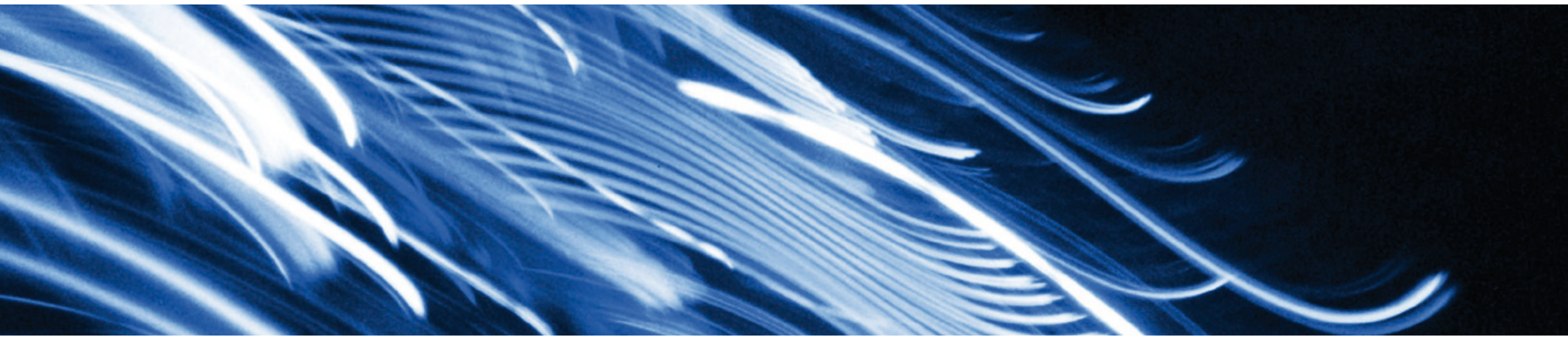
H1 (May – October 2013)

Report on the First Half-year 2013/14 of Zumtobel AG



zumtobel group

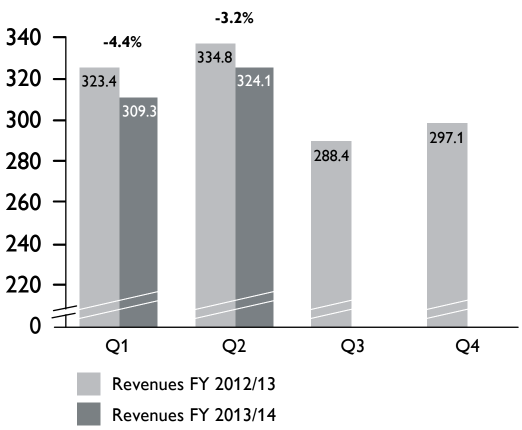
Overview of the Second Quarter 2013/14

>> EBIT increases 15.1% to EUR 18.4 million in Q2, net profit rises 12.9% to EUR 11.7 million – despite negative special effects (EUR 6.2 million) and decline in revenues (Group: minus 3.2%)
>> Lighting Segment: continuing weak industry development – Q2 revenues minus 2.9%
>> Components Segment: strong growth in LED converters and modules nearly offsets lower revenues on conventional products – Q2 revenues minus 2.3%
>> Profitability improvement in both segments

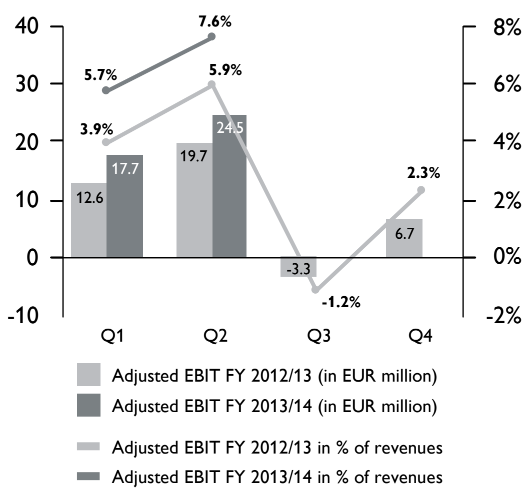
Key Data in EUR million	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Revenues	324.1	334.8	(3.2)	633.4	658.1	(3.8)
Adjusted EBITDA	38.7	33.9	14.0	70.2	60.4	16.3
as a % of revenues	*11.9*	*10.1*		*11.1*	*9.2*	
Adjusted EBIT	24.5	19.7	24.6	42.2	32.3	30.9
as a % of revenues	*7.6*	*5.9*		*6.7*	*4.9*	
EBIT	18.4	16.0	15.1	29.2	28.6	2.3
as a % of revenues	*5.7*	*4.8*		*4.6*	*4.3*	
Net profit/loss for the period	11.7	10.3	12.9	18.4	19.0	(3.3)
as a % of revenues	*3.6*	*3.1*		*2.9*	*2.9*	
Cash flow from operating results	32.6	30.1	8.2	59.9	56.5	6.0
Investments	14.5	12.8	13.4	26.4	23.0	14.4
				31 October 2013	30 April 2013	Change in %
Total assets				1,010.4	994.8	1.6
Equity				361.6	357.4	1.2
Equity ratio in %				*35.8*	*35.9*	
Net debt				128.5	113.2	13.5
Headcount incl. contract worker (full-time equivalent)				7,263	7,162	1.4

Development of Business by Quarter

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

Ulrich Schumacher

I took over as Chief Executive Officer of the Zumtobel Group on 1 October 2013 and would now like to report to you on my intensive experiences during the first two months and my guiding principles for leading the company. It is a great honour for me to be entrusted by the Supervisory Board with the management of this well-known global company. The technology shift from conventional to digital lighting is driving far-reaching changes in the lighting industry, including the arrival on the market of very aggressive and established competitors, above all from Asia. In this dynamic market environment, I see the Zumtobel Group as one of the few global players with a very good starting position: our main strengths are our stable customer relationships that have evolved over decades, as well as our good market position in Europe. With all three brands we cover key areas of the value chain, which means we have the opportunity to offer our customers innovative system solutions from a single source.

My task is to optimise and lead the Zumtobel Group as a whole. In all of our business divisions we still have great scope for boosting efficiency and leveraging additional synergies. The new organisational structure that was implemented on 1 December 2013 will allow us to manage the Zumtobel Group in a more entrepreneurial manner and strengthen our innovative power. In the luminaire business, we have grouped our plants within a single global function with the aim of attaining a clear improvement in cost structures and capacity uptake. Our multi-brand sales force will now operate through a flat organisation that remains very close to our customers in order to optimally market the complete Zumtobel and Thorn product portfolio in all regions. Each of our three brands will constitute a separate business division to drive the strategic development of the product portfolio and bring about a clear acceleration of the time-to-market process. At Thorn the outdoor portfolio will be expanded with innovative products, while in the indoor sector cost-effective volume products will be added to the range. In addition, we are concentrating on the Controls and Services activities to strengthen the brand's innovation power, as well as on the further expansion of the global product portfolio.

One of the great strengths of the Zumtobel Group are its employees. Over recent weeks I have visited almost all of the company's sites and talked with countless people. I am thrilled at the high level of knowledge, the enormous commitment and the great loyalty of the employees to their company. Across all divisions and functions we will be promoting entrepreneurial thinking and action as well as empowering our people, making the workforce our biggest competitive advantage.

In a stable economic environment, we can expect industry growth of 3% to 4% per year. This growth will be driven by energy-efficient LED and control technologies as well as demand from Asia. Our activities will therefore also focus on innovation leadership and growth markets. My goal is to draw on the combined strengths of all our brands to grow our market share and thereby lay the foundation for profitable organic and non-organic growth.

Outlook for the 2013/14 financial year: on-going difficult market environment

We can only issue a vague forecast for the full 2013/14 financial year at the present time because of the on-going tense economic environment and continued limited visibility. From the current point of view, we are expecting a slight year-on-year decline in revenues (2012/13: EUR 1,243.6 million). Group EBIT, adjusted for special effects, amounted to EUR 42.2 million for the first half of 2013/14. The cost reduction measures we have already implemented should result in a slightly positive adjusted EBIT contribution for the second half of the financial year, in spite of the seasonally weaker second six months and substantial expenditures connected with the Light + Building fair in April 2014.

The Management Board and top management will prepare a detailed corporate strategy during the coming months and incorporate the resulting concrete measures and expectations in the budget and medium-term planning process that is scheduled for next spring. Detailed information on this programme and our medium-term goals will be presented at the Capital Markets Day on 2 April 2014.

