Quarterly Report of the Zumtobel AG

1 May 2007 to 31 January 2008

zumtobel group

Overview of the Third Quarter

Further improvement in EBIT margin, growth more moderate

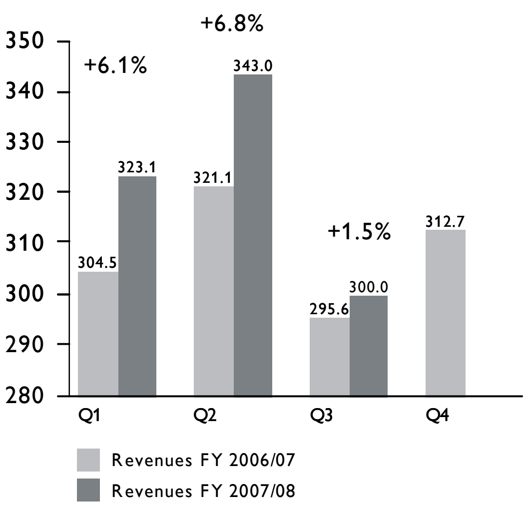
>> Growth after foreign exchange effects equals 4.0%, nominal 1.5%
>> Lower revenue and EBIT reflect normal seasonal development
>> Foreign currency translation slows revenue growth by EUR 7.5 million
>> Adjusted EBIT rises 5.4% to EUR 21.5 million, EBIT margin increases 30 bp to 7.2%
>> Significant improvement in working capital
>> Revenues for the first three quarters total EUR 966.1 million (+4.9% / +5.9% after foreign exchange adjustments)
>> Return on sales for the first three quarters reaches 10.1% (+70 bp)

Key Data

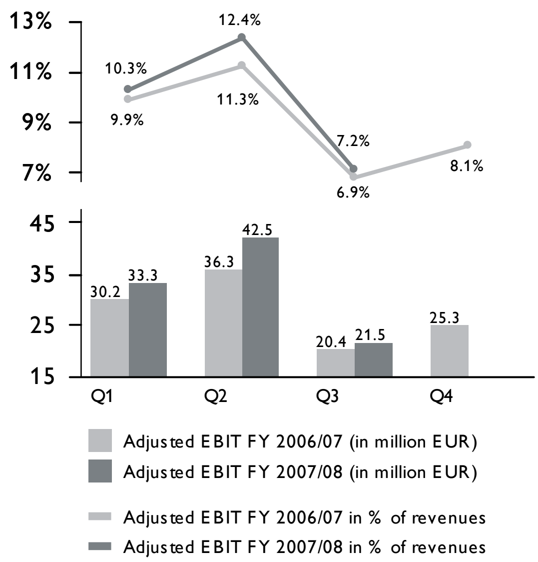
in EUR million	3rd Quarter 2007/08	3rd Quarter 2006/07*	Change in %	1st-3rd Quarter 2007/08	1st-3rd Quarter 2006/07*	Change in %	Full Year 2006/07
Revenues	300.0	295.6	1.5	966.1	921.2	4.9	1234.0
Adjusted EBITDA	31.1	30.3	2.8	126.4	117.3	7.8	154.1
as a % of revenues	10.4	10.3		13.1	12.7		12.5
Adjusted EBIT	21.5	20.4	5.4	97.2	86.9	11.9	112.3
as a % of revenues	7.2	6.9		10.1	9.4		9.1
Net profit for the period	13.6	16.1	(15.2)	68.7	79.5	(13.6)	103.6
as a % of revenues	4.5	5.4		7.1	8.6		8.4
Total assets				1,132.6	1,083.0	4.6	1,145.4
Equity				485.0	437.4	10.9	441.6
Equity ratio in %				42.8	40.4		38.6
Net debt				161.4	213.2	(24.3)	185.7
Cash flow from operating results				129.8	131.9	(1.6)	173.8
ROCE in %				18.9	16.8		17.3
Investments	11.8	10.5	13.0	34.3	34.2	0.4	54.3
as a % of revenues	3.9	3.5		3.6	3.7		4.4
Headcount (full-time equivalent)				7,587.0	7,447.0	1.9	7,480.0

The Seasonal Development of Business

Revenues (in million EUR)



Adjusted EBIT



Definitions:

Adjusted EBITDA	Earnings before interest, taxes, depreciation and amortisation adjusted for special effects
Adjusted EBIT	Earnings before interest and taxes adjusted for special effects
ROCE (return on capital employed)	Total return based on adjusted EBIT as a percentage of average capital employed (= Goodwill + intangible assets + tangible assets + inventories + trade receivables – trade payables – provisions for income taxes – other provisions – other liabilities) over a period of four quarters
*Note	The comparable prior year figures were adjusted to reflect changes in accounting and valuation methods (see the notes to the consolidated interim financial statements).

Letter to Shareholders

Dear Shareholders,


Andreas Ludwig


Thomas Spitzenpfeil

The third quarter of 2007/08 brought the Zumtobel Group more light than shadow. The upward trend continued on the European core markets of the DACH region, but was contrasted by significant negative foreign exchange effects caused by the strong Euro. Our business in Asia has also not yet produced the expected results due to a lack of major projects, above all because of slower demand in Hong Kong and Macao. These factors had a negative influence on the development of Group revenues, which increased 4% in this seasonally weakest quarter of our financial year after an adjustment for currency translation effects, but rose by only 1.5% to EUR 300.0 million without this adjustment. Group revenues for the first nine months of 2007/08 totalled EUR 966.1 million, which represents a plus of roughly 5% over the previous year. This development was supported by the lighting business with its Zumtobel and Thorn brands – however, only to a lesser extent because of foreign exchange factors – as well as the TridonicAtco component business. In addition, we would like to highlight the dynamic growth of more than 100% in our LED technologies throughout the reporting period.

Our influence on foreign exchange developments was limited, but we did begin to counteract the disappointing developments on our overseas markets with the definition of focused optimisation measures.

The measures to improve revenues are focused above all on the Zumtobel Lighting Division's activities in Asia, where we assume that business will stabilise during the last quarter of this financial year. Actions to further strengthen earnings will be concentrated above all on the Australian companies of this Division, where we plan to have mastered the unsolved start-up problems resulting from the relocation of our production facilities at the latest in 2008/09.

Cautious optimism for the future

The apparent continuation of the strong rise in the value of the Euro during the current quarter leads us to expect further negative foreign exchange effects up to the end of our financial year on 30 April. The extent of these unfavourable effects was not yet evident when we prepared our last quarterly report at the beginning of December 2007. For this reason, we are adjusting our forecast for 2007/08 Group revenues to reflect growth of approximately 5%. The above-mentioned negative factors also make it unlikely that we will be able to meet our target for a return on sales of 10% for this financial year. We are now resetting this target at a range of 9.5 to 9.8%, which will still represent a sound improvement over the prior year value of 9.1%.

Continuation of expansion course

Our basic goal to realise a double-digit improvement in the EBIT margin remains intact. This optimism is supported by a steady high number of project inquiries – as an example, in early March we won the largest contract in the history of our company to provide the lighting for the VIE-Skylink terminal extension at Vienna International Airport with a value of roughly EUR 9.5 million – as well as the wide range of opportunities open to Zumtobel in the areas of energy efficiency and LED technologies. Over the coming three years, we expect Group revenues will rise to EUR 1.5 billion. We intend to accompany organic growth with selected acquisitions, such as the transactions concluded during 2007/08 in India, Hungary and Denmark.

