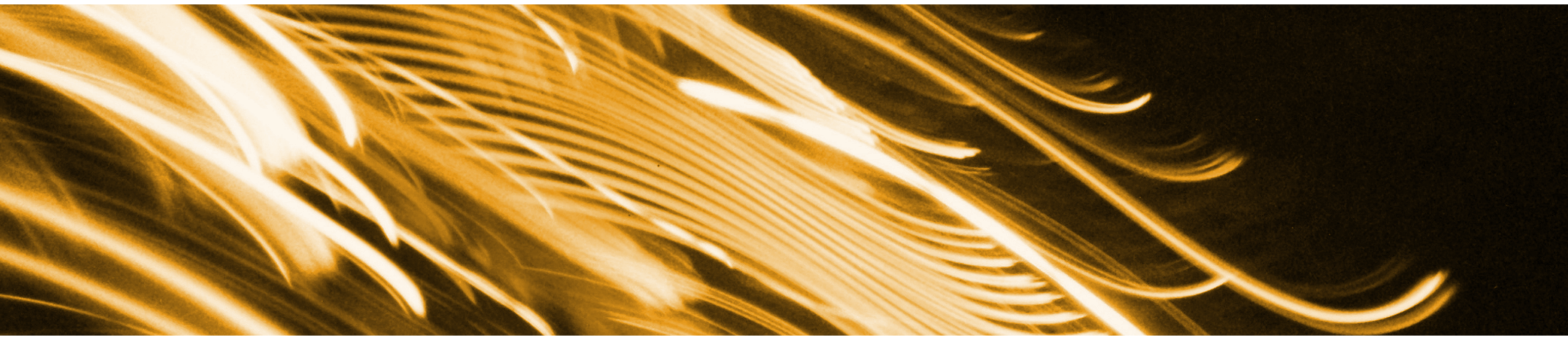
Q2 (May – October 2011)

Interim Financial Report 2011/12 of Zumtobel AG



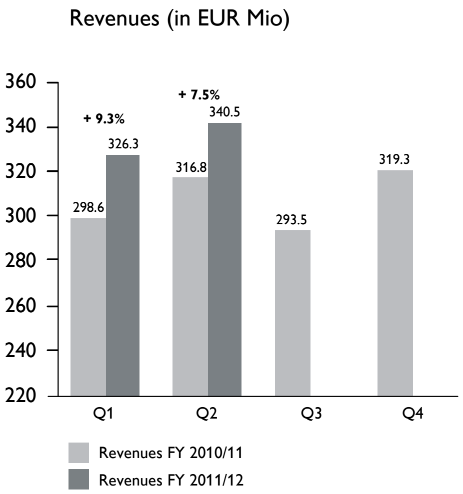
zumtobel group

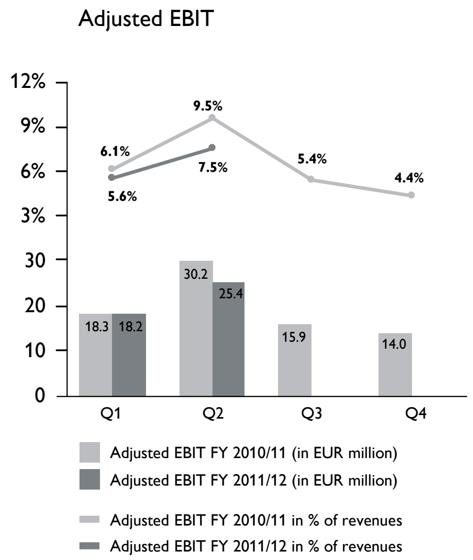
Overview of the Second Quarter 2011/12

- >> 7.5% year-on-year increase in Group revenues
- >> Lighting Segment with sound growth of 10.5%, above all due to strong development in D/A/CH region
- >> Components Segment with 0.3% decline owing to weaker demand, especially in Great Britain and Southern Europe
- >> Further rapid growth in revenues from LED products (plus 101.3%)
- >> EBIT negatively affected by continuing growth investments and weakness in Components Segment
- >> Long-term financial flexibility secured by early refinancing of syndicated loan agreement up to 2016

Key Data in EUR million	Q2 2011/12	Q2 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Revenues	340.5	316.8	7.5	666.8	615.4	8.4
Adjusted EBITDA	38.5	44.2	(12.9)	69.4	72.1	(3.7)
as a % of revenues	*11.3*	*13.9*		*10.4*	*11.7*	
Adjusted EBIT	25.4	30.2	(16.0)	43.6	48.5	(10.1)
as a % of revenues	*7.5*	*9.5*		*6.5*	*7.9*	
EBIT	25.4	31.7	(19.9)	43.6	51.7	(15.6)
as a % of revenues	*7.5*	*10.0*		*6.5*	*8.4*	
Net profit for the period	20.6	26.0	(20.6)	34.3	39.6	(13.5)
as a % of revenues	*6.1*	*8.2*		*5.1*	*6.4*	
Cash flow from operating results	38.5	41.6	(7.4)	69.5	68.8	0.9
Investments	11.0	11.9	(7.6)	25.9	22.3	16.5
				31 October 2011	30 April 2011	Change in %
Total assets				1,065.6	1,020.5	4.4
Equity				396.7	378.7	4.8
Equity ratio in %				*37.2*	*37.1*	
Net debt				188.6	141.3	33.4
Headcount incl. contract worker				7,849	7,814	0.4

Development of Business by Quarter





Letter to Shareholders

Dear Shareholders,

Harald Sommerer

Uncertainty is rising over the magnitude of the effects of the current financial market turbulence and the massive sovereign debt in many industrialised countries on the real economy. These developments lead us to expect that our business will not be supported by economic tailwinds in the near future. However, the steady implementation of the global growth strategy presented in April 2011 still has top priority for the Zumtobel Group. The demand for energy-efficient lighting solutions and the considerable potential of LED technology are, and will remain, our major growth drivers. We are also working to increase our penetration on the established markets in Europe and to substantially expand our presence in Asia and the USA. Our extensive investments in the development of new, innovative products and the extension of our successful sales network will therefore continue in order to optimally benefit from the industry growth drivers over the long-term. The necessary long-term financial flexibility was secured in November with the refinancing of our syndicated loan agreement up to 2016.

A review of developments in the first half of 2011/12 shows initial successes with our growth strategy in the European markets of the Lighting Segment. Segment revenues rose by 11.0% to EUR 488.8 million for this period and allowed the Lighting Segment to again clearly outpace the weak commercial construction sector. Progress in the Lighting Segment differed by region. Performance in the D/A/CH region (Germany, Austria, Switzerland) was sound, while growth in Asia and the USA was more reserved.

The Components Segment weakened substantially after an above-average year in 2010/11. Revenues rose by only 1.8% to EUR 218.5 million in the first half of 2011/12, whereby moderate growth during the first three months was followed by a slight decline in the second quarter. The development of business in this segment was negatively affected, above all, by weakening markets in Great Britain and Southern Europe.

The Zumtobel Group recorded an increase of 8.4% in revenues to EUR 666.8 million for the first half of 2011/12. However, this growth was clearly below our expectations because of the weakness in the Components Segment. Revenues from LED products showed sound development, nearly doubling to EUR 82.2 million (plus 96.6%). The LED share of Group revenues rose from 6.8% in the first half of the previous year to 12.3% for the reporting period.

Adjusted EBIT amounted to EUR 43.6 million for the first half of 2011/12, which is 10.1% below the comparable prior year level, and the adjusted EBIT margin fell from 7.9% to 6.5%. This decline resulted primarily from the planned higher growth investments in sales and research & development. Parallel activities in the areas of LED and conventional lighting technology were reflected in substantially higher R&D expenses and investments. Moreover, earnings in the Components Segment were further reduced by the under-utilisation of newly expanded production capacity, the declining demand for profitable electronic ballasts and rising pressure on prices. The year-on-year improvement in the profitability of the lower margin Lighting Segment was unable to completely offset the significant earnings decline recorded by the Components Segment. The profitability of LED products still differs between the two segments. In the Lighting Segment, these products have nearly reached the earning power of conventional luminaires. However, LED products in the Components Segment are not yet profitable in total due to the lack of appropriate volumes.

Working capital rose to EUR 279.8 million as of 31 October 2011 (prior year: EUR 231.4 million). The substantial increase over the first half of the previous year reflected the rising volume of business in the Lighting Segment. It also resulted from higher inventories in the Components Segment, which could not be reduced as required due to the weakness in demand. Although a slight improvement was registered in comparison with the first quarter, working capital still equals 21.9% of rolling 12-month revenues and remains clearly outside the Group's defined target corridor of 18% to 20%.

