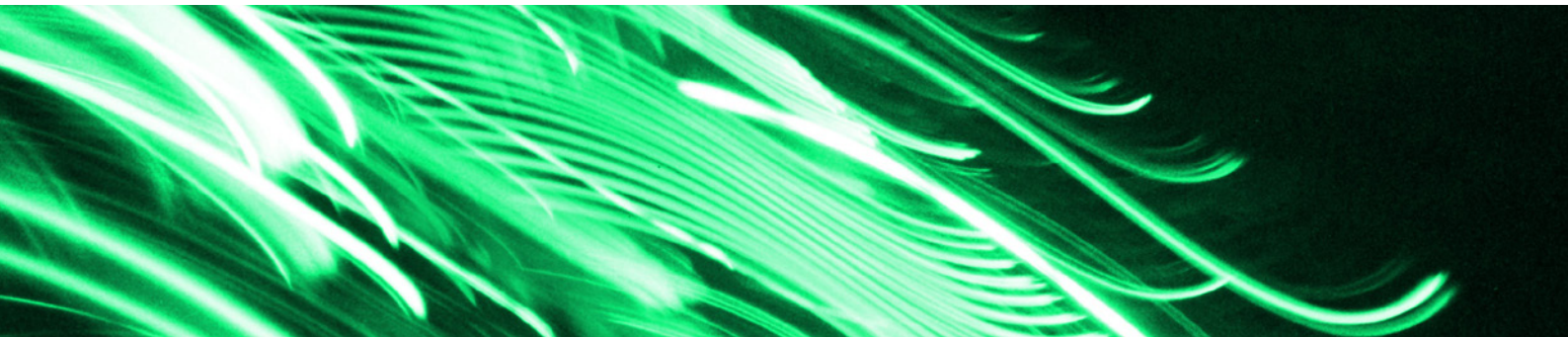


Q1 (May–July 2014)

Report on the 1st Quarter 2014/15 of Zumtobel Group AG



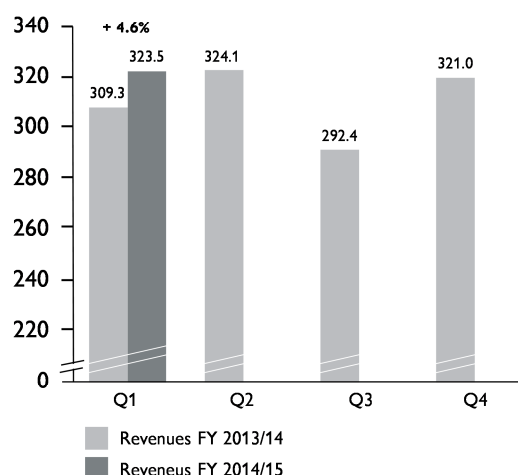
Overview of the First Quarter 2014/15

- >> Group revenues increase 4.6% year-on-year
- >> Continued strong growth momentum with LED products (plus 56.0%)
- >> Company's reorientation and implementation of restructuring measures are proceeding as planned
- >> Improved profitability in both segments
- >> Outlook for the 2014/15 financial year confirmed

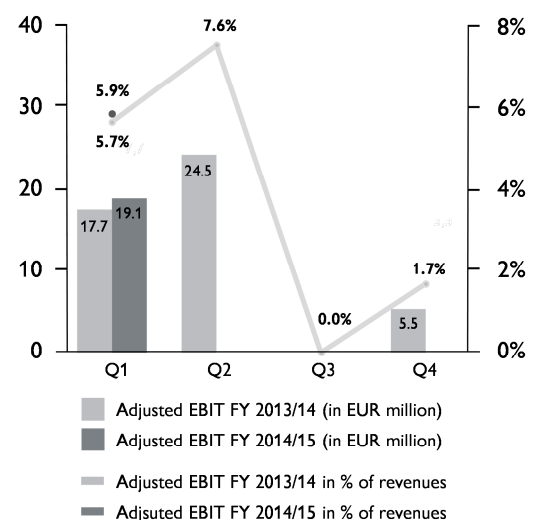
Key Data in EUR million	Q1 2014/15	Q1 2013/14	Change in %
Revenues	323.5	309.3	4.6
Adjusted EBIT	19.1	17.7	7.5
<i>as a % of revenues</i>	5.9	5.7	
EBIT	9.1	10.9	(16.3)
<i>as a % of revenues</i>	2.8	3.5	
Net profit/loss for the period	5.7	6.7	(14.3)
<i>as a % of revenues</i>	1.8	2.2	
Cash flow from operating results	22.5	27.3	(17.6)
Investments	14.2	11.9	19.3
	31 July 2014	30 April 2014	Change in %
Total assets	1,023.2	1,006.6	1.6
Equity	329.2	327.6	0.5
<i>Equity ratio in %</i>	32.2	32.5	
Net debt	159.0	126.2	26.0
Headcount incl. contract worker (full-time equivalent)	7,206	7,291	(1.2)