Ulrich Schumacher
Chief Executive Officer

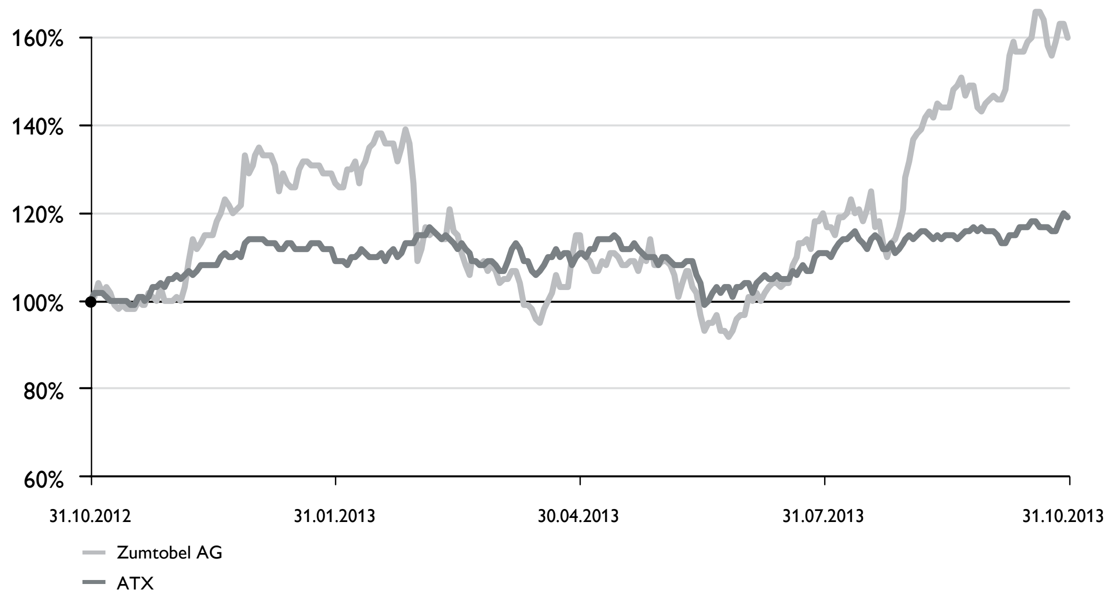
The Zumtobel Share

Share price development clearly tops ATX average

The first half of the 2013/14 financial year was a very good period for Zumtobel shareholders. The share price rose by 54.8% and clearly outperformed the leading Austrian Traded Index ATX (plus 8%). This development was supported by solid financial data for the first quarter and the resulting friendlier analysts' forecasts for the Zumtobel share as well as first signs of the hoped-for recovery in the European economy with positive impulses for the construction industry and expectations related to the change on the Management Board.

The market capitalisation of the Zumtobel Group equalled EUR 572 million at the end of October 2013 based on an unchanged number of 43.5 million shares outstanding. There were hardly any changes in the shareholder structure after the end of the 2012/13 financial year. The Zumtobel family holds 35.4% of the voting rights. In addition, Delta Lloyd Asset Management NV holds a stake of slightly less than 10% (9.99% as of 26 June 2013) and FMR LLC (Fidelity) increased its holding to over 4% of the issued shares as of 8 October 2013. The remaining shares are held primarily by other institutional investors. In the ATX, the leading index of the 20 largest listed companies in Austria, the Zumtobel share ranked 23rd as of 31 October 2013 based on market capitalisation and 20th based on trading volume. The average daily turnover on the Vienna Stock Exchange during the first two quarters of 2013/14 amounted to 112,344 shares, compared with 108,094 shares in the previous year (double-count, as published by the Vienna Stock Exchange). As of 31 October 2013, the company held 365,944 treasury shares.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 1st Half-Year 2013/14

Closing price at 30.04.13	EUR 8.503	Currency	EUR
Closing price at 31.10.13	EUR 13.160	ISIN	AT0000837307
Performance 1st Half-Year 2013/14	54.8%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.10.13	EUR 572 million	Market segment	Prime Market
Share price - high at 21.10.13	EUR 13.70	Reuters symbol	ZUMV.VI
Share price - low at 02.07.13	EUR 7.559	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	112,344	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

Global economy remains weak

The latest economic update by the International Monetary Fund (IMF) in mid-October 2013 included the sixth consecutive reduction of the forecast for worldwide growth during the 2013 and 2014 calendar years. The global economy is now only expected to grow by 2.9% in 2013 and by 3.6% in 2014. The developed economies stabilised, but momentum slowed in the emerging and developing countries. According to the IMF, the Euro zone economy – a key market for the Zumtobel Group – should decline by 0.4% in 2013 and increase by a slight 1% in 2014. This growth is expected to be driven, above all, by the countries in Central and Northern Europe. At a meeting in November 2013, the European Central Bank (ECB) reduced its key interest rate to a record low of 0.25%. The ECB justified this cut by pointing to the expected longer phase of low inflation and the still weak and fragile economic recovery in the Euro zone.

The construction industry in Europe is not expected to make a notable contribution to economic recovery during the coming year. However, a November expert opinion by Euroconstruct forecasted a stabilisation in commercial construction during 2014 after several years of declines. 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 0.1% for the 2014 calendar year and 1.4% for the 2015 calendar year.

Significant Events since 30 April 2013

Zumtobel invests in market presence

The opening of the new "La Lumière d'Uzès" Light Center in the heart of Paris during June 2013 represented the latest addition to the worldwide network of nearly 20 Zumtobel Light Centers and three Light Forums. The 250 square metre exhibition area focuses on the presentation of products based on cutting-edge LED technology that perfectly combine energy savings potential and lighting comfort.

Tridonic exists from magnetic technology

On 25 June 2013 Tridonic, the Zumtobel Group's brand for lighting components, announced that it will terminate the production of magnetic ballasts and transformers (revenues in FY 2012/13: approx. EUR 35 million). This exit from the magnetics business will affect two production sites, the Fürstenfeld plant in Styria (Austria) with 102 employees and the magnetics production in Melbourne (Australia) with 49 employees. The plant in Fürstenfeld will be closed at the latest by the end of the 2013/14 financial year. The sale of the Melbourne plant to Custom Mould Plastics was finalised on 31 October 2013.

Tridonic increases activities in OLED technology

The Zumtobel Group acquired the remaining shares in the joint venture company LEDON OLED Lighting GmbH & Co KG (now "Tridonic Dresden GmbH & Co. KG") and LEDON OLED Verwaltungs-GmbH as of 17 July 2013. These companies were founded in 2009 together with the Fraunhofer Gesellschaft and a number of Fraunhofer employees. LEDON OLED, which is specialised in the development and production of highly efficient OLED lighting modules, is organisationally integrated in the Components Segment of the Zumtobel Group.

AGM approves dividend for 2012/13

The 37th annual general meeting of Zumtobel AG on 26 July 2013 approved the payment of a EUR 0.07 dividend for the 2012/13 financial year. This dividend was paid on 2 August 2013.

Thorn strengthens exterior lighting business in China

As part of the efforts to strengthen its presence on the Asian market, the Zumtobel Group acquired the joint venture partner's shares in Thorn Lighting Tianjin Limited as of 22 July 2013. The Zumtobel Group previously held a 70% stake in the company. Since its founding in 1996, Thorn Lighting Tianjin Limited in China has established an impressive position on the market for street and tunnel lighting.

Ulrich Schumacher appointed new CEO

Ulrich Schumacher was appointed Chief Executive Officer and interim Chief Financial Officer of the Zumtobel Group as of 1 October 2013. His term of office runs to 30 April 2017. He replaces Harald

Sommerer who, together with Mathias Dähn, Chief Financial Officer of the Zumtobel Group, left the company as of 30 September.

No other significant events occurred after 30 April 2013.

Related Party Transactions

The members of the Management Board and Supervisory Board of Zumtobel AG are considered to be related parties. As of 31 October 2013 there were no business relationships between the company and related parties.

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

Premature Application of the Revised IAS 19

The premature application of the revised version of IAS 19 "Employee Benefits" led to the adjustment of prior year data in the 2012/13 financial year. The adjustments involving the income statement were allocated to the individual quarters of the prior year and resulted in immaterial changes to the comparable data for the first two quarters of 2012/13.

Development of revenues in the first half-year 2013/14

>> Group revenues decline by 3.8%
>> Strong dynamic growth with LED products (plus 45.8%)
>> Lighting Segment negatively affected by on-going weak industry development (minus 4.1%)
>> Components Segment stable at prior year level (minus 0.4%) due to sharp rise in the demand for LED converters and modules

3.8% decline in Group revenues

Revenues recorded by the Zumtobel Group for the first half of 2013/14 (1 May to 31 October 2013) fell by 3.8% year-on-year to EUR 633.4 million (previous year: EUR 658.1 million) in an on-going difficult economic environment. Energy-efficient LED technology remains the central revenue driver for the Zumtobel Group and supported further dynamic growth with LED products in both segments during the reporting period. With revenues of EUR 191.5 million and an increase of 45.8%, the LED share of Group revenues rose from 20.0% to 30.2% within 12 months.

Segment development in EUR million	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Lighting Segment	246.8	254.1	(2.9)	476.7	497.1	(4.1)
Components Segment	98.3	100.6	(2.3)	197.9	198.7	(0.4)
Reconciliation	(20.9)	(19.9)	4.8	(41.2)	(37.7)	9.2
Zumtobel Group	324.1	334.8	(3.2)	633.4	658.1	(3.8)

Weak environment for the professional lighting industry

The Lighting Segment (Zumtobel/Thorn) was faced with a continuation of the weak development in the commercial construction sector. Revenues from the sale of LED lighting rose by 45.6%, but segment revenues declined 4.1% to EUR 476.7 million (previous year: EUR 497.1 million) due to a substantial drop in the demand for conventional lighting during the reporting period. However, an analysis by quarter shows signs of stabilisation: the 5.4% decrease in revenues from the first quarter was followed by a lower decline of 2.9% in the seasonally stronger second quarter.

Components Segment at prior year level

Revenues in the Components Segment (Tridonic) amounted to EUR 197.9 million for the reporting period and nearly matched the prior year level (EUR 198.7 million). Progress in the development and sale of LED converters and LED modules successfully offset the declining demand for magnetic and electronic ballasts. Revenues from the sale of LED components increased 49.2% to EUR 52.3 million and confirmed the market's acceptance of these competitive and innovative new products. This development also confirms the strategic decision to terminate the production and sale of magnetic ballasts and transformers at the end of the 2013/14 financial year in order to concentrate resources more directly on LED technology.