Continued investments in the future despite increasingly unfavourable outlook

The economic environment continued to deteriorate throughout the past quarter. Business in the Lighting Segment remains sound, but recent developments in the Components Segment lead us to assume that the necessary growth momentum will not return during the coming six months. Against this backdrop we can no longer confirm our previous guidance for the 2011/12 financial year, which called for an increase of approx. 10% in Group revenues and an adjusted EBIT margin of slightly over 6.4%. We now expect an increase of substantially less than 10% in revenues and a year-on-year decline in the EBIT margin, in particular due to the Components Segment. In view of macroeconomic developments and the related uncertainty over sales volumes and capacity utilisation, we cannot provide exact guidance on the expected EBIT margin for the full year at the present time. Despite the more pessimistic outlook, we will continue to invest in the implementation of our global growth strategy.

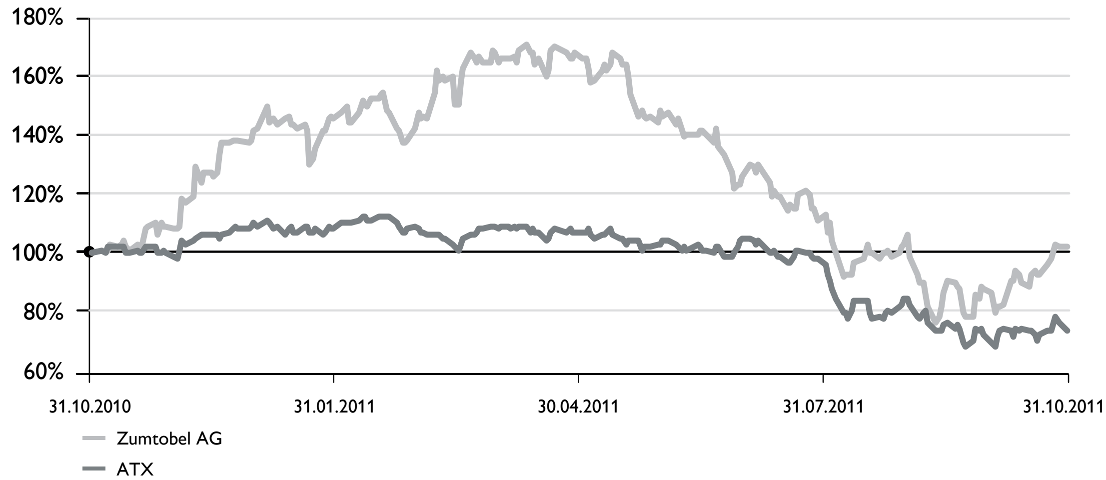
Harald Sommerer
Chief Executive Officer

The Zumtobel Share

Capital markets negatively influenced by uncertainty

The Zumtobel share has been unable to disengage from the turbulence on global stock markets in recent months. Uncertainty over the effects of the financial crisis on the real economy led to a decrease of nearly 10% in the second quarter and an overall decline of 38.5% for the first half-year. In addition to more pessimistic economic reports, negative statements on the development of the construction industry and the lighting business increased the downward pressure on the share price. Over the past 12 months the Zumtobel share rose by 2.5%, while the ATX fell by almost 26%. The market capitalisation of the Zumtobel Group equalled EUR 656 million at the end of October 2011 based on an unchanged number of 43.5 million shares outstanding. The shareholder structure remains unchanged in comparison with the previous quarter, with the Zumtobel family holding 35.4% of voting rights. In addition, the institutional investors Delta Lloyd Asset Management NV and FMR LLC (Fidelity) each hold over 5% of the shares outstanding. The remaining shares represent free float. The average daily turnover rose from 122,424 in the first half of 2010/11 to 169,832 shares (double-count, as published by the Vienna Stock Exchange). The company held 395,582 treasury shares as of 31 October 2011.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 1st Half-Year 2011/12

Closing price at 29.04.11	EUR 24.50	Currency	EUR
Closing price at 31.10.11	EUR 15.07	ISIN	AT0000837307
Performance 1st Half-Year 2011/12	(38.5)%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Performance last 12 months	2.5%	Market segment	Prime Market
Market capitalisation at 31.10.11	EUR 656 million	Reuters symbol	ZUMV.VI
Share price - high at 13.05.11	EUR 24.50	Bloomberg symbol	ZAG AV
Share price - low at 12.09.11	EUR 11.35	Datastream	O:ZAG
Ø Turnover per day (shares)	169,832	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

The global economy is rapidly losing momentum, and recent forecasts indicate that the growth registered over the past two years will not be sustained. Estimates by the International Monetary Fund (IMF) still indicate a plus of 4.0% for 2011 and 2012. However, the emerging countries will increasingly serve as the driver for worldwide development and the industrialised nations will face a slowdown. According to expert forecasts, the gross domestic product in the emerging countries should rise by 6.4% in 2011 and 6.1% in 2012, while the IMF is predicting growth of only 1.6% and 1.9% for the industrialised world. In particular, Europe is confronted with a currency crisis and unsolved problems involving high sovereign debt in a number of Euro member states. The global economy is also negatively affected by high federal debt in the USA and the possibility of an economic slowdown in China. These developments are reflected in the November 2011 Euroconstruct report, which contains a downward revision for growth in the commercial construction sector during the coming calendar year. The sector in the ten most important European countries for the Zumtobel Group will most likely decline by 0.8% in 2012 (previous forecast: plus 0,3%). The first signs of recovery are not expected before 2013, when growth should reach 2.2%. The Zumtobel Group is closely monitoring these international developments and early economic indicators.

Significant Events since 30 April 2011

AGM approves dividend for 2010/11

The 35th annual general meeting on 22 July 2011 approved the payment of a EUR 0.50 dividend per eligible share for the 2010/11 financial year. This dividend was paid on 29 July 2011.

Expansion of luminaire plant in Dornbirn

On 11 October 2011 the Zumtobel Group announced the planned expansion of its luminaire plant in Dornbirn, Austria, as part of the medium-term strategy presented in April 2011. The investment will total approx. EUR 20 million and covers the expansion of production, the integration of the raw materials and semi-finished goods warehouse in the production process and the outsourcing of distribution logistics. Operations in the new building should start by mid-2013.

New credit agreement up to 2016

In order to safeguard liquidity over the long-term, the Zumtobel Group voluntarily refinanced a credit agreement that would have been due in 2013 during November 2011. The new consortium credit agreement, which was concluded with a syndicate of seven banks, has a term of five years and a maximum line of EUR 500 million. These funds are available for general business purposes. As of 31 October 2011 the Zumtobel Group had drawn EUR 231.0 million of this credit line and had net debt of EUR 188.6 million.

Shutdown of a magnetic plant in Malaysia

The decline in the demand for magnetic ballasts has accelerated substantially in recent months due to the rapid shift to energy-efficient lighting components and rising prices for copper and steel. In order to adjust production capacity to reflect demand, the decision was taken in November 2011 to close a magnetic ballast plant in Ulu Tiram, Malaysia, at the end of the 2011 calendar year. Forty-four employees will be affected by this measure.

No other significant events occurred after 30 April 2011.

Related Party Transactions

The members of the Management Board and Supervisory Board of Zumtobel AG are considered to be related parties. As of 31 October 2011 there were no business relationships between the company and related parties.

The provision of goods and services to associated companies is based on ordinary market conditions.

Revenue Development in first Half-Year 2011/12

- >> 8.4% year-on-year increase in Group revenues
- >> Continued sound growth in the Lighting Segment with plus 11.0%
- >> Reserved demand in the Components Segment with an increase of 1.8% in revenues
- >> Dynamic growth in revenues from LED products (plus 96.6%)

Group revenues plus 8.4%

In the first half of 2011/12 (1 May to 31 October 2011), Group revenues rose by 8.4% year-on-year to EUR 666.8 million (prior year: EUR 615.4 million). Revenue growth for the second quarter was lower than the first three months (plus 9.3%), with an increase of 7.5% to EUR 340.5 million. Energy efficiency remained the central driver for the Zumtobel Group, with the trend to intelligent, energy-efficient lighting systems and LED technology providing key impulses for growth.

Continued sound revenue growth in Lighting Segment

The Lighting Segment, with the Zumtobel and Thorn brands, continued the sound growth trend throughout the first half of 2011/12. Segment revenues increased 11.0% to EUR 488.8 million (prior year: EUR 440.3 million), above all due to the positive development of the renovation sector as well as initial results from the expansion of sales as part of the growth strategy announced in April 2011. Second quarter revenues amounted to EUR 252.7 million, for an increase of 10.5%. With these results, the Lighting Segment again clearly outpaced the weak development in the commercial construction sector.

Reserved demand in Components Segment

The Components Segments followed sound revenue development in 2010/11 (plus 19.3%) with much slower growth in the first half of 2011/12. Revenues rose by only 1.8% to EUR 218.5 million for the reporting period (prior year: EUR 214.7 million) and, in the second quarter, were slightly lower than the previous year at EUR 108.2 million (prior year: EUR 108.5 million). Reserved demand led to declining revenues from electronic and magnetic ballasts, while the expansion of the LED product portfolio and light management systems (Controls & Systems) served as a stabilising factor. Additionally, the declining demand for magnetic ballasts was accelerated by the rising cost of copper prices and the related increase in selling prices. The Management Board therefore decided to adjust capacity through the shutdown of a magnetic ballast plant with 44 employees in Ulu Tiram, Malaysia, at the end of the 2011 calendar year.

