 million and matched the good prior year level (EUR 23.1 million), which was positively influenced by EUR 13.3 million from the sale of a financial investment. The improvement in cash flow from financing activities resulted from a decline in interest expense, the fact that no dividend was paid for the 2008/09 financial year and the share buyback in 2008/09.

Positive free cash flow at prior year level

Balance sheet data in EUR million	31 October 2009	31 October 2008	30 April 2009
Total assets	1,095.7	1,133.6	1,053.9
Net debt	144.6	178.4	163.5
Equity	480.5	497.9	456.0
Equity ratio in %	43.9	43.9	43.3
Gearing in %	30.1	35.8	35.9
Average capital employed	630.4	661.1	664.0
ROCE in %	10.4	16.2	11.9
Investments	17.1	30.3	64.7
Working capital	199.1	244.1	196.4
As a % of rolling 12 month revenues	18.0	19.4	16.7

Solid balance sheet structure

The balance sheet structure continued to improve during the first half of 2009/10. The equity ratio rose from the level at 30 April 2009 to 43.9%. Net liabilities declined to EUR 18.9 million, and reduced gearing from 35.9% to 30.1%.

Major Risks and Uncertainties during the second half of 2009/10

Economic crisis and strong cyclical patterns

The major risks for the development of business in the Zumtobel Group during the second half of 2009/10 are related above all to the dependency of end markets on the commercial construction sector. The global economic crisis could lead to further delays in the completion of existing contracts as well as the postponement or suspension of ongoing projects. Additionally, major new construction projects could be postponed for an indefinite period of time or cancelled due to low commercial demand or a lack of credit financing. The decline in planning and construction activities during recent months is also expected to delay the recovery in the demand for Zumtobel products. Management has launched extensive cost cutting measures in all areas of the Group in recent months to adjust the overall cost structure as quickly as possible to meet the challenges of the market.

Liquidity risk

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%. These financial covenants were met in full as of the balance sheet date on 31 October 2009 with a debt coverage ratio of 1.55 and an equity ratio of 43.9%.

Interest rate risk

The interest rates on existing bank liabilities are variable. In order to reduce the volatility in interest expense, the Group concluded interest rate swaps for EUR 62.0 million in November 2008 and for EUR 20.0 million in August 2009. These swaps carry fixed interest rates of 3.35% and 3.18%, respectively, and have a term ending in June 2013 or June 2014.

Foreign exchange risk

The Zumtobel Group uses forward exchange contracts to hedge the foreign exchange risk connected with non-Euro operating transactions. These hedging activities are intended to protect the net foreign currency positions for a period of two to three quarters in the future on a rolling quarterly basis. This method leads to a relatively constant volume of hedges, and therefore smoothes foreign exchange exposure. Translation risks are not hedged. The most important currencies for the Group are the EUR, GBP, USD, AUD, SEK and CHF. The growing strength of the Euro is likely to produce a further negative transaction effect during the second half of 2009/10, especially because the GBP and USD are not expected to return to the favourable exchange rates that were hedged in 2008/09.

More information on other potential risks is provided in the 2008/09 annual report.

Outlook: development of market demand still uncertain

In spite of isolated positive signals, we are unable to report a turnaround in demand because the economic situation remains tense and visibility is limited. However, we still assume the lighting industry will only reach the low point of the crisis in 2010 due to the late cyclical nature of our business. We therefore expect a decline in revenues for the full 2009/10 financial year ending on 30 April 2010, which should be more moderate during the second six months because of the lower prior year comparative values. The measures from the "Excellerate" programme should make it possible for us to also generate positive operating results in the seasonally weaker second half of the year. We are convinced that the company will be substantially leaner and more flexible after the implementation of the restructuring measures, without losing any of its strength as a market and technology leader.