Distribution of regional revenues	Q2 2013/14		1 HY 2013/14		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	95.2	(0.8)	180.5	(0.6)	28.5
Eastern Europe	17.2	(1.3)	33.2	(4.9)	5.2
Northern Europe	26.9	(4.7)	50.2	(5.3)	7.9
Western Europe	97.9	(0.4)	191.3	(2.2)	30.2
Southern Europe	25.4	9.1	53.5	8.5	8.5
Europe	262.7	(0.2)	508.7	(1.1)	80.3
Asia & Middle East	28.1	(0.6)	56.8	(1.5)	9.0
Australia & New Zealand	21.8	(27.9)	46.5	(21.6)	7.3
America	9.0	(14.3)	16.6	(22.3)	2.6
Others	2.6	2.0	4.8	(9.1)	0.8
Total	324.1	(3.2)	633.4	(3.8)	100.0

Most markets hit hard by economic crisis

Revenues recorded by the Zumtobel Group in Europe declined slightly by 1.1% year-on-year to EUR 508.7 million (previous year: EUR 514.5 million). In the D/A/CH region, revenues stagnated at the prior year level (EUR 181.6 million) and totalled EUR 180.5 million. The Lighting Segment recorded modest growth, above all in Germany and Switzerland. Group revenues in Eastern Europe and Northern Europe (Denmark, Finland, Norway, Sweden, Iceland) fell by 4.9% and 5.3%, respectively. Western Europe (Great Britain, France, Benelux), which is the strongest sales region in the Zumtobel Group, was also negatively affected by foreign exchange effects resulting from the decrease in the value of the British Pound versus the Euro. Revenues declined slightly by 2.2% to EUR 191.3 million (previous year: EUR 195.6 million). In Southern Europe (Italy, Spain, Greece, Turkey) both the Lighting Segment and the Components Segment reported an increase in revenues (in total: plus 8.5%). The relative share of Europe in Group revenues rose slightly to 80.3% (previous year: 78.2%).

Unsatisfactory developments outside Europe

The Asia & Middle East region (which consists primarily of China, Hong Kong, Singapore, India and the Middle East) recorded sound business development in the Middle East. However, the lighting business in Asia remained disappointing. Group revenues in the Asia & Middle East region fell by 1.5% during the reporting period. In the America region, the negative development from the first quarter weakened slightly, but remained clearly below expectations at minus 22.3%. Revenues in Australia & New Zealand were weakened by slower business development in both segments and negative foreign exchange effects. Revenues dropped 21.6% in the first half of 2013/14.

Development of earnings in the first half-year 2013/14

- >> Effectiveness of cost reduction measures implemented in earlier quarters reflected in earnings – adjusted Group EBIT increases 30.9% to EUR 42.2 million
- >> Exit from magnetic ballast business and expenses for previous Management Board members lead to negative special effects of EUR 13.0 million
- >> Net profit reflects prior year at EUR 18.4 million despite decline in revenues and negative special effects

Income statement in EUR million	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Revenues	324.1	334.8	(3.2)	633.4	658.1	(3.8)
Cost of goods sold	(215.1)	(223.3)	(3.6)	(420.5)	(442.4)	(4.9)
Gross profit	109.0	111.5	(2.2)	212.9	215.7	(1.3)
as a % of revenues	*33.6*	*33.3*		*33.6*	*32.8*	
SG&A expenses adjusted for special effects	(84.5)	(91.8)	(8.0)	(170.6)	(183.4)	(7.0)
Adjusted EBIT	24.5	19.7	24.6	42.2	32.3	30.9
as a % of revenues	*7.6*	*5.9*		*6.7*	*4.9*	
Special effects	(6.2)	(3.7)	65.6	(13.0)	(3.7)	> 100
EBIT	18.4	16.0	15.1	29.2	28.6	2.3
as a % of revenues	*5.7*	*4.8*		*4.6*	*4.3*	
Financial results	(5.0)	(3.8)	(32.8)	(7.8)	(5.8)	(34.9)
Profit/loss before tax	13.3	12.2	9.6	21.4	22.7	(6.0)
Income taxes	(1.6)	(1.5)	6.3	(3.0)	(3.5)	(13.4)
Net loss from discontinued operations	0.0	(0.3)	93.1	0.0	(0.3)	93.1
Net profit/loss for the period	11.7	10.3	12.9	18.4	19.0	(3.3)
Depreciation and amortisation	(14.2)	(14.7)	(3.7)	(30.6)	(28.6)	7.1
Earnings per share (in EUR)	0.27	0.26	4.4	0.43	0.46	(7.6)

Note: EBITDA (EBIT plus depreciation and amortisation) amounted to EUR 59.8 million for the first half-year 2013/14.

Adjusted Group EBIT substantially over prior year

Group EBIT, adjusted for special effects, rose from von EUR 32.3 million to EUR 42.2 million despite the 3.8% decline in revenues. That represents an improvement in the return on sales to 6.7% (previous year: 4.9%). Both segments benefited from the extensive restructuring measures implemented in the previous year, which focused on aligning cost structures with the lower level of revenues. The Lighting Segment was also able to reduce material costs through lower procurement prices and optimised product design. In the Components Segment, the strong demand for LED modules and LED converters led to economies of scale in the plants. Development costs included in the cost of goods sold rose slightly from EUR 32.7 million in the first half of the prior year to EUR 34.2 million for the reporting period.

Selling expenses reduced by EUR 11.6 million

Structural cost reduction measures were introduced in the sales areas of both segments during the past year in response to the uncertain economic developments in key markets. These measures led to a drop in selling expenses from EUR 165.5 million to EUR 153.9 million. Administrative expenses declined slightly by EUR 1.4 million to EUR 18.7 million (previous year: EUR 20.1 million). Other operating results, excluding special effects, of EUR 2.0 million (previous year: EUR 2.2 million) include, among others, license income from the LED business.

Exit from magnetic technology and expenses for former Management Board members lead to negative special effects

Negative special effects of EUR 13.0 million (previous year: EUR 3.7 million) were recorded in the first half of 2013/14. Most of these special effects are attributable to the Components Segment and consist mainly of expenses related to the exit from the magnetic ballast business. Included here are the shutdown of the plant in Fürstenfeld/Austria and an impairment charge to plant and equipment that is related to the sale of the magnetic ballast plant in Melbourne/Australia. Other negative special effects were recognised during the first quarter in connection with the shutdown of wire production in Australia. In addition, the second quarter includes expenses for termination agreements related to the changes on the Management Board of Zumtobel AG (EUR 4.7 million). Additional information is provided in the notes to this quarterly report.

Adjusted EBIT in EUR million	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Reported EBIT	18.4	16.0	15.1	29.2	28.6	2.3
thereof special effects	(6.2)	(3.7)	65.6	(13.0)	(3.7)	<(100)
Adjusted EBIT	24.5	19.7	24.6	42.2	32.3	30.9
as a % of revenues	*7.6*	*5.9*		*6.7*	*4.9*	

Financial results below prior year at EUR 2.0 million

Financial results declined by EUR 2.0 million year on-year to minus EUR 7.8 million (previous year: minus EUR 5.8 million). Interest expense, which consists mainly of interest on the current credit agreement, fell by EUR 0.6 million due to a reduction in net debt. Other financial income and expenses totalled minus EUR 4.0 million (previous year: minus EUR 1.1 million). The year-on-year change resulted from foreign exchange differences, above all a decline in the value of key currencies for the Zumtobel Group versus the Euro during the first half of 2013/14. Additional information is provided in the notes to this quarterly report.

Financial result in EUR million	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Interest expense	(2.2)	(2.5)	(11.9)	(4.4)	(5.0)	12.3
Interest income	0.2	0.3	(32.2)	0.4	0.6	(29.6)
Net financing costs	(2.0)	(2.2)	9.2	(4.0)	(4.4)	10.0
Other financial income and expenses	(3.2)	(1.4)	<(100)	(4.0)	(1.1)	<(100)
Loss from companies accounted for at-equity	0.2	(0.1)	>100	0.1	(0.2)	>100
Financial results	(5.0)	(3.8)	(32.8)	(7.8)	(5.8)	(34.9)

Net profit for the period amounts to EUR 18.4 million

Profit before tax totalled EUR 21.4 million for the reporting period (previous year: EUR 22.7 million) and income tax expense amounted to EUR 3.0 million (previous year: EUR 3.5 million). Net profit for the period equalled EUR 18.4 million and nearly reached the prior year level despite a significant increase in negative special effects. Earnings per share for the shareholders of Zumtobel AG (basic earnings per share based on 43.1 million shares) equalled EUR 0.43 (previous year: EUR 0.46).