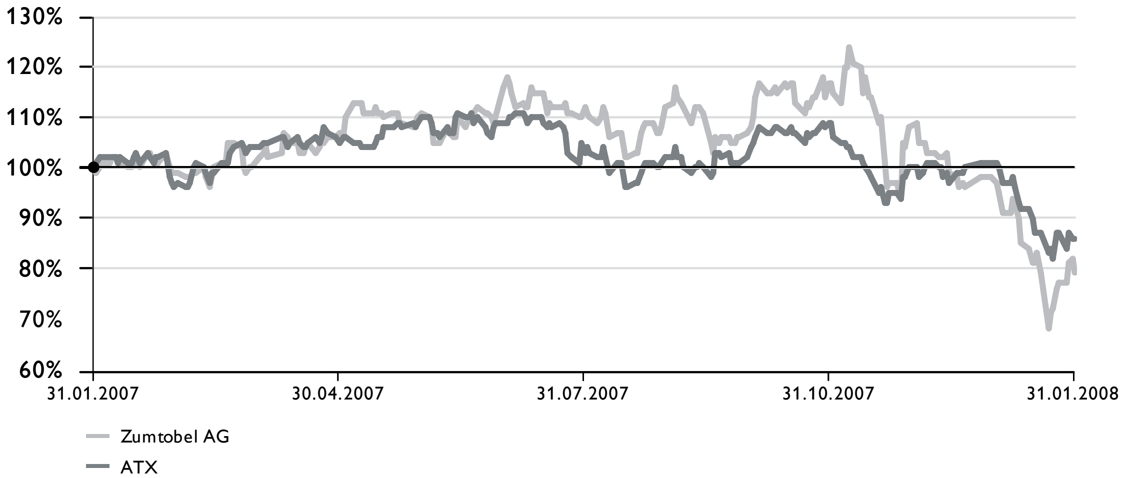
Andreas J. Ludwig	Thomas Spitzenpfeil
Chief Executive Officer	Chief Financial Officer

The Zumtobel Share

The global financial market remained weak throughout the reporting period from 1 November 2007 to 31 January 2008. Stock markets began the quarter with sound growth, which was based on a more optimistic view that the effects of the US real estate crisis would not be all too severe. This rather favourable climate supported an increase in the price of the Zumtobel share to € 32.50 on 8 November. However, weaker US economic indicators and the resulting fears of recession as well as massive balance sheet corrections by leading financial institutions led to in part dramatic declines on international stock markets during the reporting period. The main impact of this downturn was felt by smaller and mid-sized corporations because institutional investors – when they did not withdraw completely from stocks – turned their focus to the so-called "blue chips" and away from less liquid, second tier issues. The Zumtobel share was also caught in this wake, and fell more than 30% to € 20.00 during the third quarter of 2007/08. The leading Austrian Traded Index (ATX), which includes Zumtobel, also came under pressure during this period and reported a minus of 21%.

The shareholder structure did not change materially during the reporting period; 66% of the shares are held in free float and the Zumtobel family continues to hold a stake of 34%.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 3rd quarter

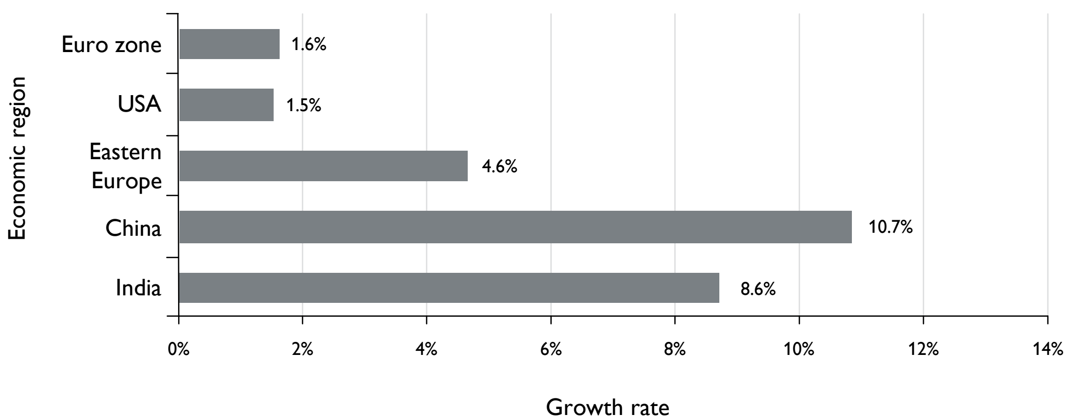
Closing price at 30.04.07	€ 26.80	Currency	EUR
Closing price at 31.01.08	€ 20.00	ISIN	AT0000837307
Performance 1st to 3rd quarter	(25.4)%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Performance since IPO	(2.4)%	Market segment	Prime Market
Market capitalisation at 31.01.08	€ 0.89 bill.	Reuters symbol	ZUMV.VI
Share price - high at 08.11.07	€ 32.51	Bloomberg symbol	ZAG AV
Share price - low at 22.01.08	€ 15.35	Datastream	O:ZAG
Ø Turnover per day (shares)	134,497	Share capital in EUR	111,760,860
Free float	66%	Number of issued shares	44,704,344

Group Management Report

Weaker global economy in 2008

Uncertainty over the impact of the US real estate crisis on the global economy grew rapidly at the start of 2008. While a number of experts have painted a bleak scenario with recession in the USA and significant consequences for global development, others remain optimistic that the worldwide economy is strong enough to counter these risks. The US Federal Reserve sent a clear signal in favour of growth with two interest rate cuts at the end of January. Nevertheless, forecasts are still connected with numerous questions. In its World Economic Update at the end of January 2008, the International Monetary Fund (IMF) reduced its estimate for 2008 global performance from 4.8% to 4.1%. The US economy is expected to lose significant momentum this year, with the GDP rising by only 1.5%. In the Eurozone growth is forecasted to reach 1.6% for the year. The Organisation for Economic Cooperation and Development (OECD) predicts growth of 1.8%, 2.5% and 2.0% for the DACH-countries of Germany, Austria and Switzerland. The emerging countries will again serve as the primary driver in 2008, with an estimated GDP increase of 10.7% in China and 8.6% in India. In Central and Eastern Europe, growth is expected to total 4.6%.

Economic growth 2008



Earlier optimism for commercial construction

The only data available from Euroconstruct are the forecasts included in its last announcement from November 2007. In this report Euroconstruct raised its estimates for growth in the European commercial construction sector during 2008, and pointed to an increase of 3.0% in the regions most important for the Zumtobel Group. In view of the current financial crisis, we expect Euroconstruct will reduce these forecasts with its next report in June 2008.

Significant events since 30 April 2007

Restructuring project in Australia concluded

The new lighting plant in the west of Sydney started operations at the end of May 2007, and the closing for the sale of the former plant site in Smithfield took place during the second quarter of 2007/08. The merger of these two previously separated lighting production facilities represents an important milestone in the restructuring project for Zumtobel activities in Australia, even though we still face start-up problems.

"LITE" project: new plant in Spennymoor under construction

Following the start of construction in July 2007, the building shell for the new plant in Spennymoor (Great Britain) has been largely completed and the interior construction is proceeding rapidly. The relocation of production to the new facility is scheduled to begin during the second half of the 2008 calendar year. Rationalisation measures connected with this project led to provisions for severance payments totalling EUR 1.0 million, which were recognised as special effects during the first three quarters. In addition, plans call for the sale of the former plant site during 2008.

Expansion in growth markets

In order to better focus on the above-average growth in India, the eleventh largest lighting market in the world, the Group raised its investment in Thorn India Pvt. Ltd. from 10% to 70% during May 2007. This sales organisation with over 40 employees generated revenues of approx. EUR 5.2 million during the first nine months of 2007/08.

The previous sales partner in Hungary was acquired as of 1 October 2007. Following a change in the name of the company to Zumtobel Lighting Kft. these 10 employees will strengthen the Group's activities to develop the growth opportunities on the Hungarian market and increase revenues over the current level of approximately EUR 5 million.

A further milestone in the development of the regional sales network was set on 5 December 2007 with the acquisition of a majority stake in Lightmakers A/S, the previous Zumtobel sales partner in Denmark.

No other major events occurred after the balance sheet date on 30 April 2007.

Related Party Transactions

Related parties include the Managing Board and Supervisory Board of Zumtobel AG. As of the closing date for the interim financial statements on 31 January 2007, the Company had no business relationships with related parties.