Dornbirn, 9 December 2009

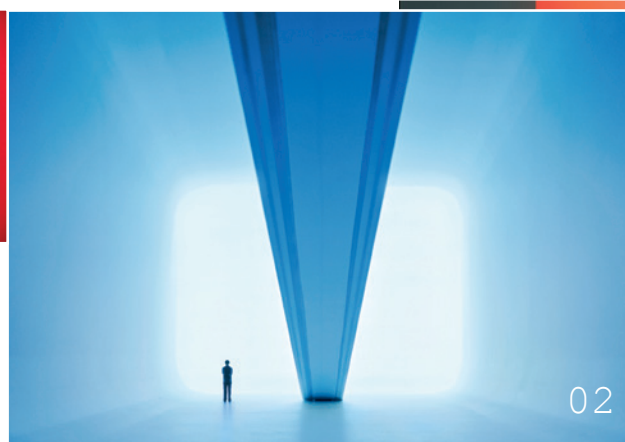
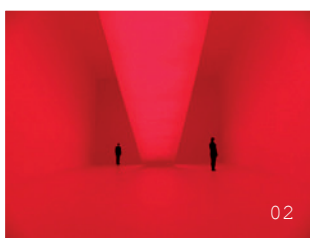
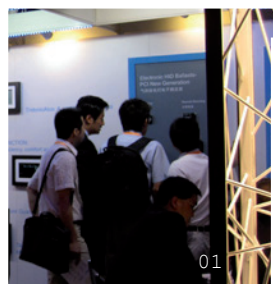
The Management Board

Andreas Ludwig
Chief Executive Officer

Thomas Spitzenpfeil
Chief Financial Officer

Martin Brandt
Chief Operating Officer

**Concrete outlook for
2009/10 not possible**



Highlights

1. Half-Year 2009

01 HONG KONG INTERNATIONAL LIGHTING FAIR: This was the third time that TridonicAtco had showcased its products at the Hong Kong International Lighting Fair, the largest event of its kind in Asia and the world's second-largest lighting industry fair. On its 18 square-metre stand, the brand presented its key products for the OEM market, including electronic ballasts and the latest TALEXX LED products, to some 250 trade visitors. **02 THE WOLFSBURG PROJECT:** Twelve metres high and encompassing an area of 700 square metres, the „Ganzfeld Piece“ in Wolfsburg is the largest installation ever implemented in a museum or gallery by American artist James Turrell. Zumtobel supplied all the necessary luminaires and control systems and is also supporting this high-calibre exhibition with the project „Tall glass“, co-created by Zumtobel and James Turrell. **03 LED LIGHTING SEMINAR:** In October 2009, Thorn Hong Kong held a technical LED lighting seminar on the topic of „Energy Efficient Lighting Solutions – Thorn LED Lighting“. Over 50 delegates from government departments and private design consultants learned about LED lighting



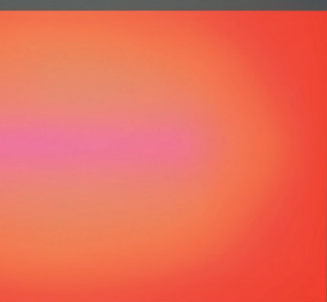
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applications and design. Selected Thorn LED products were displayed at the seminar to demonstrate the LED light rendering and control effect. **04 HELLO HIGH FREQUENCY ROADSHOW:** The first of Thorn's two new "HF Trucks" is on the road and visiting electrical wholesalers throughout the UK. Along with the company's message "Goodbye Switch Start, Hello High Frequency", the truck shows how much energy and CO2 can be saved through a range of innovative products, from battens to bulkheads. The tour runs through February 2010 with 120 stops. **05 DORNIER MUSEUM FRIEDRICHSHAFEN:** The new aerospace museum in Friedrichshafen looks like a giant aircraft hangar, reflecting its mission, which is to convey the fascination of flying. Thanks to an integrated lighting solution provided by Zumtobel, the historical planes on display are shown in the ideal light. One special highlight is the artwork on the façade by James Turrell, realised with the aid of floodlights and spotlights from SpaceCannon, a sub-brand of Zumtobel specialising in outdoor lighting scenarios.