Cash flow and asset position

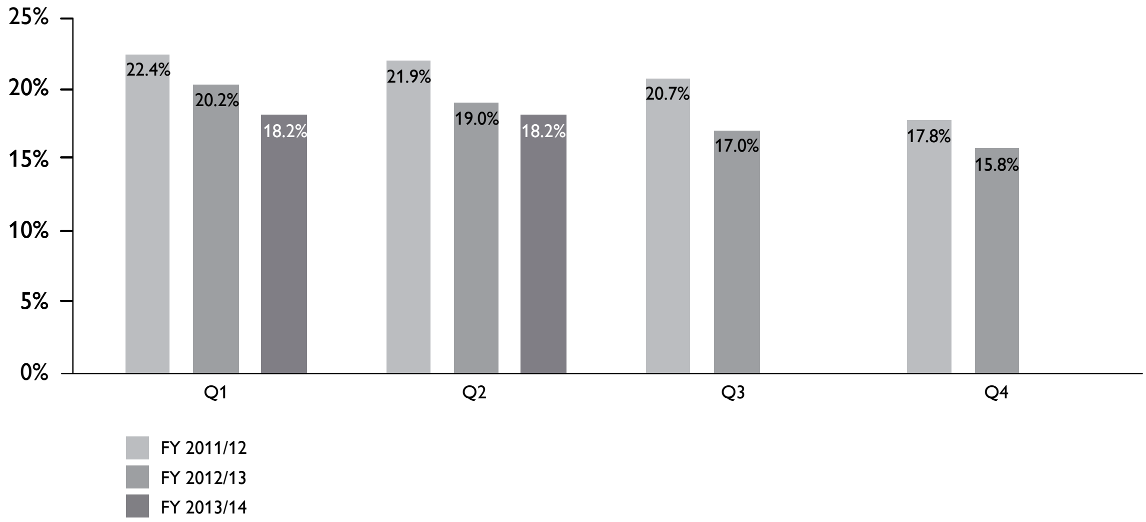
- \>> Continued positive development of working capital
- \>> Capital expenditures rise to EUR 26.4 million (previous year: EUR 23.0 million)
- \>> Free cash flow equals minus EUR 1.3 million
- \>> Continued solid balance sheet structure

Cash flow was determined on a monthly basis in accordance with the indirect method. The resulting monthly cash flows were translated at the 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.

Positive development of working capital

Working capital totalled EUR 221.6 million as of 31 October 2013 and is again clearly below the comparable prior year level of EUR 241.0 million. Both segments made notable progress on inventory and receivables management during recent quarters. In comparison with the first half of the previous year, working capital fell from 19.0% to 18.2% of rolling 12-month revenues. Seasonal cash outflows from the increase in working capital since 30 April 2013 rose to EUR 31.2 million (previous year: EUR 11.1 million). Cash flow from operating activities declined by EUR 9.6 million to EUR 24.0 million for the reporting period (previous year: EUR 33.6 million).

Working Capital in % of rolling 12-month revenues



Free cash flow equals minus EUR 1.3 million

Investments in property, plant and equipment at various production facilities amounted to EUR 26.4 million for the reporting period (previous year: EUR 23.0 million). These investments include tools for new products, expansion investments, maintenance capex and capitalised research and development costs (EUR 8.7 million). The position "change in liquid funds from changes in the consolidation range" represents the positive cash effect from the sale of the shares in Tridonic Manufacturing pty Ltd, Australia, and the purchase of the shares in LEDON OLED Verwaltungs-GmbH, Dresden, and LEDON OLED Lighting GmbH & Co. KG (now "Tridonic Dresden GmbH & Co. KG"), Dresden. Free cash flow of minus EUR 1.3 million was EUR 11.7 million lower than the comparable 2012/13 value, above all due to a stronger year-on-year increase in trade receivables. The increase in inventories during the first half of 2013/14 also led to a year-on-year decline in free cash flow.

Cash flow from financing activities consists chiefly of the increased use of the financing line provided by the consortium credit agreement and interest paid during the first half of the reporting year. The dividend of EUR 0.07 per share for the 2012/13 financial year that was approved by the annual general meeting on 26 July 2013 was paid on 2 August (EUR 3.0 million). The position "acquisition of minority interest" represents the purchase of the remaining 30% stake in Thorn Lighting Tianjin Limited (China) during July 2013.

Balance sheet data in EUR million	31 October 2013	30 April 2013
Total assets	1,010.4	994.8
Net debt	128.5	113.2
Equity	361.6	357.4
Equity ratio in %	*35.8*	*35.9*
Gearing in %	*35.5*	*31.7*
Investments	26.4	59.5
Working capital	221.6	196.7
As a % of rolling 12 month revenues	*18.2*	*15.8*

Solid balance sheet structure

The quality of the balance sheet structure remains nearly unchanged. The equity ratio declined slightly from 35.9% on 30 April 2013 to 35.8%. As a result of changes in exchange rates, goodwill was adjusted by EUR 2.6 million to EUR 187.5 million during the reporting period. This foreign exchange-based adjustment was not recognised through profit or loss. The development of net liabilities reflected the seasonal pattern with an increase of EUR 15.3 million over the level on 30 April 2013 to EUR 128.5 million (previous year: EUR 139.2 million). This led to a deterioration in gearing – the ratio of net liabilities to equity – from 31.7% on 30 April 2013 to 35.5%.

Major risks and uncertainties during the second half of 2013/14

Risk management for early identification of opportunities and risks

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

Risks arising from economic developments

One of the major risks facing the Zumtobel Group in the second half of the 2013/14 financial year is the uncertain development of its key markets, above all in Europe. Further economic weakness could lead to a significant decline in incoming orders and the postponement or cancellation of projects in progress. Revenues could also be negatively affected by the introduction of further cost-cutting measures in the public sector and increased de-stocking by wholesalers. These factors, in turn, would create a risk for the general development of earnings due to lower capacity utilisation, rising pressure on prices and negative shifts in the product mix. Earnings could also be negatively affected by restructuring costs resulting from measures required to bring structural costs and/or capacity in line with the difficult market environment as well as measures related to the organisational and structural reorientation of the Zumtobel Group.

Technology shift through LED

The speed of the technological transformation from conventional lighting to LED has clearly exceeded the expectations of the Zumtobel Group. It represents a major challenge for the entire lighting industry and, above all, for the components business. In order to safeguard its competitive position, the Zumtobel Group must invest in both LED and conventional lighting technology at the same time. These efforts are reflected in a larger range of products as well as substantially higher R&D expenditures during the transition phase. The shorter innovation cycles and rising complexity of digital lighting systems also require tighter inventory management.

Market acceptance of new products

Differentiation from the competition can strengthen a company's market position and protect appropriate margins. In both the lighting and components business, the Zumtobel Group is regularly challenged to prove its strong technology position in the industry and adjust its new developments to reflect the changing requirements in different areas of application. The Zumtobel Group addresses this challenge with a steady focus on innovation as well as close cooperation between development and sales.

Competition from Asia

Aggressive and established competitors, above all the Asian LED chip producers, are entering the professional lighting market in order to extend their forward integration. However, most of these companies lack specific application know-how over all relevant areas of indoor and outdoor lighting as well as the expertise in complex light management systems based on conventional and new LED lighting technology and an extensive direct sales network.

Low liquidity risk

In order to ensure the ability to meet its payment obligations at any time, the Zumtobel Group maintains liquidity reserves that generally take the form of demand deposits with banks and can be used to service expected operating expenses and financial liabilities. The Group can also access extensive working capital credits to offset liquidity fluctuations arising from business activities. As of 31 October 2013, the Group had short-term, unsecured lines of credit totalling EUR 89.6 million (previous year: EUR 99.7 million). The consortium credit agreement concluded on 8 November 2011 with seven banks represents a major financing agreement for the Zumtobel Group. This agreement has a term extending to October 2016 and a maximum line that currently equals EUR 350 million. The amount drawn under this credit line totalled EUR 180 million as of 31 October 2013 (previous year: EUR 195 million). This financing requires compliance with specific financial covenants (a debt coverage ratio of less than 3.5 and an equity ratio of more than 25%). These financial covenants were met in full as of 31 October 2013 with a debt coverage ratio of 1.56 and an equity ratio of 35.8%. Any deterioration in these financial indicators could lead to a gradual increase in the credit margin for bank liabilities, while failure to comply with the covenants could cause the lending banks to call existing loans.

Interest rate risk

The interest rates on existing bank liabilities are variable. In order to reduce the resulting interest rate risk, the Zumtobel Group has concluded interest rate swaps with various banks for a total nominal volume of approx. EUR 120 million. These instruments are structured over various terms (up to June 2019 at the latest) and convert the variable interest payments on the financing into fixed interest payments or limit the interest rate to a maximum of 3.18%.

Foreign exchange risk

The foreign exchange markets are still characterised by high uncertainty and volatility. The foreign exchange risk relevant for the Group's earnings arises, in particular, from transaction effects (i.e. when the local companies buy or sell goods in a currency that – from their point of view – is a foreign currency). Intragroup dividend payments or loans can, from the viewpoint of the local companies, also be transferred in a foreign currency. Translation risk (i.e. which arises from the conversion of foreign subsidiary financial statements into the Group's reporting currency (Euro) during the consolidation) is of lesser importance for the Zumtobel Group and is not hedged. The Zumtobel Group generally hedges transaction risk with forward exchange contracts that have a term of up to one year, but also uses options where appropriate. The Group's main currencies are the EUR, GBP, USD (as well as Asian currencies that are linked to the USD), AUD and CHF. Foreign exchange exposure is determined on the basis of general forecast assumptions and not on the basis of specific contracts and, for this reason, the requirements for hedge accounting are usually not met.

Balance sheet risks

Balance sheet risks arise, above all, from the valuation of individual assets. The Group's asset and earnings positions are directly influenced by foreign exchange effects as well as the necessary use of estimates and judgment in valuing non-financial assets, deferred tax assets, inventories, receivables, the provisions for pensions, severance payments and service anniversary bonuses, and the provisions for guarantees and warranties. The major balance sheet risks for the Zumtobel Group are related to goodwill from the Thorn acquisition in 2000/01, the valuation of capitalised development costs and inventories, and the valuation of the pension fund in Great Britain.

Additional information on the potential risks and opportunities facing the Zumtobel Group is provided in the 2012/13 annual financial report. Based on the information available at the present time, there are no major individual risks that could endanger the continued existence of the Zumtobel Group.

