Q1 (May – July 2015)

Report on the 1st Quarter 2015/16 of Zumtobel Group AG

zumtobel group

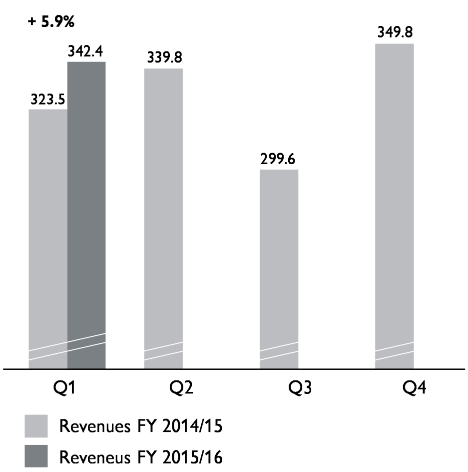
Overview of the First Quarter 2015/16

- \>> Group revenues increase 5.9% over the previous year
- \>> Continued strong growth momentum with LED products (plus 48.0 %)
- \>> Higher R&D expenditures and temporary negative effects lead to decline in Group EBIT
- \>> Net profit rises by 60.8% to EUR 9.2 million
- \>> Evaluation of further opportunities to optimise structural costs
- \>> Outlook for the 2015/16 financial year confirmed

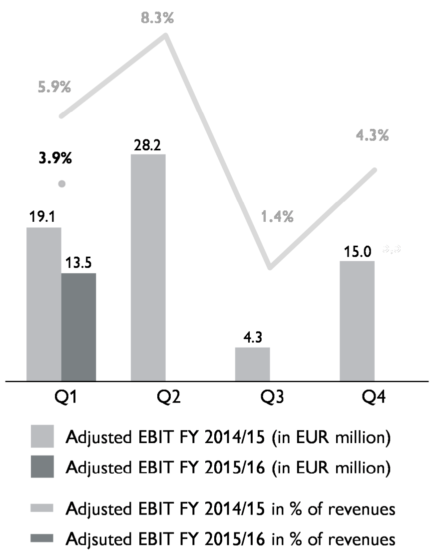
Key Data in EUR million	Q1 2015/16	Q1 2014/15	Change in %
Revenues	342.4	323.5	5.9
Adjusted EBIT	13.5	19.1	(29.1)
as a % of revenues	*3.9*	*5.9*	
EBIT	12.4	9.1	36.6
as a % of revenues	*3.6*	*2.8*	
Net profit/loss for the period	9.2	5.7	60.8
as a % of revenues	*2.7*	*1.8*	
Cash flow from operating results	27.2	22.5	20.9
Investments	12.8	14.2	(9.9)
	31 July 2015	**30 April 2015**	**Change in %**
Total assets	1,110.4	1,086.3	2.2
Equity	319.0	322.6	(1.1)
Equity ratio in %	*28.7*	*29.7*	
Net debt	195.6	148.2	31.9
Headcount incl. contract worker (full-time equivalent)	7,084	7,234	(2.1)

Development of business by quarter

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

Ulrich Schumacher

Following the highest revenues in the company's history and a significant improvement in profitability during 2014/15, the start into the new financial year was influenced by temporary negative effects but remained within expectations.

Group revenues rose by 5.9% to EUR 342.4 million for the reporting quarter (previous year: EUR 323.5 million) based on very different segment and regional developments. The increase in revenues was supported by substantial positive currency translation effects of EUR 17.5 million. After an adjustment for these effects, revenues rose by 0.5%. The technology shift to LED remains unchanged: with a plus of 48.0%, the LED share of Group revenues increased from 43.1% to 60.2% year-on-year.

The Components Segments continued its sound development during the reporting period, where we made further substantial progress in strengthening the business focus on LED technology. Segment revenues rose by 13.3% (FX-adjusted: 8.3%) to EUR 109.3 million in the first quarter of 2015/16 (previous year: EUR 96.6 million). Business in the Lighting Segment was less robust with an increase of 4.7% in revenues (FX-adjusted: minus 0.5%) to EUR 254.8 million (previous year: EUR 243.4 million). This more subdued development resulted, above all, from efficiency problems and related supply shortages in a number of lighting plants as well as continuing pressure on prices, a market-related sharp drop in demand in France and the continuing restructuring process in Asia.

These challenges also had an effect on EBIT for the reporting period and overshadowed the efficiency improvements brought about by the steady implementation of restructuring measures. EBIT was further influenced by a substantial increase in development costs to strengthen the Group's technology position (plus EUR 4.8 million) and by temporary negative currency transaction effects (USD/CHF). As a result, adjusted Group EBIT declined to EUR 13.5 million in the first quarter of 2015/16 (previous year: EUR 19.1million). These generally temporary negative effects have been anticipated for some time and were therefore reflected in our communicated guidance for the 2015/16 financial year. Net profit has shown sound improvement because of the year-on-year decline in restructuring expenses and rose by 60.8% to EUR 9.2 million in the reporting period (previous year: 5.7 million).

Outlook for 2015/16 confirmed

These first quarter challenges will only remain with us in part during the rest of the financial year. The Components Segment has progressively raised prices to offset the negative foreign exchange effects from the US dollar, and the negative effects from the Swiss franc futures will expire in November 2015. Concrete steps were taken to address the efficiency problems and supply shortages, especially at the lighting plant in Spennymoor (Great Britain). Further new, highly competitive products will be launched this autumn in Europe and in Asia. We also see a continuation of the positive market environment in our European core markets, which is reflected in high project activity and well-filled order books over the coming months.

Our focus for the strategic development of the Zumtobel Group remains on the adjustment of production capacity, a multi-brand sales structure in the lighting business and the Group-wide bundling of procurement activities. These key factors will support a sustainable increase in revenues and strengthen profitability. As previously announced, we are also evaluating further opportunities to optimise structural costs.

Against this backdrop, the Management Board confirms the previously communicated guidance for the 2015/16 financial year, which calls for an increase of roughly 5% in revenues and adjusted EBIT of EUR 90 to 100 million (adjusted EBIT margin for FY 2014/15: EUR 66.5 million).

Ulrich Schumacher
Chief Executive Officer (CEO)