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

Revenues

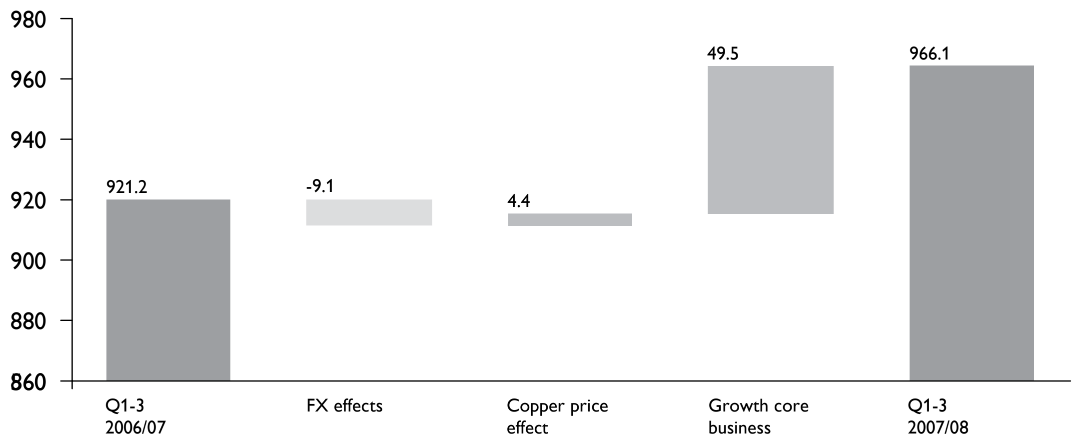
Solid growth negatively influenced by foreign exchange effects

Group revenues for the third quarter of the 2007/08 financial year (1 November 2007 to 31 January 2008) rose by only 1.5% over the comparable prior year period to EUR 300.0 million. This development was the result of unfavourable currency translation effects, which had a negative impact of EUR 7.5 million or 2.5% on growth. After an adjustment for these currency translation effects, the increase equalled 4.0%. The increasing volatility of monthly growth rates during the third quarter underscores the rising nervousness of customers over the recent financial market turmoil.

The currency translation effects are a direct result of the continued strength of the Euro, above all with respect to the British Pound (GBP), which reduced growth by EUR 4.9 million in the third quarter. This result was increased by a further EUR 2.6 million of negative effects from the translation of revenues in US Dollars (USD) as well as most of the Asian currencies and the Swiss Franc (CHF).

Revenues for the first three quarters of 2007/08 (1 May 2007 to 31 January 2008) rose by 4.9% to EUR 966.1 million (previous year: EUR 921.2 mill.), supported by sound growth of 6.5% during the first half-year. The cumulated currency translation effects reduced growth by EUR 9.1 million for the first nine months. After an adjustment for these effects, the growth rate equalled 5.9%.

Development of Revenues (in million EUR)



Growth in the divisions

Roughly 90% of the above-mentioned currency translation effects are attributable to the Zumtobel Lighting Division, which therefore reported revenue growth of only 0.5% for the third quarter. Revenues for the first nine months totalled EUR 716.5 million (+3.7%). The TridonicAtco Division profited from a strong increase in sales volumes of technologically more sophisticated and higher priced electronic ballasts and LED components. This more than offset the decline in sales volumes of magnetic ballasts. The copper effect also weakened as expected during the third quarter. Revenues recorded by the TridonicAtco Division rose by 7.1% over the comparable prior year period to EUR 301.2 million for the first three quarters of 2007/08.

in EUR million	3rd Quarter 2007/08	3rd Quarter 2006/07*	Change in %	1st-3rd Quarter 2007/08	1st-3rd Quarter 2006/07*	Change in %
Zumtobel Lighting Division	223.8	222.7	0.5	716.5	691.1	3.7
TridonicAtco Division	92.2	88.7	3.9	301.2	281.2	7.1
Other & Consolidation	(16.0)	(15.8)	1.4	(51.6)	(51.0)	1.1
Zumtobel Group	300.0	295.6	1.5	966.1	921.2	4.9

LED technology on growth course

The future-oriented, light-emitting diode technology (LED) is becoming more and more important for the professional lighting solutions developed by the Zumtobel Group. The improvements in the lighting performance of LEDs and their advantages over conventional lamp technology in the areas of design, control and operating costs support the development of a wide range of new applications.

Following growth of more than 80% during the first half-year, revenues more than doubled during the third quarter. The result was an increase to EUR 27.7 million (+91%) for the first nine months of 2007/08 (previous year: EUR 14.5 mill.). In addition to the use of LED modules above all in advertising lighting, the Zumtobel Group was also able to establish a position as a provider of integrated lighting solutions based on LED technology: in the "Stadioncenter Wien", the largest LED project by the Zumtobel Group to date, and the BMW Museum in Munich (delivery during the third quarter), Zumtobel successfully combined its experience in the development of lighting solutions with its proven application know-how in LED technology.

Strongest Q3 growth in Eastern Europe

A regional analysis of Group revenues shows Europe as the most important area with a share of 81.4%. Growth in this region equalled 3.0% for the third quarter, above all due to currency translation adjustments (5.4% after an adjustment for currency effects), and 7.5% for the first nine months (8.6% after an adjustment for currency effects).

Distribution of Regional Turnover	3rd Quarter 2007/08	1st - 3rd Quarter 2007/08		
	Growth +- in %	Growth +- in %	Revenues in EUR million	in % of Group
D/A/CH	3.6	5.9	233.6	24.2
Eastern Europe	11.5	8.2	51.8	5.4
Northern Europe	2.8	5.2	79.3	8.2
Western Europe	0.5	7.8	323.9	33.5
Southern Europe	6.7	12.4	97.8	10.1
Europe	**3.0**	**7.5**	**786.4**	**81.4**
Asia	(8.4)	(9.0)	63.7	6.6
Australia & New Zealand	3.7	3.1	81.6	8.4
America	(13.2)	(14.3)	26.4	2.7
Others	(18.3)	(19.7)	8.0	0.8
Total	**1.5**	**4.9**	**966.1**	**100.0**

In the D/A/CH region, Germany recorded the strongest growth, while Switzerland reported a further improvement in spite of negative currency translation effects. In Austria revenues exceeded the comparable prior year period by a slight amount.

Northern Europe reported further growth during the third quarter, despite a sharp decline in the Swedish Krone (SEK). The turnaround in Norway continued to consolidate.

In Western Europe the above-mentioned decline in the value of the British Pound (GBP) had a negative influence on revenues for the third quarter in Great Britain. The development of business in France remained positive.

The expansion strategy in the lighting division supported further strong growth in Eastern Europe.

The situation in Asia remains unsatisfactory: in addition to lower year-on-year revenues from major projects in China, a general halt to construction in Macao as the result of internal political problems as well as a significant decline in the number of public contracts awarded in Hong Kong slowed the development of business. However, project deliveries scheduled for the fourth quarter of 2007/08 should provide a certain degree of stability for the Zumtobel business in this region.

In the USA the Dollar (USD) continued its downward spiral, losing nearly 9% during the reporting period. Moreover, the difficult operating environment in this country made it impossible to develop large orders comparable to the previous year. The relatively small US business is not expected to show any signs of a notable recovery by the end of the year.

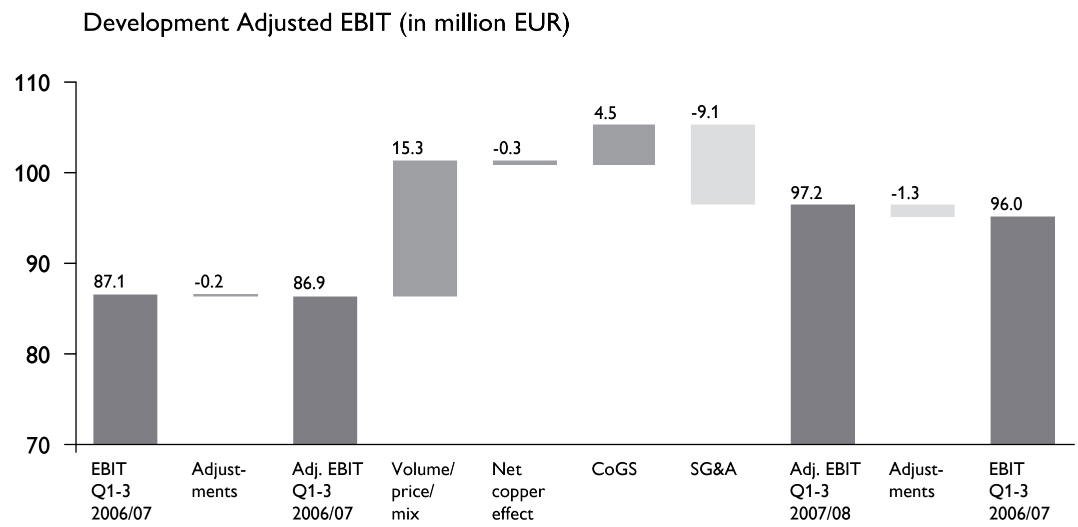
Earnings

- >> Adjusted EBIT margin exceeds 10%
- >> Net copper effect turns negative
- >> Cost of goods sold improves despite wage increases and higher material prices
- >> Australian lighting business remains below expectations
- >> Gross profit margin rises to 38.0%
- >> Financial results negatively influenced by strong Euro
- >> Net profit for the period increases 15%