Outlook for the 2013/14 financial year: on-going difficult market environment

We can only issue a vague forecast for the full 2013/14 financial year at the present time because of the on-going tense economic environment and continued limited visibility. From the current point of view, the Zumtobel Group is expecting a slight year-on-year decline in revenues (2012/13: EUR 1,243.6 million). Group EBIT, adjusted for special effects, amounted to EUR 42.2 million for the first half of 2013/14. The previously implemented cost reduction measures should result in a slightly positive adjusted EBIT contribution for the second half of the financial year, in spite of the seasonally weaker second six months and substantial expenditures connected with the Light + Building fair in April 2014.

Dornbirn, 10 December 2013

Ulrich Schumacher	Martin Brandt
Chief Executive Officer	Chief Operating Officer

Income Statement

in TEUR	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Revenues	324,149	334,758	(3.2)	633,428	658,145	(3.8)
Cost of goods sold	(215,135)	(223,250)	(3.6)	(420,541)	(442,437)	(4.9)
Gross profit	**109,014**	**111,508**	**(2.2)**	**212,887**	**215,708**	**(1.3)**
as a % of revenues	*33.6*	*33.3*		*33.6*	*32.8*	
Selling expenses	(77,080)	(83,147)	(7.3)	(153,933)	(165,486)	(7.0)
Administrative expenses	(9,194)	(9,843)	(6.6)	(18,731)	(20,146)	(7.0)
Other operating results	(4,380)	(2,563)	70.9	(11,006)	(1,525)	<(100)
thereof special effects	*(6,165)*	*(3,722)*	*65.6*	*(13,028)*	*(3,722)*	*<(100)*
Operating profit	**18,360**	**15,955**	**15.1**	**29,217**	**28,551**	**2.3**
as a % of revenues	*5.7*	*4.8*		*4.6*	*4.3*	
Interest expense	(2,236)	(2,537)	(11.9)	(4,397)	(5,016)	(12.3)
Interest income	201	296	(32.1)	418	593	(29.6)
Other financial income and expenses	(3,212)	(1,393)	<(100)	(3,980)	(1,135)	<(100)
Loss from companies accounted for at-equity	229	(146)	>100	129	(247)	>100
Financial results	**(5,018)**	**(3,780)**	**(32.8)**	**(7,830)**	**(5,805)**	**(34.9)**
as a % of revenues	*(1.5)*	*(1.1)*		*(1.2)*	*(0.9)*	
Profit before tax	**13,342**	**12,175**	**9.6**	**21,387**	**22,746**	**(6.0)**
Income taxes	(1,635)	(1,539)	6.3	(3,006)	(3,473)	(13.4)
Net profit from continuing operations	**11,707**	**10,636**	**10.1**	**18,381**	**19,273**	**(4.6)**
Net loss from discontinued operations	(20)	(288)	93.1	(20)	(288)	93.1
Net profit for the period	**11,687**	**10,348**	**12.9**	**18,361**	**18,985**	**(3.3)**
as a % of revenues	*3.6*	*3.1*		*2.9*	*2.9*	
thereof due to non-controlling interests	*133*	*(713)*	*>100*	*(22)*	*(902)*	*97.6*
thereof due to shareholders of the parent company	*11,554*	*11,061*	*4.5*	*18,383*	*19,887*	*(7.6)*
Average number of shares outstanding – basic (in 1,000 pcs.)	43,134	43,116		43,134	43,111	
Average diluting effect (stock options) (in 1,000 pcs.)	2	7		2	7	
Average number of shares outstanding – diluted (in 1,000 pcs.)	43,136	43,123		43,136	43,118	
Earnings per share (in EUR)						
Basic earnings per share	0.27	0.26		0.43	0.46	
Diluted earnings per share	0.27	0.26		0.43	0.46	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	0.27	0.25		0.43	0.45	
Diluted earnings per share	0.27	0.25		0.43	0.45	
Earnings per share from discontinued operations (in EUR)						
Basic earnings per share	0.00	(0.01)		0.00	(0.01)	
Diluted earnings per share	0.00	(0.01)		0.00	(0.01)	

* The premature application of the revised version of IAS 19 "Employee Benefits" led to the adjustment of prior year data. The adjustments involving the income statement were allocated to the individual quarters of the prior year and resulted in immaterial changes to the comparable data for the first half-year 2012/13.

Statement of Comprehensive Income

in TEUR	Q2 2013/14	Q2 2012/13 *restated	Change in %	1 HY 2013/14	1 HY 2012/13 *restated	Change in %
Net profit for the period	**11,687**	**10,348**	**12.9**	**18,361**	**18,985**	**(3.3)**
Actuarial gain/loss	0	0		0	0	
Deferred taxes due to actuarial gain/loss	0	0		0	0	
Total of items that will not be reclassified ("recycled") subsequently to the income statement	**0**	**0**		**0**	**0**	
Currency differences	(1,162)	(6,326)	81.6	(9,029)	990	<(100)
Currency differences arising from loans	785	(3,312)	>100	(1,847)	2,081	<(100)
Hedge accounting	(120)	246	<(100)	1,829	(916)	>100
Deferred taxes due to Hedge Accounting	30	(60)	>100	(457)	229	<(100)
Total of items that will be reclassified ("recycled") subsequently to the income statement	**(467)**	**(9,452)**	**(95.1)**	**(9,504)**	**2,384**	**<(100)**
Subtotal other comprehensive income	**(467)**	**(9,452)**	**(95.1)**	**(9,504)**	**2,384**	**<(100)**
thereof due to non-controlling interests	*(52)*	*(149)*	*(65.1)*	*(79)*	*59*	*<(100)*
thereof due to shareholders of the parent company	*(415)*	*(9,303)*	*(95.5)*	*(9,425)*	*2,325*	*<(100)*
Total comprehensive income	**11,220**	**896**	**>100**	**8,857**	**21,369**	**(58.6)**
thereof due to non-controlling interests	*81*	*(862)*	*>100*	*(101)*	*(844)*	*88.1*
thereof due to shareholders of the parent company	*11,139*	*1,758*	*>100*	*8,958*	*22,213*	*(59.7)*

* The premature application of the revised version of IAS 19 "Employee Benefits" led to the adjustment of prior year data. The adjustments involving the income statement were allocated to the individual quarters of the prior year and resulted in immaterial changes to the comparable data for the first half-year 2012/13.

Balance Sheet

in TEUR	31 October 2013	in %	30 April 2013	in %
Goodwill	187,471	18.6	190,035	19.1
Other intangible assets	53,570	5.3	52,837	5.3
Property, plant and equipment	230,680	22.8	239,966	24.1
Financial assets accounted for at-equity	3,080	0.3	3,667	0.4
Financial assets	1,596	0.2	1,101	0.1
Other assets	4,333	0.5	4,233	0.5
Deferred taxes	37,811	3.7	38,413	3.9
Non-current assets	**518,541**	**51.4**	**530,252**	**53.4**
Inventories	170,060	16.8	160,472	16.1
Trade receivables	210,623	20.8	185,533	18.6
Financial assets	2,967	0.3	2,435	0.3
Other assets	27,755	2.7	29,098	2.9
Liquid funds	80,407	8.0	87,048	8.7
Current assets	**491,812**	**48.6**	**464,586**	**46.6**
ASSETS	**1,010,353**	**100.0**	**994,838**	**100.0**
Share capital	108,750	10.8	108,750	10.9
Additional paid-in capital	335,211	33.2	335,210	33.7
Reserves	(104,531)	(10.4)	(96,042)	(9.7)
Net profit for the period	18,383	1.8	5,959	0.6
Capital attributed to shareholders of the parent company	357,813	35.4	353,877	35.5
Capital attributed to non-controlling interests	3,767	0.4	3,509	0.4
Equity	**361,580**	**35.8**	**357,386**	**35.9**
Provisions for pensions	71,227	7.1	74,669	7.5
Provisions for severance compensation	43,366	4.3	42,744	4.3
Provisions for other defined benefit employee plans acc. to IAS19	13,353	1.3	14,146	1.4
Other provisions	951	0.1	921	0.1
Borrowings	207,409	20.5	197,001	19.9
Other liabilities	1,860	0.2	1,911	0.2
Deferred taxes	7,291	0.7	7,307	0.7
Non-current liabilities	**345,457**	**34.2**	**338,699**	**34.1**
Provisions for taxes	21,257	2.1	20,487	2.1
Other provisions	24,422	2.4	24,580	2.5
Borrowings	3,689	0.4	4,264	0.4
Trade payables	140,027	13.8	131,801	13.2
Other liabilities	113,921	11.3	117,621	11.8
Current liabilities	**303,316**	**30.0**	**298,753**	**30.0**
EQUITY AND LIABILITIES	**1,010,353**	**100.0**	**994,838**	**100.0**

Cash Flow Statement

in TEUR	1 HY 2013/14	1 HY 2012/13 *restated
Operating profit from continuing and discontinued operations	29,197	28,263
Depreciation and amortisation	30,608	28,570
Gain/loss from disposal of fixed assets	117	(45)
Results from discontinued operations	(20)	(288)
Cash flow from operating results	**59,902**	**56,500**
Inventories	(14,283)	5,781
Trade receivables	(30,523)	(10,460)
Trade payables	11,891	(10,967)
Prepayments received	1,705	4,506
Change in working capital	**(31,210)**	**(11,140)**
Non-current provisions	(4,833)	(4,411)
Current provisions	278	1,026
Other current and non-current assets and liabilities	2,365	(5,450)
Change in other operating items	**(2,190)**	**(8,835)**
Taxes paid	**(2,494)**	**(2,937)**
Cash flow from operating activities	**24,008**	**33,588**
Proceeds from the sale of non-current assets	164	236
Capital expenditures on non-current assets	(26,359)	(23,047)
Change in non-current and current financial assets	(1,770)	(1,041)
Change in liquid funds from changes in the consolidation range	2,693	740
Cash flow from investing activities	**(25,272)**	**(23,112)**
FREE CASH FLOW	**(1,264)**	**10,476**
Change in net borrowings	7,022	(2,985)
thereof restricted cash	*(10)*	*60*
Acquisition of minority interest	(1,524)	0
Dividends	(3,019)	(8,621)
Exercise of options	1	172
Interest paid	(3,445)	(3,993)
Interest received	418	593
Cash flow from financing activities	**(547)**	**(14,834)**
Effects of exchange rate changes on cash and cash equivalents	(4,402)	1,284
CHANGE IN CASH AND CASH EQUIVALENTS	**(6,213)**	**(3,074)**
Cash and cash equivalents at the beginning of the period	82,902	83,738
Cash and cash equivalents at the end of the period	76,689	80,664
Change absolute	**(6,213)**	**(3,074)**

* The premature application of the revised version of IAS 19 "Employee Benefits" led to the adjustment of prior year data. The adjustments involving the income statement were allocated to the individual quarters of the prior year and resulted in immaterial changes to the comparable data for the first half-year 2012/13.

