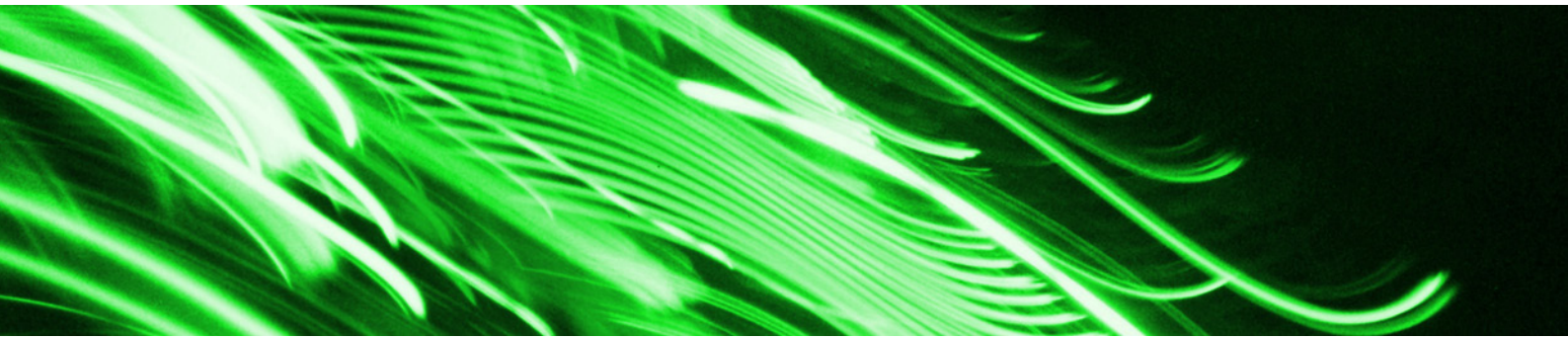


H1 (May–October 2014)

Report on the First Half-year 2014/15 of Zumtobel Group AG



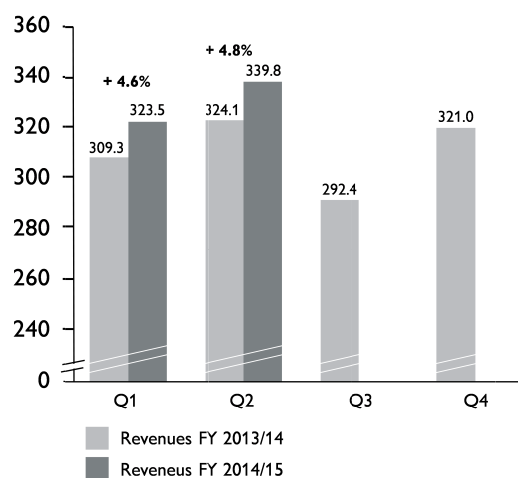
Overview of the Second Quarter 2014/15

- >> Group revenues increase 4.8% year-on-year
- >> Continued strong growth momentum with LED products (plus 56.1%)
- >> Reorientation and implementation of restructuring measures proceeding as planned
- >> Improved profitability in both segments
- >> Outlook for the 2014/15 financial year confirmed

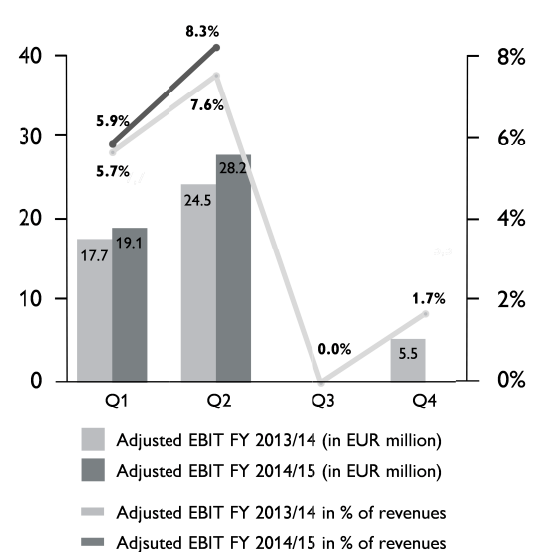
Key Data in EUR million	Q2	Q2	Change in %	1 HY	1 HY	Change in %
	2014/15	2013/14		2014/15	2013/14	
Revenues	339.8	324.1	4.8	663.2	633.4	4.7
Adjusted EBIT	28.2	24.5	14.9	47.2	42.2	11.8
<i>as a % of revenues</i>	8.3	7.6		7.1	6.7	
EBIT	26.6	18.4	44.7	35.7	29.2	22.0
<i>as a % of revenues</i>	7.8	5.7		5.4	4.6	
Net profit/loss for the period	23.1	11.7	98.0	28.9	18.4	57.2
<i>as a % of revenues</i>	6.8	3.6		4.4	2.9	
Cash flow from operating results	40.5	32.6	24.3	63.0	59.9	5.2
Investments	14.8	14.5	1.9	28.9	26.4	9.7
				31 October 2014	30 April 2014	Change in %
Total assets				1,047.4	1,006.6	4.1
Equity				344.3	327.6	5.1
<i>Equity ratio in %</i>				32.9	32.5	
Net debt				131.3	126.2	4.0
Headcount incl. contract worker (full-time equivalent)				7,211	7,291	(1.1)

Development of Business by Quarter

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

I am pleased to report to you on our good progress with the transformation process and the sound development of revenues and earnings during the first half of the 2014/15 financial year (May to October 2014). The strategic reorientation of the Zumtobel Group and the implementation of restructuring measures are proceeding as planned at all levels and locations. The first positive effects from the adjustment of plant capacity, the merger of the previously separate Zumtobel and Thorn sales organisations and the Group-wide bundling of procurement activities are already visible in these half-year results.

A look at the income statement shows that the development of both revenues and earnings fully met our expectations in the first half-year. Group revenues rose by 4.7% to EUR 663.2 million (prior year: EUR 633.4 million), whereby our LED business was again the most important driver for this success. With an increase of 56.1% to EUR 298.9 million, the LED share of Group revenues grew from 30.2% in the previous year to 45.1%. The focal points of growth from a regional standpoint were Great Britain, the largest single market for the Zumtobel Group, followed by Scandinavia, Benelux, Germany, the Middle East and the USA.

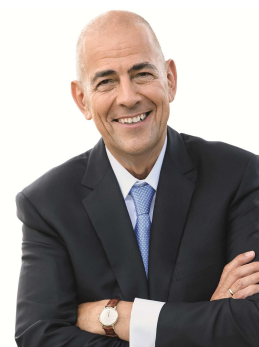
A detailed analysis of business development shows that the Lighting Segment, in particular, benefited from stabilisation in the European commercial construction industry and the newly implemented multi-brand sales structure. We are already seeing numerous projects where we can use both brands to significantly increase customer satisfaction and expand our market presence. Revenues in the Lighting Segment grew by 5.1% to EUR 500.9 million in the first half-year. The Components Segment continues to make very good progress in transforming its business to LED technology. Revenues from the sale of LED components rose by 86.9% to EUR 97.8 million during the reporting period and offset most of the declining demand for electronic ballasts as well as the revenues lost by the exit from magnetic technology and the sale of the connecting clamp business. Segment revenues exceeded our expectations with a decline of only 0.8% to EUR 196.4 million (prior year: EUR 197.9 million).

Group EBIT adjusted for special effects rose by 11.8% to EUR 47.2 million (prior year: EUR 42.2 million) due to the increase in revenues and the first positive effects from restructuring measures. That represents a return on sales (adjusted EBIT margin) of 7.1% (prior year: 6.7%). Both the Lighting Segment and the Components Segment recorded a year-on-year improvement in adjusted earnings. Group net profit increased by 57.2% to EUR 28.9 million.

Outlook for the 2014/15 financial year confirmed

Based on the continuing stable industry environment and the expected additional cost savings from the measures implemented to date, the Management Board confirms the previously communicated guidance for the 2014/15 financial year, which calls for an increase of roughly 3% in revenues and an improvement in the adjusted EBIT margin to 5% to 6% (adjusted EBIT margin for FY 2013/14: 3.8%). The restructuring measures will, from the current point of view, result in negative special effects of approx. EUR 20 million on earnings during 2014/15. We are also on the right course regarding our medium-term goal to gradually raise the adjusted EBIT margin to 8% to 10% by 2016/17.