Income Statement in EUR million	3rd Quarter 2007/08	3rd Quarter 2006/07*	Change in %	1st-3rd Quarter 2007/08	1st-3rd Quarter 2006/07*	Change in %
Revenues	300.0	295.6	1.5	966.1	921.2	4.9
Cost of goods sold	(189.7)	(187.9)	1.0	(599.0)	(573.6)	4.4
Gross profit	110.3	107.7	2.4	367.1	347.6	5.6
as a % of revenues	36.8	36.4		38.0	37.7	
SG&A expenses adjusted from special effects	(88.8)	(87.3)	1.7	(269.9)	(260.7)	3.5
Adjusted EBIT	21.5	20.4	5.4	97.2	86.9	11.9
as a % of revenues	7.2	6.9		10.1	9.4	
Special effects	(0.2)	1.4	<(100)	(1.3)	0.2	<(100)
EBIT	21.3	21.8	(2.5)	96.0	87.1	10.1
Financial results	(6.2)	(4.9)	25.0	(18.4)	(19.1)	(3.4)
Profit before tax	15.1	16.9	(10.5)	77.5	68.1	13.9
Income taxes	(1.5)	(0.9)	65.9	(8.6)	2.0	<(100)
Net profit for the period from discontinued operations	0.0	0.1	(100.0)	(0.2)	9.5	<(100)
Net profit for the period	13.6	16.1	(15.2)	68.7	79.5	(13.6)
thereof due to shareholders of the parent company	13.6	16.1	(15.7)	68.3	79.3	(13.9)
Basic earnings per share (in EUR)	0.31	0.36	(15.3)	1.54	1.80	(14.7)

Adjusted EBIT margin exceeds 10%

EBIT adjusted for special effects totalled EUR 97.2 million for the first nine months, which represents an increase of 11.9% over the comparable prior year period (EUR 86.9 mill.). In the seasonally weakest third quarter, adjusted EBIT rose by 5.4% to EUR 21.5 million. The return on sales for the first nine months reached 10.1%, for a plus of 70 basis points.



Net copper effect turns slightly negative

The improvement in gross profit resulted above all from additional contributions and price increases. The net copper effect (increases in the selling prices for magnetic products less increases in the prices for copper materials) led to a reduction in third quarter earnings as expected, and resulted in a cumulative negative impact of EUR 0.3 million on gross profit for the first nine months of 2007/08.

CoGS improves despite wage increases and higher material prices

In spite of wage and salary increases mandated by collective bargaining agreements, the cost of goods sold (after an adjustment for the copper effect) includes a 20-basis point decline in personnel expenses to 15.1% of revenues. This development reflected the successful implementation of efficiency and cost reduction programmes. Lower depreciation also led to a further decrease in costs. In contrast, higher prices for aluminium, steel and plastics led to an increase in the cost of materials (after an adjustment for the copper effect) as a percentage of revenues for the first nine months.

Australian lighting business below expectations

The development of earnings in the Australian companies of the Zumtobel Lighting Division during the first three quarters was still not satisfactory because of start-up problems at the new facility.

Gross profit margin rises to 38.0%

Gross profit for the first three quarters rose by a total of EUR 19.5 million to EUR 367.1 million. The gross profit margin increased 30 basis points to 38.0% of revenues.

Higher fixed costs due to collective bargaining agreements

After an adjustment for special effects, selling, administrative and other expenses (SG&A) rose by 3.5% over the comparable prior year period to EUR 269.9 million for the first three quarters of 2007/08. This increase resulted above all from a rise of roughly 3% in wages and salaries in accordance with collective bargaining agreements as well as the expansion of the sales staff to support further growth.

Operating profit includes special effects

Negative special effects of EUR 1.3 million were recognised during the first nine months of the 2007/08 financial year. They are attributable primarily to the first half-year and represent the net total of the proceeds on the sale of properties in Germany and Australia, and restructuring expenses related to preparations for the relocation of the plant in Spennymoor, costs for the previously completed plant relocation in Australia and other impairment losses. The special effects in the comparable prior year period are comprised mainly of costs associated with the "Lite" property project

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

Adjusted EBIT in EUR million	3rd Quarter 2007/08	3rd Quarter 2006/07	Change in %	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07*	Change in %
Reported EBIT	21.3	21.8	(2.5)	96.0	87.1	10.1
thereof special effects	(0.2)	1.4	<(100)	(1.3)	0.2	<(100)
Adjusted EBIT	21.5	20.4	5.4	97.2	86.9	11.9
as a % of revenues	7.2	6.9		10.1	9.4	

Financial results negatively influenced by strong Euro

Financial results improved by EUR 0.7 million year-on-year during the first nine months of 2007/08. The improvement in net interest expense was supported by a reduction in costs for the premature repayment of a loan from EUR 2.3 million in the prior year to only EUR 0.1 million for the reporting period. However, other financial income and expenses deteriorated by a net total of EUR 3.5 million: a decline of roughly 50% in interest costs for pensions and severance payment obligations (IAS 19) was contrasted by realised and unrealised negative foreign exchange effects and fair value changes of EUR 4.9 million. Net profit from associates improved by EUR 0.9 million.

Financial result in EUR million	3rd Quarter 2007/08	3rd Quarter 2006/07*	Change in %	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07*	Change in %
Interest income	1.2	0.6	81.0	3.0	1.7	79.3
Interest expense	(5.9)	(5.6)	5.3	(17.1)	(19.1)	(10.4)
Other financial income and expenses	(1.9)	(0.4)	<(100)	(6.7)	(3.2)	<(100)
Profit/(loss) from associated companies	0.4	0.4	7.3	2.4	1.5	55.0
Financial results	**(6.2)**	**(4.9)**	**25.0**	**(18.4)**	**(19.1)**	**(3.4)**

Tax expense for the first nine months of the reporting year totalled EUR 8.6 million, and represents a tax rate of 11%. In the comparable prior year period, the Group reported tax income of EUR 2.0 million following the recognition of EUR 11.7 million in special tax effects from the revaluation of deferred taxes in connection with the initial public offering.

18% increase in comparable net profit for the period

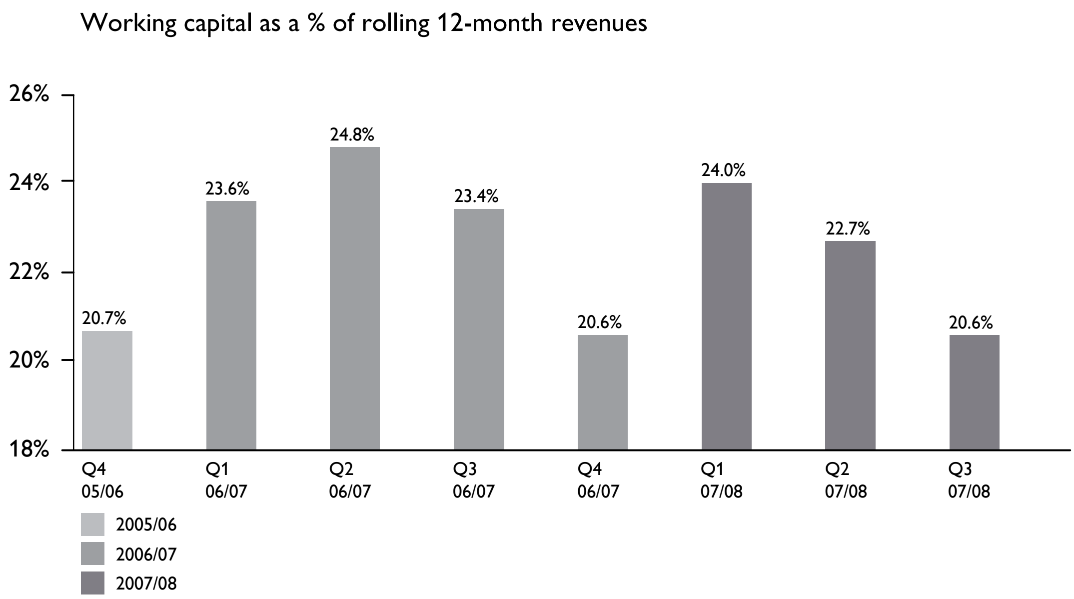
In addition to the above-mentioned tax effect, net profit for the first three quarters of the prior year also included the income from the sale of the airfield business (EUR 9.5 mill. of income from discontinued operations). A comparison of net profit for the first nine months of 2007/08 (EUR 68.7 mill.) with the first nine months of the prior year after an adjustment for these two effects (EUR 58.3 mill.) shows an improvement of 18% in earnings.

