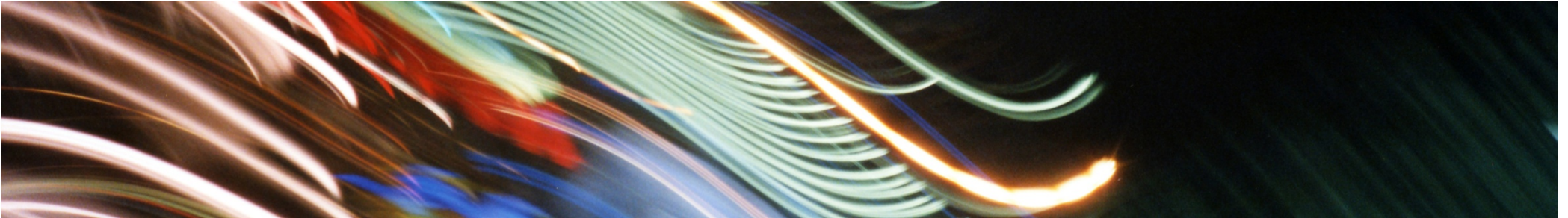


Key Principles Leading the Zumtobel Group as a Global Player in Professional Lighting



Introduction of the new CEO of Zumtobel Group, Ulrich Schumacher
November 2013

zumtobel group

AGENDA

- **Personal introduction**
- **Positioning of the Zumtobel Group in the global lighting market**
- **Key principles leading the Zumtobel Group**

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Ulrich Schumacher - CEO Zumtobel Group

Born on April 2, 1958, in Bergisch Gladbach – Germany

Education

RWTH Aachen University, 1977 – 1985
Electrical Engineering, Doctorate; Further education in economics and administration

Business Experience

CGS DS, Investments and Consulting Services, Switzerland
Managing Director, 2010 - 2013

Grace Semiconductor Manufacturing Corp., Shanghai/ China
President and CEO, 2007 – 2011

Francisco Partners, Private Equity, Menlo Park/ USA
Operating Partner, 2005 – 2007

Infineon Technologies AG, Semiconductor, Munich/ Germany
President and CEO, 1999 – 2004

Siemens AG, Munich/ Germany
President and CEO of Semiconductor Group, 1996 – 1999
(since 1998 Member of the Managing Board of Siemens AG)



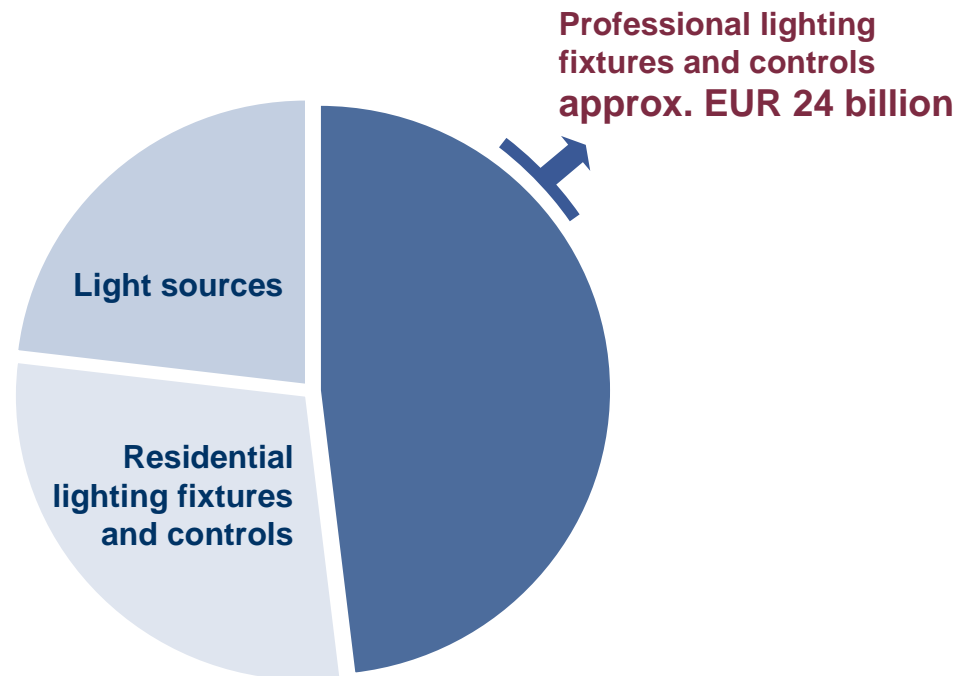
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The professional lighting market is experiencing growth throughout 2020