Segment development in EUR million	Q2 2011/12	Q2 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Lighting Segment	252.7	228.7	10.5	488.8	440.3	11.0
Components Segment	108.2	108.5	(0.3)	218.5	214.7	1.8
Reconciliation	(20.4)	(20.5)	-	(40.5)	(39.6)	2.3
Zumtobel Group	340.5	316.8	7.5	666.8	615.4	8.4

Dynamic growth in revenues from LED products

The Zumtobel Group also continued its dynamic growth in the area of LED technology during the first half of 2011/12. Revenues from the sale of LED products rose by 96.6% to EUR 82.2 million (prior year: EUR 41.8 million). As a result the LED share of Group revenues increased to 12.3%, compared with 6.8% in the first half of 2010/11. LED revenues amounted to EUR 45.6 million in the second quarter, for year-on-year growth of 101.3%. In particular, the Lighting Segment, with its innovative LED product portfolio, was able to benefit significantly from the strong rise in the demand for LED lighting. LED revenues in this segment rose by 139.2% to EUR 59.3 million. LED revenues in the Components Segment grew by 41.5% to EUR 26.9 million.

Distribution of regional revenues	Q2 2011/12		1st HY 2011/12		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	96.8	16.6	184.0	17.8	27.6
Eastern Europe	23.7	25.2	41.4	15.0	6.2
Northern Europe	28.3	6.5	50.6	3.6	7.6
Western Europe	93.9	5.3	190.6	6.4	28.6
Southern Europe	21.3	(12.5)	48.0	(4.6)	7.2
Europe	264.0	9.1	514.5	9.4	77.2
Asia	27.9	(3.5)	59.6	7.7	8.9
Australia & New Zealand	36.2	5.8	69.3	5.4	10.4
America	9.8	15.0	18.5	4.5	2.8
Others	2.6	(18.7)	5.0	(21.5)	0.8
Total	340.5	7.5	666.8	8.4	100.0

D/A/CH region with strongest growth in Europe

The development of business in the first half of 2011/12 differed by region but, in total, the upward trend from recent quarters continued. Revenues recorded by the Zumtobel Group in Europe increased 9.4% to EUR 514.5 million (prior year: EUR 470.4 million). The D/A/CH countries (Germany, Austria, Switzerland) again served as the regional growth driver with a revenue plus of 17.8%, which was largely supported by the Zumtobel brand. In the second quarter the D/A/CH region generated the highest revenues of all regions in the Zumtobel Group for the first time. Eastern Europe followed a very reserved first three months with sound performance in the second quarter (plus 25.2%), which resulted in an increase of 15.0% for the first half year. Demand in Northern Europe (Denmark, Finland, Norway, Sweden, Iceland) remained moderate with a plus of 3.6% in revenues. Western Europe (Great Britain, France, Benelux) grew by 6.4%, above all due to the Lighting Segment, while the components business was negatively affected by lower demand, especially in Great Britain. In Southern Europe (Italy, Spain, Greece, Turkey), a sharp downturn in the components business led to a 4.6% decline in revenues. The relative share of Europe in Group revenues rose slightly over the previous year to 77.2% (prior year: 76.4%).

Moderate growth in Asia and America

In the Asia region (which consists primarily of China, Hong Kong, Singapore, India and the Middle East), revenues rose by 7.7% to EUR 59.6 million (prior year: EUR 55.3 million). The America region generated revenue growth of 4.5% for the reporting period in spite of continuing weakness in the industry environment. Australia & New Zealand reported an increase of 5.4% for the first half of 2011/12, which was supported by positive foreign exchange effects.

Earnings Development in the first Half-Year 2011/12

- >> Adjusted EBIT declines from EUR 48.5 million to EUR 43.6 million
- >> Gross profit margin equals 33.2% (prior year: 34.4%), negatively influenced above all by the Components Segment
- >> Strong increase in selling and R&D expenses
- >> Improvement in financial results
- >> Net profit 13.5% below the prior year at EUR 34.3 million

Income statement in EUR million	Q2 2011/12	Q2 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Revenues	340.5	316.8	7.5	666.8	615.4	8.4
Cost of goods sold	(227.0)	(205.0)	10.7	(445.7)	(403.9)	10.3
Gross profit	113.5	111.8	1.5	221.1	211.5	4.6
as a % of revenues	*33.3*	*35.3*		*33.2*	*34.4*	
SG&A expenses adjusted for special effects	(88.2)	(81.6)	8.0	(177.5)	(163.0)	8.9
Adjusted EBIT	25.4	30.2	(16.0)	43.6	48.5	(10.1)
as a % of revenues	*7.5*	*9.5*		*6.5*	*7.9*	
Special effects	0.0	1.5	(100.0)	0.0	3.2	(100.0)
EBIT	25.4	31.7	(19.9)	43.6	51.7	(15.6)
as a % of revenues	*7.5*	*10.0*		*6.5*	*8.4*	
Financial results	(2.5)	(2.4)	3.4	(5.0)	(5.9)	(15.5)
Profit before tax	22.9	29.3	(21.8)	38.6	45.8	(15.6)
Income taxes	(2.0)	(2.4)	(14.3)	(4.1)	(3.9)	3.2
Net profit/loss from discontinued operations	(0.3)	(1.0)	(70.0)	(0.3)	(2.3)	(86.8)
Net profit for the period	20.6	26.0	(20.6)	34.3	39.6	(13.5)
Depreciation and amortisation	13.1	11.9	9.8	25.8	21.5	19.6
Earnings per share (in EUR)	0.48	0.60	(20.5)	0.79	0.92	(13.9)

For information: EBITDA (EBIT plus depreciation and amortisation) amounted to EUR 69.4 million for the first half of 2011/12.

Substantial increase in development expenditures

EBIT adjusted for special effects fell by EUR 4.9 million from EUR 48.5 million to EUR 43.6 million for the first half of 2011/12. The adjusted EBIT margin declined from 7.9% to 6.5%. This development resulted in part from the lower gross profit margin, which equalled 33.2% (prior year: 34.4%). Despite support from an increase in Lighting Segment revenues, gross profit was reduced, above all, by the Components Segment through the under-utilisation of newly expanded production capacity, the declining demand for profitable electronic ballasts and rising pressure on prices. The profitability of LED products still differs between the two segments. In the Lighting Segment, these products have nearly reached the earning power of conventional luminaires. However, LED products in the Components Segment are not yet profitable in total due to the lack of appropriate volumes. Moreover, development costs included in the cost of goods sold rose by 18.6% from EUR 21.3 million to EUR 25.2 million. This trend reflects the technological change as well as the steady focus of the Zumtobel Group on innovation and new product development.

Focus on expansion of sales activities

Based on the medium-term growth prospects, the Zumtobel Group is making substantial investments in the expansion of sales structures. Selling expenses consequently rose from EUR 146.6 million in the prior year to EUR 161.3 million for the reporting period, above all in connection with the expansion of the sales force. In comparison with 31 October 2010, 112 additional sales employees had been hired. Despite wage and salary increases required by collective bargaining agreements, administrative expenses remained unchanged at EUR 18.5 million (prior year: EUR 18.5 million). Other operating results, excluding special effects, equalled EUR 2.3 million (prior year: EUR 2.1 million) and consisted primarily of license income from the LED business as in the previous year. No special effects were recognised in the first half of 2011/12. Special effects in the comparable prior year period amounted to EUR 3.2 million (see detailed information in the notes to the interim financial statements).

The following table shows the Group's operating performance, excluding the above-mentioned special effects:

Adjusted EBIT in EUR million	Q2 2011/12	Q2 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Reported EBIT	25.4	31.7	(19.9)	43.6	51.7	(15.6)
thereof special effects	0.0	1.5	(100.0)	0.0	3.2	(100.0)
Adjusted EBIT	25.4	30.2	(16.0)	43.6	48.5	(10.1)
as a % of revenues	*7.5*	*9.5*		*6.5*	*7.9*	

Improvement in financial results

Financial results improved by EUR 0.9 million in year-on-year comparison to minus EUR 5.0 million for the reporting period. Interest expense consisted primarily of interest on the credit agreement and rose from EUR 4.6 million to EUR 5.4 million due to the increase in net debt. Other financial income and expenses totalled plus EUR 0.1 million (prior year: minus EUR 1.8 million) and comprised, above all, results from the fair value measurement of forward exchange contracts as of 31 October 2011.