Income Statement

in TEUR	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %
Revenues	293,391	324,460	(9.6)	571,971	641,130	(10.8)
Cost of goods sold	(186,488)	(199,549)	6.5	(365,903)	(394,949)	7.4
Gross profit	106,903	124,911	(14.4)	206,068	246,181	(16.3)
<i>as a % of revenues</i>	36.4	38.5		36.0	38.4	
Selling expenses	(66,522)	(73,377)	9.3	(133,943)	(148,897)	10.0
Administrative expenses	(17,678)	(19,980)	11.5	(34,609)	(38,935)	11.1
Other operating results	(1,927)	(1,125)	(71.3)	2,449	(932)	>100
<i>thereof special effects</i>	(3,435)	(1,616)	<(100)	(7,078)	(2,652)	<(100)
Operating profit	20,776	30,429	(31.7)	39,965	57,417	(30.4)
<i>as a % of revenues</i>	7.1	9.4		7.0	9.0	
Interest expense	(2,873)	(5,429)	47.1	(5,459)	(14,292)	61.8
Interest income	372	412	(9.7)	533	1,482	(64.0)
Other financial income and expenses	(1,174)	7,414	<(100)	(6,402)	4,789	<(100)
Profit/(loss) from associated companies	(700)	572	<(100)	(878)	1,036	<(100)
Financial results	(4,375)	2,969	<(100)	(12,206)	(6,985)	(74.7)
<i>as a % of revenues</i>	(1.5)	0.9		(2.1)	(1.1)	
Profit before tax	16,401	33,398	(50.9)	27,759	50,432	(45.0)
Income taxes	(1,881)	(4,254)	55.8	(2,396)	(7,305)	67.2
Net profit from continuing operations	14,520	29,144	(50.2)	25,363	43,127	(41.2)
Net profit from discontinued operations	179	(1,288)	>100	(486)	(994)	51.1
Net profit for the period	14,699	27,856	(47.2)	24,877	42,133	(41.0)
<i>as a % of revenues</i>	5.0	8.6		4.3	6.6	
<i>thereof due to minority shareholders</i>	26	(110)	>100	338	(109)	>100
<i>thereof due to shareholders of the parent company</i>	14,673	27,965	(47.5)	24,539	42,241	(41.9)
Average number of shares outstanding - basic (in 1000 pcs.)	41,750	44,235		43,137	44,421	
Average diluting effect (stock options) (in 1000 pcs.)	75	104		75	104	
Average number of shares outstanding - diluted (in 1000 pcs.)	41,825	44,339		43,211	44,525	
Earnings per share (in EUR)						
Basic earnings per share	0.35	0.63		0.57	0.95	
Diluted earnings per share	0.35	0.63		0.57	0.95	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	0.35	0.66		0.59	0.97	
Diluted earnings per share	0.35	0.66		0.59	0.97	

Statement of Comprehensive Income

in TEUR	Q2 2009/10	Q2 2008/09	Change in %	1st HY 2009/10	1st HY 2008/09	Change in %
Net profit for the period	14,699	27,856	(47.2)	24,877	42,133	(41.0)
Currency differences	63	3,740	(98.3)	(3,165)	3,364	<(100)
Currency differences arising from loans	(2,144)	(1,471)	(45.8)	865	(1,799)	>100
Hedge accounting	(403)	1,016	<(100)	(587)	871	<(100)
Actuarial loss / gain	0	(25,671)	100.0	0	(25,671)	100.0
Taxes	101	6,904	(98.5)	147	6,967	(97.9)
Subtotal other comprehensive income	(2,383)	(15,482)	84.6	(2,740)	(16,268)	83.2
<i>thereof due to minority shareholders</i>	225	553	(59.3)	(190)	140	<(100)
<i>thereof due to shareholders of the parent company</i>	(2,608)	(16,035)	83.7	(2,550)	(16,408)	84.5
Total comprehensive income	12,316	12,374	(0.5)	22,137	25,865	(14.4)
<i>thereof due to minority shareholders</i>	(111)	27	<(100)	148	32	>100
<i>thereof due to shareholders of the parent company</i>	12,427	12,347	0.7	21,989	25,833	(14.9)