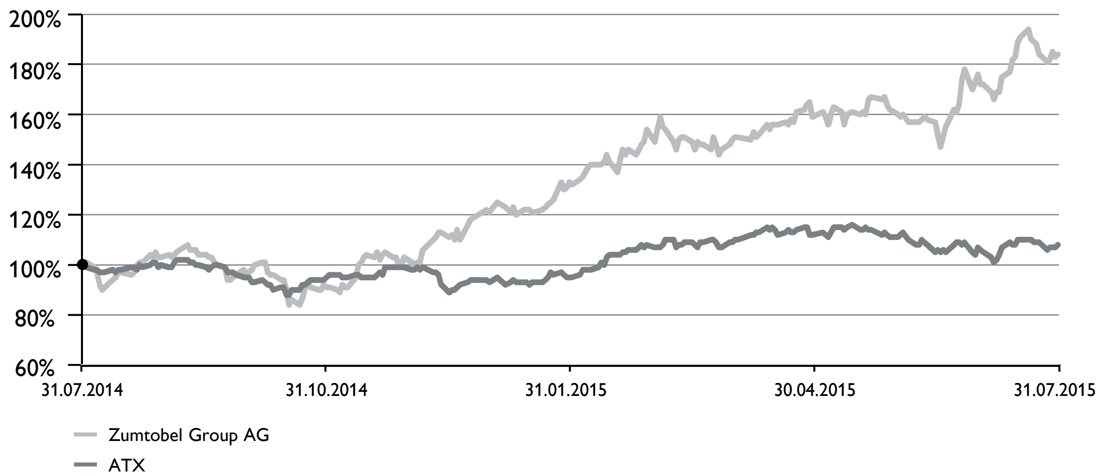
The Zumtobel Group Share

Zumtobel share remains clearly above ATX average

The international financial markets were characterised by sound development during the first half of the 2015 calendar year. Discussions over the possible exit of Greece from the euro zone and concerns over the future course of growth in China led to a less optimistic mood on the stock markets, but performance was, in the end, supported by loose central bank monetary policies, solid economic growth, above all in European peripheral states like Spain and Ireland, and positive corporate earnings reports. With an increase of 16.2%, the Zumtobel Group share recorded sound performance for the reporting quarter. It clearly outpaced the leading Austrian Traded Index (minus 3.4%), which also includes the Zumtobel Group share. The problems in the Chinese economy and the other emerging countries accelerated after 31 July 2015 and fuelled fears of a global slowdown. This was reflected in negative developments on the international stock markets as well as increased pressure on the Zumtobel Group share.

Based on an unchanged number of 43.5 million common shares outstanding, the market capitalisation of Zumtobel Group AG totalled EUR 1,235 million at the end of July 2015 (previous year: EUR 670 million). There have been no major changes in the shareholder structure of Zumtobel Group AG since the end of the 2014/15 financial year. The Zumtobel family has remained the stable core shareholder of Zumtobel Group AG since the initial public offering with a stake of 35.4%. Blackrock Inc. holds over 5% of the issued shares. The remainder of the shares is held predominately by other institutional investors. In the ATX, the leading index of the largest listed companies in Austria, the Zumtobel share ranked 15th based on market capitalisation and 20th based on trading volume as of 31 July 2015. The average daily turnover on the Vienna Stock Exchange totalled 119,378 in the reporting period compared with 84,975 in the previous year (double-count, as published by the Vienna Stock Exchange). The company held 353,343 treasury shares as of 31 July 2015.

Development of the Zumtobel Group Share



Key Data on the Zumtobel Share for the 1st quarter 2015/16

Closing price at 30.04.15	EUR 24.445	Currency	EUR
Closing price at 31.07.15	EUR 28.400	ISIN	AT0000837307
Performance 1st quarter 2015/16	16.2%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.07.15	EUR 1235 Mio	Market segment	Prime Market
Share price - high at 20.07.15	EUR 29.890	Reuters symbol	ZUMV.VI
Share price - low at 17.06.15	EUR 22.650	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	119,378	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

The International Monetary Fund (IMF) issued a slightly lower outlook for global growth this year in its July 2015 forecast due to the weak start in North America. The IMF is now projecting an increase of 3.3% for 2015%, which represents a decline of 0.2 percentage points compared with the April 2015 forecast, and an increase of 3.8% in 2016. The Greek crisis is no longer a decisive factor for the worldwide economy despite the threatening state bankruptcy. The projections for the euro zone reflect the April report, with an increase of 1.5% in the current calendar year and 1.6% in 2016. The growth forecasts for Spain and Italy were raised slightly to 3.1% and 0.7%, respectively, in 2015 and to 2.5%, respectively, 1.2% in 2016. The emerging countries are expected to grow twice as fast – at clearly over 4% – as the industrialised countries in 2015 and 2016. For China, the IMF anticipates an increase of 6.8% in 2015 and 6.3% in 2016, or substantially lower than in the past.

Continued moderate growth expected for the euro zone

The commercial construction industry in Europe reported a first slight increase of 0.4% in 2014 after seven years of crisis and stagnation. In the seven most important European markets for the Zumtobel Group (Austria, Germany, Switzerland, France, Great Britain, Italy and Scandinavia), Euroconstruct is predicting growth of 1.9% for the 2015 calendar year and 2.5% for the 2016 calendar year.

Significant Events since 30 April 2015

AGM approves dividend for FY 2014/15

The 39th annual general meeting on 24 July 2015 authorised the payment of a EUR 0.22 dividend per share for the 2014/15 financial year. This dividend was distributed to shareholders on 31 July 2015.

Acquisition in new application areas

On 7 September 2015 the Zumtobel Group AG acquired a majority stake (60%) in the British LED lighting producer AC/DC LED Holdings Ltd (acdc). The purchase contract also includes a call/put option for the purchase of the remaining non-controlling interest (40%) in acdc during 2020. acdc is a niche supplier of high-quality architectonic LED facade lighting and lighting solutions for hotels and design-oriented restaurants and bars. In 2014 acdc generated annual revenues of approx. EUR 17 million with approx. 120 employees. The parties have agreed not to disclose any information on the price for this transaction.

No other significant events occurred after the balance sheet date on 30 April 2015.

Related Party Transactions

Closely related persons include the Management Board and Supervisory Board of Zumtobel Group AG. As of 31 July 2015 there were no business transactions with closely related persons.

The Group has concluded supply and delivery agreements with associated companies, which reflect third party conditions.

Development of revenues in the first quarter of 2015/16

- >> Group revenues rise by 5.9%
- >> Continued high growth momentum with LED products (plus 48.0%)
- >> Lighting Segment with increase of 4.7% in revenues
- >> Sound revenue development in Components Segment (plus 13.3%)

Group revenues rise by 5.9%

Group revenues rose by 5.9% to EUR 342.4 million during the first quarter of the 2015/16 financial year (1 May to 31 July 2015) in a stable economic environment (previous year: EUR 323.5 million). This development was supported by EUR 17.5 million of positive foreign exchange effects, above all from the increase in the Swiss franc (CHF), British pound (GBP) and US dollar (USD). After an adjustment for these effects, revenues were 0.5% higher than the previous year.

Important growth impulses have been created, in particular, by LED technology as well as the trend to intelligently managed, energy-efficient lighting. This was reflected in continued dynamic growth with LED products during the reporting period. Revenues from the sale of LED products rose by 48.0% year-on-year to EUR 206.2 million in the first quarter of 2015/16 (previous year: EUR 139.3 million). The LED share of Group revenues grew to 60.2% within 12 months, compared with 43.1% in the first quarter of the previous year. Both the Lighting Segment (plus 46.4%) and the Components Segment (plus 62.1%) benefited from the sharp rise in the demand for LED lighting with their extensive portfolio of innovative LED products.

Segment development in EUR million	Q1 2015/16	Q1 2014/15	Change in %
Lighting Segment	254.8	243.4	4.7
Components Segment	109.3	96.6	13.3
Reconciliation	(21.7)	(16.5)	31.9
Zumtobel Group	342.4	323.5	5.9

FX-supported growth in Lighting Segment

In the European commercial construction industry, the initial signs of a trend reversal from years of declines to slight growth have now strengthened. These signs were also confirmed in a June 2015 report by Euroconstruct, which forecasts growth of 1.9% for the 2015 calendar year and 2.5% for the 2016 calendar year after a series of annual declines in the seven most important European markets for the Zumtobel Group. Revenues in the Lighting Segment rose by 4.7% to EUR 254.8 million in the reporting period (previous year: EUR 243.4 million). After an adjustment for positive foreign exchange effects, revenues in the Lighting Segment declined by 0.5%. This subdued development resulted, above all, from efficiency problems and related supply shortages in a number of lighting plants as well as continuing pressure on prices, a market-related sharp drop in demand in France and the continuing restructuring process in Asia. It was contrasted by positive impulses from the multi-brand sales structure implemented in the previous financial year, which now markets the entire Zumtobel and Thorn product portfolio in all regions from a single hand, and by strong growth in the key account business.