Development of business by quarter

Revenues (in EUR million)



Adjusted EBIT



Chief Executive's Review

Dear Shareholders,

The 2014/15 financial year is an important year of transition for the Zumtobel Group, in which we will create a stable foundation for profitable and dynamic growth. We want to bring our new structures to life, eliminate past inefficiencies and, in this way, leverage the growth potential and cost synergies from our multi-brand strategy. With this report, we are pleased to inform you of the good progress in this transformation process and the sound development of revenues and earnings during the first quarter of 2014/15.

The reorientation of the Zumtobel Group and the implementation of the restructuring projects are proceeding as planned at all levels and locations. Our goal to improve capacity utilisation and reduce costs was reflected in the introduction of measures at the end of April and the beginning of May 2014 to terminate production in Tianjin (China), Landskrona (Sweden) and Ennenda (Switzerland). Tridonic sold the connecting clamp business (Tridonic connection technology) during the first quarter, whereby this step should be seen in connection with an even stronger focus on our core LED business. The planned adjustments in sales led to the reduction of roughly 100 employees due to the combination of previously separate sales organisations during the reporting period. In our newly created Group Purchasing Department, we launched a project together with an external consultant to maximise the realisation of synergy effects in this area. The results of the implemented measures will be gradually visible in earnings during the coming quarters.

A look at the income statement shows that the development of revenues and earnings met our expectations during the first quarter. At the Group level, revenues rose by 4.6% to EUR 323.5 million (prior year: EUR 309.3 million). The focal points of growth from a regional standpoint were Germany and Great Britain, two key core markets for the Zumtobel Group. The Lighting Segment, in particular, benefited from stabilisation in the European commercial construction industry and the newly implemented multi-brand sales structure. Segment revenues increased 5.9% to EUR 243.4 million. 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 76.8% to EUR 45.2 million in the first quarter, which more than offset the declining demand for electronic ballasts as well as a large part of the revenues lost due to the exit from magnetic technology and the sale of the connecting clamp business. Segment revenues declined by 3.1% to EUR 96.6 million (prior year: EUR 99.7 million). Group EBIT adjusted for special effects rose by 7.5% to EUR 19.1 million (prior year: EUR 17.7 million), above all due to the increase in revenues. Both the Lighting Segment and the Components Segment recorded a year-on-year improvement in adjusted earnings.

Outlook for the 2014/15 financial year confirmed

Based on the continuing stable economic environment and the expected 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 necessary restructuring measures will result in negative special effects of approx. EUR 20 million on earnings during 2014/15. The first quarter results show that we are also on the right course regarding our medium-term goal to gradually raise the adjusted EBIT margin from the current level of 3.8% to 8% - 10% by 2016/17.