Financial result in EUR million	Q2 2011/12	Q2 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Interest expense	(2.6)	(2.4)	8.1	(5.4)	(4.6)	16.2
Interest income	0.2	0.3	(31.3)	0.5	0.6	(6.2)
Net financing costs	(2.5)	(2.2)	12.8	(4.9)	(4.1)	19.3
Other financial income and expenses	0.1	(0.1)	>100	0.1	(1.8)	>100
Profit/loss from companies accounted for at-equity	(0.1)	(0.1)	(44.8)	(0.2)	0.0	<(100)
Financial results	(2.5)	(2.4)	3.4	(5.0)	(5.9)	(15.5)

Net profit for the period 13.5% below prior year

Profit before tax amounted to EUR 38.6 million for the first half of 2011/12, compared with EUR 45.8 million in the prior year, and income tax expense totalled EUR 4.1 million (prior year: EUR 3.9 million). The results from discontinued operations are related to the event lighting business (Space Cannon VH SRL), which was discontinued during the second quarter of 2010/11. In the second quarter of 2011/12 non-recurring expenses of EUR 0.3 million were recognised in connection with the reorganisation of Space Cannon. Net profit for the period fell from EUR 39.6 million in 2010/11 to EUR 34.3 million for the reporting year. Earnings per share for the shareholders of Zumtobel AG (basic earnings per share based on 43.1 million shares) equalled EUR 0.79 (prior year: EUR 0.92).

Cash Flow and Asset Position

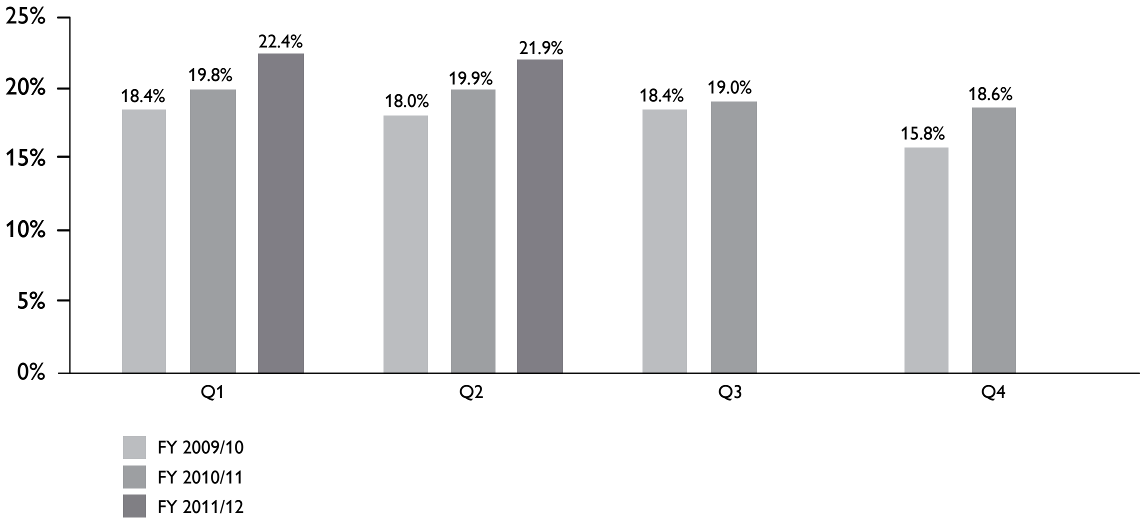
>> Working capital requirements substantially higher than prior year
>> Capital expenditure rises to EUR 25.9 million (prior year: EUR 22.3 million)
>> Free cash flow at prior year level
>> Continued solid balance sheet structure

Working capital requirements substantially higher than prior year

Working capital totalled EUR 279.8 million as of 31 October 2011 (prior year: EUR 231.4 million). The substantial year-on-year increase in the first half of 2011/12 reflected the rising volume of business in the Lighting Segment as well as higher inventories, which increased more than the growth in revenues above all in the Components Segment. Due to the weaker-than-expected development of business in the Components Segment, the Group was unable to reduce inventories as required. As a percentage of rolling 12-month revenues, working capital requirements rose from 19.9% in the first half of 2010/11 to 21.9% for the reporting period. In relation to annualised quarterly revenues, working capital requirements equalled

20.5%. This represents a slight improvement over the first quarter, but working capital is still outside the Group's defined target corridor of 18% to 20%. The increase in working capital led to cash outflows of EUR 48.3 million (prior year: minus EUR 56.2 million). Factoring declined from EUR 47.1 million to EUR 41.0 million as of 31 October 2011. Cash flow from operating results totalled EUR 2.5 million, which is slightly lower than the prior year level of EUR 4.0 million. This change is attributable, among others, to income taxes paid and received, which represented cash inflows in the previous year due to the refund of tax prepayments in Germany.

Working Capital as % of rolling 12-month revenues



Free cash flow at minus EUR 21.6 million

Investments in non-current assets amounted to EUR 25.9 million for the first half of 2011/12 (prior year: EUR 22.3 million) and included investments in tools for new products, expansion and maintenance expenditure as well as capitalised development costs (EUR 5.7 million). The expansion investments consist primarily of new production equipment for the luminaire plants in Dornbirn (Austria), Lemgo (Germany) and Les Andelys (France) as well as equipment for LED modules in Jennersdorf (Austria). Free cash flow was negative as a result of these investments, amounting to minus EUR 21.6 million, which is slightly below the prior year value of minus EUR 19.6 million.

EUR 0.50 dividend per share

Cash flow from financing activities of EUR 16.2 million (prior year: minus EUR 1.6 million) million) consisted primarily of the EUR 21.6 million dividend paid to the shareholders of Zumtobel AG (prior year: EUR 6.4 million) and the increased use of financing lines from the consortium credit agreement. As of 31 October 2011, EUR 231 million of the available EUR 480 million were in use.

Balance sheet data in EUR million	31 October 2011	30 April 2011
Total assets	1,065.6	1,020.5
Net debt	188.6	141.3
Debt coverage ratio	*1.53*	*1.11*
Equity	396.7	378.7
Equity ratio in %	*37.2*	*37.1*
Gearing in %	*47.5*	*37.3*
Investments	25.9	22.3
Working capital	279.8	228.8
As a % of rolling 12 month revenues	*21.9*	*18.6*

Solid balance structure

The equity ratio rose slightly from 37.1% on 30 April 2011 to 37.2% as of 31 October 2011. Net liabilities increased EUR 47.3 million to EUR 188.6 million and gearing – the ratio of net liabilities to equity – rose from 37.3% on 30 April 2011 to 47.5%.

Major risks and uncertainties during the second half of 2011/12

Early identification of risks and opportunities

The Zumtobel Group is well aware that an effective risk management system plays an important role in maintaining and expanding its competitive position. The goal of risk management is to identify risks and opportunities at an early point in time through a systematic approach, and thereby permit the implementation of suitable measures to deal with changes in the operating environment.

Risks arising from economic developments

The major risks facing the Zumtobel Group in the second half of 2011/12 are related to the uncertain development of key markets, above all in Europe. An economic crisis could lead to a significant decline in incoming orders and the postponement or cancellation of projects in progress. This, in turn, creates risks for the general development of earnings due to the under-utilisation of production capacity, rising pressure on prices and negative shifts in the product mix. Increased structural costs from the expansion of sales and R&D activities as part of the medium-term growth strategy would have a further negative effect on profitability if revenues decline. The current high level of working capital also carries an inherent risk of impairment charges.

Low liquidity risk

In order to maintain the capability to meet payment obligations at any time, the Zumtobel Group concluded a new consortium financing agreement in November 2011. This agreement has a five-year term and a maximum line of EUR 500 million. It replaces the EUR 480 million credit agreement that was concluded in 2008 and is intended to cover the Group's long-term capital requirements. This financing also requires compliance with the following financial covenants: 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 2011 with a debt coverage ratio of 1.53 and an equity ratio of 37.2%.

Interest rate risk

The interest rates on existing bank liabilities are variable. In order to reduce the volatility of interest expense, the Group has concluded interest rate swaps for approx. EUR 102 million (approx. 45% of the loans currently outstanding). These swaps have different terms with the longest expiring in June 2017, and exchange variable interest payments for fixed interest payments or limit (cap) the interest payments to a maximum of 3.34% (swap rate excl. financing margin).

Foreign exchange risk

The earnings recorded by the Zumtobel Group are exposed to foreign exchange risks, in particular from transaction effects. Transaction risk is hedged, above all through forward exchange contracts. Appropriate hedges are concluded on a rolling basis for a period of two to three quarters to cover planned cash flows. This method leads to a relatively constant volume of hedges and levels foreign exchange exposure.

Translation risk is not hedged. The most important currencies for the Group are the EUR, GBP, USD, CHF and AUD. From the current point of view, no negative transaction effects are expected during the second half of 2011/12.

Additional information on other potential risks as well as the structure of risk management in the Zumtobel Group is provided in the 2010/11 annual financial report. Based on the information available at the present time, there are no major individual risks that could endanger the continued existence of the Zumtobel Group.