Ulrich Schumacher
Chief Executive Officer



Ulrich Schumacher

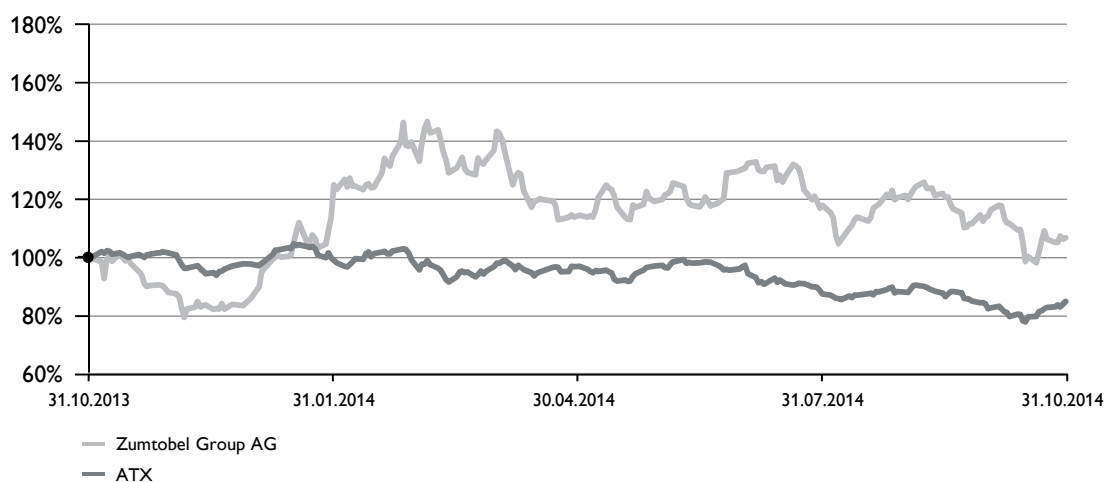
The Zumtobel Share

Zumtobel share clearly outpaces ATX average

Developments on the international financial markets in recent months were influenced by economic and political uncertainty and a subsequent increase in volatility. Against the backdrop of this environment, the Zumtobel share declined by 6.2% during the first half of 2014/15. The performance of the leading Austrian Traded Index, which also includes the Zumtobel share, was substantially weaker with a decline of 12.3%.

Based on an unchanged number of 43.5 million common shares outstanding in year-on-year comparison, the market capitalisation of the Zumtobel Group totalled EUR 612 million at the end of October 2014 (prior year: EUR 572 million). There have been no major changes in the shareholder structure of Zumtobel Group AG since the end of the 2013/14 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%. Delta Lloyd Asset Management NV and Blackrock Inc. each hold 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 21st based on market capitalisation and 21st based on trading volume as of 31 October 2014. The average daily turnover on the Vienna Stock Exchange totalled 82,816 shares in the reporting period compared with 112,344 shares in the previous year (double-count, as published by the Vienna Stock Exchange). The company held 359,488 treasury shares as of 31 October 2014.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 1st Half-Year 2014/15

Closing price at 30.04.14	EUR 15.000	Currency	EUR
Closing price at 31.10.14	EUR 14.065	ISIN	AT0000837307
Performance 1st Half-Year 2014/15	(6.2)%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.10.14	EUR 612 Mio	Market segment	Prime Market
Share price - high at 07.07.14	EUR 17.490	Reuters symbol	ZUM.VI
Share price - low at 20.10.14	EUR 12.935	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	82,816	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

The October 2014 forecast by the International Monetary Fund (IMF) again pointed toward recovery in the global economy, but at a slower pace than projected this past summer. While the US economy will generate stronger-than-expected growth in 2014, the euro zone has been faced with stagnation due to a decline in investments and exports. The global economy is now forecasted to grow by only 3.3% in the 2014 calendar year, which represents a reduction of 0.1 percentage points compared with the July 2014 report. The latest forecast for 2015 places growth at 3.8%, or only slightly lower than the July estimate (4%). Projections for the euro zone show a very limited increase in economic output of 0.8% in 2014 and 1.3% in 2015. A substantial correction was made to the forecast for Germany, which is now expected to produce growth of only 1.4% this year and 1.5% in 2015. These indicators are 0.5%, respectively 0.2% lower than the July estimates. The construction industry in Europe will not make a substantial contribution to economic recovery during the 2014/15 financial year, but the November report by Euroconstruct confirms that the commercial construction sector should stabilise in 2014 and 2015 after a series of annual 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 1.0% for the 2014 calendar year and 2.4% for the 2015 calendar year.

Continued moderate growth expected for the euro zone

Significant Events since 30 April 2014

In connection with the 2 April 2014 announcement of restructuring projects to improve cost structures in the operation network, the Zumtobel Group informed employees and the local union at the plant in Landskrona (Sweden) on 5 May 2014 about the termination of lighting production at this location by the end of the 2014 calendar year. This shutdown will affect 155 employees.

Termination of lighting production in Landskrona

Tridonic, the Zumtobel Group brand for lighting components, started consultations with employee representatives at the Ennenda (Switzerland) plant on 8 May 2014 concerning the termination of production by the end of the 2014 calendar year. The conventional ballasts for high-intensity discharge lamps that are produced in Ennenda are exposed to substantial competitive pressure and a resulting massive drop in price. The production in Ennenda will be terminated at the latest in February 2015.

Termination of components production in Ennenda

On 6 June 2014 Tridonic announced the divestment of its connecting clamp business. The local management of Tridonic connection technology GmbH, formerly a subsidiary of Tridonic with headquarters in Innsbruck (Austria), subsequently acquired all shares in the company.

Management buyout for Tridonic connection technology

The Supervisory Board of Zumtobel Group AG accepted the request by Martin Brandt, member of the Management Board and Chief Operating Officer, to terminate his employment contract prematurely as of 31 July 2014. This contract would have ended on 30 April 2015.

COO Martin Brandt leaves Zumtobel Group

The 38th annual general meeting on 25 July 2014 authorised the payment of a EUR 0.18 dividend per share for the 2013/14 financial year. This dividend was distributed to shareholders on 1 August 2014. In addition, the annual general meeting approved the change in the company's name from "Zumtobel AG" to "Zumtobel Group AG" and passed an anticipatory resolution which permits an increase of up to 10% in the company's share capital through the issue of new shares (conditional capital increase) for a period of five years.

AGM approves dividend for FY 2013/14

No other significant events occurred after the balance sheet date on 30 April 2014.

Related Party Transactions

Closely related persons include the Management Board and Supervisory Board of Zumtobel Group AG. As of 31 October 2014 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 half-year 2014/15

- >> Group revenues rise by 4.7%
- >> Zumtobel Group with above-average benefits from technological change to LED
- >> Solid revenue growth in Lighting Segment (plus 5.1%)
- >> Good progress in Components Segment

Group revenues rise by 4.7%

Group revenues rose by 4.7% to EUR 663.2 million in the first half of the 2014/15 financial year (1 May to 31 October 2014) in a stable economic environment (prior year: EUR 633.4 million). This development was supported by EUR 4.9 million of positive foreign exchange effects. After an adjustment for these effects, revenues were 3.9% higher than the previous year.

Zumtobel Group with above-average benefits from technology change

Important growth impulses have been created, in particular, by the trend to intelligently managed, energy-efficient lighting and in particular by LED technology. This was reflected in continued dynamic growth with LED products during the reporting period. Revenues from the sale of LED products rose by 56.1% year-on-year to EUR 298.9 million (prior year: EUR 191.5 million). The LED share of Group revenues grew to 45.1% within 12 months, compared with 30.2% in the first half of 2013/14. Both the Lighting Segment (plus 47.1%) and the Components Segment (plus 86.9%) benefited from the technological change to LED with their extensive portfolio of innovative LED products.