Ulrich Schumacher
Chief Executive Officer



Ulrich Schumacher

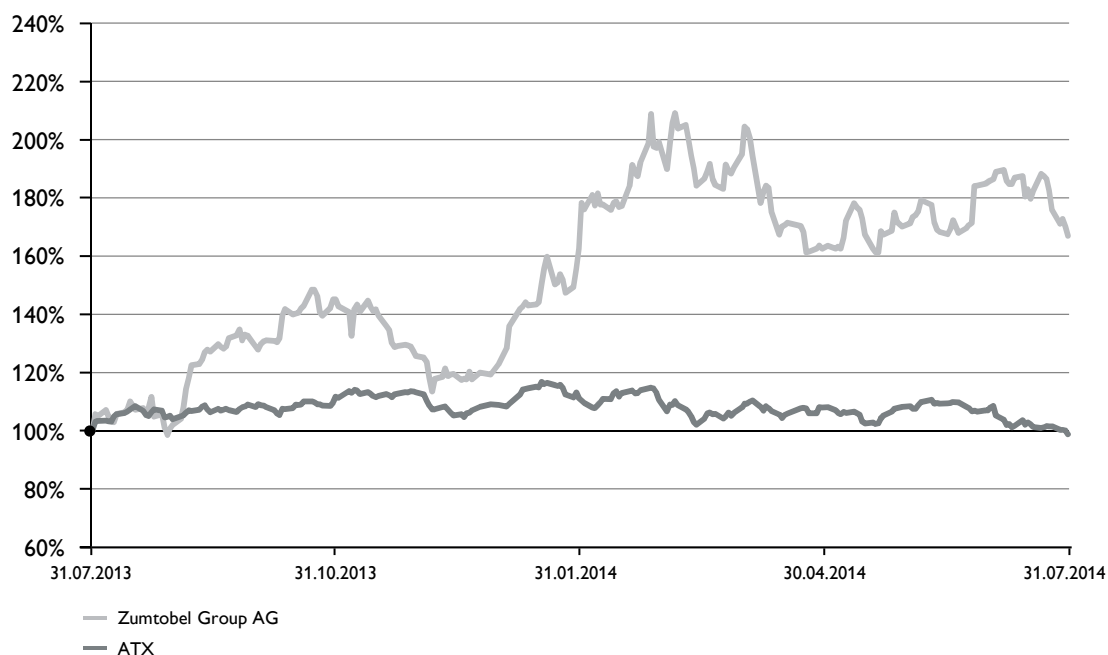
The Zumtobel Share

Zumtobel share 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 rose by 2.7% during the reporting period and outperformed the leading Austrian Traded Index (ATX: minus 8.5%), which also includes the Zumtobel share.

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 670 million at the end of July 2014 (prior year: EUR 401 million). There were no major changes in the shareholder structure of Zumtobel AG after 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 holds a stake of over 5%, and Blackrock Inc. increased its investment to over 4% of the issued shares as of 12 June 2014. SICAV Objetif Small Caps Euro (Lazard Freres Gestion) informed Zumtobel Group AG that it had reduced its investment in the company below 4% as of 2 July 2014. 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 July 2014. The average daily turnover on the Vienna Stock Exchange rose from 73,602 shares in the first quarter of the previous year to 84,975 shares in the reporting period (double-count, as published by the Vienna Stock Exchange). The company held 359,488 treasury shares as of 31 July 2014.

Development of the Zumtobel Share



Key Data on the Zumtobel Share for the 1st Quarter 2014/15

Closing price at 30.04.14	EUR 15,000	Currency	EUR
Closing price at 31.07.14	EUR 15,405	ISIN	AT0000837307
Performance 1st quarter 2014/15	2.7%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.07.14	EUR 670 million	Market segment	Prime Market
Share price - high at 07.07.14	EUR 17,490	Reuters symbol	ZUMV.VI
Share price - low at 21.05.14	EUR 14,880	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	84,975	Number of issued shares	43,500,000

Group Management Report

The Economic Environment

The July 2014 forecast by the International Monetary Fund (IMF) shows that global growth has been slowed by concerns over development in the two economic powers, the USA and China, as well as the crisis in Ukraine. The weak start into the 2014 calendar year is now only expected to be followed by a plus of 3.4%, which places the forecast 0.3 percentage points below the April report. However, the IMF continues to stand by its estimate of a 4% increase in the global economy during 2015 despite the growing number of international crises. Forecasts for the euro zone remain unchanged with an increase of 1.1% in 2014 and 1.5% in 2015, in part with substantial regional differences. On a more positive note, growth expectations for the Zumtobel Group's two largest sales regions – Germany and Great Britain – were raised slightly from plus 1.7% to plus 1.9% and from plus 2.8% to plus 3.2%.