Cash flow and asset position

Positive development of working capital

Cash flow from operating activities rose by EUR 35.8 million to EUR 91.9 million. This improvement was supported above all by the favourable development of working capital: in spite of the 4.9% increase in revenues, cash outflows for the increase in working capital declined by EUR 26 million. Following a normal seasonal increase during the first quarter, active working capital management led to a gradual reduction in trade receivables and a substantially lower year-on-year increase in inventories beginning in the second quarter.

Working capital as a percentage of revenues (based on rolling 12-month revenues) equalled 20.6% as of 31 January 2008. The development from quarter to quarter shows a significant improvement over the prior year:



A decline in payments from non-current and current provisions from EUR 19.5 million in the previous year to EUR 4.4 million for the reporting period also had a positive impact on cash flow from operating activities.

Cash outflows of EUR 34.3 million for investments matched the comparable prior year period. The inflow of funds from the sale of properties and the liquidation of financial assets rose by EUR 15.5 million.

EUR 22.5 million dividend paid

Free cash flow totalled EUR 71.4 million, which represents an increase of EUR 46.6 million over the previous year. These funds were used in part for a dividend payment of EUR 22.5 million as well as a special repayment of EUR 14.0 million on non-current financial liabilities, and led to a reduction in net debt from EUR 185.7 million as of 30 April 2007 to EUR 161.4 million as of 31 January 2008.

Balance Sheet Data

in EUR million	31 January 2008	31 January 2007*	30 April 2007
Total assets	1,132.6	1,083.0	1,145.4
Net debt	161.4	213.2	185.7
Equity	485.0	437.4	441.6
Equity ratio in %	42.8	40.4	38.6
Gearing in %	33.3	48.7	42.1
Average capital employed	649.7	638.5	647.4
Investments	34.3	34.2	54.3
Working capital	263.0	286.9	253.7
As a % of rolling 12 month revenues	20.6	23.4	20.6

Definitions:

Gearing	Net debt as a % of equity
Capital Employed	Goodwill + intangible assets + tangible assets + inventories + trade receivables – trade payables – provisions for income taxes – other provisions – other liabilities
Working Capital	Inventories + trade receivables – trade payables – prepayments received

Strong balance sheet structure

In spite of the dividend payment, the equity ratio has increased steadily throughout the reporting year to 42.8% as of 31 January 2008. Gearing declined to 33.3% during this same period.

Outlook: continued cautious optimism

Growth target: approx. 5.0% for 2007/08

The capital market turbulence has triggered a further strong rise in the value of the Euro, but the extent of the resulting impact on revenues was not foreseeable during the first half-year. We now expect a continuation of this negative influence during the remainder of 2007/08. Our forecasts call for an increase of approximately 5% in revenues during the fourth quarter and also for the full 2007/08 financial year.

Target: 9.5 - 9.8% EBIT margin

The EBIT margin rose by 70 basis points during the first nine months, even though the growth in revenues was slower during the traditionally weaker third quarter. However, an improvement in margins during the fourth quarter will only be possible to a limited extent. For the full 2007/08 financial year, we now expect an improved EBIT margin in the range from 9.5 to 9.8% (previous year: 9.1%).

Tangible growth also expected in 2008/09

We are also expecting tangible growth for 2008/09, even if the economy continues to grow at a slower pace. Steady growth and the continuation of rationalisation measures will support a further improvement in EBIT, despite a substantial year-on-year increase in negative currency translation effects from our export business (above all to Great Britain), higher payroll costs as a result of collective bargaining agreements and rising material prices. In 2008/09 we also intend to increase the utilisation of business opportunities provided by energy efficiency and LED technology.

Dornbirn, March 2008

Andreas Ludwig	Thomas Spitzenpfeil
Chief Executive Officer	Chief Financial Officer

Project Hungerburgbahn, Innsbruck, AT
Brand Zumtobel
Realisation November 2007

Lighting solutions specialist Zumtobel, a brand of the Zumtobel Group of Austria, has provided the lighting for Innsbruck's latest landmark: For the Hungerburg funicular, Zumtobel came up with a customised lighting solution for the four redesigned stations along the route, as well as for the new bridge over the River Inn. As part of the project, in collaboration with the architect Zaha Hadid, special LED lighting was developed for the 160 metres of handrail.

Income Statement

in TEUR	3rd Quarter 2007/08	3rd Quarter 2006/07*	Change in %	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07*	Change in %
Revenues	299,977	295,604	1.5	966,077	921,225	4.9
Cost of goods sold	(189,723)	(187,934)	1.0	(598,976)	(573,587)	4.4
Gross profit	**110,254**	**107,670**	**2.4**	**367,101**	**347,638**	**5.6**
as a % of revenues	36.8	36.4		38.0	37.7	
Selling expenses	(70,471)	(68,398)	3.0	(216,204)	(206,199)	4.9
Administrative expenses	(19,832)	(19,800)	0.2	(57,132)	(58,741)	(2.7)
Other operating results	1,314	2,338	(43.8)	2,189	4,451	(50.8)
thereof special effects	*(229)*	*1,411*	>100	*(1,285)*	*227*	>100
Operating profit	**21,265**	**21,810**	**(2.5)**	**95,954**	**87,149**	**10.1**
as a % of revenues	7.1	7.4		9.9	9.5	
Interest expense	(5,869)	(5,571)	5.3	(17,146)	(19,146)	(10.4)
Interest income	1,153	637	81.0	3,039	1,695	79.3
Other financial income and expenses	(1,889)	(408)	>100	(6,719)	(3,173)	>100
Profit/(loss) from associated companies	428	399	7.3	2,380	1,535	55.0
Financial results	**(6,177)**	**(4,943)**	**25.0**	**(18,446)**	**(19,089)**	**(3.4)**
as a % of revenues	(2.1)	(1.7)		(1.9)	(2.1)	
Profit before tax	**15,088**	**16,867**	**(10.5)**	**77,508**	**68,060**	**13.9**
Income taxes	(1,463)	(882)	65.9	(8,635)	1,950	>100
Profit from continuing operations	**13,625**	**15,985**	**(14.8)**	**68,873**	**70,010**	**(1.6)**
Profit form discontinued operations	**-**	**90**	**(100.0)**	**(195)**	**9,453**	**>100**
Net profit for the period	**13,625**	**16,075**	**(15.2)**	**68,678**	**79,463**	**(13.6)**
as a % of revenues	4.5	5.4		7.1	8.6	
thereof due to minority shareholders	*59*	*(13)*	*>100*	*363*	*155*	*>100*
thereof due to shareholders of the parent company	*13,566*	*16,088*	*(15.7)*	*68,315*	*79,308*	*(13.9)*

Average number of shares outstanding - basic (in 1000 pcs.)	44,510	44,088		44,510	44,005	
Average diluting effect (stock options) (in 1000 pcs.)	307	135		307	135	
Average number of shares outstanding - diluted (in 1000 pcs.)	44,817	44,223		44,817	44,140	
Earnings per share (in EUR)						
Basic earnings per share	0.31	0.36		1.54	1.80	
Diluted earnings per share	0.30	0.36		1.52	1.80	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	0.30	0.36		1.54	1.59	
Diluted earnings per share	0.30	0.36		1.53	1.58	

* The comparable figures from the prior period were adjusted to reflect changes in accounting methods and are designated with an asterisk "*" in the following text. Further information is provided in the notes under "accounting and valuation methods".