Statement of Changes in Equity

1st Half-Year 2013/14

in TEUR	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Hedge accounting	Reserve for stock options	Reserve IAS 19	Net profit for the period	Total	Non-controlling interests	Total equity
	Attributed to shareholders of the parent company										
30 April 2013	**108,750**	**335,210**	**9,894**	**(29,466)**	**(4,371)**	**19,732**	**(91,831)**	**5,959**	**353,877**	**3,509**	**357,386**
+/- Additions to reserves	0	0	5,959	0	0	0	0	(5,959)	0	0	**0**
+/- Total comprehensive income	0	0	0	(10,797)	1,372	0	0	18,383	8,958	(101)	**8,857**
+/- Stock options – exercises	0	1	0	0	0	0	0	0	1	0	**1**
+/- Dividends	0	0	(3,019)	0	0	0	0	0	(3,019)	0	**(3,019)**
+/- Change of minority interest	0	0	(1,883)	0	0	0	0	0	(1,883)	359	**(1,524)**
+/- Changes in the consolidation range	0	0	132	0	0	(253)	0	0	(121)	0	**(121)**
31 October 2013	**108,750**	**335,211**	**11,083**	**(40,263)**	**(2,999)**	**19,479**	**(91,831)**	**18,383**	**357,813**	**3,767**	**361,580**

1st Half-Year 2012/13

in TEUR	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Hedge accounting	Reserve for stock options	Reserve IAS 19 *restated	Net profit for the period	Total	Non-controlling interests	Total equity
	Attributed to shareholders of the parent company										
30 April 2012	**108,750**	**335,006**	**3,724**	**(27,311)**	**(3,643)**	**19,732**	**(84,382)**	**15,955**	**367,831**	**2,714**	**370,545**
Restatement*	0	0	(431)	(427)	0	0	1,668	(733)	77	0	**77**
30 April 2012	**108,750**	**335,006**	**3,293**	**(27,738)**	**(3,643)**	**19,732**	**(82,714)**	**15,222**	**367,908**	**2,714**	**370,622**
+/- Additions to reserves	0	0	15,222	0	0	0	0	(15,222)	0	0	**0**
+/- Total comprehensive income	0	0	0	3,013	(687)	0	0	19,887	22,213	(844)	**21,369**
+/- Stock options – exercises	0	172	0	0	0	0	0	0	172	0	**172**
+/- Dividends	0	0	(8,621)	0	0	0	0	0	(8,621)	0	**(8,621)**
+/- Changes in the consolidation range	0	0	0	0	0	0	0	0	0	740	**740**
31 October 2012	**108,750**	**335,178**	**9,894**	**(24,725)**	**(4,330)**	**19,732**	**(82,714)**	**19,887**	**381,672**	**2,610**	**384,282**

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.

*The premature application of the revised version of IAS 19 "Employee Benefits" led to the adjustment of prior year data. Information on the opening balances for the statement of changes in equity as of 30 April 2012 is provided in the annual financial report 2012/13.

Notes

Accounting and Valuation Methods

The condensed consolidated interim financial statements as of 31 October 2013 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 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 October 2013 reflect the methods applied in preparing the consolidated financial statements as of 30 April 2013, with the following exceptions:

IFRS 13 "Fair Value Measurement" as well as the additions to IAS 1 "Presentation of Financial Statements" and the Improvements to IFRS (2009-2011) have been applied since 1 May 2013 and had no material effect on the consolidated interim financial statements.

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 interim consolidated financial statements were prepared on the basis of uniform accounting and valuation principles.

All prior year data in the interim consolidated financial statements that changed due to the premature application of the revised IAS 19 are based on the previously adjusted comparable amounts.

Foreign Currency Translation

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

	Average exchange rate Income Statement		Closing rate Balance sheet	
1 EUR equals	31 October 2013	31 October 2012	31 October 2013	30 April 2013
AUD	1.4143	1.2349	1.4353	1.2649
CHF	1.2350	1.2038	1.2333	1.2238
USD	1.3259	1.2637	1.3641	1.3072
SEK	8.6743	8.6307	8.8052	8.5420
GBP	0.8519	0.7985	0.8502	0.8443

Consolidation Range

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

	Consolidation Method		
	full	at equity	Total
30 April 2013	**93**	**5**	**98**
Change in consolidation method	2	(2)	0
Included during reporting period for first time	2	0	2
thereof newly founded	*2*	*0*	*2*
Deconsolidated during reporting period	(1)	0	(1)
31 October 2013	**96**	**3**	**99**

>> Zumtobel Lighting s.r.o. was initially consolidated in May of the 2013/14 financial year.

>> Zumtobel Lighting Limited, Hong Kong was founded during the second quarter of the 2013/14 financial year.

>> In July 2013 51% of the shares in LEDON OLED Verwaltungs-GmbH, Dresden, and 49% of the shares in LEDON OLED Lighting GmbH & Co. KG (now "Tridonic Dresden GmbH & Co. KG"), Dresden, were acquired. The Zumtobel Group now owns 100% of the shares in both companies. These companies, which were previously included in the consolidated financial statements at equity, were fully consolidated as of July 2013.
These share purchases represent an investment to strengthen the Zumtobel Group's business activities in the future-oriented area of OLED technology.

>> The contracts for the sale of Tridonic Manufacturing Pty Ltd were signed during the first quarter of 2013/14, but the shares were transferred in October 2013. The company was therefore deconsolidated during the second quarter of the reporting year.

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 25,876 (prior year: TEUR 26,664) for sales deductions (primarily customer discounts). Gross revenues total TEUR 659,304 (prior year: TEUR 684,809).

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:

1st Half-Year 2013/14

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(261,739)	(2,181)	(30)	1	(263,949)
Personnel expenses	(109,281)	(87,503)	(13,978)	(9,342)	(220,104)
Depreciation	(24,297)	(3,090)	(530)	(2,691)	(30,608)
Other expenses	(39,825)	(59,369)	(6,298)	(1,043)	(106,535)
Own work capitalised	9,039	1	0	0	9,040
Internal charges	3,002	(4,947)	1,981	(36)	0
Total expenses	**(423,101)**	**(157,089)**	**(18,855)**	**(13,111)**	**(612,156)**
Other income	**2,560**	**3,156**	**124**	**2,105**	**7,945**
Total	**(420,541)**	**(153,933)**	**(18,731)**	**(11,006)**	**(604,211)**

1st Half-Year 2012/13

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(281,500)	(1,988)	(34)	0	(283,522)
Personnel expenses	(111,861)	(92,737)	(14,308)	(3,092)	(221,998)
Depreciation	(24,490)	(3,034)	(589)	(457)	(28,570)
Other expenses	(37,427)	(65,240)	(7,218)	(311)	(110,196)
Own work capitalised	7,324	(19)	0	0	7,305
Internal charges	3,027	(4,855)	1,828	0	0
Total expenses	**(444,927)**	**(167,873)**	**(20,321)**	**(3,860)**	**(636,981)**
Other income	**2,490**	**2,387**	**175**	**2,335**	**7,387**
Total	**(442,437)**	**(165,486)**	**(20,146)**	**(1,525)**	**(629,594)**

The cost of goods sold includes development costs of TEUR 34,246 (prior year: TEUR 32,706).

Development costs of TEUR 8,652 were capitalised during the reporting period (prior year: TEUR 6,465). The amortisation of capitalised development costs amounted to TEUR 6,758 (prior year: TEUR 6,499).

Selling expenses declined 7.0% year-on-year during the first half of 2012/13, above all due to a reduction in personnel and marketing expenses.

Other Operating Results

in TEUR	Q2 2013/14	Q2 2012/13	1 HY 2013/14	1 HY 2012/13
Government grants	574	760	536	872
License revenues	1,045	402	1,122	1,268
Special effects	(6,165)	(3,722)	(13,028)	(3,722)
Impairment charges to non-current assets	*0*	*(457)*	*(2,650)*	*(457)*
Restructuring	*(635)*	*(3,265)*	*(4,796)*	*(3,265)*
Expenses resulting from an exit agreement	*(4,675)*	*0*	*(4,675)*	*0*
Changes in the consolidation range	*(855)*	*0*	*(907)*	*0*
Miscellaneous	166	(3)	364	57
Total	**(4,380)**	**(2,563)**	**(11,006)**	**(1,525)**

The year-on-year change in government grants reflects the partial repayment of a grant that was not utilised in full.