Sound development in Components Segment

The Components Segment continues to make good progress in strengthening its business focus on LED technology. Revenues from the sale of LED components rose by 62.1% to EUR 73.3 million in the first quarter of 2015/16 (previous year: EUR 45.2 million) and more than offset the sharp drop in the demand for electronic ballasts. Segment revenues increased 13.3% to EUR 109.3 million (previous year: EUR 96.6 million) in the reporting period or by 8.3% after an adjustment for positive foreign exchange effects.

Distribution of regional revenues

Q1 2015/16	Revenues in EUR million	Change in %	in % of Group
D/A/CH	101.8	10.4	29.7
Northern Europe	87.6	6.0	25.6
Benelux & Eastern Europe	37.9	16.0	11.1
Southern Europe	49.9	(5.1)	14.6
Asia & Pacific	38.8	4.3	11.3
Middle East & Africa	17.9	8.5	5.2
Americas	8.6	(11.7)	2.5
Total	**342.4**	**5.9**	**100.0**

New organisation of sales regions

The sales regions were adjusted slightly to reflect the new organisational structure in this area of the Zumtobel Group. The most important changes included the reclassification of the Latin American countries to the America region and the Central Asian countries and Turkey to the Benelux & Eastern Europe region. The distribution of the countries to the individual regions is as follows:

D/A/CH:	Germany, Austria, Switzerland
Northern Europe:	Great Britain, Ireland, Sweden, Norway, Iceland, Finland, Denmark, Baltic States
Benelux & Eastern Europe:	Belgium, Netherlands, Luxembourg and all countries in Eastern Europe, including Russia, Greece, Malta, Cyprus, Turkey, Central Asia
America:	USA, Canada and all Latin American countries
Southern Europe:	France, Italy, Spain, Portugal
Asia & Pacific:	All countries in the Far East, including China as well as Japan, Australia and New Zealand
Middle East & Africa:	All countries in Middle East, India, Africa

These changes were also made retroactively and led to the adjustment of the regional distribution in the first quarter of 2014/15.

Key account business and Benelux & Eastern Europe as growth drivers

There are major regional differences in the economic environment and the speed of implementation for the restructuring measures and strategic reorientation. Therefore, the development of revenues in the individual regions differed significantly during the reporting period. The D/A/CH region, the strongest market in the Zumtobel Group, recorded 10.4% increase in revenues to EUR 101.8 million (FX-adjusted: 5.1%). This region benefited from the rising demand by individual retail chains (key account business) which are looking to convert their shop lighting to LED because of the attractive amortisation periods. Revenues in Northern Europe rose by 6.0% (FX-adjusted: minus 2.0%) to EUR 87.6 million, whereby the strongest growth was recorded in Great Britain. The Benelux & Eastern Europe region, which now also includes Turkey and the countries in Central Asia, increased revenues by 16.0% in the first quarter of 2015/16. Solid development was recorded, above all, in Eastern Europe (Czech Republic, Poland, Hungary). In Southern Europe, the development of business in Italy and particularly in France remained clearly below expectations during the reporting period. Revenues in this region fell by 5.1% to EUR 49.9 million. The Asia & Pacific region is undergoing extensive restructuring. The Components Segment generated sound growth, but the lighting business in Asia remained disappointing. Substantial efforts are still required at the product, cost and process levels in this region to ensure the planned profitable growth. Revenues in the Asia & Pacific region rose by 4.3% (FX-adjusted: minus 4.4%) to EUR 38.8 million. In the Middle East & Africa region, the sound development from previous quarters continued during the reporting period with a 8.5% increase in revenues (FX-adjusted: 0.2%) to EUR 17.9 million. Business development in the America region, which now also includes the Latin American countries, was disappointing in the first quarter of 2015/16, but the project activity and order levels lead to optimism concerning the remainder of the year. Revenues in this region fell by 11.7% year-on-year (FX-adjusted: minus 26.7%) to EUR 8.6 million.

Development of earnings in the first quarter of 2015/16

- Adjusted Group EBIT declines 29.1% to EUR 13.5 million
- Substantial increase in expenditures for research and development (plus 4.8 million)
- Temporary negative foreign exchange effects and efficiency problems in connection with the relocation of production
- Net profit rises by 60.8% to EUR 9.2 million due to lower restructuring expenses

Income statement in EUR million	Q1 2015/16	Q1 2014/15	Change in %
Revenues	342.4	323.5	5.9
Cost of goods sold	(234.9)	(216.2)	8.7
Gross profit	107.5	107.3	0.2
as a % of revenues	*31.4*	*33.2*	
SG&A expenses adjusted for special effects	(94.0)	(88.2)	6.6
Adjusted EBIT	13.5	19.1	(29.1)
as a % of revenues	*3.9*	*5.9*	
Special effects	(1.1)	(10.0)	89.1
EBIT	12.4	9.1	36.6
as a % of revenues	*3.6*	*2.8*	
Financial results	(0.3)	(1.8)	83.4
Profit/loss before tax	12.1	7.3	66.1
Income taxes	(2.9)	(1.6)	(85.0)
Net profit/loss for the period	9.2	5.7	60.8
Earnings per share (in EUR)	0.21	0.13	57.4

Note: EBITDA (EBIT plus depreciation and amortisation) amounted to EUR 27.3 million in the first quarter of 2015/16.

Adjusted Group EBIT declines by 29.1%

Group EBIT adjusted for special effects declined 29.1% year-on-year from EUR 19.1 million to EUR 13.5 million. Consequently, the return on sales fell from 5.9% to 3.9%. Adjusted earnings were higher than the previous year in the Components Segment, but lower in the Lighting Segment. The gross profit margin for the Zumtobel Group fell to 31.4% in the reporting period (previous year: 33.2%). This decline resulted primarily from negative currency transaction effects in the cost of materials, continuing pressure on prices in the Lighting Segment and temporary inefficiencies related to the relocation of production. The goal to strengthen the Zumtobel Group's technology position was reflected in a significant year-on-year increase in development costs included in the cost of goods sold to EUR 20.9 million (16.6 million).

Selling expenses in % of revenues slightly over previous year

Selling expenses as a per cent of revenues rose slightly from 23.9% to 24.3%, above all due to higher marketing expenditures and wage and salary increases required by collective negotiations. One focal point of the Zumtobel Group's new structure is the merger of the previously separate Zumtobel and Thorn sales organisations. The number of employees in sales declined by a further 50 compared with the level on 31 July 2014. Administrative expenses were slightly higher than the previous year at EUR 12.4 million (EUR 11.6 million). Other operating results, excluding special effects, amounted to EUR 1.4 million (previous year: EUR 0.6 million) and included, among others, license income from the LED business.

Negative special effects from transformation process

Negative special effects totalling EUR 1.1 million were recorded during the first quarter of 2015/16 (previous year: EUR 10.0 million). These effects are related, above all, to the restructuring of the sales organisation. Additional information is provided in the notes to the consolidated interim financial statements.