Balance Sheet

in TEUR	31 January 2008	in %	30 April 2007	in %
Goodwill	278,967	24.6	278,468	24.3
Intangible assets	38,050	3.4	30,884	2.7
Property, plant and equipment	198,110	17.5	196,451	17.2
Investments in associated companies	7,542	0.7	7,164	0.6
Financial assets	22,721	2.0	26,828	2.3
Other receivables & assets	6,058	0.5	7,179	0.6
Deferred taxes	33,915	3.0	35,157	3.1
Non-current assets	**585,363**	**51.7**	**582,131**	**50.8**
Inventories	174,387	15.4	174,908	15.3
Trade receivables	207,982	18.4	228,766	20.0
Other receivables & assets	25,128	2.2	29,169	2.5
Financial assets	629	0.1	644	0.1
Liquid funds	139,159	12.3	126,486	11.0
Available for sale assets	0	0.0	3,275	0.3
Current assets	**547,285**	**48.3**	**563,248**	**49.2**
ASSETS	**1,132,648**	**100.0**	**1,145,379**	**100.0**
Share capital	111,761	9.9	111,761	9.8
Additional paid-in capital	355,772	31.4	354,143	30.9
Reserves	(53,560)	(4.7)	(129,074)	(11.3)
Net profit for the period	68,315	6.0	103,193	9.0
Capital attributed to shareholders of the parent company	482,288	42.6	440,023	38.4
Capital attributed to minority shareholders	2,702	0.2	1,567	0.1
Equity	**484,990**	**42.8**	**441,590**	**38.5**
Provisions for pensions	50,517	4.5	55,317	4.8
Provisions for severance compensation	30,193	2.7	28,962	2.5
Other provisions	11,273	1.0	11,679	1.1
Borrowings	280,835	24.8	303,287	26.5
Other liabilities	989	0.1	1,036	0.1
Deferred taxes	9,408	0.8	9,632	0.8
Non-current liabilities	**383,215**	**33.8**	**409,913**	**35.8**
Provisions for taxes	42,186	3.7	35,875	3.1
Other provisions	15,502	1.4	16,306	1.4
Borrowings	19,773	1.7	8,906	0.8
Trade payables	109,038	9.6	140,387	12.3
Other liabilities	77,944	6.9	92,402	8.1
Current liabilities	**264,443**	**23.3**	**293,876**	**25.7**
EQUITY AND LIABILITIES	**1,132,648**	**100.0**	**1,145,379**	**100.0**

Cash Flow Statement

in TEUR	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07*
Operating profit from continuing and discontinued operations	95,759	96,636
Depreciation and amortisation	29,185	30,169
Other non-cash changes	4,903	13,549
Results from discontinued operations	0	(8,438)
Cash flow from operating results	**129,847**	**131,916**
Inventories	(6,107)	(30,463)
Trade receivables	13,078	6,483
Trade payables	(29,127)	(26,635)
Prepayments received	538	3,037
Change in working capital	**(21,618)**	**(47,578)**
Non-current provisions	(3,721)	(3,470)
Current provisions	(645)	(16,000)
Other current and non-current receivables and liabilities	(5,927)	(5,278)
Change in other operating items	**(10,293)**	**(24,748)**
Taxes paid	**(6,046)**	**(3,455)**
Cash flow from operating activities	**91,890**	**56,135**
Proceeds from the sale of non-current assets	7,806	(568)
Capital expenditures	(34,326)	(34,196)
Change in non-current and current financial assets	5,996	(1,169)
Change in liquid funds from changes in the consolidation range	0	4,603
Cash flow from investing activities	**(20,524)**	**(31,330)**
FREE CASH FLOW	**71,366**	**24,805**
Change in net borrowings	(16,522)	(151,260)
thereof restricted cash	*2,209*	*(1,875)*
Capital increases	0	148,742
Dividends	(22,572)	0
Share buyback	0	(14,194)
Exercise of options	1,629	2,764
Interest paid	(13,192)	(17,307)
Cash flow from financing activities	**(50,657)**	**(31,255)**
Effects of exchange rate changes on cash and cash equivalents	(3,568)	589
CHANGE IN CASH AND CASH EQUIVALENTS	**17,141**	**(5,861)**
Cash and cash equivalents at the beginning of the period	118,970	97,373
Cash and cash equivalents at the end of the period	136,111	91,512
Change absolute	**17,141**	**(5,861)**

Statement of Changes in Equity

1st - 3rd Quarter 2007/08

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

1st - 3rd Quarter 2006/07*

in TEUR	Share capital	Additional paid-in capital	Reserves	Net profit for the period	Total	Minority interests	Total equity
	Attributed to shareholders of the parent company						
30 April 2006	**92,023**	**232,452**	**(190,662)**	**49,128**	**182,941**	**4,836**	**187,777**
+/- Additions to reserves	0	0	43,220	(43,220)	0	0	0
+/- Net profit for the period	0	0	0	79,308	79,308	155	79,463
+/- Capital increases	19,738	142,110	0	0	161,848	0	161,848
+/- Transaction costs	0	(9,829)	0	0	(9,829)	0	(9,829)
+/- Share buyback / Exercise of options	0	(11,430)	0	0	(11,430)	0	(11,430)
+/- Dividends	0	0	0	0	0	(246)	(246)
+/- Currency differences not recognised through profit or loss	0	0	(273)	0	(273)	58	(215)
+/- Hedge accounting not recognised through profit or loss	0	0	(10,945)	0	(10,945)	3	(10,942)
+/- Stock options	0	0	11,328	0	11,328	0	11,328
+/- Change in minority interests	0	0	(2,832)	0	(2,832)	(3,492)	(6,324)
31 January 2007	**111,761**	**353,303**	**(150,164)**	**85,216**	**400,116**	**1,314**	**401,430**

Statement of recognised income and expense

in TEUR	3rd Quarter 2007/08	3rd Quarter 2006/07*
Net profit for the period	**68,678**	**79,463**
Hedge accounting	(1,444)	(14,593)
Deferred taxes	361	3,648
Income recognised directly in equity	**(1,083)**	**(10,945)**
Total	**67,595**	**68,518**
Attributed to shareholders of the parent company	67,232	68,360
Attributed to minority interests	363	158

Notes

Accounting and Valuation Methods

The interim financial statements as of 31 January 2008 were prepared in accordance with the principles set forth in International Financial Reporting Standards (IAS 34, Interim Financial Reporting). The Company has elected to make use of the option set forth in IAS 34 and provide selected explanatory notes.

The accounting and valuation methods remain unchanged as of 31 January 2007. Additional information on these methods is provided in the consolidated financial statements as of 30 April 2007.

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

Research and development expenses are no longer shown as a separate functional area beginning with the income statement for 2006/07. Since that time development expenses have been allocated to the cost of goods sold, while research expenses are included under selling expenses. The income statement for the comparable prior year period was adjusted accordingly. The option provided by IAS 19, which permits the recording of actuarial gains and losses under equity in the period incurred without recognition through profit or loss, was applied to the provisions for pensions and severance compensation for the first time as of 30 April 2007. Unrecognised actuarial gains and losses were recognised in full under the respective provisions, and the statement of changes in equity for the comparable prior year period was adjusted accordingly. The segment reporting as defined by IAS 14 presented real estate according to its commercial use by the relevant division for the first time as of 30 April 2007. The prior period figures for segment reporting were adjusted to reflect this change. Additional information is provided in the consolidated financial statements as of 30 April 2007.

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

Consolidation range

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

The change in the consolidation range during the interim financial period is shown below:

	Consolidation Method			
Consolidation Range	full	proportional	at equity	Total
30 April 2007	**95**	**1**	**4**	**100**
Change in Consolidation Method	0	(1)	1	0
Included during reporting year for first time	8	0	0	8
Thereof newly founded	*2*	*0*	*0*	*2*
Thereof acquisition	*6*	*0*	*0*	*6*
Merged / liquidated during reporting year	(5)	0	0	(5)
31 January 2008	**98**	**0**	**5**	**103**

As a further step in the expansion of the regional sales network, a 51% stake was acquired in Lightmakers A/S, the former Zumtobel sales partner in Denmark, as of 5 December 2007 and the company was included in the consolidation as of this date. The purchase price totalled DKK 15.0 million (TEUR 1,027) and no goodwill was acquired. Lightmakers A/S generated profit of TEUR 50 since the initial consolidation.