Segment development in EUR million	Q2	Q2	Change in %	1 HY	1 HY	Change in %
	2014/15	2013/14		2014/15	2013/14	
Lighting Segment	257.6	246.8	4.4	500.9	476.7	5.1
Components Segment	99.8	98.3	1.6	196.4	197.9	(0.8)
Reconciliation	(17.6)	(20.9)	(15.6)	(34.1)	(41.2)	(17.2)
Zumtobel Group	339.8	324.1	4.8	663.2	633.4	4.7

Solid revenue growth in Lighting Segment

In the late cyclical Lighting Segment, there are growing signs of stabilisation in the European commercial construction industry. These signs were also confirmed in a November 2014 report by Euroconstruct, which forecasts growth of 1.0% for the 2014 calendar year and 2.4% for the 2015 calendar year after a series of annual declines in the seven most important European markets for the Zumtobel Group. In contrast to general expectations, this 2015 forecast update by Euroconstruct includes a further slight increase for that calendar year. Revenues in the Lighting Segment rose by 5.1% to EUR 500.9 million (prior year: EUR 476.7 million). This development was also supported by positive impulses from the newly implemented multi-brand sales structure, which now markets the entire Zumtobel and Thorn product portfolio in all regions from a single hand.

Good progress in Components Segment

The Components Segment is making good progress in strengthening its business focus on LED technology to create a stable foundation for future growth. The development of revenues in 2014/15 will still be negatively influenced by the exit from magnetic technology in the previous year; the sale of the non-core connecting clamp business and the substantially weaker demand for electronic ballasts. However, the sound increase in sales volumes of LED converters and LED modules confirms the strategic decision to

concentrate resources more directly on the structural transformation to LED technology. Revenues from the sale of LED components rose by 86.9% to EUR 97.8 million in the first half of 2014/15 (prior year: EUR 52.3 million). This growth fully offset the declining demand for electronic ballasts and largely offset the end of revenues due to the exit from magnetic technology and the sale of the connecting clamp business. Segment revenues fell by 0.8% to EUR 196.4 million in the reporting period (prior year: EUR 197.9 million).

Development of revenues by region

	Q2 2014/15		1 HY 2014/15		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	98.6	0.8	190.8	3.0	28.8
Northern Europe	75.1	9.0	144.9	11.7	21.9
Benelux & Eastern Europe	33.6	20.5	60.7	12.5	9.2
Southern Europe & Latin America	47.3	(10.9)	101.0	(6.8)	15.2
Asia & Pacific	39.9	7.3	77.1	0.0	11.6
Middle East & Africa*	36.3	17.6	70.6	11.3	10.6
Northern America	8.9	7.4	18.2	16.2	2.7
Total	339.8	4.8	663.2	4.7	100.0

* incl. India, Central Asia & Turkey

In connection with the new organisational structure of the Zumtobel Group, the sales regions were redefined and the countries reassigned to the various regions 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
North America:	USA and Canada
Southern Europe & Latin America:	France, Italy, Spain, Portugal, Greece and all countries in Latin America
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, Central Asia and Turkey

These changes were also made retroactively, which led to the adjustment of the regional distribution in the first half of 2013/14.

The development of business in the individual regions differed significantly during the reporting period. The D/A/CH region, the strongest market in the Zumtobel Group, recorded a 3.0% increase in revenues to EUR 190.8 million. Revenue growth was particularly sound during the first six months, above all in Germany due to orders from large retail chains. In Northern Europe, revenues rose by 11.7% to EUR 144.9 million. Great Britain was the main driver in this region, but the Scandinavian countries also generated solid growth, especially in the second quarter. Benelux & Eastern Europe reported good development after a reserved start in the first quarter, with an increase of 12.5% in revenues to EUR 60.7 million for the first half-year. In the Southern Europe and Latin America region, the development of business in France and Italy remained clearly below expectations. Consequently, revenues in this region fell by 6.8% to EUR 101.0 million. The Asia & Pacific region is undergoing extensive restructuring and was also affected by negative foreign exchange effects and the exit from magnetic technology. Revenues for the first half-year stagnated at EUR 77.1 million.

New organisation of sales regions

Northern Europe as the central growth driver

In the Middle East & Africa, the sound development from previous quarters continued during the reporting period with an increase of 11.3% in revenues to EUR 70.6 million. After a very weak first half-year in 2013/14, North America reported revenue growth of 16.2% for the reporting period.

Development of earnings in the first half-year 2014/15

- >> Adjusted Group EBIT rises by 11.8% to EUR 47.2 million
- >> Selling expenses as a % of revenues below prior year
- >> Negative special effects from transformation process (EUR 11.6 million)
- >> Substantial improvement in net profit (57.2%)

Income statement in EUR million	Q2 2014/15	Q2 2013/14	Change in %	1 HY 2014/15	1 HY 2013/14	Change in %
Revenues	339.8	324.1	4.8	663.2	633.4	4.7
Cost of goods sold	(223.9)	(215.1)	4.1	(440.0)	(420.5)	4.6
Gross profit	115.9	109.0	6.3	223.2	212.9	4.8
<i>as a % of revenues</i>	34.1	33.6		33.7	33.6	
SG&A expenses adjusted for special effects	(87.7)	(84.5)	3.8	(175.9)	(170.6)	3.1
Adjusted EBIT	28.2	24.5	14.9	47.2	42.2	11.8
<i>as a % of revenues</i>	8.3	7.6		7.1	6.7	
Special effects	(1.6)	(6.2)	(73.9)	(11.6)	(13.0)	(11.2)
EBIT	26.6	18.4	44.7	35.7	29.2	22.0
<i>as a % of revenues</i>	7.8	5.7		5.4	4.6	
Financial results	(2.0)	(5.0)	61.1	(3.7)	(7.8)	52.2
Profit/loss before tax	24.6	13.3	84.5	31.9	21.4	49.2
Income taxes	(1.5)	(1.6)	(10.9)	(3.0)	(3.0)	1.0
Net profit/loss for the period	23.1	11.7	98.0	28.9	18.4	57.2
Earnings per share (in EUR)	0.54	0.27	>100	0.67	0.43	57.9

Note: EBITDA (EBIT plus depreciation and amortisation) amounted to EUR 62.7 million in the first half of 2014/15.

Adjusted Group EBIT rises by 11.8%

Group EBIT adjusted for special effects rose by 11.8% from EUR 42.2 million in the first half of 2013/14 to EUR 47.2 million for the reporting period. The return on sales increased from 6.7% to 7.1%. Both the Lighting Segment and the Components Segment reported an improvement in adjusted earnings over the comparable prior year period. The gross profit margin was slightly higher at 33.7% (prior year: 33.6%). The first positive effects of the restructuring measures were partly offset by negative foreign exchange effects in the cost of materials, temporary inefficiencies resulting from the relocation of production (such as parallel production, inventory build-up, etc.) and a strong increase in low-margin key account revenues. Development costs included in the cost of goods sold reflect the previous year at EUR 34.2 million in the first half of 2014/15 (prior year: EUR 34.2 million).

Selling expenses below prior year in % of revenues

Selling expenses fell from 24.3% to 23.5% of revenues. One focal point of the Zumtobel Group's new structure is the merger of the previously separate Zumtobel and Thorn sales organisations, and related measures were introduced during the past three quarters. The number of employees in sales declined by roughly 150 year-on-year as of 31 October 2014. Administrative expenses rose from EUR 18.7 million to EUR 22.3 million, primarily due to higher consulting expenses and additional hiring for corporate functions. Other operating results, excluding special effects, amounted to EUR 2.1 million (prior year: EUR 2.0 million) and included, among others, license income from the LED business.

Negative special effects totalling EUR 11.6 million (prior year: EUR 13.0 million) were recognised during the first half of 2014/15. These effects are related, above all, to the termination of production in Landskrona (Sweden) and Ennenda (Switzerland) and to restructuring measures in the Lighting Segment sales organisations. Additional information is provided in the notes to the consolidated interim financial statements.

Negative special effects from transformation process

Adjusted EBIT in EUR million	Q2 2014/15	Q2 2013/14	Change in %	1 HY 2014/15	1 HY 2013/14	Change in %
Reported EBIT	26.6	18.4	44.7	35.7	29.2	22.0
thereof special effects	(1.6)	(6.2)	(73.9)	(11.6)	(13.0)	(11.2)
Adjusted EBIT	28.2	24.5	14.9	47.2	42.2	11.8
<i>as a % of revenues</i>	8.3	7.6		7.1	6.7	

Financial results improved by EUR 4.1 million year-on-year to minus EUR 3.7 million (prior year: minus EUR 7.8 million). Interest expense consists mainly of interest on the current credit agreement. Other financial income and expenses totalled plus EUR 0.6 million (prior year: minus EUR 4.0 million). The year-on-year change resulted from foreign exchange differences. It reflected an increase in key currencies for the Zumtobel Group versus the euro during the reporting period, compared with a contrary development in the first half of 2013/14. Additional information is provided in the notes to the consolidated interim financial statements.