The construction industry in Europe will not make a substantial contribution to economic recovery during the 2014/15 financial year. However, the June 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 1.1% for the 2014 calendar year and 1.6% for the 2015 calendar year.

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.

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. 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. A mutually agreed social plan has since been approved for the 115 employees affected by the closing. The production in Ennenda will be terminated as of February 2015.

On 6 June 2014 Tridonic announced the sale 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 retroactively as of 30 April 2014. Tridonic connection technology employs a workforce of 97. The parties have agreed not to disclose any information on the price for the transaction.

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.

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".

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

Continued moderate growth expected for the euro zone

Termination of lighting production in Landskrona

Termination of components production in Ennenda

Management buyout for Tridonic connection technology

COO Martin Brandt leaves Zumtobel Group

AGM approves dividend for FY 2013/14

Related Party Transactions

Closely related persons include the Management Board and Supervisory Board of Zumtobel Group AG. As of 31 July 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.

Revenue development in the first quarter 2014/15

- >> Group revenues rise by 4.6%
- >> Strong growth momentum with LED products (plus 56.0%)
- >> Solid revenue growth in Lighting Segment (plus 5.9%)
- >> Good progress on structural adjustments in the Components Segment

4.6% increase in Group revenues

Group revenues rose by 4.6% year-on-year to EUR 323.5 million (prior year: EUR 309.3 million) during the first quarter of the 2014/15 financial year (1 May to 31 July 2014) in a stable economic environment. 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 56.0% over the first quarter of the previous year to EUR 139.3 million (prior year: EUR 89.3 million). The LED share of Group revenues grew to 43.1% within 12 months, compared with 28.9% in the first quarter of 2013/14. Both the Lighting Segment (plus 48.2%) and the Components Segment (plus 76.8%) benefited from the sharp rise in the demand for LED lighting with their extensive portfolio of innovative LED products.

Segment development in EUR million	Q1 2014/15	Q1 2013/14	Change in %
Lighting Segment	243.4	229.9	5.9
Components Segment	96.6	99.7	(3.1)
Reconciliation	(16.5)	(20.3)	(18.8)
Zumtobel Group	323.5	309.3	4.6

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 June 2014 report by Euroconstruct, which forecasts growth of 1.1% for the 2104 calendar year and 1.6% for the 2015 calendar year after a series of annual declines in the seven most important European markets for the Zumtobel Group. Revenues in the Lighting Segment rose by 5.9% to EUR 243.4 million in the first quarter of 2014/15 (prior year: EUR 229.9 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 the Components Segment

The Components Segment is making good progress in strengthening its business focus on LED technology to create a stable foundation for future profitable and dynamic 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 as of 30 April 2014 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 LED technology. Revenues from the sale of LED components rose by 76.8% to EUR 45.2 million (prior year: EUR 25.6 million). This growth fully offset the declining demand for electronic ballasts as well as a large part of the revenues lost due to the exit from magnetic technology and the sale of the connecting clamp business. Segment revenues fell by 3.1% to EUR 96.6 million for the first quarter of 2014/15 (prior year: EUR 99.7 million).

Development of revenues by region

Q1 2014/15	Revenues in EUR million	Change in %	in % of Group
D/A/CH	92.1	5.5	28.5
Northern Europe	69.8	14.8	21.6
Benelux & Eastern Europe	27.1	3.9	8.4
Southern Europe & Latin America	53.7	(2.9)	16.6
Asia & Pacific	37.1	(6.9)	11.5
Middle East & Africa*	34.3	5.3	10.6
Northern America	9.3	26.3	2.9
Total	323.5	4.6	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:

New organisation of sales regions

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 quarter of 2013/14.