Continued investments in the future despite increasingly unfavourable outlook

The economic environment continued to deteriorate throughout the past quarter. Business in the Lighting Segment remains sound, but recent developments in the Components Segment lead us to assume that the necessary growth momentum will not return during the coming six months. Against this backdrop we can no longer confirm our previous guidance for the 2011/12 financial year, which called for an increase of approx. 10% in Group revenues and an adjusted EBIT margin of slightly over 6.4%. We now expect an increase of substantially less than 10% in revenues and a year-on-year decline in the EBIT margin, in particular due to the Components Segment. In view of macroeconomic developments and the related uncertainty over sales volumes and capacity utilisation, we cannot provide exact guidance on the expected EBIT margin for the full year at the present time. Despite the more pessimistic outlook, we will continue to invest in the implementation of our global growth strategy.

Dornbirn, 6 December 2011

Harald Sommerer	Mathias Dähn	Martin Brandt
Chief Executive Officer	Chief Financial Officer	Chief Operating Officer

Income Statement

in TEUR	Q2 2011/12	Q2* 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Revenues	340,499	316,791	7.5	666,829	615,437	8.4
Cost of goods sold	(226,952)	(204,976)	10.7	(445,692)	(403,939)	10.3
Gross profit	**113,547**	**111,815**	**1.5**	**221,137**	**211,498**	**4.6**
as a % of revenues	*33.3*	*35.3*		*33.2*	*34.4*	
Selling expenses	(80,575)	(73,394)	9.8	(161,297)	(146,576)	10.0
Administrative expenses	(8,908)	(9,048)	(1.6)	(18,472)	(18,543)	(0.4)
Other operating results	1,330	2,334	(43.0)	2,252	5,321	(57.7)
thereof special effects	*0*	*1,485*	*(100.0)*	*0*	*3,201*	*(100.0)*
Operating profit	**25,394**	**31,707**	**(19.9)**	**43,620**	**51,700**	**(15.6)**
as a % of revenues	*7.5*	*10.0*		*6.5*	*8.4*	
Interest expense	(2,632)	(2,435)	8.1	(5,397)	(4,644)	16.2
Interest income	177	258	(31.3)	525	560	(6.2)
Other financial income and expenses	73	(69)	>100	127	(1,797)	>100
Loss from companies accounted for at-equity	(69)	(124)	(44.8)	(239)	(16)	>100
Financial results	**(2,451)**	**(2,370)**	**3.4**	**(4,984)**	**(5,897)**	**(15.5)**
as a % of revenues	*(0.7)*	*(0.7)*		*(0.7)*	*(1.0)*	
Profit before tax	**22,943**	**29,337**	**(21.8)**	**38,636**	**45,803**	**(15.6)**
Income taxes	(2,024)	(2,362)	(14.3)	(4,060)	(3,933)	3.2
Net profit from continuing operations	**20,919**	**26,975**	**(22.5)**	**34,576**	**41,870**	**(17.4)**
Net loss from discontinued operations	**(298)**	**(992)**	**(70.0)**	**(298)**	**(2,258)**	**(86.8)**
Net profit for the period	**20,621**	**25,983**	**(20.6)**	**34,278**	**39,612**	**(13.5)**
as a % of revenues	*6.1*	*8.2*		*5.1*	*6.4*	
thereof due to non-controlling interests	*(74)*	*133*	*<(100)*	*53*	*179*	*0.0*
thereof due to shareholders of the parent company	*20,695*	*25,850*	*(19.9)*	*34,225*	*39,433*	*0.0*
Average number of shares outstanding – basic (in 1000 pcs.)	43,104	42,788		43,095	42,766	
Average diluting effect (stock options) (in 1000 pcs.)	39	78		39	78	
Average number of shares outstanding – diluted (in 1000 pcs.)	43,143	42,866		43,134	42,844	
Earnings per share (in EUR)						
Basic earnings per share	0.48	0.60		0.79	0.92	
Diluted earnings per share	0.48	0.60		0.79	0.92	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	0.49	0.63		0.80	0.98	
Diluted earnings per share	0.48	0.63		0.80	0.98	
Earnings per share from discontinued operations (in EUR)						
Basic earnings per share	(0.01)	(0.02)		(0.01)	(0.05)	
Diluted earnings per share	(0.01)	(0.02)		(0.01)	(0.05)	

* The event lighting business was classified as a discontinued operation (IFRS 5) during the second quarter of the previous financial year. All resulting adjustments to the income statement were made on a cumulative basis during that quarter. In 2011/12 the reclassification effect was distributed between the first and second quarter of the prior year; this led to an immaterial change in the comparable data for the second quarter of 2010/11. The comparative data for the first half of the prior year remain unchanged.

Statement of Comprehensive Income

in TEUR	Q2 2011/12	Q2 2010/11	Change in %	1st HY 2011/12	1st HY 2010/11	Change in %
Net profit for the period	**20,621**	**25,983**	**(20.6)**	**34,278**	**39,612**	**(13.5)**
Currency differences	(3,699)	(3,220)	14.9	7,640	(1,565)	>100
Currency differences arising from loans	2,067	(718)	>100	(567)	(21)	<(100)
Hedge accounting	(1,064)	(171)	>100	(1,799)	(159)	<(100)
Taxes	266	43	>100	450	40	>100
thereof Hedge Accounting	*266*	*43*	*>100*	*0*	*40*	*(100.0)*
Subtotal other comprehensive income	**(2,430)**	**(4,066)**	**(40.2)**	**5,724**	**(1,705)**	**>100**
thereof due to non-controlling interests	*63*	*(195)*	*>100*	*184*	*(116)*	*>100*
thereof due to shareholders of the parent company	*(2,493)*	*(3,871)*	*(35.6)*	*5,540*	*(1,589)*	*>100*
Total comprehensive income	**18,191**	**21,917**	**(17.0)**	**40,002**	**37,907**	**5.5**
thereof due to non-controlling interests	*(12)*	*(62)*	*(80.4)*	*237*	*63*	*>100*
thereof due to shareholders of the parent company	*18,203*	*21,979*	*(17.2)*	*39,765*	*37,844*	*5.1*

Balance Sheet

in TEUR	31 October 2011	in %	30 April 2011	in %
Goodwill	186,570	17.5	183,869	18.0
Other intangible assets	51,242	4.8	50,818	5.0
Property, plant and equipment	235,649	22.1	233,843	22.9
Financial assets accounted for at-equity	4,746	0.4	4,889	0.5
Financial assets	6,276	0.6	5,749	0.6
Other assets	4,124	0.4	4,137	0.4
Deferred taxes	34,574	3.2	34,151	3.3
Non-current assets	**523,181**	**49.0**	**517,456**	**50.7**
Inventories	202,422	19.0	190,341	18.7
Trade receivables	225,018	21.1	186,549	18.3
Financial assets	13,258	1.2	15,051	1.5
Other assets	23,331	2.2	24,834	2.4
Liquid funds	78,406	7.4	86,255	8.5
Current assets	**542,435**	**50.9**	**503,030**	**49.3**
ASSETS	1,065,616	100.0	1,020,486	100.0
Share capital	108,750	10.2	108,750	10.7
Additional paid-in capital	334,989	31.4	335,387	32.9
Reserves	(84,263)	(7.9)	(119,818)	(11.7)
Net profit for the period	34,225	3.2	51,025	5.0
Capital attributed to shareholders of the parent company	393,701	36.9	375,344	36.8
Capital attributed to non-controlling interests	2,988	0.3	3,308	0.3
Equity	**396,689**	**37.2**	**378,652**	**37.1**
Provisions for pensions	55,066	5.1	57,390	5.6
Provisions for severance compensation	34,086	3.2	33,297	3.3
Provisions for other defined benefit employee plans acc. to IAS19	12,811	1.2	12,332	1.2
Other provisions	744	0.1	719	0.1
Borrowings	257,606	24.2	212,507	20.8
Other liabilities	5	0.0	4	0.0
Deferred taxes	11,851	1.1	11,627	1.1
Non-current liabilities	**372,169**	**34.9**	**327,876**	**32.1**
Provisions for taxes	22,536	2.1	22,381	2.2
Other provisions	23,692	2.2	25,141	2.5
Borrowings	12,527	1.2	17,301	1.7
Trade payables	128,448	12.1	140,742	13.8
Other liabilities	109,555	10.3	108,393	10.6
Current liabilities	**296,758**	**27.9**	**313,958**	**30.8**
EQUITY AND LIABILITIES	1,065,616	100.0	1,020,486	100.0