Improvement in financial results

Financial result in EUR million	Q2 2014/15	Q2 2013/14	Change in %	1 HY 2014/15	1 HY 2013/14	Change in %
Interest expense	(2.1)	(2.2)	(5.3)	(4.5)	(4.4)	3.4
Interest income	0.1	0.2	(58.2)	0.2	0.4	(57.1)
Net financing costs	(2.0)	(2.0)	0.1	(4.4)	(4.0)	(9.7)
Other financial income and expenses	0.1	(3.2)	>100	0.6	(4.0)	>100
Result from companies accounted for at-equity	0.0	0.2	<(100)	0.1	0.1	(59.2)
Financial results	(2.0)	(5.0)	61.1	(3.7)	(7.8)	52.2

Profit before tax rose to EUR 31.9 million in the first half of 2014/15 (prior year: EUR 21.4 million), and income taxes equalled EUR 3.0 million. Net profit for the period amounted to EUR 28.9 million, versus EUR 18.4 million in the previous year. This growth was supported by the increase in revenues, the first positive effects of restructuring measures and a substantial improvement in financial results. Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 0.67 (prior year: EUR 0.43).

Net profit rises by 57.2%

Cash flow and asset position

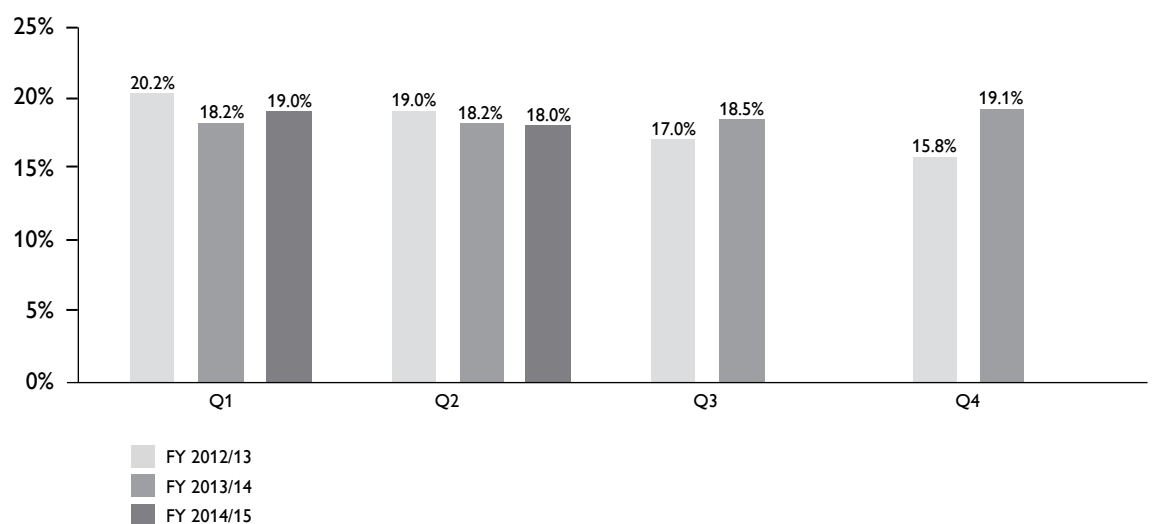
- >> Seasonal cash outflows due to increase in working capital
- >> Capital expenditure rises to EUR 28.9 million (prior year: EUR 26.4 million)
- >> Free cash flow equals plus EUR 3.2 million
- >> Continued solid balance sheet structure

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 from increase in working capital

Working capital rose by 4.7% year-on-year to EUR 229.3 million as of 31 October 2014 due to the increase in business (prior year: EUR 221.6 million). The higher volume of inventories and receivables was almost fully offset by an increase in trade payables. In comparison with the first half of the previous year, working capital declined slightly from 18.2% to 18.0% of rolling 12-month revenues and is within the Group's defined target corridor of 16% to 18%. The seasonal cash outflows from the increase in working capital since the end of the financial year fell from EUR 31.2 million as of 31 October 2013 to EUR 28.6 million as of 31 October 2014. In total, cash flow from operating activities fell by EUR 3.6 million to EUR 20.4 million in the first half-year (prior year: EUR 24.0 million). The reduction is attributable primarily to negative cash flow effects from the change in miscellaneous non-current and current assets and liabilities. This change, in turn, resulted chiefly from a stronger decline in current tax liabilities, amounts due to employees and currency translation effects.

Working Capital in % of rolling 12-month revenues



Free cash flow at plus EUR 3.2 million

Investments in property, plant and equipment for various production facilities totalled EUR 28.9 million in the first half of 2014/15 (prior year: EUR 26.4 million). These expenditures covered investments in the manufacture of tools for new products, expansion and maintenance as well as capitalised R&D costs of EUR 8.6 million. The positive cash effect in the position "change in liquid funds from changes in the consolidation range" is related to the sale of Tridonic connection technology GmbH, Austria, and Tridonic connection technology GmbH & Co. KG, Austria, and the initial consolidation of Thorn Lighting Limited

Liability Company in Qatar. Free cash flow rose to EUR 3.2 million in the first half of 2014/15 (prior year: minus EUR 1.3 million).

Cash flow from financing activities consisted primarily of the increased use of the existing credit lines and interest paid during the first half of the reporting year. The EUR 0.18 dividend per share for the 2013/14 financial year, which was approved by the annual general meeting on 25 July 2014, was distributed to the shareholders on 1 August 2014 (EUR 7.8 million) and represented a cash outflow for the reporting period.

Balance sheet data in EUR million	31 October 2014	30 April 2014
Total assets	1,047.4	1,006.6
Net debt	131.3	126.2
<i>Debt coverage ratio</i>	1.58	1.57
Equity	344.3	327.6
<i>Equity ratio in %</i>	32.9	32.5
<i>Gearing in %</i>	38.1	38.5
Investments	28.9	65.5
Working capital	229.3	200.0
<i>As a % of rolling 12 month revenues</i>	18.0	16.0

The quality of the balance sheet structure remains nearly unchanged. The equity ratio increased slightly from 32.5% on 30 April 2014 to 32.9% as of 31 October 2014. Net debt followed the normal seasonal pattern with an increase of EUR 5.1 million to EUR 131.3 million (prior year: EUR 126.2 million). Gearing – the ratio of net debt to equity – improved from 38.5% to 38.1% due to the increase in equity.

Continued solid balance sheet structure

Major risks and uncertainties during the second half of 2014/15

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.

Risk management for early identification of opportunities and risks

One of the major risks for business development in the Zumtobel Group is the uncertain development of its key markets, above all in Europe. Renewed 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 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 additional 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.

Risks arising from economic developments

The speed of the technological transformation from conventional lighting to LED has 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 LED, intelligent light management systems 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. The shorter innovation cycles and rising complexity of digital lighting systems also require tighter inventory management.

Technological change to LED

Market acceptance of new product

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. This challenge is addressed through 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 in all relevant areas of indoor and outdoor lighting as well as the expertise in complex light management systems 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 2014, the Group had short-term, unsecured lines of credit totalling EUR 90.3 million (prior year: EUR 89.6 million). The consortium credit agreement concluded on 8 November 2011 with seven banks also represents a major financing agreement for the Zumtobel Group. The 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 145 million as of 31 October 2014 (prior year: EUR 180 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 2014 with a debt coverage ratio of 1.58 and an equity ratio of 32.9%. A 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. The Zumtobel Group also concluded a EUR 40 million long-term bilateral credit agreement, which calls for bullet repayment and has a term ending in September 2018. The proceeds were transferred as of 31 October 2014 and were used, in part, to repay the consortium credit.

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 100 million (including EUR 20 million as a cross-currency swap with a payment obligation in Swiss Francs). 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 at a maximum of 2.694%.

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. Current developments indicate that slight positive translation effects and no significant negative transaction effects can be expected in the second half of 2014/15.

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.