Breakdown of global general lighting market

**Global general lighting market*:
EUR 50-55 billion**

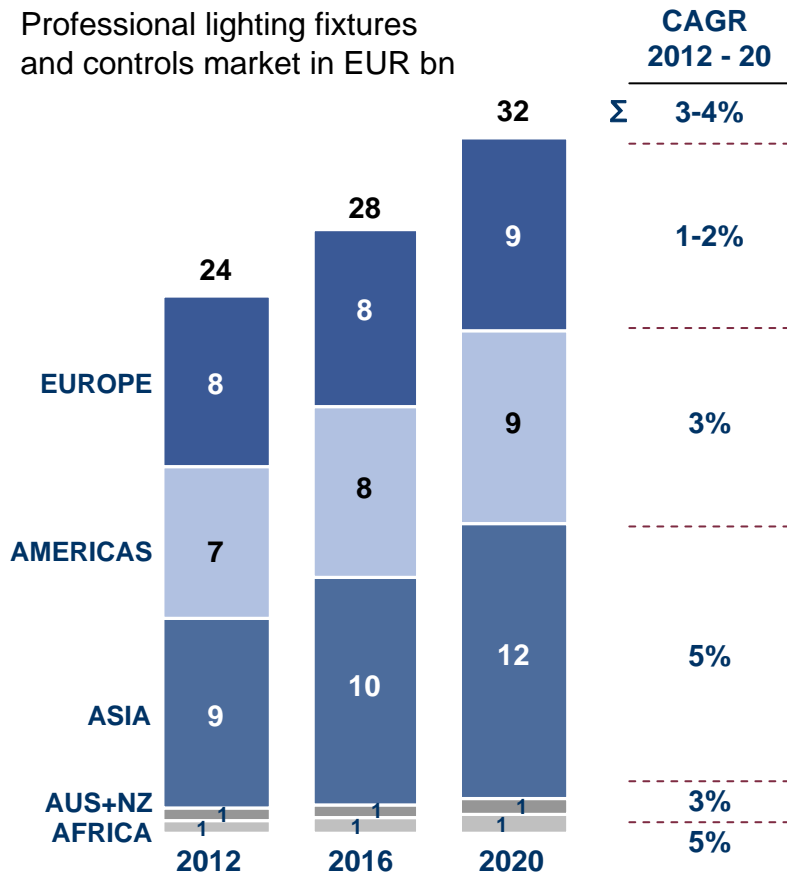


- Total global general lighting market estimated at EUR 50-55 billion
 - Zumtobel Group is focused in the market for professional lighting fixtures and controls, but not in residential lighting and light sources (exception: Tridonic LED modules)
 - Global market size for professional lighting fixtures and controls estimated at approx. EUR 24 billion
- **This market (professional lighting fixtures & controls) is estimated to grow by 3-4% from 2012 to 2020**

*Global general lighting market excluding Automotive and Backlighting
Source: Growth expectation and market size based on Zumtobel Group market intelligence 2012

Asia is the strongest growing market

Development of the professional lighting market by region



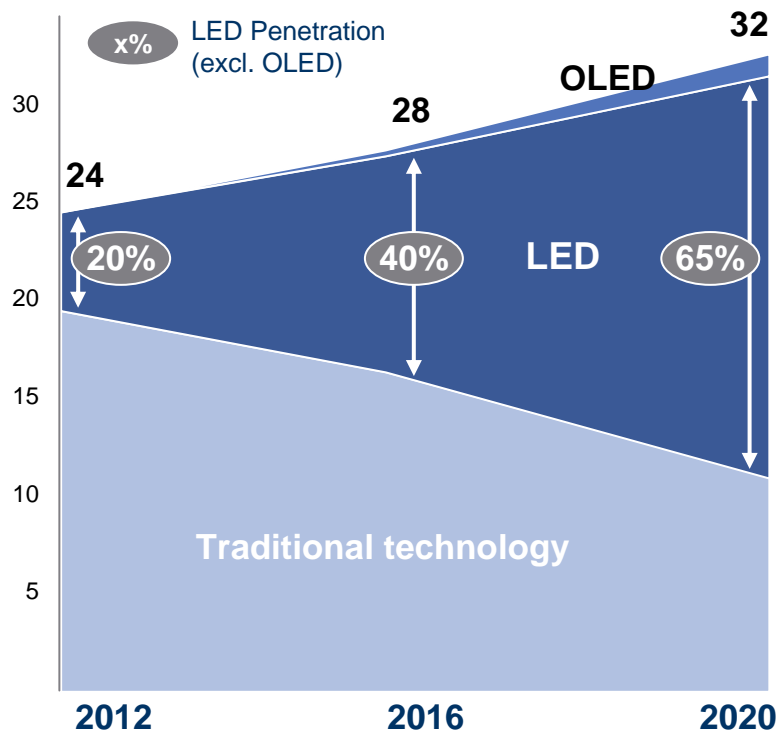
- The European and North American market is expected to show only modest growth due to weak construction industry outlook
 - Robust growth expectation especially for Latin America, Australia/ New Zealand and Africa
 - Asia is strengthening its position as the largest regional market due to increasing construction activity
- **The Asian market is vital for global players' growth**