Adjusted EBIT in EUR million	Q1 2015/16	Q1 2014/15	Change in %
Reported EBIT	12.4	9.1	36.6
thereof special effects	(1.1)	(10.0)	(89.1)
Adjusted EBIT	13.5	19.1	(29.1)
as a % of revenues	*3.9*	*5.9*	

Improvement in financial results

Financial results improved EUR 1.5 million over the previous year to minus EUR 0.3 million (previous year: minus EUR 1.8 million). Interest expense consists mainly of interest on the current credit agreement. Other financial income and expenses totalled plus EUR 1.8 million (previous year: plus EUR 0.5 million). The Zumtobel Group hedges foreign exchange transaction risk primarily with forward exchange contracts that have a maximum term of one year and also uses options in individual cases. The Group's key currencies are the EUR, GBP, USD, AUD and CHF. The positive change versus the previous year resulted mainly from the fair value measurement of financial instruments, respectively from the realisation of foreign currency transactions with a negative market value, in particular forward exchange contracts in Swiss francs. Additional information is provided in the notes to the consolidated interim financial statements.

Financial result in EUR million	Q1 2015/16	Q1 2014/15	Change in %
Interest expense	(2.3)	(2.4)	(5.4)
Interest income	0.1	0.1	(14.4)
Net financing costs	(2.2)	(2.3)	5.0
Other financial income and expenses	1.8	0.5	>100
Result from companies accounted for at-equity	0.1	0.1	>100
Financial results	(0.3)	(1.8)	83.4

Net profit totals EUR 9.2 million

Profit before tax rose to EUR 12.1 million in the first quarter of the reporting year (previous year: EUR 7.3 million), and income taxes equalled EUR 2.9 million. Net profit for the period increased by 60.8% to EUR 9.2 million due to a substantial decline in negative special effects (previous year: EUR 5.7 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 0.21 (previous year: EUR 0.13).

Cash flow and asset position

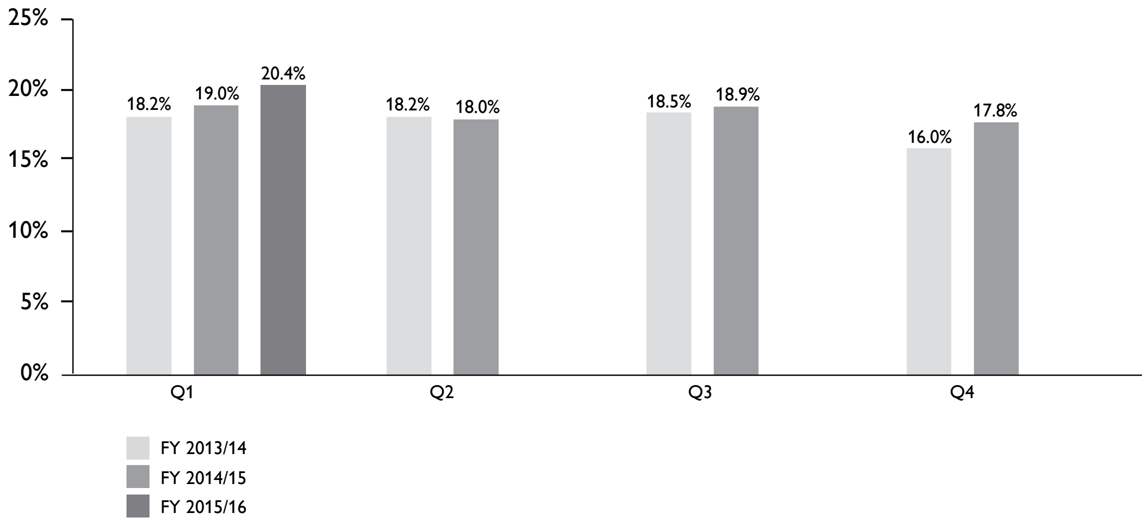
- >> Seasonal cash outflows for expansion of working capital increased by temporary inefficiencies in production
- >> Capital expenditure slightly below previous year at EUR 12.8 million (EUR 14.2 million)
- >> Free cash flow equals minus EUR 35.5 million
- >> Continued solid balance sheet structure

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.

Seasonal cash outflows for increase in working capital

Working capital totalled EUR 272.0 million as of 31 July 2015 and was EUR 32.3 million higher than the previous year (EUR 239.6 million). The seasonal rise in working capital was increased by temporary inefficiencies in production related to the transfer of products, above all from Sweden to England, and by higher inventories. Stocks of raw materials and finished goods were increased above the growth in revenues to ensure sufficient supplies for production and customer orders based on the expected stronger growth in revenues during the course of this year. In comparison with the first quarter of the previous year, working capital rose from 19.0% to 20.4% of rolling 12-month revenues. The cash outflows from the increase in working capital amounted to EUR 40.4 million. Cash flow from operating activities improved slightly by EUR 1.4 million to minus EUR 28.4 million (previous year: minus EUR 29.9 million).

Working Capital in % of rolling 12-month revenues



Free cash flow at minus EUR 35.5 million

Investments in property, plant and equipment for various production facilities totalled EUR 12.8 million in the first quarter of 2015/16 (previous year: EUR 14.2 million). These expenditures covered tools for new products as well as expansion, maintenance and capitalised R&D costs (EUR 3.4 million). The positive cash effect in the position "change in liquid funds from changes in the scope of consolidation" represents the positive cash effect from the sale of Tridonic NZ Limited in Auckland, New Zealand. Free cash flow reflected the prior year at minus EUR 35.5 million (minus EUR 35.0 million).

Cash flow from financing activities consists primarily of the increased use of the facilities provided by the consortium credit agreement and interest paid during the first quarter of the reporting year. The EUR 0.22 dividend per share for the 2014/15 financial year (EUR 9.5 million), which was approved by the annual general meeting on 24 July 2015, was distributed to the shareholders on 31 July 2015 and is included in cash outflows for the first quarter.

Balance sheet data in EUR million	31 July 2015	30 April 2015
Total assets	1,110.4	1,086.3
Net debt	195.6	148.2
Debt coverage ratio	*1.86*	*1.48*
Equity	319.0	322.6
Equity ratio in %	*28.7*	*29.7*
Gearing in %	*61.3*	*46.0*
Investments	12.8	76.6
Working capital	272.0	233.8
As a % of rolling 12 month revenues	*20.4*	*17.8*

Continued solid balance sheet structure

The quality of the balance sheet structure remains nearly unchanged. The equity ratio declined slightly from 29.7% on 30 April 2015 to 28.7% on 31 July 2015. Net debt followed the normal seasonal pattern with an increase of EUR 47.3 million to EUR 195.6 million (previous year: EUR 159.0 million). Gearing – the ratio of net debt to equity – deteriorated from 46.0% to 61.3%.

Outlook for 2015/16 confirmed

These first quarter challenges will only remain with us in part during the rest of the financial year. The Components Segment has progressively raised prices to offset the negative foreign exchange effects from the US dollar, and the negative effects from the Swiss franc futures will expire in November 2015. Concrete steps were taken to address the efficiency problems and supply shortages, especially at the lighting plant in Spennymoor (Great Britain). Further new, highly competitive products will be launched this autumn in Europe and in Asia. We also see a continuation of the positive market environment in our European core markets, which will be reflected in high project activity and well-filled order books over the coming months.

Our focus for the strategic development of the Zumtobel Group remains on the adjustment of production capacity, a multi-brand sales structure in the lighting business and the Group-wide bundling of procurement activities. These key factors will support a sustainable increase in revenues and strengthen profitability. As previously announced, we are also evaluating further opportunities to optimise structural costs.

Against this backdrop, the Management Board confirms the previously communicated guidance for the 2015/16 financial year, which calls for an increase of roughly 5% in revenues and adjusted EBIT of EUR 90 to 100 million (adjusted EBIT margin for FY 2014/15: EUR 66.5 million).