Balance sheet risks

Additional information on the potential risks and opportunities facing the Zumtobel Group is provided in the 2013/14 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 2014/15 financial year confirmed

Based on the continuing stable industry environment and the expected additional cost savings from the measures implemented to date, the Management Board confirms the previously communicated guidance for the 2014/15 financial year, which calls for an increase of roughly 3% in revenues and an improvement in the adjusted EBIT margin to 5% to 6% (adjusted EBIT margin for FY 2013/14: 3.8%). The restructuring measures will, from the current point of view, result in negative special effects of approx. EUR 20 million on earnings during 2014/15. We are also on the right course regarding our medium-term goal to gradually raise the adjusted EBIT margin to 8% to 10% by 2016/17.

Dornbirn, 9 December 2014

The Management Board

Ulrich Schumacher
Chief Executive Officer (CEO)

Karin Sonnenmoser
Chief Financial Officer (CFO)

Income Statement

in TEUR	Q2 2014/15	Q2 2013/14	Change in %	1 HY 2014/15	1 HY 2013/14	Change in %
Revenues	339,766	324,149	4.8	663,221	633,428	4.7
Cost of goods sold	(223,866)	(215,135)	4.1	(440,042)	(420,541)	4.6
Gross profit	115,900	109,014	6.3	223,179	212,887	4.8
<i>as a % of revenues</i>	34.1	33.6		33.7	33.6	
Selling expenses	(78,552)	(77,080)	1.9	(155,781)	(153,933)	1.2
Administrative expenses	(10,660)	(9,194)	15.9	(22,299)	(18,731)	19.0
Other operating results	(124)	(4,380)	(97.2)	(9,442)	(11,006)	(14.2)
<i>thereof special effects</i>	(1,606)	(6,165)	(73.9)	(11,572)	(13,028)	(11.2)
Operating profit/loss	26,564	18,360	44.7	35,657	29,217	22.0
<i>as a % of revenues</i>	7.8	5.7		5.4	4.6	
Interest expense	(2,118)	(2,236)	(5.3)	(4,545)	(4,397)	3.4
Interest income	84	201	(58.2)	179	418	(57.1)
Other financial income and expenses	84	(3,212)	>100	568	(3,980)	>100
Result from companies accounted for at-equity	(2)	229	<(100)	53	129	(59.2)
Financial results	(1,952)	(5,018)	61.1	(3,745)	(7,830)	52.2
<i>as a % of revenues</i>	(0.6)	(1.5)		(0.6)	(1.2)	
Profit/loss before tax	24,612	13,342	84.5	31,912	21,387	49.2
Income taxes	(1,457)	(1,635)	(10.9)	(3,035)	(3,006)	1.0
Net profit/loss from continuing operations	23,155	11,707	97.8	28,877	18,381	57.1
Net loss from discontinued operations	(14)	(20)	29.0	(14)	(20)	28.1
Net profit/loss for the period	23,141	11,687	98.0	28,863	18,361	57.2
<i>as a % of revenues</i>	6.8	3.6		4.4	2.9	
<i>thereof due to non-controlling interests</i>	(100)	133	<(100)	(176)	(22)	<(100)
<i>thereof due to shareholders of the parent company</i>	23,241	11,554	>100	29,039	18,383	58.0
Average number of shares outstanding – basic (in 1,000 pcs.)	43,141	43,134		43,140	43,134	
Average diluting effect (stock options) (in 1,000 pcs.)	3	2		3	2	
Average number of shares outstanding – diluted (in 1,000 pcs.)	43,144	43,136		43,143	43,136	
Earnings per share (in EUR)						
Basic earnings per share	0.54	0.27		0.67	0.43	
Diluted earnings per share	0.54	0.27		0.67	0.43	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	0.54	0.27		0.67	0.43	
Diluted earnings per share	0.54	0.27		0.67	0.43	
Earnings per share from discontinued operations (in EUR)						
Basic earnings per share	0.00	0.00		0.00	0.00	
Diluted earnings per share	0.00	0.00		0.00	0.00	

Statement of Comprehensive Income

in TEUR	Q2 2014/15	Q2 2013/14	Change in %	1 HY 2014/15	1 HY 2013/14	Change in %
Net profit/loss for the period	23,141	11,687	98.0	28,863	18,361	57.2
Actuarial losses	(14,936)	0		(14,936)	0	
Deferred taxes due to actuarial losses	2,600	0		2,600	0	
Total of items that will not be reclassified ("recycled") subsequently to the income statement	(12,336)	0		(12,336)	0	
Currency differences	3,888	(1,162)	>100	5,872	(9,029)	>100
Currency differences arising from loans	493	785	(37.2)	2,111	(1,847)	>100
Hedge accounting	(132)	(120)	(10.0)	(375)	1,829	<(100)
Deferred taxes due to hedge accounting	33	30	8.6	94	(457)	>100
Total of items that will be reclassified ("recycled") subsequently to the income statement	4,282	(467)	>100	7,702	(9,504)	>100
Subtotal other comprehensive income	(8,054)	(467)	<(100)	(4,634)	(9,504)	51.2
<i>thereof due to non-controlling interests</i>	98	(52)	>100	155	(79)	>100
<i>thereof due to shareholders of the parent company</i>	(8,152)	(415)	<(100)	(4,789)	(9,425)	49.2
Total comprehensive income	15,088	11,220	34.5	24,229	8,857	>100
<i>thereof due to non-controlling interests</i>	(1)	81	<(100)	(21)	(101)	78.8
<i>thereof due to shareholders of the parent company</i>	15,089	11,139	35.5	24,250	8,958	>100

Balance Sheet

in TEUR	31 October 2014	in %	30 April 2014	in %
Goodwill	190,917	18.2	187,792	18.7
Other intangible assets	56,882	5.4	55,682	5.5
Property, plant and equipment	224,985	21.5	230,635	22.9
Financial assets accounted for at-equity	2,701	0.3	2,441	0.2
Financial assets	1,537	0.1	1,466	0.1
Other assets	4,482	0.4	4,354	0.4
Deferred taxes	41,605	4.0	37,509	3.7
Non-current assets	523,109	49.9	519,879	51.5
Inventories	191,242	18.2	181,426	18.1
Trade receivables	215,510	20.6	199,303	19.8
Financial assets	2,762	0.3	2,731	0.3
Other assets	27,041	2.6	29,071	2.9
Liquid funds	87,780	8.4	74,191	7.4
Current assets	524,335	50.1	486,722	48.5
ASSETS	1,047,444	100.0	1,006,601	100.0
Share capital	108,750	10.4	108,750	10.8
Additional paid-in capital	335,260	32.0	335,249	33.3
Reserves	(132,731)	(12.7)	(115,215)	(11.5)
Net profit/loss for the period	29,039	2.8	(4,995)	(0.5)
Capital attributed to shareholders of the parent company	340,318	32.5	323,789	32.1
Capital attributed to non-controlling interests	3,996	0.4	3,765	0.4
Equity	344,314	32.9	327,554	32.5
Provisions for pensions	84,657	8.1	77,486	7.7
Provisions for severance compensation	44,347	4.2	41,374	4.1
Provisions for other employee benefits	12,669	1.2	12,860	1.3
Other provisions	1,069	0.1	1,073	0.1
Borrowings	213,939	20.4	197,357	19.6
Other liabilities	2,429	0.2	2,575	0.3
Deferred taxes	4,199	0.4	4,337	0.4
Non-current liabilities	363,309	34.6	337,062	33.5
Provisions for taxes	20,766	2.0	20,057	2.0
Other provisions	37,231	3.6	32,985	3.3
Borrowings	6,493	0.6	5,314	0.5
Trade payables	158,041	15.1	159,912	15.9
Other liabilities	117,290	11.2	123,717	12.3
Current liabilities	339,821	32.5	341,985	34.0
EQUITY AND LIABILITIES	1,047,444	100.0	1,006,601	100.0