Balance Sheet

in TEUR	31 October 2009	in %	30 April 2009	in %
Goodwill	275,455	25.1	275,455	26.1
Intangible assets	49,581	4.5	49,669	4.7
Property, plant and equipment	226,369	20.7	233,427	22.1
Investments in associated companies	3,286	0.3	7,861	0.7
Financial assets	633	0.1	624	0.1
Other receivables & assets	20,070	1.8	15,436	1.5
Deferred taxes	45,171	4.1	46,228	4.4
Non-current assets	620,565	56.6	628,700	59.7
Inventories	142,191	13.0	148,819	14.1
Trade receivables	186,780	17.0	169,378	16.1
Other receivables & assets	45,493	4.2	37,946	3.6
Financial assets	24	0.0	21	0.0
Liquid funds	100,646	9.2	69,008	6.5
Current assets	475,134	43.4	425,172	40.3
ASSETS	1,095,699	100.0	1,053,872	100.0
Share capital	108,750	9.9	111,761	10.6
Additional paid-in capital	342,059	31.2	339,048	32.2
Reserves	1,371	0.1	(10,217)	(1.0)
Net profit for the period	24,539	2.3	13,426	1.3
Capital attributed to shareholders of the parent company	476,719	43.5	454,018	43.1
Capital attributed to minority shareholders	3,799	0.3	1,962	0.2
Equity	480,518	43.8	455,980	43.3
Provisions for pensions	45,399	4.1	47,370	4.5
Provisions for severance compensation	30,438	2.8	30,758	2.9
Other provisions	11,375	1.1	10,718	1.0
Borrowings	214,899	19.6	215,600	20.5
Other liabilities	79	0.0	84	0.0
Deferred taxes	10,823	1.0	9,133	0.9
Non-current liabilities	313,013	28.6	313,663	29.8
Provisions for taxes	27,038	2.5	25,332	2.4
Other provisions	31,555	2.9	34,534	3.3
Borrowings	30,366	2.8	16,886	1.6
Trade payables	116,456	10.6	109,895	10.4
Other liabilities	96,753	8.8	97,582	9.3
Current liabilities	302,168	27.6	284,229	27.0
EQUITY AND LIABILITIES	1,095,699	100.0	1,053,872	100.0

Cash Flow Statement

in TEUR	1st HY 2009/10	1st HY 2008/09
Operating profit from continuing and discontinued operations	39,478	56,422
Depreciation and amortisation	22,015	21,153
Other non-cash changes	0	1,604
Gain/loss from disposal of fixed assets	498	0
Results from discontinued operations	113	0
Cash flow from operating results	62,104	79,179
Inventories	8,121	(9,231)
Trade receivables	(8,245)	15,405
Trade payables	1,983	(17,472)
Prepayments received	1,632	409
Change in working capital	3,491	(10,889)
Non-current provisions	(3,097)	(2,905)
Current provisions	(2,749)	(3,068)
Other current and non-current receivables and liabilities	(16,474)	(8,293)
Change in other operating items	(22,320)	(14,266)
Taxes paid	(2,858)	(6,178)
Cash flow from operating activities	40,417	47,846
Proceeds from the sale of non-current assets	1,754	(130)
Capital expenditures	(17,107)	(30,330)
Change in non-current and current financial assets	(2,087)	13,317
Change in liquid funds from changes in the consolidation range	0	(7,554)
Cash flow from investing activities	(17,440)	(24,697)
FREE CASH FLOW	22,977	23,149
Change in net borrowings	22,485	11,375
<i>thereof restricted cash</i>	(154)	162
Dividends	(329)	(31,255)
Share buyback / exercise of options	0	(11,901)
Interest paid	(4,028)	(10,438)
Cash flow from financing activities	18,128	(42,219)
Effects of exchange rate changes on cash and cash equivalents	528	1,624
CHANGE IN CASH AND CASH EQUIVALENTS	41,633	(17,446)
Cash and cash equivalents at the beginning of the period	55,953	86,163
Cash and cash equivalents at the end of the period	97,586	68,717
Change absolute	41,633	(17,446)

Statement of Changes in Equity

1st Half-Year 2009/10

in TEUR	Attributed to shareholders of the parent company					Minority interests	Total equity
	Share capital	Additional paid-in capital	Reserves	Net profit for the period	Total		
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	(2,550)	24,539	21,989	148	22,137
+/-	(3,011)	3,011	0	0	0	0	0
+/- Dividends	0	0	0	0	0	(329)	(329)
+/- Change in consolidation method	0	0	0	0	0	2,018	2,018
+/- Stock options - addition	0	0	712	0	712	0	712
31 October 2009	108,750	342,059	1,371	24,539	476,719	3,799	480,518

1st Half-Year 2008/09

in TEUR	Attributed to shareholders of the parent company					Minority interests	Total equity
	Share capital	Additional paid-in capital	Reserves	Net profit for the period	Total		
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	(16,408)	42,241	25,833	32	25,865
+/- Share buyback / exercise of options	0	(11,901)	0	0	(11,901)	0	(11,901)
+/- Dividends	0	0	(31,255)	0	(31,255)	0	(31,255)
+/- Stock options - addition	0	0	832	0	832	0	832
+/- Initial consolidation	0	0	0	0	0	190	190
31 October 2008	111,761	343,992	(2,254)	42,241	495,740	2,191	497,931

Notes

Accounting and Valuation Methods

The interim financial statements as of 31 October 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.