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

The impairment charges of TEUR 2,650 to non-current assets are attributable to the Components Segment and relate to the signing of the contract for the sale of the magnetic ballast plant in Australia during August 2013. In the previous year, this position involved the write-off of a capitalised customer base, which was considered to be impaired due to the implementation of restructuring measures.

The position "restructuring" is attributable primarily to the Components Segment and consists mainly of accrued expenses connected with the closing of wire production facilities in Australia and the termination of magnetic ballast production in Austria during 2013/14.

The main components of the restructuring expenses reported for the second quarter of 2012/13 involve TEUR 1,217 for the restructuring of the Lighting Segment sales organisations in Germany and Denmark and TEUR 1,303 for reorganisation measures at the Components Segment plants in Australia and Switzerland.

The expenses reported for termination agreements in the second quarter of 2013/14 are related entirely to costs connected with the changes on the Management Board of Zumtobel AG in September 2013.

The position "changes in the consolidation range" consists primarily of the results from the deconsolidation of the Australian subsidiary Tridonic Manufacturing Pty Ltd in October 2013.

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

Interest Expense

Interest expense consists primarily of interest on the current credit agreement.

Other Financial Income and Expenses

in TEUR	Q2 2013/14	Q2 2012/13	1 HY 2013/14	1 HY 2012/13
Interest component as per IAS 19 less income on plan assets	(1,177)	(1,272)	(2,327)	(2,489)
Foreign exchange gains and losses	(5)	(2,034)	(1,794)	(139)
Market valuation of financial instruments	(2,000)	1,913	171	1,093
Gains/losses on sale	(30)	0	(30)	400
Total	**(3,212)**	**(1,393)**	**(3,980)**	**(1,135)**

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 a decline in the Zumtobel Group's most important currencies versus the euro during the first two quarters of 2013/14.

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.

Income Taxes

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

in TEUR	Q2 2013/14	Q2 2012/13	1 HY 2013/14	1 HY 2012/13
Current taxes	(1,917)	(1,747)	(3,192)	(3,710)
thereof current year	*(1,916)*	*(1,748)*	*(3,106)*	*(3,545)*
thereof prior years	*(1)*	*1*	*(87)*	*(165)*
Deferred taxes	282	208	186	237
Income taxes	**(1,635)**	**(1,539)**	**(3,006)**	**(3,473)**

Results from Discontinued Operations

Results from discontinued operations represent subsequent expenses in connection with the reorganisation process for Space Cannon VH SRL. This company was part of the event lighting business, which was discontinued during the second quarter of 2010/11. The net loss reported under this position in the prior year also reflects the discontinuation of the event lighting business.

Earnings per Share

Basic earnings per share were calculated by dividing net profit for the period by the average number of shares outstanding as of the balance sheet date for these interim financial statements.

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

1st Half-Year 2013/14

in 1,000 pcs.	Balance Sheet Date	Average
1 May 2013	**43,134**	**43,134**
Stock options – exercises	0	0
31 October 2013	**43,134**	**43,134**

2012/13 Financial Year

in 1,000 pcs.	Balance Sheet Date	Average
1 May 2012	**43,106**	**43,106**
Stock options – exercises	23	5
31 October 2012	**43,129**	**43,111**
Stock options – exercises	5	11
30 April 2013	**43,134**	**43,122**

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 solely 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 2013.

Goodwill

In the first quarter of the previous year, the goodwill arising from the acquisition of the Thorn Lighting Group was reallocated to reflect a change in the internal reporting structure. This goodwill was assigned by region as of 30 April 2011, but subsequently reallocated by brand to newly defined cash-generating units (CGUs). These new CGUs are:

"CGU Zumtobel Brand"
"CGU Thorn Brand"

The changeover to the monitoring of results based on financial information classified by brands required the reallocation of goodwill in proportion to the relative fair values of the CGUs.

The newly defined CGUs represent operating segments as defined in IFRS 8.5, which are combined into the aggregated segment "Lighting Brands" for segment reporting.

in TEUR	CGU Zumtobel Brand	CGU Thorn Brand	Tridonic Jennersdorf	Total
30 April 2012	**140,486**	**48,634**	**1,722**	**190,842**
FX effects	(969)	162	0	(807)
30 April 2013	**139,517**	**48,796**	**1,722**	**190,035**
FX effects	(1,271)	(1,293)	0	(2,564)
31 October 2013	**138,246**	**47,503**	**1,722**	**187,471**

The accumulated amortisation of the newly allocated goodwill from earlier periods totals TEUR 338,278.

The application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates") resulted in foreign currency-based adjustments of TEUR 2,564 to goodwill in the first half of 2013/14 (prior year: TEUR 807), which were not recognised through profit or loss. These foreign exchange effects are allocated to assets in the "Lighting Segment" for segment reporting.

Property, Plant and Equipment

The decline resulted chiefly from an impairment charge of TEUR 2,650 to plant and equipment in a Components Segment production facility in Australia following the sale of this location and the subsequent disposal of the related property, plant and equipment. The carrying amount of property, plant and equipment was also reduced by foreign exchange effects of TEUR 2,026 during the first half of 2013/14.

Other Non-Current Assets

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

Trade Receivables

The increase in trade receivables over the level at 30 April 2013 resulted, above all, from the correlation of revenues with the seasonal development of business in the construction sector.

Other Current Assets

The decline is attributable primarily to payment received on a receivable that represented funds pledged as security for pending legal proceedings connected with Space Cannon VH SRL, Italy, which was deconsolidated in 2009/10.

Provisions for Pensions

The decline in the provisions for is based chiefly on contributions to pension plans in Great Britain that were made during the first half of 2013/14.

Non-Current Financial Liabilities

The increase in non-current financial liabilities resulted chiefly from an increase in the use of the financing line provided by the consortium credit agreement from TEUR 170,000 to TEUR 180,000.

Current Financial Liabilities

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

Other Current Liabilities

The decrease in other current liabilities is attributable primarily to a decline 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

Zumtobel AG holds no financial instruments that are measured in accordance with the above criteria for Level 1 or Level 3. There were no reclassifications between the fair value hierarchy levels during the reporting period.

In the Zumtobel Group, the calculation of fair value is based primarily on market value. The market value of non-current receivables and other non-derivative financial instruments reflects the present value discounted at the market interest rate. The market value of current financial instruments reflects the carrying amount due to their short term.

The fair value of derivative financial instruments can be reliably determined as of each balance sheet date because these measurements are based primarily on external data sources (stock exchange prices or bank statements).

1st Half-Year 2013/14

Assets

in TEUR	Level	Carrying amount	Fair Value
Non-current financial assets	2	1,596	1,596
Securities and similar rights		*545*	*545*
Loans originated and other receivables		*1,051*	*1,051*
Current financial assets	2	2,967	2,967
Securities and similar rights		*-*	*-*
Loans originated and other receivables		*1*	*1*
Positive market values of derivatives held for trading		*778*	*778*
Other		*2,188*	*2,188*
Trade receivables		210,623	210,623
Liquid funds		80,407	80,407
Total		**295,593**	**295,593**

Liabilities

in TEUR	Level	Carrying amount	Fair Value
Non-current borrowings	2	207,409	207,409
Loans received		*188,095*	*188,095*
Finance leases		*19,314*	*19,314*
Other non-current liabilities	2	1,860	1,860
Current borrowings	2	3,689	3,689
Loans received		*3,367*	*3,367*
Finance leases		*322*	*322*
Trade payables	2	140,027	140,027
Other current liabilities	2	113,921	113,921
Negative market values of derivatives held for trading		*2,314*	*2,314*
Negative market values of derivatives (hedge accounting)		*7,391*	*7,391*
Other		*104,216*	*104,216*
Total		**466,906**	**466,906**

The carrying amounts of the financial assets represent fair value, with the exception of the shares in other companies. These investments are carried at cost because the fair value of the shares can not be determined reliably.

The carrying amounts of other financial liabilities generally reflect fair value because most of these liabilities have short maturities.

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 declined by TEUR 9,580, above all due to a stronger year-on-year increase in trade receivables. The increase in inventories during the first half of 2013/14 also led to a year-on-year decline in this cash flow position. Positive effects on cash flow from operating activities were provided, in particular, by the favourable development of trade payables and positive year-on-year changes in other non-current and current assets and liabilities.

Cash flow from investing activities consists primarily of investments in development projects and additions to property, plant and equipment at various production facilities. The position "change in liquid funds from changes in the consolidation range" represents the positive cash effect from the sale of the shares in Tridonic Manufacturing Pty Ltd, Australia, and from the purchase of shares in LEDON OLED Verwaltungs-GmbH, Dresden and LEDON OLED Lighting GmbH & Co. KG (now "Tridonic Dresden GmbH & Co. KG"), Dresden.

Cash flow from financing activities consists mainly of an increase in the use of the financing line provided by the consortium credit agreement and interest expense for the first half of 2013/14. The dividend for the 2012/13 financial year (TEUR 3,019) that was approved by the annual general meeting on 26 July 2013 was paid on 2 August 2013. The position "acquisition of minority interest" represents the purchase of the minority interest in Thorn Lighting (Tianjin) Co. Ltd., China.

Transition to Cash and Cash Equivalents

in TEUR	31 October 2013	30 April 2013	30 April 2012
Liquid funds	80,407	87,048	87,704
Not available for disposal	(202)	(204)	(391)
Overdrafts	(3,516)	(3,942)	(3,575)
Cash and cash equivalents	**76,689**	**82,902**	**83,738**

Notes to the Statement of Changes in Equity

Dividend

The annual general meeting on 26 July 2013 approved the payment of a EUR 0.07 dividend per share for the 2012/13 financial year. Based on this resolution, a dividend of TEUR 3,019 was paid on 2 August 2013 to the holders of the 43,133,890 shares outstanding as of 31 July 2013 (43,500,000 shares issued less 366,110 treasury shares).