Cash Flow Statement

in TEUR	1 HY 2014/15	1 HY 2013/14
Operating profit from continuing and discontinued operations	35,643	29,197
Depreciation and amortisation	27,075	30,608
Gain/loss from disposal of fixed assets	208	117
Changes in the consolidation range	120	0
Results from discontinued operations	(14)	(20)
Cash flow from operating results	63,032	59,902
Inventories	(7,943)	(14,283)
Trade receivables	(4,581)	(30,523)
Trade payables	(14,566)	11,891
Prepayments received	(1,537)	1,705
Change in working capital	(28,627)	(31,210)
Non-current provisions	(6,896)	(4,833)
Current provisions	3,845	278
Other current and non-current assets and liabilities	(7,140)	2,365
Change in other operating items	(10,191)	(2,190)
Taxes paid	(3,834)	(2,494)
Cash flow from operating activities	20,380	24,008
Proceeds from the sale of non-current assets	636	164
Capital expenditures on non-current assets	(28,929)	(26,359)
Change in non-current and current financial assets	1,599	(1,770)
Change in liquid funds from changes in the consolidation range	9,522	2,693
Cash flow from investing activities	(17,172)	(25,272)
FREE CASH FLOW	3,208	(1,264)
Change in net borrowings	18,060	7,022
<i>thereof restricted cash</i>	(359)	(10)
Change in non-controlling interests	0	(1,524)
Dividends	(7,765)	(3,019)
Exercise of options	11	1
Interest paid	(3,505)	(3,445)
Interest received	173	418
Cash flow from financing activities	6,974	(547)
Effects of exchange rate changes on cash and cash equivalents	2,775	(4,402)
CHANGE IN CASH AND CASH EQUIVALENTS	12,957	(6,213)
Cash and cash equivalents at the beginning of the period	70,583	82,902
Cash and cash equivalents at the end of the period	83,540	76,689
Change absolute	12,957	(6,213)

Statement of Changes in Equity

1st Half-Year 2014/15

in TEUR	Attributed to shareholders of the parent company								Total	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			
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	7,828	(281)	0	(12,336)	29,039	24,250	(21)	24,229
+/- 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	252	285
31 October 2014	108,750	335,260	(2,013)	(34,431)	(3,241)	19,479	(112,525)	29,039	340,318	3,996	344,314

1st Half-Year 2013/14

in TEUR	Attributed to shareholders of the parent company								Total	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			
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	8,957	(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)
+/- Changes in the consolidation range	0	0	(1,883)	0	0	0	0	0	(1,883)	359	(1,524)
+/- Change in minority interest	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

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.

Notes

Accounting and Valuation Methods

The condensed consolidated interim financial statements as of 31 October 2014 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 2014 reflect the methods applied in preparing the consolidated financial statements as of 30 April 2014, with the exception of the IFRS that require mandatory application as of 1 January 2014.

The following standards and interpretations were adopted by the European Union. Their application has been mandatory since the last balance sheet date:

Revised standards and interpretations		Mandatory application in financial years beginning on or after
IAS 27	Separate Financial Statements	1 January 2014
IAS 28	Investments in Associates and Joint Ventures	1 January 2014
IAS 32	Offsetting of Financial Assets and Liabilities	1 January 2014
IAS 36	Disclosures on the Recoverable Amount for Non-financial Assets	1 January 2014
IAS 39	Conversion of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosures of Interests in Other Entities	1 January 2014
IFRIC 21	Levies	1 January 2014

An analysis of the changes resulting from the application of the new standards and interpretations did not show any significant effects 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 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:

1 EUR equals	Average exchange rate	Income Statement	Closing rate	Balance sheet
	31 October 2014	31 October 2013	31 October 2014	30 April 2014
AUD	1.4444	1.4143	1.4249	1.4947
CHF	1.2133	1.2350	1.2067	1.2200
USD	1.3281	1.3259	1.2524	1.3850
SEK	9.1549	8.6743	9.2664	9.0723
GBP	0.7980	0.8519	0.7843	0.8230

Consolidation Range

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

	Consolidation Method		
	full	at equity	Total
30 April 2014	96	2	98
Included during reporting period for first time	3		3
<i>thereof newly founded</i>	3		3
Deconsolidated during reporting period	(2)		(2)
Merged during reporting period	(2)		(2)
31 October 2014	95	2	97

- >> The shares in Tridonic connection technology GmbH & Co KG, Austria, and Tridonic connection technology GmbH, Austria, were sold during June 2014. These two companies were subsequently deconsolidated in the first quarter of 2014/15. The deconsolidation resulted in a loss of TEUR 120, which was recognised under other operating results. The transactions led to the sale of net assets totalling TEUR 9,435, which were held primarily by Tridonic connection technology GmbH & Co KG.
- >> Thorn Lighting Limited Liability Company, Qatar, was founded together with a Qatari business partner in July 2014. The Zumtobel Group holds 49% of the shares in the new company, but is entitled to 50% of the results. Further agreements give the Zumtobel Group control over the company as defined in IFRS 10, and the company was therefore included through full consolidation.
- >> ZG Iluminacion LATAM Limitada, Chile, was also founded in July 2014. The Zumtobel Group holds 100% of the shares.
- >> ZG LICHT Nord-West GmbH, Germany, was founded in October 2014. The Zumtobel Group also holds 100% of the shares in this company.
- >> LEDON OLED Verwaltungs-GmbH, Dresden, and Tridonic Dresden GmbH & Co. KG merged with Zumtobel Holding GmbH, Germany, during October 2014.

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 26,464 (prior year: TEUR 25,876) for sales deductions (primarily customer discounts). Gross revenues total TEUR 689,685 (prior year: TEUR 659,304).

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 2014/15

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(279,196)	(2,546)	(21)	0	(281,763)
Personnel expenses	(108,320)	(87,586)	(15,359)	(10,553)	(221,818)
Depreciation	(23,638)	(2,882)	(486)	(69)	(27,075)
Other expenses	(40,887)	(62,241)	(8,828)	(1,349)	(113,305)
Own work capitalised	8,901	7	0	0	8,908
Internal charges	2,521	(4,497)	1,976	0	0
Total expenses	(440,619)	(159,745)	(22,718)	(11,971)	(635,053)
Other income	577	3,964	419	2,529	7,489
Total	(440,042)	(155,781)	(22,299)	(9,442)	(627,564)

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)

The cost of goods sold includes development costs of TEUR 34,158 (prior year: TEUR 34,246).

Development costs of TEUR 8,646 were capitalised during the reporting period (prior year: TEUR 8,652). The amortisation of capitalised development costs amounted to TEUR 7,102 (prior year: TEUR 6,758).

Other Operating Results

in TEUR	Q2 2014/15	Q2 2013/14	1 HY 2014/15	1 HY 2013/14
Government grants	578	574	712	536
License revenues	792	1,045	1,298	1,122
Special effects	(1,606)	(6,165)	(11,572)	(13,028)
<i>Impairment charges to non-current assets</i>	0	0	0	(2,650)
<i>Restructuring expenses resulting from an exit agreement</i>	(1,606)	(635)	(11,140)	(4,796)
<i>Impairment charges to current assets</i>	0	0	(312)	0
Changes in the consolidation range	0	(855)	(120)	(908)
Miscellaneous	112	166	120	364
Total	(124)	(4,380)	(9,442)	(11,006)

As in the previous year, government grants for the first half of 2014/15 represent subsidies recognised directly to income.

License income for the reporting period comprises income from the LED business, similar to the first half of the previous year.

The impairment charges of TEUR 2,650 recognised to non-current assets in the prior year are attributable to the Components Segment and resulted from the signing of the sale contracts for the magnetic ballast plant in Australia during August 2013.

The amounts recorded under "restructuring" in 2014/15 include TEUR 3,849 for the Components Segment, TEUR 7,148 for the Lighting Segment and TEUR 143 for Zumtobel Group AG. 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 are related chiefly to the closing of the lighting production plant in Landskrona, Sweden, and the restructuring of the sales organisation in Germany.

The position "restructuring" in the prior year is attributable to the Components Segment and consists mainly of accrued expenses related to the closing of wire production facilities in Australia and the termination of magnetic ballast production in Austria during the first half of 2013/14.

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 Group AG in September 2013.

The impairment charges recognised to current assets are related to plant shutdowns in the Components Segment.

The position "changes in the consolidation range" in the previous year consists primarily of the deconsolidation results for Tridonic Manufacturing Pty Ltd, Australia, which was sold in October 2013. In 2014/15 this position includes the deconsolidation results from the sale of Tridonic connection technology GmbH & Co KG, Austria, and Tridonic connection technology GmbH, Austria.