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 October 2009. 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 October 2009:

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 will 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 October 2009 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 Income Statement		Closing rate Balance sheet	
	31 October 2009	31 October 2008	31 October 2009	30 April 2009
1 EUR equals				
AUD	1.7175	1.7191	1.6274	1.8146
CHF	1.5167	1.5971	1.5123	1.5066
USD	1.4245	1.4894	1.4800	1.3275
SEK	10.5055	9.5008	10.3845	10.6915
GBP	0.8781	0.7925	0.8938	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	0	1
Merged / liquidated during reporting period	(2)	0	(2)
31 October 2009	96	4	100

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.

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.

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 Half-Year 2009/10

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(252,173)	(2,037)	(154)	(8)	(254,372)
Personnel expenses	(82,760)	(67,850)	(22,132)	(2,055)	(174,797)
Depreciation	(18,421)	(2,741)	(750)	(103)	(22,015)
Other expenses	(27,950)	(57,713)	(14,612)	(5,039)	(105,314)
Own work capitalised	5,593	0	0	0	5,593
Internal charges	2,679	(5,052)	2,471	(98)	0
Total expenses	(373,032)	(135,393)	(35,177)	(7,303)	(550,905)
Other income	7,129	1,450	568	9,752	18,899
Total	(365,903)	(133,943)	(34,609)	2,449	(532,006)

1st Half-Year 2008/09

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(270,575)	(2,897)	(312)	0	(273,784)
Personnel expenses	(92,737)	(73,842)	(22,323)	(24)	(188,926)
Depreciation	(17,176)	(3,022)	(955)	0	(21,153)
Other expenses	(27,805)	(65,883)	(18,266)	(2,720)	(114,674)
Own work capitalised	7,044	18	513	0	7,575
Internal charges	3,041	(5,263)	2,221	0	0
Total expenses	(398,207)	(150,888)	(39,123)	(2,744)	(590,961)
Other income	3,258	1,991	187	1,812	7,248
Total	(394,949)	(148,897)	(38,935)	(932)	(583,713)

The cost of goods sold includes development costs of TEUR 17,105 (prior year: TEUR 16,701). Development costs totalling TEUR 5,080 were capitalised during the reporting period (prior year: TEUR 6,840), and the amortisation of capitalised development costs equalled TEUR 3,915 (prior year: TEUR 2,873).

Other Operating Results

in TEUR	Q2 2009/10	Q2 2008/09	1st HY 2009/10	1st HY 2008/09
Government grants	0	0	573	584
License revenues	561	617	8,711	978
Special effects	(3,435)	(1,616)	(7,078)	(2,652)
<i>Impairment charges (-) / write up (+) to non-current assets</i>	(99)	0	(99)	0
<i>Restructuring</i>	(1,479)	(1,600)	(5,121)	(2,636)
<i>Gains / losses on sale</i>	0	(16)	0	(16)
<i>Litigation</i>	(1,857)	0	(1,857)	0
Miscellaneous	947	(126)	243	158
Total	(1,927)	(1,125)	2,449	(932)

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.

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 expenses related to this programme are reported on the line "restructuring". In the comparable prior year period, this position was comprised mainly of redundancy payments in Great Britain and other costs related to the construction of the new plant in Spenny-moor (TEUR 1,969) as well as redundancy expenses in Australia (TEUR 452).

The position "litigation" covers the expenses relating to a lawsuit filed by a supplier.

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	Q2 2009/10	Q2 2008/09	1st HY 2009/10	1st HY 2008/09
Interest component as per IAS 19 less income on plan assets	(902)	(708)	(1,807)	(1,365)
Foreign exchange gains and losses	(926)	(472)	(166)	(560)
Market valuation of financial instruments	654	8,594	(4,429)	6,840
Gains / losses on sale	0	0	0	(126)
Total	(1,174)	7,414	(6,402)	4,789

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 change in the GBP and CHF exchange rates had a negative effect on foreign exchange results, particularly during the second quarter.