Zumtobel LED Holding GmbH and Zumtobel LED GmbH were founded in December 2007.

Lexedis Lighting GmbH, Austria, which was previously included in the consolidation at the proportional share owned, was recorded at equity beginning on 1 January 2008.
Zumtobel holds participation rights of TEUR 3,500 in Lexedis Lighting GmbH. This receivable was reduced by accumulated losses of TEUR 876.

The newly founded Zumtobel Lighting Kft., Hungary, acquired the retail lighting business unit from the previous Hungarian sales partner for TEUR 677 as of 1 October 2007. No goodwill was recognised on this transaction. Of the total purchase price, TEUR 477 was paid in October 2007 and the remainder will be paid in annual instalments by June 2010. This company recorded TEUR 120 since October 2007.

Furiae Raiffeisen-Immobilien GmbH, Vienna, and its subsidiary Raiffeisen Lux S.r.l., Romania, which owns the factory building in Romania, were initially consolidated as of 1 August 2007. The loss included in Group results for the three quarters of 2007/08 totals TEUR 38.

Zumtobel Lighting GmbH, Dornbirn, a wholly owned subsidiary of Zumtobel AG, acquired 100% of the shares in my-tronic Ledon GmbH, Germany, for TEUR 307. No goodwill was recognised on this transaction. The loss included in Group results for the first nine months of 2007/08 totals TEUR 387.

Zumtobel Lighting GmbH, Dornbirn, acquired a 60% stake in Thorn Lighting India Private Ltd for TEUR 867 as of 30 April 2007 and obtained control over the company during the first quarter of 2007/08. This transaction increased the holding in Thorn Lighting India Private Ltd. to 70%. The company has an option to purchase the remaining 30% of shares in 2010. This transaction resulted in the recognition of goodwill totalling TEUR 499. Thorn Lighting India Private Ltd recorded profit of TEUR 117 for the first three quarters of 2007/08.

In May 2007 the New Zealand Auckland Transformer Company Ltd. was merged with TridonicAtco NZ Limited. Luxmate WSW GmbH, Germany, was also merged with Zumtobel Lighting GmbH & Co KG, Germany, during May 2007.

The following companies were liquidated during the first quarter of 2007/08:

- Thorn Lighting Manufacturing Industries Sdn. Bdn, Malaysia
- Thorn Lighting (Philippines) Inc., Philippines
- Thorn Lighting Holdings Ltd., Great Britain

From the viewpoint of the Group, the effects of changes in the consolidation range are immaterial.

Notes to the Income Statement

The following comments explain the major changes in individual items compared to the prior 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 date for these interim financial statements.

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

Seasonality

Sales volumes are higher during the first two quarters of the financial year than during the second half-year for seasonal reasons; in particular, the third quarter lies 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 as well as selling, administrative, and other operating results include the following categories of expenses and income:

1st - 3rd Quarter 2007/08

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

1st - 3rd Quarter 2006/07*

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(384,619)	(2,971)	(286)	(14)	(387,890)
Personnel expenses	(140,561)	(104,456)	(35,019)	(139)	(280,175)
Depreciation	(24,562)	(4,231)	(1,540)	164	(30,169)
Other expenses	(39,296)	(93,411)	(24,659)	71	(157,295)
Own work capitalised	8,923	232	32	16	9,203
Internal charges	4,495	(4,842)	568	(37)	184
Total expenses	**(575,620)**	**(209,679)**	**(60,904)**	**61**	**(846,142)**
Other income	**2,033**	**3,480**	**2,163**	**4,390**	**12,066**
Total	**(573,587)**	**(206,199)**	**(58,741)**	**4,451**	**(834,076)**

The cost of goods sold includes development costs of TEUR 20,472 (prior year: TEUR 17,935). Development costs of TEUR 8,793 (prior year: TEUR 7,787) were capitalised during the reporting period, and the amortisation of capitalised development costs equalled TEUR 2,921 (prior year: TEUR 2,086).

Other Operating Results

in TEUR	3rd Quarter 2007/08	3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07
Government grants	343	291	1,497	650
License revenues	621	307	1,444	2,494
Special effects	(229)	1,411	(1,285)	227
Impairment charges (-) / write up (+) to non-current assets	*0*	*0*	*0*	*167*
Other impairment	*(65)*	*(298)*	*(2,515)*	*71*
Restructuring	*(136)*	*(63)*	*(2,196)*	*(29)*
Gains / losses on sale	*(28)*	*1,772*	*3,426*	*18*
Miscellaneous	579	329	533	1,080
Total	**1,314**	**2,338**	**2,189**	**4,451**

Public subsidies are comprised entirely of government grants related to income.

The license fees represent income from the LED business.

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

Other impairment charges represent subsequent adjustments to the debit balances of suppliers to the Chinese subsidiary of the Zumtobel Lighting Division during the second quarter of 2007/08.

Restructuring includes the costs for a redundancy plan in Great Britain. The new construction of a plant in Spennymoor will result in the rationalisation and streamlining of production which, in turn, has led to necessary initial redundancy measures (TEUR 1,007). This position also includes expenses incurred for the relocation of production facilities to the new plant in Wetherhill Park, Australia, during the first half-year (TEUR 878).

The gain on sale during the first half-year was generated by the disposal of real estate in Smithfield, Australia (TEUR 3,045) and the sale of a property in Lindau, Germany (TEUR 380) as part of the "Lite" project. The gain on sale for the third quarter of the prior year resulted from the sale of the factory in Somersby, Australia (TEUR 1,317) and a property in Italy (TEUR 460).

Other Financial Income and Expenses

in TEUR	3rd Quarter 2007/08	3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07
Interest component as per IAS 19 less income on plan assets	(557)	(1,064)	(1,666)	(3,143)
Foreign exchange gains and losses	(4,396)	438	(4,891)	2,352
Market valuation of financial instruments	3,065	218	7	(2,367)
Impairment charges to financial assets	(1)	0	(361)	(15)
Gains / losses on sale	0	0	192	0
Total	**(1,889)**	**(408)**	**(6,719)**	**(3,173)**

Foreign exchange gains and losses for the first three quarters comprise realised foreign exchange losses of TEUR 2,086 (thereof TEUR 1,798 in the third quarter of 2007/08) and unrealised foreign exchange losses of TEUR 2,805 from the valuation of current financial liabilities (thereof TEUR 2,598 in the third quarter of 2007/08).

The market valuation of financial instruments shows the results from the valuation of forward exchange contracts at fair value as of the balance sheet date for the interim financial statements.

Income Taxes

Tax income in the comparable prior year period resulted primarily from the reversal of a tax provision, which was created in connection with the sale of an investment in another company. Deferred income tax expense in the prior year resulted chiefly from the impairment of deferred tax assets recognised on loss carryforwards in the USA.

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

in TEUR	3rd Quarter 2007/08	3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07
Current taxes	(1,329)	574	(7,801)	(8,192)
Deferred taxes	(134)	(1,456)	(834)	10,142
Total	**(1,463)**	**(882)**	**(8,635)**	**1,950**

Total tax expense reflects an effective tax rate of 11.1% (prior year: tax income of 2.9%) for the first three quarters.

Notes to the Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2007.

Intangible assets

The acquisition of Lightmakers A/S, Denmark, also included a customer base with a value of TEUR 1,540, which will be amortised over a period of seven years. The other changes in intangible assets resulted primarily from the capitalisation of internally generated assets that are related to development projects.

Property, plant and equipment

The increase in property, plant and equipment resulted above all from the addition of factory buildings in connection with the initial consolidation of the Romanian companies (TEUR 6,455) during the second quarter of 2007/08. The regular assessment of useful lives led to a partial change in these parameters by several companies during the first half of 2007/08.

Financial assets

Non-current financial assets declined by TEUR 3,314 following the sale of the convertible bond issued by the Canadian TIR Systems Ltd. and by TEUR 1,500 due to the repayment of the purchase price receivable that resulted from the sale of the tool production segment ("Werkzeugbau") in 2005/06.