Cash Flow Statement

in TEUR	1st HY 2011/12	1st HY 2010/11
Operating profit from continuing and discontinued operations	43,322	49,442
Depreciation and amortisation	25,771	21,542
Gain/loss from disposal of fixed assets	130	(17)
Results from discontinued operations	273	(2,122)
Cash flow from operating results	**69,496**	**68,845**
Inventories	(9,344)	(20,597)
Trade receivables	(39,606)	(33,035)
Trade payables	(11,198)	(5,735)
Prepayments received	11,839	3,132
Change in working capital	**(48,309)**	**(56,235)**
Non-current provisions	(3,201)	(3,132)
Current provisions	(1,938)	(2,684)
Other current and non-current assets and liabilities	(9,518)	(4,557)
Change in other operating items	**(14,657)**	**(10,373)**
Taxes paid/received	**(3,982)**	**1,759**
Cash flow from operating activities	**2,548**	**3,996**
Proceeds from the sale of non-current assets	92	492
Capital expenditures on non-current assets	(25,938)	(22,257)
Change in non-current and current financial assets	1,745	(1,764)
Change in liquid funds from acquisition of non-controlling interests	0	(100)
Cash flow from investing activities	**(24,101)**	**(23,629)**
FREE CASH FLOW	**(21,553)**	**(19,633)**
Change in net borrowings	42,615	7,606
thereof restricted cash	*80*	*(7)*
Dividends	(22,109)	(6,574)
Exercise of options	(398)	474
Interest paid	(4,507)	(3,709)
Interest received	621	557
Cash flow from financing activities	**16,222**	**(1,646)**
Effects of exchange rate changes on cash and cash equivalents	1,778	(192)
CHANGE IN CASH AND CASH EQUIVALENTS	**(3,553)**	**(21,471)**
Cash and cash equivalents at the beginning of the period	70,757	84,698
Cash and cash equivalents at the end of the period	67,204	63,227
Change absolute	**(3,553)**	**(21,471)**

Statement of Changes in Equity

1st Half-Year 2011/12

in TEUR	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Hedge accounting	Reserve for stock options	Reserve IAS 19	Net profit for the period	Total	Non-controlling interests	Total equity
	Attributed to shareholders of the parent company										
30 April 2011	**108,750**	**335,387**	**(25,749)**	**(51,096)**	**(1,441)**	**18,418**	**(59,950)**	**51,025**	**375,344**	**3,308**	**378,652**
+/- Additions to reserves	0	0	51,025	0	0	0	0	(51,025)	0	0	**0**
+/- Total comprehensive income	0	0	0	6,889	(1,349)	0	0	34,225	39,765	237	**40,002**
+/- Stock options – exercises	0	(398)	0	0	0	0	0	0	(398)	0	**(398)**
+/- Stock options – addition/reversal	0	0	0	0	0	542	0	0	542	0	**542**
+/- Dividends	0	0	(21,552)	0	0	0	0	0	(21,552)	(557)	**(22,109)**
31 October 2011	**108,750**	**334,989**	**3,724**	**(44,207)**	**(2,790)**	**18,960**	**(59,950)**	**34,225**	**393,701**	**2,988**	**396,689**

1st Half-Year 2010/11

in TEUR	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Hedge accounting	Reserve for stock options	Reserve IAS 19	Net profit/loss for the period	Total	Non-controlling interests	Total equity
	Attributed to shareholders of the parent company										
30 April 2010	**108,750**	**334,597**	**52,105***	**(48,737)***	**(2,594)**	**17,270**	**(54,858)**	**(69,945)***	**336,588***	**3,825**	**340,413***
+/- Additions to reserves	0	0	(69,945)	0	0	0	0	69,945	0	0	0
+/- Total comprehensive income	0	0	0	(1,470)	(119)	0	0	39,433	37,844	63	37,907
+/- Stock options – exercises	0	474	0	0	0	0	0	0	474	0	474
+/- Stock options – addition/reversal	0	0	0	0	0	505	0	0	505	0	505
+/- Dividends	0	0	(6,418)	0	0	0	0	0	(6,418)	(156)	(6,574)
+/- Capital increase minority interest	0	0	0	0	0	0	0	0	0	142	142
+/- Acquisition of non-controlling interests	0	0	(155)	0	0	0	0	0	(155)	55	(100)
31 October 2010	**108,750**	**335,071**	**(24,413)**	**(50,207)**	**(2,713)**	**17,775**	**(54,858)**	**39,433**	**368,838**	**3,929**	**372,767**

The balance sheet position "reserves" comprises other reserves as well as the currency reserve, the reserve for hedge accounting, the reserve for stock options and the IAS 19 reserve.

* For information on the opening balances in the statement of changes in equity as of 30 April 2010 and additions to other reserves during the first half of 2010/11, see the comments in the Annual Financial Report 2010/11.

Notes

Accounting and Valuation Methods

The condensed interim financial statements as of 31 October 2011 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 condensed 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. Since the balance sheet date for the consolidated financial statements on 30 April 2011, no new IFRS or IFRIC have been announced or adopted by the European Union that are of material importance for the Zumtobel Group.

The accounting and valuation methods applied as of 31 October 2011 remain basically unchanged. Additional information on these methods is provided in the consolidated financial statements as of 30 April 2011. In order to further improve the clarity and informative value of these financial statements, individual positions on the income statement and balance sheet were combined and are reported separately in the notes. The amounts in the tables are presented in thousand euros (TEUR), unless indicated otherwise. The use of automatic data processing equipment can lead to rounding differences.

The quarterly financial statements of the companies included in the consolidated financial statements were prepared on the basis of 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	
1 EUR equals	31 October 2011	31 October 2010	31 October 2011	30 April 2011
AUD	1.3484	1.4293	1.3225	1.3560
CHF	1.1976	1.3545	1.2191	1.2867
USD	1.4141	1.2909	1.4001	1.4860
SEK	9.1030	9.4375	9.0090	8.9140
GBP	0.8781	0.8430	0.8731	0.8917

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 Method		
Consolidation Range	full	at equity	Total
30 April 2011	**94**	**6**	**100**
Liquidated during reporting period	(1)	0	(1)
31 October 2011	**93**	**6**	**99**

>> Zumtobel Residential Lighting srl was liquidated during the first quarter of the 2011/12 financial year.

>> In the third quarter of 2009/10 the majority shareholders of z-werkzeugbau gmbh exercised their option to acquire the remaining 30% of the company. The shares have not yet been transferred.

Notes to the Income Statement

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

Seasonality

Sales volumes are generally higher during the first two quarters than in 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. The cyclical fluctuations in 2010/11 were less extreme due to the market recovery in the late cyclical lighting business during that year.

Revenues

Revenues rose by 8.4% over the comparable prior year period to TEUR 666,829 in the first half of 2011/12. Sound growth was recorded, above all, by the Lighting Segment with a revenue increase of 11.0%.

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 2011/12

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(291,986)	(2,003)	(33)	1	(294,021)
Personnel expenses	(111,283)	(85,091)	(13,790)	(5)	(210,169)
Depreciation	(22,328)	(2,993)	(450)	0	(25,771)
Other expenses	(33,785)	(68,493)	(6,387)	(179)	(108,844)
Own work capitalised	6,159	20	0	0	6,179
Internal charges	3,833	(5,798)	1,965	0	0
Total expenses	**(449,390)**	**(164,358)**	**(18,695)**	**(183)**	**(632,626)**
Other income	**3,698**	**3,061**	**223**	**2,435**	**9,417**
Total	**(445,692)**	**(161,297)**	**(18,472)**	**2,252**	**(623,209)**

1st Half-Year 2010/11

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(258,738)	(2,397)	(23)	20	(261,138)
Personnel expenses	(101,908)	(76,863)	(13,635)	(1,875)	(194,281)
Depreciation	(20,567)	(2,620)	(379)	2,024	(21,542)
Other expenses	(35,794)	(62,286)	(7,470)	3,009	(102,541)
Own work capitalised	7,263	307	17	0	7,587
Internal charges	2,852	(5,615)	2,783	(20)	0
Total expenses	**(406,892)**	**(149,474)**	**(18,707)**	**3,158**	**(571,915)**
Other income	**2,953**	**2,898**	**164**	**2,163**	**8,178**
Total	**(403,939)**	**(146,576)**	**(18,543)**	**5,321**	**(563,737)**

The cost of goods sold includes development costs of TEUR 25,227(prior year: TEUR 21,265). Development costs totalling TEUR 5,691 were capitalised during the reporting period (prior year: TEUR 6,837), and the amortisation of capitalised development costs equalled TEUR 5,594 (prior year: TEUR 4,276).

In the prior year own work capitalised under selling costs reflected the renovation of the Lighting Forum in Germany; the comparable costs recorded under administration represented the replacement of lighting in an administrative building.

Other Operating Results

in TEUR	Q2 2011/12	Q2 2010/11	1st HY 2011/12	1st HY 2010/11
Government grants	457	79	784	186
License revenues	991	726	1,658	1,938
Special effects	0	1,485	0	3,201
Write-up to non-current assets	*0*	*52*	*0*	*2,024*
Restructuring	*0*	*(1,659)*	*0*	*(1,920)*
Litigation	*0*	*3,092*	*0*	*3,097*
Miscellaneous	**(118)**	**44**	**(190)**	**(4)**
Total	**1,330**	**2,334**	**2,252**	**5,321**

Similar to the first half of the previous year, the government grants consist entirely of grants related to income.