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	Q2 2009/10	Q2 2008/09	1st HY 2009/10	1st HY 2008/09
Current taxes	(1,448)	(2,874)	(2,565)	(6,080)
Deferred taxes	(433)	(1,380)	169	(1,225)
Income taxes	(1,881)	(4,254)	(2,396)	(7,305)

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 effects resulting from the conversion of subsidiary financial statements into the Group reporting currency.

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. Currency differences for the second quarter of 2009/10 were caused above all by the change in the GBP exchange rate.

Actuarial Loss / Gain

The prior year actuarial loss resulted primarily from a decline in plan assets, which are connected with the provision for pensions in Great Britain.

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.

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.

Property, Plant and Equipment

The decline in property, plant and equipment resulted above all from scheduled depreciation in comparison with a decline in investment activity.

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.

Trade Receivables

The increase in this position resulted chiefly from the inclusion of trade receivables from the full consolidation of Thorn Gulf LLC, Dubai (TEUR 5,880).

Other Current Receivables & Assets

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

Other Current Provisions

The provisions for restructuring (TEUR 12,181) that are included under this position declined by TEUR 5,401 in comparison with 30 April 2009, whereby TEUR 466 are related to the reversal of provisions for restructuring measures.

Current Financial Liabilities

The increase in current financial liabilities resulted from the use of short-term lines of credit to finance the seasonal increase in working capital.

Notes to the Cash Flow Statement

Cash flow from operating results totalled TEUR 62,104 for the reporting period, but was lower than in the first half of 2008/09 (TEUR 79,179) because of the decline in operating profit. However, cash flow from operating activities was clearly positive (TEUR 40,417; prior year: TEUR 47,846) due to the steady improvement in working capital management. The change in other current and non-current receivables and liabilities resulted above all from a receivable arising from the exchange of patents, a reduction in holiday liabilities and special contractually mandated payments to employees.

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 half of 2008/09 were related to investments in the new plant in Spennymoor.

Positive cash flow from financing activities resulted above all 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 October 2009	30 April 2009
Liquid funds	100,646	69,008
Not available for disposal	(538)	(412)
Overdrafts	(2,522)	(12,643)
Cash and cash equivalents	97,586	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	0
31 October 2009	286,767

No stock options were exercised to date during the 2009/10 financial year (prior year: 64,625 pcs.).

Reserve for Stock Options

in TEUR	SOP	MSP	Total
30 April 2009	15,986	1,732	17,718
Addition through profit or loss	-	712	712
31 October 2009	15,986	2,444	18,430

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 equalled TEUR 712 for the first half of 2009/10 (prior year: TEUR 832) and will be accrued over two years.

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 October 2009.

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

Contingent Liabilities and Guarantees

The Zumtobel Group holds no contingent liabilities arising from guarantees or warranties (30 April 2009: TEUR 29). Bank guarantees of TEUR 9,560 (30 April 2009: TEUR 7,881) have been provided for various liabilities.

Subsequent Events

Together with the Fraunhofer Institute a new joint venture, LEDON OLED Lighting GmbH & Co. KG, was founded in November 2009 with registered headquarters in Dresden. This cooperation is designed to intensify investments in the future-oriented OLED (organic light-emitting diode) technology.

There were no other significant events 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.

2nd Quarter

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	Q2 2009/10	Q2 2008/09	Q2 2007/08	Q2 2009/10	Q2 2008/09	Q2 2007/08	Q2 2009/10	Q2 2008/09	Q2 2007/08	Q2 2009/10	Q2 2008/09	Q2 2007/08
Net revenues	219,257	239,277	256,750	92,763	106,215	103,960	(18,629)	(21,032)	(17,671)	293,391	324,460	343,039
External revenues	218,671	238,744	256,875	74,594	85,409	85,704	126	307	460	293,391	324,459	343,039
Inter-company revenues	587	533	(125)	18,169	20,806	18,256	(18,756)	(21,339)	(18,131)	0	0	0
Operating profit	10,033	20,193	30,510	12,601	13,398	12,499	(1,858)	(3,162)	(1,004)	20,776	30,429	42,005
Investments	7,190	9,638	7,322	1,954	5,905	4,945	184	258	50	9,328	15,801	12,317
Depreciation	(6,608)	(6,260)	(6,106)	(4,341)	(3,877)	(4,596)	(319)	(777)	1,236	(11,268)	(10,915)	(9,466)