The D/A/CH region, the strongest market in the Zumtobel Group, recorded a 5.5% increase in revenues to EUR 92.1 million. Revenue growth was particularly sound, above all in Germany due to orders from large retail chains. Revenues in Northern Europe rose by 14.8% to EUR 69.8 million, whereby Great Britain was the main driver in this region. In Benelux & Eastern Europe, economic uncertainty related to the crisis in Ukraine had a negative influence on the Russian market. Revenues in this region rose by only 3.9% to EUR 27.1 million. Business development in the Southern Europe and Latin America region was characterised, above all, by disappointing outdoor lighting sales in France following the elections. Revenues in this region fell by 2.9% to EUR 53.7 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 declined 6.9% to EUR 37.1 million in the first quarter of 2014/15. In the Middle East & Africa, the sound development from previous quarters continued during the reporting period with a 5.3% increase in revenues to EUR 34.3 million. After a very weak first quarter in 2013/14, North America recorded revenue growth of 26.3% in the reporting quarter.

Germany and Great Britain as growth drivers

Earnings development in the first quarter 2014/15

- >> Adjusted Group EBIT rises by 7.5% to EUR 19.1 million
- >> Selling expenses as a % of revenues below prior year
- >> Negative special effects from transformation process (EUR 10.0 million)
- >> Net profit totals EUR 5.7 million

Income statement in EUR million	Q1 2014/15	Q1 2013/14	Change in %
Revenues	323.5	309.3	4.6
Cost of goods sold	(216.2)	(205.4)	5.2
Gross profit	107.3	103.9	3.3
<i>as a % of revenues</i>	33.2	33.6	
SG&A expenses adjusted for special effects	(88.2)	(86.2)	2.4
Adjusted EBIT	19.1	17.7	7.5
<i>as a % of revenues</i>	5.9	5.7	
Special effects	(10.0)	(6.9)	45.2
EBIT	9.1	10.9	(16.3)
<i>as a % of revenues</i>	2.8	3.5	
Financial results	(1.8)	(2.8)	36.2
Profit/loss before tax	7.3	8.0	(9.3)
Income taxes	(1.6)	(1.4)	15.0
Net profit/loss for the period	5.7	6.7	(14.3)
Earnings per share (in EUR)	0.13	0.16	(15.1)

Note: EBITDA (EBIT plus depreciation and amortisation) amounted to EUR 22.4 million in the first quarter of 2014/15

Adjusted Group EBIT rises by 7.5%

Group EBIT adjusted for special effects rose by 7.5% year-on-year from EUR 17.7 million to EUR 19.1 million. The return on sales increased from 5.7% to 5.9%. Both the Lighting Segment and the Components Segment recorded a year-on-year improvement in adjusted earnings. The gross profit margin fell to 33.2% in the first quarter (prior year: 33.6%). This decline was related primarily to negative foreign exchange effects in the cost of materials and temporary inefficiencies resulting from the relocation of production. Development costs included in the cost of goods sold amounted to EUR 16.6 million in the first quarter and were only slightly higher than the previous year (EUR 16.3 million).

Selling expenses below prior year in % of revenues

Selling costs fell from 24.8% to 23.9% of revenues. One focal point of the Zumtobel Group's new structure is the merger of the previously separate Zumtobel and Thorn sales organisations. Related measures were introduced during the past six months. The number of employees in sales was reduced by roughly 100 during the first quarter and by nearly 150 over the past six months. Administrative expenses rose from EUR 9.5 million to EUR 11.6 million, primarily due to higher consulting expenses. Other operating results, excluding special effects, amounted to EUR 0.6 million (prior year: EUR 0.2 million) and included, among others, license income from the LED business.

Negative special effects from transformation process

Negative special effects totalling EUR 10.0 million were recognised during the first quarter of 2014/15 (prior year: EUR 6.9 million). 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.

Adjusted EBIT in EUR million	Q1 2014/15	Q1 2013/14	Change in %
Reported EBIT	9.1	10.9	(16.3)
thereof special effects	(10.0)	(6.9)	(45.2)
Adjusted EBIT	19.1	17.7	7.5
<i>as a % of revenues</i>	5.9	5.7	

Financial results improved by EUR 1.0 million year-on-year to minus EUR 1.8 million (prior year: minus EUR 2.8 million). Interest expense consists mainly of interest on the current credit agreement. Other financial income and expenses totalled plus EUR 0.5 million (prior year: minus EUR 0.8 million). The change in comparison with the prior year resulted from foreign exchange differences, above all due to an increase in key currencies for the Zumtobel Group versus the euro during the first quarter of 2014/15. Additional information is provided in the notes to the consolidated interim financial statements.