License income for the first half of 2011/12 also reflects the prior year and comprises income from the LED business.

The first quarter of the prior year includes a revaluation of TEUR 1,972 to a non-current asset (building) that was reported under special effects. This revaluation was recognised because the reasons for an impairment loss recorded in 2008/09 ceased to exist. In addition, the first half of the prior year includes restructuring expenses related to the relocation of a sales office.

In the second quarter of 2010/11 a provision of TEUR 3,092 for legal disputes was reversed following an out-of-court settlement.

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 consists primarily of interest on the current credit agreement.

Other Financial Income and Expenses

in TEUR	Q2 2011/12	Q2 2010/11	1st HY 2011/12	1st HY 2010/11
Interest component as per IAS 19 less income on plan assets	(1,005)	(869)	(2,009)	(1,736)
Foreign exchange gains and losses	(534)	(2,505)	(511)	(1,290)
Market valuation of financial instruments	1,612	3,305	2,647	1,229
Total	**73**	**(69)**	**127**	**(1,797)**

Foreign exchange gains and losses consist mainly of effects from the valuation of receivables and liabilities that are denominated in a foreign currency. In the second quarter of the prior year, foreign exchange gains and losses were negatively influenced above all by changes in the Group's main currencies (GBP, USD, AUD and CHF).

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 2011/12	Q2 2010/11	1st HY 2011/12	1st HY 2010/11
Current taxes	(1,167)	(1,672)	(3,666)	(3,642)
thereof current year	*(1,414)*	*(1,714)*	*(3,829)*	*(3,659)*
thereof prior years	*247*	*42*	*163*	*17*
Deferred taxes	(857)	(690)	(394)	(291)
Income taxes	**(2,024)**	**(2,362)**	**(4,060)**	**(3,933)**

Net Profit/Loss from Discontinued Operations

This position includes subsequent expense accruals related to the reorganisation of Space Cannon VH SRL. This company was part of the event lighting business, which was discontinued during the second quarter of 2010/11. The results reported under this position in the prior year also reflect the discontinuation of this business.

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 reflect the assumption that 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.

1st Half-Year 2011/12

in 1000 pcs.	Balance Sheet Date	Average
1 May 2011	**42,821**	**42,821**
Stock options – exercises	283	274
31 October 2011	**43,104**	**43,095**

2010/11 Financial Year

in 1000 pcs.	Balance Sheet Date	Average
1 May 2010	**42,725**	**42,725**
Stock options – exercises	63	41
31 October 2010	**42,788**	**42,766**
Stock options – exercises	33	21
30 April 2011	**42,821**	**42,787**

Notes to the Statement of Comprehensive Income

Currency Differences

This position comprises translation effects resulting from the conversion of the financial statements of subsidiaries as well as the effects of foreign currency-related adjustments to goodwill following the application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

Currency Differences arising from Loans

These currency differences result from long-term SEK and GBP loans and from derivative instruments that qualify for classification as a net investment in a foreign operation under IAS 21 and must therefore be reported under comprehensive income. This position also includes currency differences resulting from an interest rate hedge.

Taxes

This position consists exclusively of deferred taxes arising from hedge accounting.

Notes to the Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2011.

Goodwill

In accordance with the application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates"), foreign currency-based adjustments of TEUR 2,701 were made to goodwill during the first half of 2011/12 (prior year: TEUR -367) without recognition to profit or loss. These foreign exchange effects are allocated to the Lighting Segment for segment reporting.

Other Intangible Assets

The change resulted chiefly from the capitalisation of intangible assets that were created through internal development projects.

Property, Plant and Equipment

The increase resulted primarily from investments at various production locations as well as the translation of property, plant and equipment at the exchange rates in effect on the balance sheet date.

Non-Current Financial Assets

The most important item included under this position is the non-current portion of the receivable arising from the sale of the old factory in Spennymoor during December 2008.

Other Non-Current Assets

This position consists primarily of capitalised reinsurance for the fulfilment of pension commitments.

Inventories

The Group has an off balance sheet commitment of TUSD 10,259 with a supplier to purchase LED modules, which must be fulfilled by 28 February 2012.

Trade Receivables

The increase in trade receivables resulted above all from the growth of the Lighting Segment business during the first half of 2011/12.

Other Current Assets

The decline resulted primarily from a decrease in receivables due from external company pension plan carriers in Switzerland.

Provisions for Pensions

The net decline in these provisions resulted from pension payments made during the first half of 2011/12 as well as contributions to the pension plans in Great Britain.

Non-Current Financial Liabilities

Non-current financial liabilities increased during the reporting period, above all due to the use of the financing line provided by the consortium credit agreement. The amount drawn under this agreement rose from TEUR 186,000 to TEUR 231,000 in the first quarter of 2011/12.

Other Current Provisions

The development of this position was related primarily to the use of the restructuring provisions that were created in earlier periods. This change also reflected the release and use of provisions for guarantees to cover individual claims.

Current Financial Liabilities

The change in current financial liabilities resulted from a decline in the use of short-term working capital credit lines.

Notes to the Cash Flow Statement

Cash flow was determined on a monthly basis in accordance with the indirect method. The resulting monthly cash flows were translated at the applicable average monthly exchange rate and then aggregated, while the balance sheet positions were translated at the exchange rate in effect on the respective closing date. Individual positions on the cash flow statement therefore differ significantly from the respective balance sheet positions, above all under cash flow from operating activities.

In agreement with the indirect method, operating profit is adjusted for the effects of non-cash transactions (e.g. depreciation and amortisation) as well as income and expenses that relate to investing or financing activities.

The amounts recognised under equity in accordance with IAS 19, IAS 21 and IAS 39 are reported on the cash flow statement as part of the changes to the respective balance sheet positions.

Net profit/loss from discontinued operations includes expenses arising in connection with the reorganisation of Space Cannon VH SRL. This company was part of the event lighting business, which was discontinued during the second quarter of 2010/11. The results reported under this cash flow position in the prior year also reflect the discontinuation of this business.

Cash flow from operating activities declined from TEUR 1,448 in the first half of 2010/11 to TEUR 2,548 for the reporting period. The improvement in cash flow from changes in working capital positions was offset by contrary cash flow effects from the change in other non-current and current assets and liabilities. The year-on-year decrease in cash flow from operating activities was also due to higher income tax payments in the reporting year. The positive amount reported in the prior year under "taxes received/paid" resulted from the reimbursement of tax advance tax payments in Germany.

The change in other non-current and current assets and liabilities resulted mainly from a decline in amounts due to employees.

Cash flow from investing activities remained nearly unchanged in year-on-year comparison, amounting to TEUR 472 more than the comparable 2010/11 value. Capital expenditures on non-current assets consisted primarily of investments at various Group production locations.

Cash flow from financing activities rose from minus TEUR 1,645 in the first half of 2010/11 to TEUR 16,223 for the reporting period, primarily due to the dividend payment to the shareholders of Zumtobel AG and increased use of the financing line provided by the consortium loan agreement.

Liquid funds comprise cash and cash equivalents. The latter are held for the purpose of meeting short-term cash obligations. They are subject to only insignificant fluctuations in value and have a remaining maturity of not more than three months from the date of acquisition. Bank overdrafts are generally considered to be part of cash and cash equivalents because they form an integral part of the Groups cash management.

Bank deposits, demand deposits and other similar items are presented on the balance sheet under "liquid funds". Overdrafts are reported under current financial liabilities as part of working capital credits.

The balance sheet position "liquid funds" also includes the above-mentioned bank deposits that are not available for discretionary use as well as smaller deposits with a term of more than three months. These items are not considered to be part of liquid funds.

Transition to Cash and Cash Equivalents

in TEUR	31 October 2011	30 April 2011	31 October 2010
Liquid funds	78,406	86,255	78,857
Not available for disposal	(208)	(269)	(9)
Overdrafts	(10,994)	(15,229)	(15,621)
Cash and cash equivalents	**67,204**	**70,757**	**63,227**

Notes to the Statement of Changes in Equity

Dividend

The annual general meeting on 22 July 2011 approved the payment of a EUR 0.50 dividend per share. On 29 July 2011 a total of TEUR 21,552 was distributed to the shareholders of Zumtobel AG.

Other Reserves

This position includes profit carried forward.

Currency Translation Reserve

This reserve includes the currency differences resulting from the application of the historical exchange rate on the date of initial consolidation and the exchange rate in effect on the balance sheet date for companies that do not report in the euro as well as differences resulting from the translation of the income statement at the monthly average exchange rate and the exchange rate in effect on the balance sheet date. Also included here are the currency differences arising from long-term Group loans granted in SEK and GBP, which are classified as net investments in foreign operations in accordance with IAS 21. This reserve also contains the foreign currency effects of an interest rate hedge and foreign currency-related adjustments to goodwill.