1st Half-Year

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	1st HY 2009/10	1st HY 2008/09	1st HY 2007/08	1st HY 2009/10	1st HY 2008/09	1st HY 2007/08	1st HY 2009/10	1st HY 2008/09	1st HY 2007/08	1st HY 2009/10	1st HY 2008/09	1st HY 2007/08
Net revenues	426,739	473,941	492,680	180,611	208,838	209,003	(35,379)	(41,648)	(35,583)	571,971	641,130	666,100
External revenues	425,902	472,296	492,936	145,825	168,246	172,532	244	588	632	571,971	641,130	666,100
Inter-company revenues	837	1,645	(255)	34,786	40,592	36,471	(35,623)	(42,237)	(36,216)	0	0	0
Operating profit	16,629	35,633	51,752	27,936	27,711	24,842	(4,600)	(5,927)	(1,906)	39,965	57,417	74,688
Investments	12,735	19,557	13,855	4,151	9,785	8,528	221	988	119	17,107	30,330	22,502
Depreciation	(13,039)	(12,436)	(12,153)	(8,358)	(7,645)	(9,822)	(618)	(1,072)	2,443	(22,015)	(21,153)	(19,531)

in TEUR	31 Oct 2009	30 April 2009	30 April 2008	31 Oct 2009	30 April 2009	30 April 2008	31 Oct 2009	30 April 2009	30 April 2008	31 Oct 2009	30 April 2009	30 April 2008
Assets	713,508	698,053	754,848	199,418	204,661	233,295	182,773	151,158	117,805	1,095,699	1,053,872	1,105,948

	31 Oct 2009	30 April 2009	30 April 2008	31 Oct 2009	30 April 2009	30 April 2008	31 Oct 2009	30 April 2009	30 April 2008	31 Oct 2009	30 April 2009	30 April 2008
Headcount (full-time equivalent)	4,968	5,167	5,670	1,855	1,745	1,926	128	129	112	6,951	7,041	7,708

Statement by the Management Board in accordance with § 87 (1) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed consolidated interim financial statements, which were prepared in accordance with International Financial Reporting Standards (IAS 34, Interim Financial Reporting), provide a true and fair view of the financial position and financial performance of the group and that the group management report on the first half-year provides a true and fair view of the financial position and financial performance of the group with respect to important events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year and the major related party transactions disclosed.

Dornbirn, 9 December 2009

The Management Board

Andreas Ludwig

Thomas Spitzenpfeil

Martin Brandt

Review Report

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of

**Zumtobel AG,
Dornbirn,**

as of 31 October 2009. This condensed consolidated interim financial information comprises the consolidated balance sheet as of 31 October 2009, the related consolidated statements of income, statement of comprehensive income of the Group, cash flows and changes in equity for the period then ended and a summary of significant accounting policies and other explanatory notes.

The Company's management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. Our liability towards the Company and third parties with respect to this review is limited in accordance with para 275 Austrian Commercial Code (§ 275 (2) UGB).

Scope of Review

We conducted our review in accordance with Austrian standards for chartered accountants and with International Standard on Review Engagements (ISRE) 2410, „*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*“. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not presented fairly in all material respects in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU.

Comment on the Group Management Report for the six month period ended as of 31 October 2009 and the Declaration of the Company's management according to para 87 BörseG

We have read the Group Management Report for the six month period ended as of 31 October 2009 in order to see if it is not obviously contradictory to the condensed consolidated interim financial information. In our opinion, the Group Management Report includes no obvious contradictions to the condensed consolidated interim financial information.

The Group Management Report for the six month period ended as of 31 October 2009 includes the declaration of the Company's management according to para 87 (1) fig 3 BörseG.