Improvement in financial results

Financial result in EUR million	Q1 2014/15	Q1 2013/14	Change in %
Interest expense	(2.4)	(2.2)	12.4
Interest income	0.1	0.2	(56.1)
Net financing costs	(2.3)	(1.9)	(20.0)
Other financial income and expenses	0.5	(0.8)	>100
Result from companies accounted for at-equity	0.1	(0.1)	>100
Financial results	(1.8)	(2.8)	36.2

Profit before tax declined to EUR 7.3 million in the first quarter of 2014/15 (prior year: EUR 8.0 million), and income taxes equalled EUR 1.6 million. Net profit for the period amounted to EUR 5.7 million, versus EUR 6.7 million in the previous year, due to the substantial increase in negative special effects. Earnings per share for the shareholders of Zumtobel AG (basic EPS based on 43.1 million shares) equalled EUR 0.13 (prior year: EUR 0.16).

Net profit of EUR 5.7 million

Cash flow and asset position

- >> Seasonal cash outflows from increase in working capital
- >> Capital expenditure rises to EUR 14.2 million (prior year: EUR 11.9 million)
- >> Free cash flow equals minus EUR 35.0 million
- >> Continued solid balance sheet structure

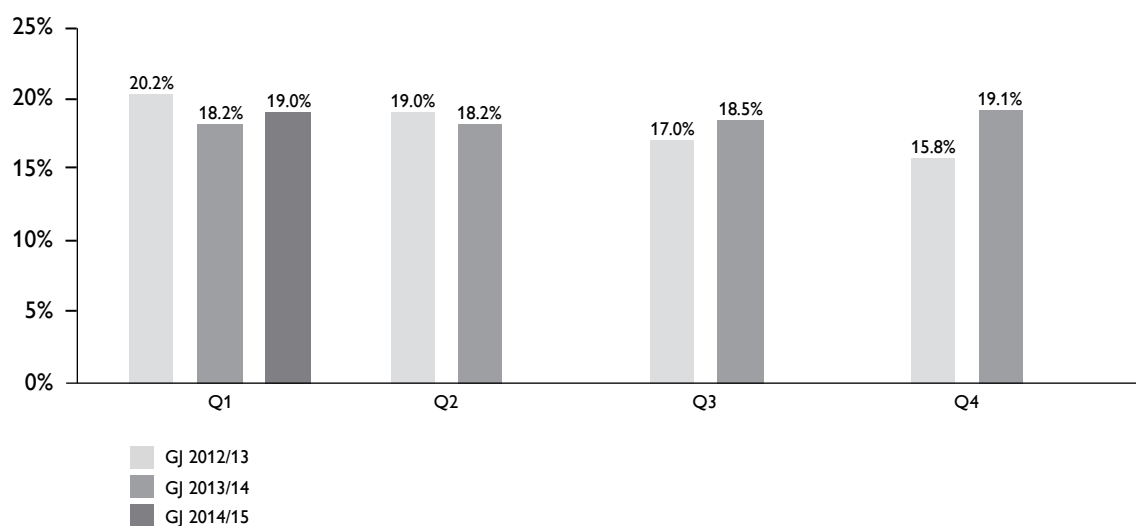
Cash flow was determined on a monthly basis in accordance with the indirect method. The resulting monthly cash flows were translated at the applicable average monthly exchange rate and then aggregated, while the balance sheet positions were translated at the exchange rate in effect on the respective 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.

Working capital totalled EUR 239.6 million as of 31 July 2014 (prior year: EUR 200.0 million). The seasonal increase in working capital was stronger than the comparable period in 2013/14 due to the sound year-on-year growth in the volume of business (plus 4.6%). It included an increase in inventories and receivables as well as a reduction in trade payables. Stocks of raw materials and finished goods were expanded in line with the change in revenues in order to safeguard production and supply capabilities to customers. In comparison with the first quarter of the prior year, working capital rose from 18.2% to 19.0% of rolling 12-month revenues. The seasonal cash outflows from the increase in working capital since 30 April 2014 rose from EUR 32.6 million in the prior year to EUR 41.0 million. The positive cash flow effect from current provisions

Seasonal cash outflows from increase in working capital

(EUR 5.1 million) resulted chiefly from the addition to provisions for current restructuring measures. In total cash flow from operating activities fell by EUR 17.3 million to minus EUR 29.9 million in the first quarter of 2014/15 (prior year: minus EUR 12.6 million).