Hedge Accounting

The changes in equity from the application of hedge accounting reflect the changes in the fair value of derivative contracts that are recorded directly in equity as well as amounts transferred from equity to profit or loss following the exercise or realisation of contracts and the related deferred taxes.

Stock Option Programme and Share Buyback

in pcs.	Total
Share buyback (to 30 April 2011)	**1,539,211**
Exercised (to 30 April 2011)	(860,658)
30 April 2011	678,553
Exercised	(282,971)
31 October 2011	**395,582**

A total of 22,047 stock options were exercised from the Stock Option Programme (SOP) during the first half of 2011/12 (prior year: 63,320.). In connection with the Matching Stock Programme (MSP), 260,924 shares were distributed to the participating employees without return compensation.

Reserve for Stock Options

in TEUR	SOP	MSP	Total
30 April 2011	**15,985**	**2,433**	**18,418**
Addition through profit or loss	0	542	542
31 October 2011	**15,985**	**2,975**	**18,960**

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. The accrual for the first half of 2011/12 amounted to TEUR 542 (prior year: TEUR 505).

Segment Reporting

Segment reporting by the Zumtobel Group is based on the primary areas of business: the aggregated 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 transfer of goods and services between the two divisions is based on ordinary market conditions.

The segment information is principally based on the same presentation, accounting and valuation methods used to prepare the consolidated financial statements. In accordance with the management approach prescribed by IFRS 8, operating profit (EBIT) – a key indicator used for internal reporting – is included as part of the segment information.

The segment assets allocated to the divisions include property, plant and equipment that can be directly assigned as well as intangible assets and working capital (excluding accrued interest, tax receivables and tax liabilities).

The column "reconciliation" comprises assets and the related income statement items that could not be allocated to either of the two segments as well as property, plant and equipment, financial liabilities and taxes that are used by or involve both segments.

2nd Quarter

	Lighting Segment			Components Segment			Reconciliation			Group		
in TEUR	Q2 2011/12	Q2 2010/11	Q2 2009/10	Q2 2011/12	Q2 2010/11	Q2 2009/10	Q2 2011/12	Q2 2010/11	Q2 2009/10	Q2 2011/12	Q2 2010/11	Q2 2009/10
Net revenues	252,723	228,743	217,933	108,215	108,514	92,763	(20,439)	(20,466)	(18,629)	340,499	316,791	292,067
External revenues	*252,444*	*228,533*	*217,347*	*88,003*	*88,050*	*74,593*	*52*	*208*	*127*	*340,499*	*316,791*	*292,067*
Inter-company revenues	*279*	*210*	*586*	*20,212*	*20,464*	*18,170*	*(20,491)*	*(20,674)*	*(18,756)*	*0*	*0*	*0*
Operating profit	19,267	18,089	10,327	8,740	15,491	12,602	(2,613)	(1,877)	(1,858)	25,394	31,703	21,071
Investments	6,281	5,384	7,200	4,469	6,562	1,954	276	191	184	11,026	12,137	9,338
Depreciation	(8,094)	(6,989)	(6,570)	(4,564)	(4,578)	(4,341)	(412)	(340)	(319)	(13,070)	(11,907)	(11,230)

1st Half-Year

in TEUR	Lighting Segment 1st HY 2011/12	1st HY 2010/11	1st HY 2009/10	Components Segment 1st HY 2011/12	1st HY 2010/11	1st HY 2009/10	Reconciliation 1st HY 2011/12	1st HY 2010/11	1st HY 2009/10	Group 1st HY 2011/12	1st HY 2010/11	1st HY 2009/10
Net revenues	488,801	440,297	424,864	218,504	214,719	180,611	(40,476)	(39,579)	(35,379)	666,829	615,437	570,096
External revenues	*488,392*	*439,889*	*424,027*	*178,258*	*175,233*	*145,825*	*179*	*315*	*244*	*666,829*	*615,437*	*570,096*
Inter-company revenues	*409*	*408*	*837*	*40,246*	*39,486*	*34,786*	*(40,655)*	*(39,894)*	*(35,623)*	*0*	*0*	*0*
Operating profit	30,018	28,733	17,366	19,421	28,675	27,936	(5,819)	(5,708)	(4,600)	43,620	51,700	40,702
Investments	14,540	11,108	12,735	9,714	10,738	4,151	1,684	617	221	25,938	22,463	17,107
Depreciation	(15,927)	(11,711)	(12,968)	(9,048)	(9,171)	(8,358)	(796)	(660)	(618)	(25,771)	(21,542)	(21,944)

in TEUR	31 Oct. 2011	30 April 2011	30 April 2010	31 Oct. 2011	30 April 2011	30 April 2010	31 Oct. 2011	30 April 2011	30 April 2010	31 Oct. 2011	30 April 2011	30 April 2010
Assets	666,789	624,458	600,905	255,120	247,232	210,648	143,707	148,796	161,284	1,065,616	1,020,486	972,837

* For additional information on the asset balances as of 30 April 2010, see the comments on the adjustment of prior year data in the Annual Financial Report 2010/11.

	31 Oct. 2011	30 April 2011	30 April 2010	31 Oct. 2011	30 April 2011	30 April 2010	31 Oct. 2011	30 April 2011	30 April 2010	31 Oct. 2011	30 April 2011	30 April 2010
Headcount (full-time equivalent)	5,442	5,322	5,155	2,280	2,368	2,048	127	124	126	7,849	7,814	7,329

The number of employees reported in the above table includes temporary employees working in the Zumtobel Group.
The elimination of inter-segment revenues is shown in the reconciliation column.

The transition column comprises the following items:

in TEUR	Q2 2011/12	Q2 2010/11	1st HY 2011/12	1st HY 2010/11
Group parent companies	(3,117)	(2,012)	(6,670)	(5,968)
Group entries	504	135	851	260
Operating profit	**(2,613)**	**(1,877)**	**(5,819)**	**(5,708)**

The Group parent companies represent companies that provide administrative or financing services for the entire Group and cannot be allocated to a specific segment. The transition to operating profit includes Group entries for the elimination of interim profits in current and non-current assets.
No single external customer is responsible for more than 10% of total revenues.

Related Party Transactions

Related parties include the Management 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 2011.
Supply and delivery transactions are conducted with associated companies at normal market conditions.

Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 7,599 (30 April 2011 TEUR 9,492).

Subsequent Events

In order to safeguard liquidity over the medium-term, the Zumtobel Group voluntarily refinanced a credit agreement that would have been due in 2013 during November 2011. The new consortium credit agreement, which was concluded with a syndicate of seven banks, has a term of five years and a maximum line of EUR 500 million. These funds are available for general business purposes. As of 31 October 2011 the Zumtobel Group had drawn TEUR 231,000 of this credit line.

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, 6 December 2011

The Management Board

Harald Sommerer	Mathias Dähn	Martin Brandt
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Operating Officer (COO)

Report on the Review of the condensed Interim consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of

Zumtobel AG,
Dornbirn,

for the period from 1 May 2011 to 31 October 2011. These condensed interim consolidated financial statements comprise the consolidated balance sheet as of 31 October 2011 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statements of cash flows and consolidated statement of changes in equity for the period from 1 May 2011 to 31 October 2011 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting, as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par.2 of the Austrian Commercial Code (UGB).

Scope of Review

We conducted our review in accordance with Austrian standards for Chartered Accountants, in particular in compliance with KFS/PG11 "Principles of Engagements to Review Financial Statements", 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 statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing 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 came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Statement on the consolidated interim Group Management Report for the six month period ended 31 October 2011 and on management's statement in accordance with § 87 Austrian Stock Exchange Act (BörseG)

We have read the consolidated interim group management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim group management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management in accordance with § 87 par. 1 subpar. 3 Austrian Stock Exchange Act.

Vienna, 6 December 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Michael Schlenk	Mag. Rainer Hassler
Certified Public Accountant	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 + property, plant and equipment + inventories + trade receivables - trade payables - provisions for income taxes - other provisions - other liabilities, as an average over 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
Labour productivity	= Adjusted EBIT as a percentage of personnel expenses
Net debt	= Non-current borrowings + current borrowings - liquid funds - current financial receivables from associated companies
WACC	Weighted average cost of capital (debt and equity)
Working capital	= Inventories + trade receivables - trade payables - prepayments received

Financial Calendar

3rd quarterly report 2011/12 (1 May 2011 – 31 January 2012)	06 March 2012
Capital Markets Day in Frankfurt	18 April 2012
Annual financial results 2011/12	27 June 2012
36th ordinary annual shareholders' meeting	27 July 2012

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Financial Reports

Our financial reports are available in English and German 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
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Imprint

Publisher: Zumtobel AG, Investor Relations, Harald Albrecht
Coordination Financials: Stefan Tschol
Translation: Donna Schiller-Margolis

Produced in-house with FIRE.sys

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