Dornbirn, 8 September 2015

Ulrich Schumacher	Karin Sonnenmoser
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)

Income Statement

in TEUR	Q1 2015/16	Q1 2014/15	Change in %
Revenues	342,442	323,455	5.9
Cost of goods sold	(234,897)	(216,176)	8.7
Gross profit	**107,545**	**107,279**	**0.2**
as a % of revenues	*31.4*	*33.2*	
Selling expenses	(83,086)	(77,229)	7.6
Administrative expenses	(12,358)	(11,639)	6.2
Other operating results	319	(9,318)	>100
thereof special effects	*(1,086)*	*(9,966)*	*(89.1)*
Operating profit/loss	**12,420**	**9,093**	**36.6**
as a % of revenues	*3.6*	*2.8*	
Interest expense	(2,296)	(2,427)	(5.4)
Interest income	81	95	(14.7)
Other financial income and expenses	1,772	484	>100
Result from companies accounted for at-equity	145	55	>100
Financial results	**(298)**	**(1,793)**	**83.4**
as a % of revenues	*(0.1)*	*(0.6)*	
Profit/loss before tax	**12,122**	**7,300**	**66.1**
Income taxes	(2,920)	(1,579)	85.0
Net profit/loss from continuing operations	**9,202**	**5,721**	**60.8**
Net profit/loss for the period	**9,202**	**5,721**	**60.8**
as a % of revenues	2.7	1.8	
thereof due to non-controlling interests	*73*	*(77)*	*>100*
thereof due to shareholders of the parent company	*9,129*	*5,798*	*57.5*
Average number of shares outstanding – basic (in 1,000 pcs.)	43,146	43,139	
Average diluting effect (stock options) (in 1,000 pcs.)	0	1	
Average number of shares outstanding – diluted (in 1,000 pcs.)	43,146	43,140	
Earnings per share (in EUR)			
Basic earnings per share	0.21	0.13	
Diluted earnings per share	0.21	0.13	
Earnings per share from continuing operations (in EUR)			
Basic earnings per share	0.21	0.13	
Diluted earnings per share	0.21	0.13	
Earnings per share from discontinued operations (in EUR)			
Basic earnings per share	0.00	0.00	
Diluted earnings per share	0.00	0.00	

Statement of Comprehensive Income

in TEUR	Q1 2015/16	Q1 2014/15	Change in %
Net profit/loss for the period	**9,202**	**5,721**	**60.8**
Currency differences	(4,734)	1,984	<(100)
Currency differences arising from loans	1,564	1,618	(3.3)
Hedge accounting	292	(243)	>100
Deferred taxes due to hedge accounting	(69)	61	<(100)
Total of items that will be reclassified ("recycled") subsequently to the income statement	**(2,947)**	**3,420**	**<(100)**
Subtotal other comprehensive income	**(2,947)**	**3,420**	**<(100)**
thereof due to non-controlling interests	*41*	*57*	*(28.8)*
thereof due to shareholders of the parent company	*(2,988)*	*3,363*	*<(100)*
Total comprehensive income	**6,255**	**9,141**	**(31.6)**
thereof due to non-controlling interests	*114*	*(20)*	*>100*
thereof due to shareholders of the parent company	*6,141*	*9,161*	*(33.0)*

Balance Sheet

in TEUR	31 July 2015	in %	30 April 2015	in %
Goodwill	199,058	17.9	198,891	18.3
Other intangible assets	59,364	5.3	60,540	5.6
Property, plant and equipment	236,232	21.4	236,671	21.7
Financial assets accounted for at-equity	2,440	0.2	2,295	0.2
Financial assets	1,202	0.1	1,811	0.2
Other assets	4,223	0.4	4,289	0.4
Deferred taxes	47,174	4.2	48,075	4.4
Non-current assets	**549,693**	**49.5**	**552,572**	**50.8**
Inventories	217,036	19.6	201,785	18.6
Trade receivables	239,150	21.5	234,587	21.6
Financial assets	3,286	0.3	4,034	0.4
Other assets	28,973	2.6	29,133	2.7
Liquid funds	72,307	6.5	59,345	5.5
Available for sale assets	0		4,819	0.4
Current assets	**560,752**	**50.5**	**533,703**	**49.2**
ASSETS	**1,110,445**	**100.0**	**1,086,275**	**100.0**
Share capital	108,750	9.8	108,750	10.0
Additional paid-in capital	335,316	30.2	335,316	30.9
Reserves	(138,098)	(12.4)	(137,848)	(12.7)
Net profit/loss for the period	9,129	0.8	12,231	1.1
Capital attributed to shareholders of the parent company	315,097	28.4	318,449	29.3
Capital attributed to non-controlling interests	3,870	0.3	4,152	0.4
Equity	**318,967**	**28.7**	**322,601**	**29.7**
Provisions for pensions	99,392	9.0	99,994	9.2
Provisions for severance compensation	49,688	4.5	49,348	4.5
Provisions for other employee benefits	12,977	1.2	13,433	1.2
Other provisions	822	0.1	1,238	0.1
Borrowings	246,463	22.1	190,904	17.7
Other liabilities	2,969	0.3	4,174	0.4
Deferred taxes	5,715	0.5	5,556	0.5
Non-current liabilities	**418,026**	**37.7**	**364,647**	**33.6**
Provisions for taxes	21,942	2.0	21,521	2.0
Other provisions	31,538	2.8	31,927	2.9
Borrowings	21,309	1.9	17,301	1.6
Trade payables	156,076	14.1	174,040	16.0
Other liabilities	142,587	12.8	153,989	14.2
Liabilities held for Sale	0	0.0	249	0.0
Current liabilities	**373,452**	**33.6**	**399,027**	**36.7**
EQUITY AND LIABILITIES	**1,110,445**	**100.0**	**1,086,275**	**100.0**

Cash Flow Statement

in TEUR	Q1 2015/16	Q1 2014/15
Profit/loss before tax	12,122	7,300
Depreciation and amortisation	14,886	13,356
Gain/loss from disposal of fixed assets	(88)	(61)
Other financial income and expenses	2,223	(526)
Interest income/ Interest expense	(1,926)	2,319
Changes in the consolidation range	0	120
Cash flow from operating results	**27,217**	**22,508**
Inventories	(15,766)	(5,080)
Trade receivables	(7,823)	(6,359)
Trade payables	(16,581)	(28,627)
Prepayments received	(198)	(974)
Change in working capital	**(40,368)**	**(41,040)**
Non-current provisions	(3,169)	(3,309)
Current provisions	(59)	5,054
Other current and non-current assets and liabilities	(10,559)	(11,709)
Change in other operating items	**(13,787)**	**(9,964)**
Taxes paid	**(1,496)**	**(1,381)**
Cash flow from operating activities	**(28,434)**	**(29,877)**
Proceeds from the sale of non-current assets	2,582	210
Capital expenditures on non-current assets	(12,760)	(14,157)
Change in non-current and current financial assets	437	(705)
Change in liquid funds from changes in the consolidation range	2,703	9,522
Cash flow from investing activities	**(7,038)**	**(5,130)**
FREE CASH FLOW	**(35,472)**	**(35,007)**
Change in net borrowings	62,136	33,923
thereof restricted cash	*(3)*	*(41)*
Dividends	(9,888)	0
Exercise of options	0	11
Interest paid	(2,249)	(1,935)
Interest received	73	95
Cash flow from financing activities	**50,072**	**32,094**
Effects of exchange rate changes on cash and cash equivalents	(1,229)	1,501
CHANGE IN CASH AND CASH EQUIVALENTS	**13,371**	**(1,412)**
Cash and cash equivalents at the beginning of the period	43,150	70,583
Cash and cash equivalents at the end of the period	56,521	69,171
Change absolute	**13,371**	**(1,412)**