Source: Zumtobel Group Market intelligence

The lighting industry is experiencing a technology transformation

Development of the professional lighting market by technology

Professional lighting fixtures and controls market in EUR bn

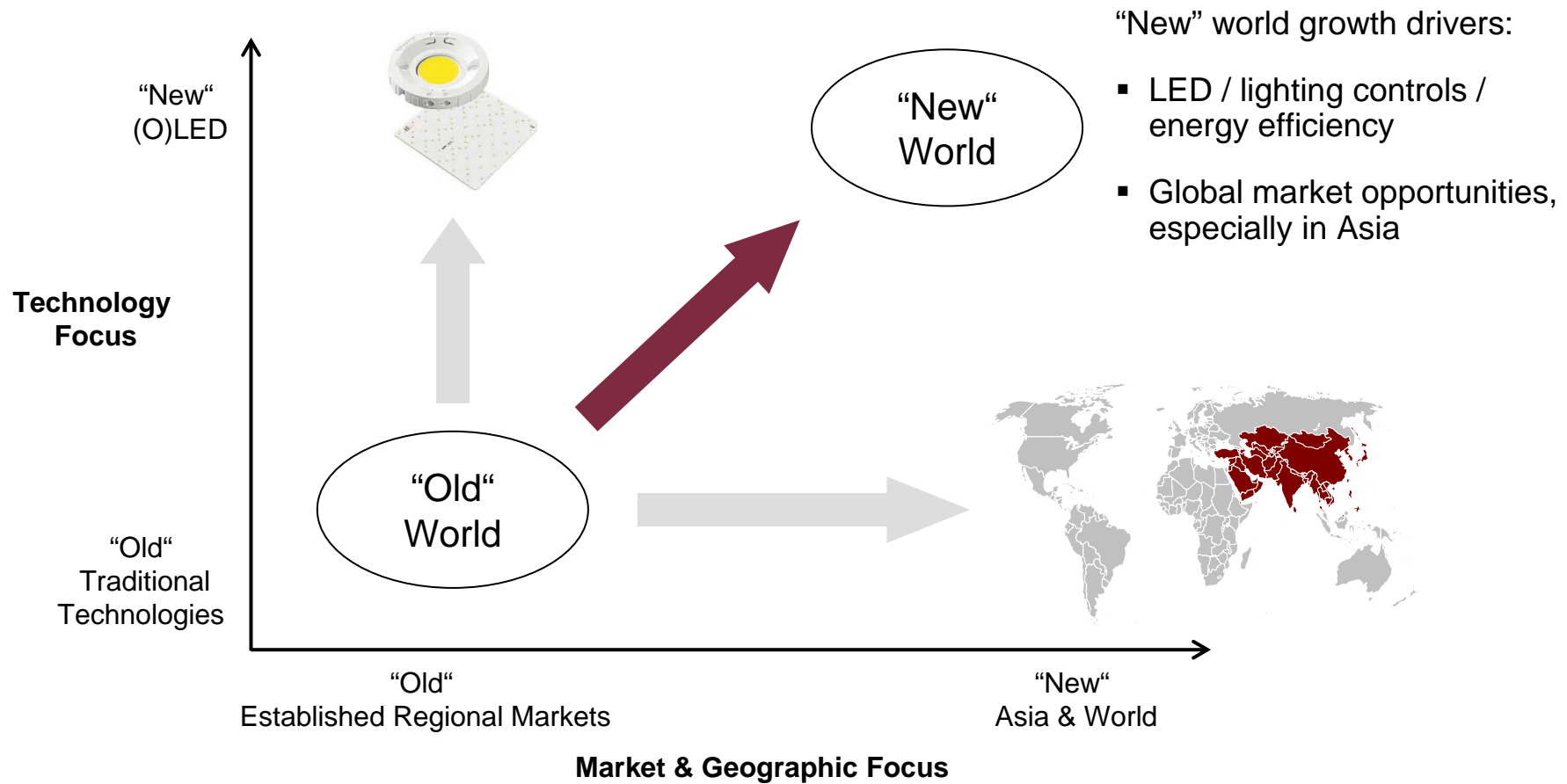


- The market with traditional technology will shrink significantly until 2020 (minus 5-10% p.a.)
 - OLED might follow as new growth technology – uncertainty on real potential
 - LED share of Zumtobel Group today at 29% (Sept. 2013)
 - Zumtobel Brand: ~36%
 - Thorn Brand: ~23%
 - Tridonic: ~26%
- **Transition to LED is the main growth driver in industry**

Source: Zumtobel Group Market intelligence

Key trends in the global lighting market

Globalization and technological shift



Shift from “Old” to “New” world boosts dynamics in the value chain

Impact on the value chain

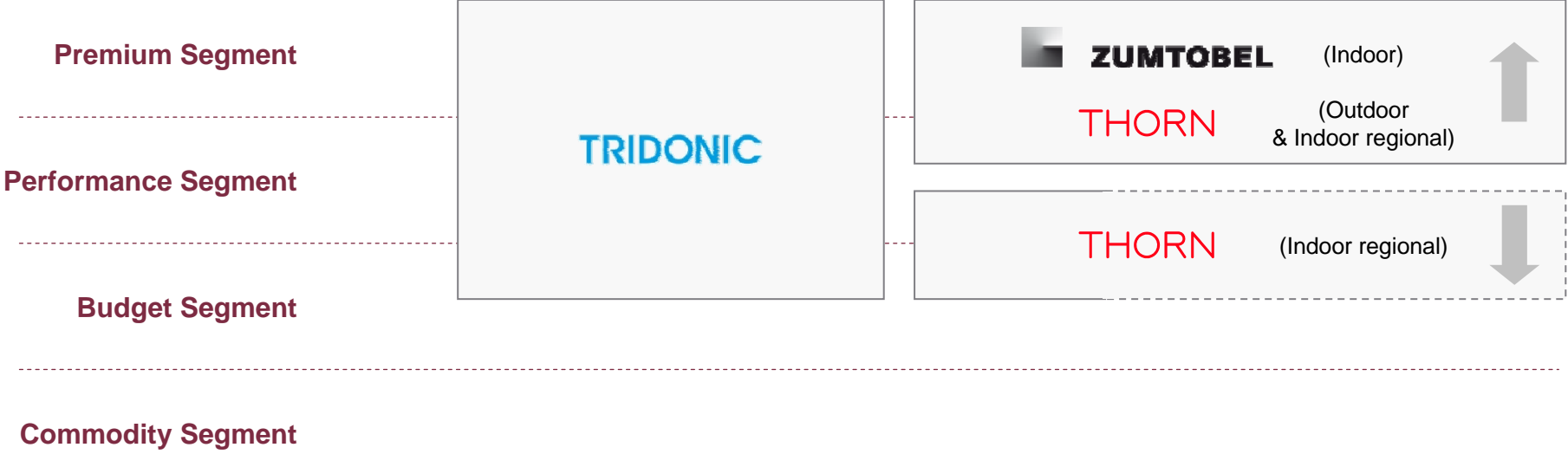


- **Standardisation (take out costs)**
- **Global business**
- **Dynamic competitive landscape**
- **Volume business**

- **Individualisation & value proposition in the high tier**
- **Globalisation especially in budget and commodity segment**
- **Increase in competition**
- **High cost for mastering technology – size matters**

The Zumtobel Group covers a major part of the value chain

Three internationally established brands with broad market access



The Zumtobel Group has a unique position in professional lighting

Summary of the Zumtobel Group's core strengths

- One of the few global players in a highly fragmented market
- The Zumtobel Group's brands cover a major part of the value chain and have complementary positions (market segments and regions)
- Outstanding direct sales network built up over decades
- Three internationally established brands with broad market access
- Comprehensive product portfolio for indoor and outdoor lighting – access to state of the art lighting components within the group
- Excellent application know-how in lighting
- Strong IP position – conventional and LED (own patent portfolio and cross-licensing)
- Size, know-how and financial resources to master the technology change
- Excellent employees, outstanding know-how, strong commitment