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 and the interest component of a finance lease.

Other Financial Income and Expenses

in TEUR	Q2 2014/15	Q2 2013/14	1 HY 2014/15	1 HY 2013/14
Interest component as per IAS 19 less income on plan assets	(1,026)	(1,177)	(2,053)	(2,327)
Foreign exchange gains and losses	215	(5)	1,251	(1,794)
Market valuation of financial instruments	895	(2,000)	1,370	171
Gains/losses on sale	0	(30)	0	(30)
Total	84	(3,212)	568	(3,980)

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 an increase in the Zumtobel Group's most important currencies versus the euro during the first half of 2014/15, while the comparable prior year period saw an opposite effect with an increase in the value of the euro versus these currencies.

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 2014/15	Q2 2013/14	1 HY 2014/15	1 HY 2013/14
Current taxes	(2,410)	(1,917)	(4,015)	(3,192)
<i>thereof current year</i>	(2,391)	(1,916)	(3,991)	(3,106)
<i>thereof prior years</i>	(19)	(1)	(24)	(87)
Deferred taxes	953	282	980	186
Income taxes	(1,457)	(1,635)	(3,035)	(3,006)

The deferred tax income recognised in the second quarter of 2014/15 resulted chiefly from the creation of a provision for restructuring, which is not deductible for tax purposes by the involved Group company.

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 2014/15

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

2013/14 Financial Year

in 1,000 pcs.	Balance Sheet Date	Average
1 May 2013	43,134	43,134
Stock options – exercises		
31 October 2013	43,134	43,134
Stock options – exercises	5	2
30 April 2014	43,139	43,136

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.

Actuarial Losses

The actuarial losses resulted from the revaluation effects of the Group's pension and severance obligations and were caused by the decline in interest rates during the first half of 2014/15.

Taxes

This position consisted primarily of deferred taxes on actuarial losses that were recognised in the second quarter of 2014/15. The observable, significant decline in interest rates during the first half of the current financial year led to substantial revaluation effects in the Group's pension and severance obligations. The deferred tax effect from the revaluation of the involved IAS 19 obligations was recognised in the statement of comprehensive income. Deferred tax assets were not recognised for the actuarial losses attributable to a pension plan in a British Group company because the related amounts are not recoverable.

Notes to the Balance Sheet

The following comments refer to major changes in individual items compared to the balance sheet date on 30 April 2014.

Goodwill

The Zumtobel Group implemented a new organisational structure in December 2013, which was also reflected in reporting as of 1 May 2014.

In accordance with IAS 36.87, the change in the organisational structure led to changes in the allocation of goodwill for impairment testing. The goodwill allocated by brand up to 30 April 2014 ("ZGE Zumtobel Brand" and "ZGE Thorn Brand"), which originally resulted from the acquisition of the Thorn Lighting Group, was reassigned for the preparation of consolidated financial statements in 2014/15. The reassignment is not expected to affect the carrying amount of this goodwill. Based on the development of business in the first quarter of the reporting year, there were no signs of impairment to goodwill as of 31 October 2014.

The new organisational structure led to changes in the designation of the operating segments as defined in IFRS 8.5. The two previous operating segments "Zumtobel" and "Thorn" were combined into a single operating "Lighting Segment". This represents the previously reported "Lighting Segment", which covered the Lighting and Thorn operating segments. Therefore, the organisational changes and the newly created units have no effect on segment reporting because they will still be aggregated into the "Lighting Segment" for this purpose.

The application of IAS 21 ("The Effects of Changes in Foreign Exchange Rates") led to foreign currency-based adjustments of TEUR 3,124 to goodwill in the first half of 2014/15 (prior year: TEUR -2,564), 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 the disposal of property, plant and equipment in connection with the sale of Tridonic connection technology GmbH & Co KG and Tridonic connection technology GmbH in the first quarter of 2014/15.

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 2014 resulted, above all, from the year-on-year increase in the volume of business.

Provisions for Pensions

The increase in the provisions for pensions resulted from the observable, significant decline in interest rates during the first half of 2014/15 and the related substantial revaluation effects in the Group's pension obligations.

Provisions for Severance Compensation

The revaluation effect from the above-mentioned sharp drop in interest rates during the first half of 2014/15 also led to a substantial increase in the provisions for severance compensation.

Non-Current Financial Liabilities

The increase in non-current financial liabilities resulted chiefly from a higher volume of long-term borrowings. Of the TEUR 185,000 outstanding as of 31 October 2014 (30 April 2014: TEUR 170,000), TEUR 145,000 (30 April 2014: TEUR 170,000) are attributable to the consortium credit agreement concluded in November 2011 with seven banks. This financing line has a term ending in October 2016 and a current limit of TEUR 350,000. The remaining long-term borrowing is related to a further long-term credit agreement that was concluded on a bilateral basis. This liability totals TEUR 40,000; it calls for bullet repayment and has a term ending in September 2018. The proceeds were transferred on 31 October 2014 and were used to repay part of the consortium credit.

Other Current Provisions

The increase in current provisions is related, above all, to additions to provisions for restructuring in connection with the shutdown of plants in Ennenda, Switzerland, and Landskrona, Sweden, and the restructuring of the sales organisation in Germany.

Other Current Liabilities

The decline in miscellaneous current liabilities resulted, above all, from a decrease in the 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 October 2014 the balance sheet of the Zumtobel Group shows non-current financial assets of TEUR 1,537 (30 April 2014: TEUR 1,466), current financial assets of TEUR 2,762 (30 April 2014: TEUR 2,731) and miscellaneous current liabilities of TEUR 117,290 (30 April 2014: TEUR 123,717). The financial instruments measured at fair value through profit or loss as of 31 October 2014 are classified in the valuation hierarchy as follows:

31 October 2014

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Non-current financial assets	-	-	-	-	-
Securities and similar rights	578	578	-	-	578
Loans originated and other receivables	-	-	-	-	-
Current financial assets	-	-	-	-	-
Loans originated and other receivables	-	-	-	-	-
Positive market values of derivatives held for trading	1,399	1,399	-	1,399	-
Other	-	-	-	-	-
Total	1,977	1,977	-	1,399	578

in TEUR	Carrying amount	Fair value	Level 1	Level 2	Level 3
Other current liabilities					
Derivatives (hedge accounting)	1,398	1,398	-	1,398	-
Derivatives held for trading	8,143	8,143	-	8,143	-
Total	9,541	9,541	-	9,541	-

30 April 2014

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Non-current financial assets	-	-	-	-	-
Securities and similar rights	380	380	-	-	380
Loans originated and other receivables	-	-	-	-	-
Current financial assets	-	-	-	-	-
Loans originated and other receivables	-	-	-	-	-
Positive market values of derivatives held for trading	464	464	-	464	-
Other	-	-	-	-	-
Total	844	844	-	464	380

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Other current liabilities					
Derivatives (hedge accounting)	1,832	1,832	-	1,832	-
Derivatives held for trading	7,521	7,521	-	7,521	-
Total	9,353	9,353	-	9,353	-

In the 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.

The consolidated interim financial statements of the 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 the Zumtobel Group as of 31 October 2014 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. The change in the Level 3 financial instruments during the first half of 2014/15 resulted from the acquisition of an investment in an Austrian company. Profit distributions of TEUR 3 were received from a shareholding 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 decreased from TEUR 24,008 in the first half of the prior year to TEUR 20,380 for the reporting period. This development is attributable primarily to negative cash flow effects from the change in miscellaneous non-current and current assets and liabilities, which were not fully offset by the TEUR 2,583 decline in cash outflows from the increase in working capital. This change, in turn, resulted chiefly from a stronger decline in current tax liabilities, amounts due to employees and currency translation effects.

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 Tridonic connection technology GmbH & Co KG, Austria, and Tridonic connection technology GmbH, Austria, and the initial consolidation of Thorn Lighting Limited Liability Company, Qatar.

Cash flow from financing activities consists mainly of an increase in the use of long-term borrowings and interest expense for the first half of the reporting year. The dividend for the 2013/14 financial year (TEUR 7,765) that was approved by the annual general meeting on 25 July 2014 was paid on 1 August 2014.