Statement of Changes in Equity

Q1 2015/16

in TEUR	Attributed to shareholders of the parent company									Non-controlling interests	Total equity
	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		
30 April 2015	**108,750**	**335,316**	**(2,013)**	**(9,782)**	**(2,815)**	**19,479**	**(142,718)**	**12,231**	**318,448**	**4,152**	**322,600**
+/- Additions to reserves	0	0	12,231	0	0	0	0	(12,231)	0	0	0
+/- Total comprehensive income	0	0	0	(3,211)	223	0	0	9,129	6,141	114	6,255
+/- Dividends	0	0	(9,492)	0	0	0	0	0	(9,492)	(396)	(9,888)
31 July 2015	**108,750**	**335,316**	**726**	**(12,993)**	**(2,592)**	**19,479**	**(142,718)**	**9,129**	**315,097**	**3,870**	**318,967**

Q1 2014/15

in TEUR	Attributed to shareholders of the parent company									Non-controlling interests	Total equity
	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		
30 April 2014	**108,750**	**335,249**	**11,083**	**(42,259)**	**(2,960)**	**19,479**	**(100,558)**	**(4,995)**	**323,789**	**3,765**	**327,554**
+/- Additions to reserves	0	0	(4,995)	0	0	0	0	4,995	0	0	0
+/- Total comprehensive income	0	0	0	3,545	(182)	0	0	5,798	9,161	(20)	9,141
+/- Stock options – exercises	0	11	0	0	0	0	0	0	11	0	11
+/- Dividends	0	0	(7,765)	0	0	0	0	0	(7,765)	0	(7,765)
+/- Changes in the consolidation range	0	0	(336)	0	0	0	369	0	33	253	286
31 July 2014	**108,750**	**335,260**	**(2,013)**	**(38,714)**	**(3,142)**	**19,479**	**(100,189)**	**5,798**	**325,229**	**3,998**	**329,227**

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 "employee benefits".

Notes

Accounting and Valuation Methods

The condensed consolidated interim financial statements as of 31 July 2015 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 condensed consolidated interim financial statements as of 31 July 2015 were not audited or reviewed by a chartered accountant.

The unaudited 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 adopted by the European Union through its endorsement procedure and were applicable as of the balance sheet date. The accounting and valuation methods applied as of 31 July 2015 reflect the methods applied in preparing the consolidated financial statements as of 30 April 2015.

In order to 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 interim 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 July 2015	31 July 2014	31 July 2015	30 April 2015
AUD	1.4528	1.4561	1.5140	1.4161
CHF	1.0450	1.2178	1.0565	1.0486
USD	1.1111	1.3619	1.0967	1.1215
SEK	9.3222	9.1220	9.4622	9.3261
NOK	8.7221	8.2547	9.0015	8.3845
GBP	0.7159	0.8039	0.7041	0.7267

Scope of Consolidation

The condensed consolidated interim financial statements include all major Austrian and foreign companies that are controlled by Zumtobel Group. The changes in the scope of consolidation during the interim financial period are shown below:

	Consolidation Method		
	full	at equity	Total
30 April 2015	**94**	**2**	**98**
Deconsolidated during reporting period	(1)		(1)
31 July 2015	**93**	**2**	**97**

>> The shares in Tridonic NZ Limited, New Zealand, were sold during June 2015. The company was therefore deconsolidated in the first quarter of 2015/16.

The changes in the consolidation range did not have a material effect on the interim consolidated financial statements.

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.

Revenues

Revenues include an adjustment of TEUR 14,357 (prior year: TEUR 12,580) for sales deductions (primarily customer discounts). Gross revenues total TEUR 356,798 (prior year: TEUR 336,035).

Expenses

The income statement was prepared in accordance with the cost of sales method. The following categories of income and expenses are included in the cost of goods sold (incl. development costs), selling expenses (incl. research costs), administrative expenses and other operating results:

Q1 2015/16

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(145,175)	(1,473)	(7)	(15)	(146,670)
Personnel expenses	(59,406)	(49,120)	(8,473)	(1,867)	(118,866)
Depreciation	(12,697)	(1,848)	(253)	(88)	(14,886)
Other expenses	(22,515)	(30,553)	(4,610)	551	(57,127)
Own work capitalised	3,457	0	0	0	3,457
Internal charges	1,079	(2,022)	943	0	0
Total expenses	**(235,256)**	**(85,016)**	**(12,400)**	**(1,419)**	**(334,091)**
Other income	**359**	**1,930**	**42**	**1,738**	**4,069**
Total	**(234,897)**	**(83,086)**	**(12,358)**	**319**	**(330,022)**

Q1 2014/15

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(136,548)	(1,157)	(12)	0	(137,717)
Personnel expenses	(54,783)	(43,610)	(8,222)	(8,869)	(115,484)
Depreciation	(11,656)	(1,419)	(243)	(38)	(13,356)
Other expenses	(19,585)	(30,606)	(4,469)	(1,305)	(55,965)
Own work capitalised	4,546	0	0	0	4,546
Internal charges	1,173	(2,288)	1,115	0	0
Total expenses	**(216,853)**	**(79,080)**	**(11,831)**	**(10,212)**	**(317,976)**
Other income	**677**	**1,851**	**192**	**894**	**3,614**
Total	**(216,176)**	**(77,229)**	**(11,639)**	**(9,318)**	**(314,362)**

The cost of goods sold includes development costs of TEUR 20,910 (prior year: TEUR 16,623).

Development costs of TEUR 3,351 were capitalised during the reporting period (prior year: TEUR 4,398). The amortisation of capitalised development costs amounted to TEUR 4,141 (prior year: TEUR 3,398).

Other Operating Results

in TEUR	Q1 2015/16	Q1 2014/15
Government grants	441	133
License revenues	808	505
Special effects	(1,086)	(9,966)
Restructuring	*(2,180)*	*(9,535)*
Impairment charges to current assets	*(135)*	*(311)*
Changes in the consolidation range	*1,229*	*(120)*
Miscellaneous	156	10
Total	**319**	**(9,318)**

As in the first quarter of the previous financial year, license income for the reporting period comprises income from the LED business.

The deconsolidation of Tridonic NZ Limited, New Zealand, which was sold during the first quarter of 2015/16, generated a positive effect in the reporting period of TEUR 1,229. The transaction involved the sale of net assets totalling TEUR 1,539. The impairment charges of TEUR 135 recognised to current assets are also related to this sale.

The position "restructuring" in 2015/16 amounts to TEUR 2,064. It is related almost entirely to the Lighting Segment, but also includes TEUR 116 for Zumtobel Group AG. These expenses include TEUR 1,063 for the restructuring of the sales offices in Australia and TEUR 637 for the restructuring of the sales organisations in the DACH region. A further TEUR 312 are related to the relocation of production from Landskrona, Sweden, to Spennymoor, Great Britain.

The position "restructuring" in 2014/15 includes TEUR 4,312 for the Components Segment and TEUR 5,223 for the Lighting Segment. The expenses attributable to the Components Segment are related primarily to the termination of production in Ennenda, Switzerland. The restructuring expenses in the Lighting Segment resulted chiefly from the closing of the lighting production plant in Landskrona, Sweden.