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 2013)	1,539,211
Exercised (to 30 April 2013)	(1,173,101)
30 April 2013	**366,110**
Exercised	(166)
31 October 2013	**365,944**

A total of 166 stock options were exercised from the Stock Option Programme (SOP) during the first half of 2013/14 (prior year: 22,934 options).

Reserve for Stock Options

The Stock Option Programme (SOP) and the Matching Stock Program (MSP) were terminated. No further options will be allocated from either programme in the future.

IAS 19 Reserve

This position includes the actuarial losses related to IAS 19.

Non-controlling interests

The change in the first half of 2013/14 consists chiefly of the effects from the purchase of the remaining 30% stake in Thorn Lighting (Tianjin) Co. Ltd., China. This purchase resulted in the derecognition of the related non-controlling interest.

Segment Reporting

The areas of business represent the primary segments for Zumtobel. Segment reporting by the Zumtobel Group is based on the Lighting Segment (lighting solutions, interior and exterior lighting, electronic-digital lighting and room management systems) and the Components Segment (controls for conventional lighting, LED controls and LED/OLED modules, light management systems and connection technology). The transfer of goods and services between the two divisions is based on ordinary market conditions.

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

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

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

2nd Quarter

	Lighting Segment			Components Segment			Reconciliation			Group		
in TEUR	Q2 2013/14	Q2 2012/13	Q2 2011/12	Q2 2013/14	Q2 2012/13	Q2 2011/12	Q2 2013/14	Q2 2012/13	Q2 2011/12	Q2 2013/14	Q2 2012/13	Q2 2011/12
Net revenues	246,754	254,056	252,723	98,283	100,637	108,214	(20,888)	(19,935)	(20,438)	324,149	334,758	340,499
External revenues	*246,541*	*253,870*	*252,444*	*77,603*	*80,802*	*88,003*	*5*	*86*	*52*	*324,149*	*334,758*	*340,499*
Inter-company revenues	*213*	*186*	*279*	*20,680*	*19,835*	*20,211*	*(20,893)*	*(20,021)*	*(20,490)*	*0*	*0*	*0*
Operating profit/loss	18,780	15,698	19,267	6,392	2,809	8,740	(6,813)	(2,551)	(2,614)	18,360	15,955	25,393
Investments	10,338	8,522	6,281	3,065	3,539	4,469	1,091	717	276	14,494	12,778	11,026
Depreciation	(8,415)	(8,663)	(8,094)	(5,222)	(5,524)	(4,564)	(528)	(523)	(412)	(14,165)	(14,710)	(13,070)

1st Half-Year

	Lighting Segment			Components Segment			Reconciliation			Group		
in TEUR	1 HY 2013/14	1 HY 2012/13	1 HY 2011/12	1 HY 2013/14	1 HY 2012/13	1 HY 2011/12	1 HY 2013/14	1 HY 2012/13	1 HY 2011/12	1 HY 2013/14	1 HY 2012/13	1 HY 2011/12
Net revenues	476,659	497,094	488,801	197,935	198,736	218,503	(41,166)	(37,685)	(40,475)	633,428	658,145	666,829
External revenues	476,315	496,748	488,392	157,091	161,218	178,258	22	179	179	633,428	658,145	666,829
Inter-company revenues	344	346	409	40,844	37,518	40,245	(41,188)	(37,864)	(40,654)	0	0	0
Operating profit/loss	33,680	28,430	30,018	6,168	5,088	19,421	(10,631)	(4,967)	(5,820)	29,217	28,551	43,619
Investments	19,188	15,753	14,540	6,003	6,252	9,714	1,168	1,042	1,684	26,359	23,047	25,938
Depreciation	(16,284)	(16,669)	(15,927)	(13,304)	(10,910)	(9,048)	(1,020)	(991)	(796)	(30,608)	(28,570)	(25,771)

Segment Assets

in TEUR	31 October 2013	30 April 2013	30 April 2012	31 October 2013	30 April 2013	30 April 2012	31 October 2013	30 April 2013	30 April 2012	31 October 2013	30 April 2013	30 April 2012
Assets	665,480	640,657	662,142	207,512	208,852	222,124	137,361	145,329	152,018	1,010,353	994,838	1,036,284

Employees

	31 October 2013	30 April 2013	30 April 2012	31 October 2013	30 April 2013	30 April 2012	31 October 2013	30 April 2013	30 April 2012	31 October 2013	30 April 2013	30 April 2012
Headcount (full-time equivalent)	5,212	5,091	5,328	1,927	1,946	2,000	124	125	128	7,263	7,162	7,456

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 items:

in TEUR	Q2 2013/14	Q2 2012/13	1 HY 2013/14	1 HY 2012/13
Group parent companies	(6,615)	(2,439)	(10,380)	(4,855)
Group entries	(198)	(114)	(251)	(114)
Operating profit/loss	**(6,813)**	**(2,553)**	**(10,631)**	**(4,969)**

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 October 2013	30 April 2013
Assets used by more than one segment	137,414	136,385
Group parent companies	43,958	42,429
Group entries	(44,011)	(33,485)
Assets	**137,361**	**145,329**

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

Related Party Transactions

Related parties include the Management Board and Supervisory Board of Zumtobel AG. The company had no business relationships with related parties as of the closing date for the interim financial statements on 31 October 2013.

The supply and delivery transactions with associated companies reflect standard market conditions. As of 31 October 2013 trade receivables due from associated companies totalled TEUR 1,320 (30 April 2013: TEUR 991) and trade payables amounted to TEUR 3,200 (30 April 2013: TEUR 1,770). No receivables due from associated companies were written off as uncollectible during the first half of 2013/14, and none of these receivables were classified as uncollectible as of 31 October 2013.

Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 7,321 (30 April 2013: TEUR 6,782) for various purposes.

Subsequent Events

No significant events occurred after the balance sheet date on 31 October 2013.

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

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Dornbirn, 10 December 2013

The Management Board

Ulrich Schumacher
Chief Executive Officer (CEO)

Martin Brandt
Chief Operating Officer (COO)

Report on the Review of the condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of

Zumtobel AG,

Dornbirn,

for the period from 1 May 2013 to 31 October 2013. These condensed interim consolidated financial statements comprise the balance sheet as of 31 October 2013 and the income statement, the statement of comprehensive Income, the cash flow statement and statement of changes in equity for the period from 1 May 2013 to 31 October 2013 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

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

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

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Statement on the consolidated interim management report for the 6 month period ended 31 October 2013 and on management's statement in accordance with § 87 Austrian Stock Exchange Act (BörseG)

We have read the consolidated interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.
The interim financial information contains the statement by management in accordance with § 87 par. 1 subpar. 3 Austrian Stock Exchange Act.
Vienna, 10 December 2013

KPMG Austria AG

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Mag. Thomas Smrekar	ppa Mag. Angelika Vogler
Wirtschaftsprüfer	Wirtschaftsprüferin

Service

Financial Terms

Adjusted EBIT	EBIT adjusted for special effects
Adjusted EBIT margin	= Adjusted EBIT as a percentage of revenues
Adjusted EBITDA	EBITDA adjusted for special effects
Average capital employed	= Goodwill + intangible assets + property, plant and equipment + inventories + trade receivables - trade payables - provisions for income taxes - other provisions - other liabilities, as an average over four quarters
CAPEX	Capital expenditure
Debt coverage ratio	Net debt divided by EBITDA
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Equity ratio	= Equity as a percentage of assets
Gearing	= Net debt as a percentage of equity
Labour productivity	= Adjusted EBIT as a percentage of personnel expenses
Net debt	= Non-current borrowings + current borrowings - liquid funds - current financial receivables from associated companies
WACC	Weighted average cost of capital (debt and equity)
Working capital	= Inventories + trade receivables - trade payables - prepayments received

Financial Calendar

Interim financial report 2013/14 (1 May 2013 – 31 October 2013)	10 December 2013
3rd quarterly report 2013/14 (1 May 2013 – 31 January 2014)	04 March 2014
Capital Markets Day in Frankfurt	02 April 2014
Annual Results 2013/14	25 June 2014
38th ordinary Shareholders' meeting	25 July 2014
Ex-dividend Day	29 July 2014
Dividend Payout Day	01 August 2014
1st quarterly report 2014/15 (1 May 2014 – 31 July 2014)	02 September 2014
Interim financial report 2014/15 (1 May 2014 – 31 October 2014)	09 December 2014

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Financial Reports

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

More Information

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

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

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This quarterly financial report includes statements on future developments, which are based on information available at the present time and involve risks and uncertainties that could cause the results realised at a later date to vary from these forward-looking statements. These statements on future developments are not to be under-stood as guarantees. On the contrary, future developments and results are dependent on a wide range of factors and connected with various risks and incalculable events. Moreover, they are based on assumptions that may prove to be incorrect. Included here, for example, are unforeseeable changes in the political, economic and business environment, especially in the regions where the Zumtobel Group operates, as well as the competitive situation, interest rates and foreign exchange rates, technological developments and other risks and incalculable events. Other risks may arise as a result of price developments, unforeseeable events in the operating environments of acquired companies or Group companies as well as ongoing cost optimisation programmes. The Zumtobel Group does not plan to update these forward-looking statements. This interim financial report is also presented in English, but only the German text is binding.