Vienna, 9 December 2009

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Thomas Smrekar, Mag. Michael Schlenk
Certified Public Accountant

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

3rd Quarterly Report 2009/10 (1 May 2009 – 31 January 2009)	16 March 2010
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

Contact Information

Investor Relations

Harald Albrecht
Head of Investor Relations
Telephone +43 (0)5572 509-1125
E-Mail investorrelations@zumbobel.com

Press / Corporate Communications

Astrid Kühn-Ulrich
Head of Corporate Communications
Telephone +43 (0)5572 509-1570
E-Mail astrid.kuehn@zumbobel.com

Financial Reports

Our financial reports are available for download under: <http://www.zumbobelgroup.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:

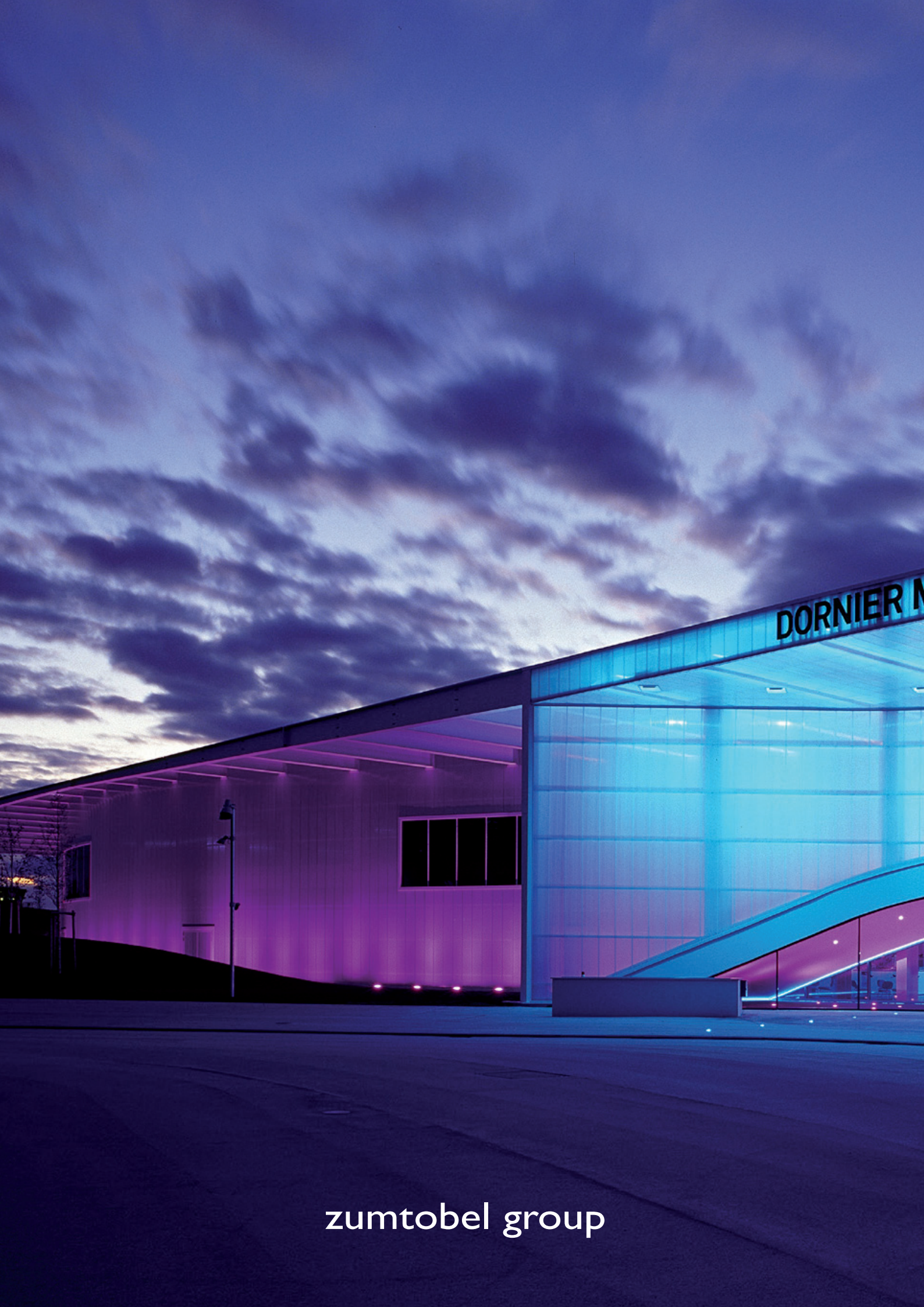
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Disclaimer

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.



DORNIER M

zumtobel group