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	Q1 2015/16	Q1 2014/15
Interest component as per IAS 19 less income on plan assets	(821)	(1,027)
Foreign exchange gains and losses	(605)	1,035
Market valuation of financial instruments	3,198	476
Total	**1,772**	**484**

Foreign exchange gains and losses consist mainly of effects from the valuation of receivables and liabilities that are denominated in a foreign currency. The year-on-year change resulted, above all, from the devaluation of the most important currencies for the Zumtobel Group versus the euro during the first quarter of 2015/16.

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 consolidated interim financial statements. The positive changes compared with the previous year mainly results from the realisation of foreign exchange transactions with a negative market valuation, in particular forward exchange contracts in Swiss francs and British pounds.

Income Taxes

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

in TEUR	Q1 2015/16	Q1 2014/15
Current taxes	(1,839)	(1,606)
thereof current year	*(1,841)*	*(1,601)*
thereof prior years	*2*	*(5)*
Deferred taxes	(1,081)	27
Income taxes	**(2,920)**	**(1,579)**

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. In the previous year these shares have been included in the calculation of the average number of shares outstanding. For this reporting period there will be no further exercise of options in this connection as the Stock Option Programme (SOP) was terminated as of 30 April 2015.

Q1 2015/16

in 1,000 pcs.	Balance Sheet Date	Average
1 May 2015	**43,146**	**43,146**
Stock options – exercises	0	0
31 July 2015	**43,146**	**43,146**

2014/15 Financial Year

in 1,000 pcs.	Balance Sheet Date	Average
1 May 2014	**43,139**	**43,139**
Stock options – exercises	1	1
31 July 2014	**43,140**	**43,140**

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, GBP and USD loans that qualify for classification as a net investment in a foreign operation and must therefore be reported under comprehensive income. This position also includes currency differences resulting from an interest rate hedge.

Taxes

This position consists entirely of deferred taxes related to 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 2015.

Goodwill

In accordance with the reporting structure, the goodwill resulting from the acquisition of the Thorn Lighting Group has been allocated to the "CGU Lighting" since 2014/15 and is tested annually for indications of impairment. The "CGU Lighting" represents the operating "Lighting Segment" in the sense of IFRS 8.5.

The application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates") led to foreign currency-based adjustments of TEUR 167 in the first quarter of 2015/16 (prior year: TEUR 1,678) which were not recognised through profit or loss. These foreign exchange effects are allocated to assets in the "Lighting Segment" for segment reporting.

Other Non-Current Assets

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

Inventories

The inventory build-up in the first quarter is intended to protect supply security for production and customer deliveries in anticipation of an increase in revenues during the current financial year.

Trade Receivables

The increase in trade receivables over the level at 30 April 2015 resulted, above all, from the seasonal trend in revenues and the underlying dependency on business in the construction industry.

Non-current Financial Liabilities

The higher balance of non-current financial liabilities resulted chiefly from an increase in the use of the credit lines provided by the consortium credit agreement from TEUR 160,000 to TEUR 215,000.

Current Financial Liabilities

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

Other Current Liabilities

The decline in other current liabilities is attributable primarily to a decrease in amounts due to employees.

Determination of Fair Value

The determination of fair value is based on a three-level hierarchy that reflects the valuation certainty.

Level 1: Listed prices on active markets for identical instruments
Level 2: Valuation based on input factors that can be monitored on the market
Level 3: Valuation based on input factors that cannot be monitored on the market

As of 31 July 2015, the balance sheet of the Zumtobel Group shows non-current financial assets of TEUR 1,202 (30 April 2015: TEUR 1,811), current financial assets of TEUR 3,286 (30 April 2015: TEUR 4,034) and miscellaneous current liabilities of TEUR 142,587 (30 April 2015: TEUR 153,989). The financial instruments measured at fair value through profit or loss are classified in the valuation hierarchy as follows:

31 July 2015

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Non-current financial assets					
Securities and similar rights	587	587	-	-	587
Loans originated and other receivables	-	-	-	-	-
Current financial assets					
Loans originated and other receivables	-	-	-	-	-
Positive market values of derivatives held for trading	3,265	3,265	-	3,265	-
Other	-	-	-	-	-
Total	**3,852**	**3,852**	**-**	**3,265**	**587**

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Other current liabilities					
Derivatives held for trading	7,237	7,237	-	7,237	-
Derivatives (hedge accounting)	10,782	10,782	-	10,782	-
Total	**18,019**	**18,019**	**-**	**18,019**	**-**

30 April 2015

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Non-current financial assets					
Securities and similar rights	587	587	-	-	587
Loans originated and other receivables	-	-	-	-	-
Current financial assets					
Loans originated and other receivables	-	-	-	-	-
Positive market values of derivatives held for trading	3,398	3,398	-	3,398	-
Other	-	-	-	-	-
Total	**3,985**	**3,985**	**-**	**3,398**	**587**

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Other current liabilities					
Derivatives held for trading	10,516	10,516	-	10,516	-
Derivatives (hedge accounting)	11,077	11,077	-	11,077	-
Total	**21,593**	**21,593**	**-**	**21,593**	**-**

In Zumtobel Group, the calculation of fair value is based primarily on input factors that can be monitored on the market (Level 2). The fair value of forward exchange contracts is determined by calculating the present value of the related cash flows based on the observable market interest rate curves for the respective currency and the exchange rates in effect on the valuation date. The fair value of the remaining derivative financial instruments can be reliably determined as of each balance sheet date because these measurements are based on input factors that can be monitored on the market. These valuations reflect the Level 2 criteria. The financial instruments classified under Level 2 represent the derivatives included under financial assets and financial liabilities. The risks arising from the non-fulfilment of financial assets and liabilities are reflected in discounts, in cases where these risks are material.

These consolidated interim financial statements of Zumtobel Group do not include any financial instruments whose valuation is based on listed prices on active markets (Level 1).

The consolidated interim financial statements of Zumtobel Group as of 31 July 2015 also include an insignificant amount of financial instruments whose valuation is not based on listed prices or input factors that can be monitored on the market (Level 3). These items consist primarily of minor shareholdings in various companies. There were no changes in these shareholdings since 30 April 2015, and no profit distributions were received on these investments during the reporting period.

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.

Cash flow from operating activities remained generally unchanged in year-on-year comparison during the first quarter of 2015/16. A positive cash flow effect resulted from the improvement in profit before tax from TEUR 7,300 to TEUR 12,122. It was contrasted, above all, by a seasonal increase in inventories as well as a decline in trade payables and amounts due to employees.

Cash flow from investing activities consists mainly of investments related to development projects and investments in property, plant and equipment for various production facilities. The position "change in liquid funds from changes in the consolidation range" represents the positive cash effect from the sale of Tridonic NZ Limited. The position "change in liquid funds from changes in the consolidation range" of the previous year represented the positive cash effect from the sale of Tridonic connection technology and the initial consolidation of Thorn Lighting Limited Liability Company, Qatar.

Cash flow from financing activities consists mainly of the increased use of the credit lines provided by the consortium credit agreement and interest paid during the first quarter of the reporting year. The dividend for the 2014/15 financial year, which was approved by the annual general meeting on 24 July 2015 (TEUR 9,492) was paid on 31 July 2015. Of the total dividend, TEUR -396 represented the dividend payment to the non-controlling interest in a Zumtobel Group company.