Transition to Cash and Cash Equivalents

in TEUR	31 October 2014	30 April 2014	30 April 2013
Liquid funds	87,780	74,191	87,048
Not available for disposal	(542)	(169)	(204)
Overdrafts	(3,698)	(3,439)	(3,942)
Cash and cash equivalents	83,540	70,583	82,902

Notes to the Statement of Changes in Equity

Dividend

The annual general meeting on 25 July 2014 approved the payment of a EUR 0.18 dividend per share for the 2013/14 financial year. Based on this resolution, a dividend of TEUR 7,765 was paid on 1 August 2014 to the holders of the 43,140,512 shares outstanding as of 31 July 2014 (43,500,000 shares issued less 359,488 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 2014)	1,539,211
Exercised (to 30 April 2014)	(1,178,271)
30 April 2014	360,940
Exercised	(1,452)
31 October 2014	359,488

In the first half of 2014/15, 1,452 stock options (prior year: 166 options) were exercised from the Stock Option Program (SOP).

Reserve for Stock Options

This reserve is related to two former share-based remuneration programmes which are no longer active. Both the Stock Option Programme (SOP) and the Matching Stock Program (MSP) were terminated, and no further options will be allocated from either programme in the future.

IAS 19 Reserve

This position includes the actuarial losses resulting from the application of IAS 19. The change during the first half of the reporting year was related primarily to revaluation effects in the Group's pension and severance compensation obligations due to a decline in interest rates during the reporting period.

Non-controlling Interests

The change in the first half of 2014/15 resulted from the initial consolidation of Thorn Lighting Limited Liability Company, Qatar. The change in the first quarter of the previous year consisted chiefly of the effects from the purchase of the remaining 30% stake in Thorn Lighting (Tianjin) Co. Ltd., China, which led to the derecognition of the related non-controlling interest.

Segment Reporting

Two operating segments represent the primary segments of business for the Zumtobel Group: the Lighting Segment (lighting solutions, interior and exterior lighting, electronic-digital lighting and room management systems) and the Components Segment (electronic lighting components, LED lighting components, connection technology up to June 2014 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.

2nd Quarter 2014/15

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	Q2 2014/15	Q2 2013/14	Q2 2012/13	Q2 2014/15	Q2 2013/14	Q2 2012/13	Q2 2014/15	Q2 2013/14	Q2 2012/13	Q2 2014/15	Q2 2013/14	Q2 2012/13
Net revenues	257,569	246,753	254,056	99,832	98,283	100,637	(17,635)	(20,888)	(19,935)	339,766	324,148	334,758
<i>External revenues</i>	257,180	246,540	253,871	82,515	77,603	80,802	71	5	86	339,766	324,148	334,759
<i>Inter-company revenues</i>	389	213	186	17,317	20,680	19,835	(17,706)	(20,893)	(20,021)	0	0	0
Operating profit/loss	23,213	18,780	15,698	8,652	6,392	2,809	(5,301)	(6,813)	(2,553)	26,564	18,359	15,954
Investments	9,441	10,338	8,522	4,688	3,065	3,539	643	1,091	718	14,772	14,494	12,779
Depreciation	(8,273)	(8,415)	(8,663)	(4,816)	(5,221)	(5,524)	(630)	(528)	(523)	(13,719)	(14,164)	(14,710)

1st Half-Year 2014/15

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	1 HY 2014/15	1 HY 2013/14	1 HY 2012/13	1 HY 2014/15	1 HY 2013/14	1 HY 2012/13	1 HY 2014/15	1 HY 2013/14	1 HY 2012/13	1 HY 2014/15	1 HY 2013/14	1 HY 2012/13
Net revenues	500,927	476,658	497,094	196,385	197,935	198,736	(34,091)	(41,166)	(37,685)	663,221	633,427	658,145
<i>External revenues</i>	500,048	476,314	496,749	163,030	157,091	161,218	143	22	179	663,221	633,427	658,146
<i>Inter-company revenues</i>	879	344	346	33,355	40,844	37,518	(34,234)	(41,188)	(37,864)	0	0	0
Operating profit/loss	35,154	33,680	28,430	11,437	6,168	5,088	(10,934)	(10,631)	(4,969)	35,657	29,217	28,549
Investments	19,060	19,188	15,753	8,918	6,003	6,252	951	1,168	1,043	28,929	26,359	23,048
Depreciation	(16,275)	(16,284)	(16,669)	(9,588)	(13,303)	(10,910)	(1,212)	(1,020)	(991)	(27,075)	(30,607)	(28,570)

in TEUR	31 October 2014	30 April 2014	30 April 2013	31 October 2014	30 April 2014	30 April 2013	31 October 2014	30 April 2014	30 April 2013	31 October 2014	30 April 2014	30 April 2013
Assets	690,666	668,998	640,657	208,766	209,046	208,852	148,012	128,557	145,329	1,047,444	1,006,601	994,838

in TEUR	31 October 2014	30 April 2014	30 April 2013	31 October 2014	30 April 2014	30 April 2013	31 October 2014	30 April 2014	30 April 2013	31 October 2014	30 April 2014	30 April 2013
Headcount (full-time equivalent)	5,208	5,186	5,091	1,856	1,971	1,946	147	134	125	7,211	7,291	7,162

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 2014/15	Q2 2013/14	1 HY 2014/15	1 HY 2013/14
Group parent companies	(4,998)	(6,615)	(10,631)	(10,380)
Group entries	(303)	(198)	(303)	(251)
Operating profit/loss	(5,301)	(6,813)	(10,934)	(10,631)

The Group parent companies represent companies that provide administrative or financing services for the entire Group and cannot be allocated to a specific segment. The transition to operating profit includes Group entries for the elimination of interim profits in current and non-current assets.

in TEUR	31 October 2014	30 April 2014
Assets used by more than one segment	145,965	129,266
Group parent companies	47,634	48,927
Group entries	(45,587)	(49,636)
Assets	148,012	128,557

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

Related Party Transactions

Related parties include the Management Board and the Supervisory Board of Zumtobel Group AG. As of 31 October 2014, there were no business relationships with related parties.

The supply and delivery transactions with associated companies reflect standard market conditions. As of 31 October 2014, trade receivables due from associated companies totalled TEUR 891 (30 April 2014: TEUR 742) and trade payables amounted to TEUR 3,361 (30 April 2014: TEUR 3,528). No receivables due from associated companies were written off as uncollectible during the first half of 2014/15, and none of these receivables were classified as uncollectible as of 31 October 2014.

Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 7,599 (30 April 2014 TEUR 8,135) for various purposes.

Subsequent Events

No significant events occurred after the reporting date on 31 October 2014.

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, 9 December 2014

The Management Board

Ulrich Schumacher
Chief Executive Officer (CEO)

Karin Sonnenmoser
Chief Financial Officer (CFO)

Report on the Review of the condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of

**Zumtobel Group AG,
Dornbim,**

for the period from 1 May 2014 to 31 October 2014. These condensed interim consolidated financial statements comprise the balance sheet as of 31 October 2014 and the income statement, the statement of comprehensive income, the statements of cash flows and the statement of changes in equity for the period from 1 May 2014 to 31 October 2014 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 2014 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, 09 December 2014

KPMG Austria AG

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Thomas Smrekar
Wirtschaftsprüfer

ppa Mag. Renate Vala
Wirtschaftsprüferin

Note: The condensed interim consolidated financial statements together with our review report may be published or transmitted only as agreed by us.

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

Report on the First Three Quarters 2014/15 (1 May 2014 – 31 January 2015)	03 March 2015
Annual Results 2014/15	24 June 2015
39 th ordinary Shareholders' meeting	24 July 2015
Ex-dividend Day	28 July 2015
Dividend Payout Day	31 July 2015
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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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 understood as guarantees. On the contrary, future developments and results are dependent on a wide range of factors and connected with various risks and incalculable events. Moreover, they are based on assumptions that may prove to be incorrect. Included here, for example, are unforeseeable changes in the political, economic and business environment, especially in the regions where the Zumtobel Group operates, as well as the competitive situation, interest rates and foreign exchange rates, technological developments and other risks and incalculable events. Other risks may arise as a result of price developments, unforeseeable events in the operating environments of acquired companies or Group companies as well as ongoing cost optimisation programmes. The Zumtobel Group does not plan to update these forward-looking statements. This interim financial report is also presented in English, but only the German text is binding.