Challenges for the Zumtobel Group

The Zumtobel Group is faced with a number of external and internal challenges

External challenges

- ⇒ Low growth expectation in Europe and North America due to weak construction activity
- ⇒ Globalization
- ⇒ Technology shift to LED
- ⇒ Shorter innovation cycles
- ⇒ International competitors are aggressively moving into our value chain (forward integration)

Internal challenges

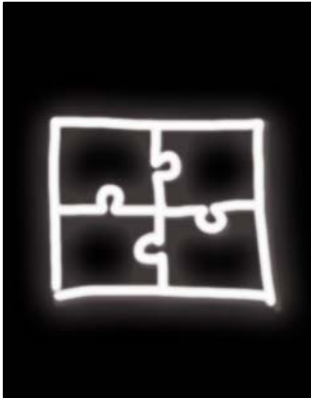
- ⇒ Insufficient market share gains
- ⇒ Untapped synergies due to lacking cooperation
- ⇒ Low capacity utilisation at production facilities
- ⇒ Potential in controls- and service business currently not fully exploited
- ⇒ Complex internal processes
- ⇒ Insufficient implementation of the necessary cultural change

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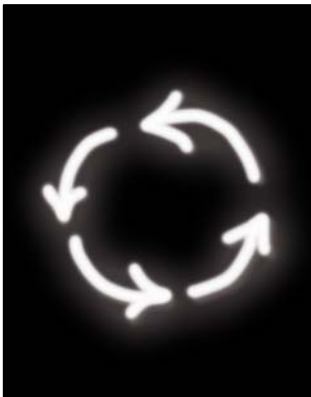
Key principles leading the Zumtobel Group

1/2



The Zumtobel Group: Optimize + lead as one team

- Promote collaboration throughout the whole group
- Identify and realise synergies between all brands and functions
- Maintain brand identities towards the market and further develop product portfolios
- Optimize global production network and multi-brand sales approach



Efficient structures and processes

- Dedicated business divisions for all three brands and TPP
- All luminaire plants will be organised in a single global operations organisation
- Sales will be organised in seven regions at cross-brand level (great customer proximity, directly reporting to the board)
- Strong financial controlling function and centralised business processes

Key principles leading the Zumtobel Group

2/2



Innovation leadership

- Encourage and drive innovation
- Reduce time to market
- Strengthen our controls and service offering
- Expand and complement our R&D expertise (e.g. software know how)

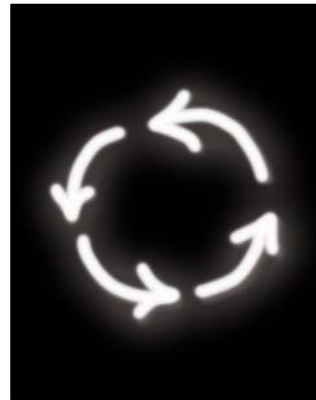
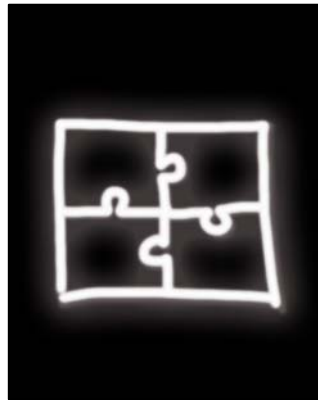


Entrepreneurial & responsible employees

- Increase in entrepreneurial responsibility
- Build corporate culture that fosters creativity and innovation
- Intensive best practice exchange – learning from each other
- Employee development: professional training for all employees, early career development for high potentials

Key principles leading the Zumtobel Group

Summary



The Zumtobel Group will be more than just the sum of its parts



Thank you for your attention!

Financial calendar

- Tues, Dec. 10, 2013 Interim Financial Report 2013/14 (May 2013 – Oct. 2013)
- Tues, Mar. 4, 2014 Report on the 3rd Quarter 2013/14 (May 2013 – Jan. 2014)
- Wed, Apr. 2, 2014 Capital Markets Day (Light + Building 2014)
- Wed, Jun. 25, 2014 Annual Financial Results 2013/14
- Fri, Jul. 25, 2014 38th Annual General Meeting
- Tues, Jul. 29, 2014 Ex-Dividend Day
- Fri, Aug. 1, 2014 Dividend Payout Day
- Tues, Sep. 2, 2014 Report on the 1st Quarter 2014/15 (May 2014 – Jul. 2014)