Transition to Cash and Cash Equivalents

in TEUR	31 July 2015	30 April 2015
Liquid funds	72,307	59,345
Not available for disposal	(204)	(205)
Overdrafts	(15,582)	(15,990)
Cash and cash equivalents	**56,521**	**43,150**

Notes to the Statement of Changes in Equity

Dividend

The annual general meeting on 24 July 2015 approved the payment of a EUR 0.22 dividend per share for the 2014/15 financial year. Based on this resolution, TEUR 9.492 was paid to the holders of the 43,146,137 shares outstanding (43,500,000 shares issued less 353,863 treasury shares) on 31 July 2015.

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 initial consolidation date 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, GBP and USD, 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.

Share Programme and Development of Treasury Shares

in pcs.	Total
Share buyback (to 30 April 2015)	1,539,211
Exercised (to 30 April 2015)	(1,185,348)
30 April 2015	**353,863**

The Stock Option Programme (SOP) was terminated as of 30 April 2015, and there will be no further exercise of options in this connection.

Reserve for Stock Options

The reserve for stock options resulted from the accounting treatment of two share-based remuneration programmes in previous years. The Stock Option Programme (SOP) and the Matching Stock Programme (MSP) were settled and are no longer active, and there were no allocations from either programme during the reporting year or the previous year.

IAS 19 Reserve for "Employee Benefits"

This position includes the actuarial gains and losses resulting from the application of IAS 19 "Employee Benefits".

Non-controlling Interests

The change in the previous year resulted from the initial consolidation of Thorn Lighting Limited Liability Company, Qatar. The change in the first quarter of the previous year consists primarily of the effects from the purchase of the remaining 30% of the shares in Thorn Lighting (Tianjin) Co. Ltd., China, which led to the derecognition of the related non-controlling interest.

Segment Reporting

The Zumtobel Group comprises two operating segments: the Lighting Segment and the Components Segment. The Lighting Segment covers the Thorn, Zumtobel and OEM & TPP businesses and markets lighting solutions, interior and exterior lighting, electronic-digital lighting and room management systems. The Components Segment includes the Tridonic business, which develops, produces and markets electronic lighting components, LED lighting components and, up to the end of the 2013/14 financial year, also magnetic ballasts. The transfer of goods and services between the two divisions is based on ordinary market conditions.

Segment reporting 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 data.

The assets allocated to the two segments 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 segment as well as property, plant and equipment, financial liabilities and taxes that involve both segments.

in TEUR	Lighting Segment Q1 2015/16	Q1 2014/15	Q1 2013/14	Components Segment Q1 2015/16	Q1 2014/15	Q1 2013/14	Reconciliation Q1 2015/16	Q1 2014/15	Q1 2013/14	Group Q1 2015/16	Q1 2014/15	Q1 2013/14
Net revenues	**254,796**	**243,358**	**229,905**	**109,349**	**96,553**	**99,652**	**(21,703)**	**(16,456)**	**(20,278)**	**342,442**	**323,455**	**309,279**
External revenues	*254,577*	*242,868*	*229,774*	*87,806*	*80,515*	*79,488*	*59*	*72*	*17*	*342,442*	*323,455*	*309,279*
Inter-company revenues	*219*	*490*	*131*	*21,543*	*16,038*	*20,164*	*(21,762)*	*(16,528)*	*(20,295)*	*0*	*0*	*0*
Operating profit/loss	**8,451**	**11,941**	**14,901**	**10,891**	**2,785**	**(224)**	**(6,922)**	**(5,633)**	**(3,818)**	**12,420**	**9,093**	**10,859**
Investments	**8,349**	**9,619**	**8,850**	**3,632**	**4,230**	**2,938**	**779**	**308**	**77**	**12,760**	**14,157**	**11,865**
Depreciation	**(9,011)**	**(8,002)**	**(7,869)**	**(4,929)**	**(4,772)**	**(8,083)**	**(946)**	**(582)**	**(492)**	**(14,886)**	**(13,356)**	**(16,444)**

in TEUR	31 July 2015	30 April 2015	30 April 2014	31 July 2015	30 April 2015	30 April 2014	31 July 2015	30 April 2015	30 April 2014	31 July 2015	30 April 2015	30 April 2014
Assets	752,613	743,925	668,998	219,087	207,140	209,046	138,745	135,210	128,557	1,110,445	1,086,275	1,006,601

	31 July 2015	30 April 2015	30 April 2014	31 July 2015	30 April 2015	30 April 2014	31 July 2015	30 April 2015	30 April 2014	31 July 2015	30 April 2015	30 April 2014
Headcount (full-time equivalent)	5,212	5,302	5,186	1,672	1,752	1,971	200	180	134	7,084	7,234	7,291

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 reconciliation column comprises the following:

in TEUR	Q1 2015/16	Q1 2014/15
Group parent companies	(6,803)	(5,512)
Group entries	(119)	(121)
Operating profit/loss	**(6,922)**	**(5,633)**

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 reconciliation to operating profit includes Group entries for the elimination of interim profits in current and non-current assets.

in TEUR	31 July 2015	30 April 2015
Assets used by more than one segment	136,288	130,995
Group parent companies	59,843	58,155
Group entries	(57,386)	(53,940)
Assets	**138,745**	**135,210**

No individual external customer is responsible for more than 10% of total revenues.

Related Party Transactions

Closely related persons include the Management Board and Supervisory Board of Zumtobel Group AG. As of 31 July 2015 there were no business transactions with closely related persons.

The Group has concluded supply and delivery agreements with associated companies, which reflect third party conditions. Trade receivables due from associated companies totalled TEUR 912 as of 31 July 2015 (30 April 2015: TEUR 932) and trade payables equalled TEUR 2,005 (30 April 2015: TEUR 2,560). No receivables due from associated companies were derecognised due to failed collection in the first quarter of 2015/16, and no receivables due from associated companies were classified as uncollectible as of 31 July 2015.

Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 8,761 (30 April 2015: TEUR 8,898) for various purposes.

Subsequent Events

On 7 September 2015 the Zumtobel Group acquired a majority stake (60%) in the British LED lighting producer AC/DC LED Holdings Ltd (acdc). The purchase contract also includes a call/put option for the purchase of the remaining non-controlling interest (40%) in acdc during 2020.

acdc is a niche supplier of high-quality architectonic LED facade lighting and lighting solutions for hotels and design-oriented restaurants and bars. In 2014 the company generated revenues of approx. EUR 17 million with approx. 120 employees. The Zumtobel Group believes acdc's products will complement its current product portfolio and lead to the realisation of significant synergy effects, above all in sales.

The initial recognition of this business combination was still in progress at the time these consolidated interim financial statements were approved. Therefore, complete information on the acdc acquisition is not yet available.

The purchase price for the majority stake (60%) is based on acdc's balance sheet structure on the acquisition date. In connection with the call/put option, the purchase price for the non-controlling interest (40%) is linked to the future development of acdc's revenues.

Dornbirn, 8 September 2015

The Management Board

Ulrich Schumacher
Chief Executive Officer (CEO)

Karin Sonnenmoser
Chief Financial Officer (CFO)

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
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

Report on the First Quarter 2015/16 (1 May 2015 – 31 July 2015)	08 September 2015
Report on the First Half-year 2015/16 (1 May 2015 – 31 October 2015)	09 December 2015
Report on the First Three Quarters 2015/16 (1 May 2015 – 31 January 2016)	02 March 2016

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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 Group AG and our brands can be found in the Internet under:

www.zumtobelgroup.com
www.zumtobel.com
www.thornlighting.com
www.tridonic.com

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