Trade receivables

Trade receivables declined notably for seasonal reasons and as a result of working capital management.

Provisions for pensions

The decline of TEUR 2,900 in the provisions for pensions resulted from mandatory payments to reduce the pension deficit in Great Britain.

Financial liabilities

The premature repayment of part of the acquisition credit (TEUR 13,953) during the second quarter of 2007/08 led to a decline in non-current financial liabilities. In contrast, financial liabilities rose by TEUR 6,635 as a result of the initial consolidation of the Romanian companies and related takeover of non-current bank loans.

Notes to the Cash Flow Statement

The improved management of working capital led to the positive development of cash flow from operating results over the prior year level. The cash outflows under current provisions in the prior period were related to the initial public offering in May 2006 as well as payments made from the provisions for restructuring.

Cash flow from investing activities includes the sale of real estate in Germany (Lindau TEUR 690) and Australia (Smithfield TEUR 6,817) as well as the sale of the TIR Systems Ltd. convertible bond (TEUR 3,506). The remaining purchase price receivable of TEUR 1,500 from the sale of the tool production segment ("Werkzeugbau") was paid in July 2007. Cash flow from financing activities includes the dividend payment by Zumtobel AG in August (TEUR 22,280) as well as a repayment of TEUR 13,953 on the acquisition credit.

Transition to cash and cash equivalents

in TEUR	31 January 2008	30 April 2007
Liquid funds	139,159	126,486
Not available for disposal	(665)	(2,885)
Demand deposits and others	(2,383)	(4,631)
Cash and cash equivalents	**136,111**	**118,970**

Notes to the Statement of Changes in Equity

Dividend

The Annual General Meeting on 26 July 2007 approved the payment of a dividend of EUR 0.50 per share. A total of TEUR 22,280 was distributed to the shareholders of Zumtobel AG on 2 August 2007.

Stock Option Programme and Share Buyback

Share buyback

in TEUR	Total
30 April 2007	**(10,590)**
Exercised	1,629
31 January 2008	**(8,961)**

A total of 203,125 (prior year: 364.470) stock options were exercised during the first three quarters of 2007/08. The exercise price paid by employees equalled TEUR 1,629 (average price of EUR 8.02 per share; prior year, average price of EUR 7.58).

Reserve for stock options

in TEUR	SOP	MSP	Total
30 April 2007	**11,960**	**393**	**12,353**
Addition through profit or loss	3,081	784	3,865
31 January 2008	**15,041**	**1,177**	**16,218**

The addition to the SOP represents 271,787 options that will be granted for 2007/08. These options have a total market value of TEUR 3,842, which will be distributed proportionally over the entire financial year. The addition was adjusted to reflect employee turnover.

The addition to the MSP comprises 448,208 options that will be granted in 2007/08 (MSPI/segment 2 and MSPII/segment 1) as well as 50% of the options (MSPI/segment 1) that were granted in 2006/07. The valuation of the newly granted options will also be accrued over two years.

Related Party Transactions

Related parties include the Managing Board and Supervisory Board of Zumtobel AG. As of the closing date for the interim financial statements on 31 January 2007, the Company had no business relationships with related parties.

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

Contingent Liabilities and Guarantees

The Group holds the following contingent liabilities that do not meet the criteria for recognition as a provision:

in TEUR	31 January 2008	30 April 2007
Guarantees and warrantees	0	1,767
Legal proceedings	2,858	2,858
Leases	3,000	5,000
Bank guarantees	7,396	8,451
Total	**13,254**	**18,076**

Subsequent Events

No events of major importance occurred after the balance sheet date.

Segment Reporting

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

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

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

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

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

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

Business Segments (3rd Quarter)

	Zumtobel Lighting Division		TridonicAtco Division		Other & Consolidation		Group	
in TEUR	3rd Quarter 2007/08	3rd Quarter 2006/07	3rd Quarter 2007/08	3rd Quarter 2006/07	3rd Quarter 2007/08	3rd Quarter 2006/07	3rd Quarter 2007/08	3rd Quarter 2006/07
Net revenues	**223,802**	**222,701**	**92,179**	**88,686**	**(16,003)**	**(15,783)**	**299,977**	**295,604**
External revenues	224,305	222,545	75,528	72,890	144	169	299,977	295,604
Inter-company revenues	(504)	156	16,651	15,795	(16,147)	(15,952)	0	0
Operating profit	**13,477**	**14,578**	**10,261**	**8,724**	**(2,472)**	**(1,492)**	**21,265**	**21,810**
Investments	**6,453**	**5,618**	**3,606**	**3,962**	**1,766**	**885**	**11,823**	**10,466**
Depreciation	**(5,987)**	**(5,967)**	**(3,394)**	**(5,089)**	**(271)**	**1,151**	**(9,653)**	**(9,905)**

Business Segments (1st – 3rd Quarters)

	Zumtobel Lighting Division		TridonicAtco Division		Other & Consolidation		Group	
in TEUR	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07
Net revenues	**716,482**	**691,077**	**301,182**	**281,176**	**(51,587)**	**(51,028)**	**966,077**	**921,225**
External revenues	717,241	690,880	248,060	230,238	777	107	966,077	921,225
Inter-company revenues	(759)	197	53,122	50,937	(52,363)	(51,135)	0	0
Operating profit	**65,229**	**59,642**	**35,103**	**29,993**	**(4,378)**	**(2,485)**	**95,953**	**87,150**
Investments	**20,308**	**17,824**	**12,134**	**13,947**	**1,886**	**2,425**	**34,326**	**34,196**
Depreciation	**(18,140)**	**(18,709)**	**(13,216)**	**(14,800)**	**2,172**	**3,339**	**(29,185)**	**(30,169)**

	31 January 2008	30 April 2007	31 January 2008	30 April 2007	31 January 2008	30 April 2007	31 January 2008	30 April 2007
Assets	713,525	728,292	227,422	242,104	191,701	174,983	1,132,648	1,145,379
Liabilities	256,700	293,825	79,560	102,283	311,398	307,681	647,658	703,789

Regional Segments

in TEUR	External revenues				Assets		Investments	
	3rd Quarter 2007/08	3rd Quarter 2006/07	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07	31 January 2008	30 April 2007	1st - 3rd Quarter 2007/08	1st - 3rd Quarter 2006/07
D/A/CH	71,126	68,668	233,556	220,512	385,604	393,566	22,381	24,987
Eastern Europe	16,165	14,499	51,795	47,887	19,549	9,753	1,090	808
Northern Europe	27,184	26,434	79,277	75,341	27,131	29,162	864	591
Western Europe	100,307	99,839	323,946	300,541	165,019	178,887	6,497	4,373
Southern Europe	29,505	27,656	97,806	87,004	21,907	19,917	17	215
Europe	**244,287**	**237,096**	**786,380**	**731,285**	**619,211**	**631,285**	**30,849**	**30,974**
Asia	**20,728**	**22,627**	**63,681**	**69,989**	**36,182**	**39,449**	**1,115**	**815**
Australia & New Zealand	**24,420**	**23,556**	**81,605**	**79,172**	**63,603**	**71,405**	**2,057**	**2,138**
America	**8,037**	**9,258**	**26,421**	**30,828**	**12,828**	**14,472**	**305**	**269**
Others	**2,505**	**3,067**	**7,991**	**9,951**	**0**	**0**	**0**	**0**
Other & Consolidation	**0**	**0**	**0**	**0**	**400,824**	**388,768**	**0**	**0**
Total	**299,977**	**295,604**	**966,077**	**921,225**	**1,132,648**	**1,145,379**	**34,326**	**34,196**

Dornbirn, 17 March 2008

The Management Board

Andreas Ludwig

Thomas Spitzenpfeil

Service

Financial Calendar

Capital Markets Day	09 April 2008
Annual Results 2007/08	30 June 2008
Annual Shareholder Meeting	29 July 2008
Ex-dividend day	31 July 2008
Dividend payout day	04 August 2008

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Annual Report

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

More Information

on Zumtobel AG, our brands and LED activities can be found in the Internet under:
www.zumtobelgroup.com
www.zumtobel.com
www.thornlighting.com
www.tridonicatco.com
www.ledonlighting.com

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