Working Capital in % of rolling 12-month revenues



Free cash flow of minus EUR 35.0 million

Investments in property, plant and equipment for various production facilities totalled EUR 14.2 million in the first quarter of 2014/15 (prior year: EUR 11.9 million). These expenditures covered investments in the manufacture of tools for new products, expansion and maintenance investments as well as capitalised R&D costs of EUR 4.4 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 and the initial consolidation of Thorn Lighting Limited Liability Company in Qatar. Free cash flow of minus EUR 35.0 million was EUR 11.6 million lower than the comparable prior year period, above all due to the higher cash outflows for the increase in working capital.

Cash flow from financing activities consists primarily of the increased use of the credit line provided by the consortium credit agreement and interest paid during the first quarter of 2014/15. 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 was therefore not included in cash outflows for the first quarter of the reporting year.

Balance sheet data in EUR million	31 July 2014	30 April 2014
Total assets	1,023.2	1,006.6
Net debt	159.0	126.2
Equity	329.2	327.6
Equity ratio in %	32.2	32.5
Gearing in %	48.3	38.5
Investments	14.2	65.6
Working capital	239.6	200.0
As a % of rolling 12 month revenues	19.0	16.0

The quality of the balance sheet structure remains nearly unchanged. The equity ratio declined slightly from 32.5% on 30 April 2014 to 32.2% as of 31 July 2014. Net debt followed the normal seasonal pattern with an increase of EUR 32.8 million over the level on 30 April 2014 to EUR 159.0 million (prior year: EUR 126.2 million). Gearing – the ratio of net debt to equity – deteriorated from 38.5% to 48.3%.

**Continued solid
balance sheet
structure**

Outlook for the 2014/15 financial year confirmed

Based on the continuing stable economic environment and the expected 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 necessary restructuring measures will result in negative special effects of approx. EUR 20 million on earnings during 2014/15. The first quarter results show that we are also on the right course regarding our medium-term goal to gradually raise the adjusted EBIT margin from the current level of 3.8% to 8% - 10% by 2016/17.

Dornbirn, 2 September 2014

Ulrich Schumacher
Chief Executive Officer

Karin Sonnenmoser
Chief Financial Officer

Income Statement

in TEUR	Q1 2014/15	Q1 2013/14	Change in %
Revenues	323,455	309,279	4.6
Cost of goods sold	(216,176)	(205,406)	5.2
Gross profit	107,279	103,873	3.3
<i>as a % of revenues</i>	33.2	33.6	
Selling expenses	(77,229)	(76,853)	0.5
Administrative expenses	(11,639)	(9,537)	22.0
Other operating results	(9,318)	(6,625)	40.6
<i>thereof special effects</i>	(9,966)	(6,864)	45.2
Operating profit	9,093	10,858	(16.3)
<i>as a % of revenues</i>	2.8	3.5	
Interest expense	(2,427)	(2,160)	12.4
Interest income	95	217	(56.1)
Other financial income and expenses	484	(768)	>100
Result from companies accounted for at-equity	55	(101)	>100
Financial results	(1,793)	(2,812)	36.2
<i>as a % of revenues</i>	(0.6)	(0.9)	
Profit before tax	7,300	8,046	(9.3)
Income taxes	(1,579)	(1,372)	15.0
Net profit from continuing operations	5,721	6,674	(14.3)
Net loss from discontinued operations	0	0	
Net profit for the period	5,721	6,674	(14.3)
<i>as a % of revenues</i>	1.8	2.2	
<i>thereof due to non-controlling interests</i>	(77)	(155)	50.1
<i>thereof due to shareholders of the parent company</i>	5,798	6,829	(15.1)
Average number of shares outstanding – basic (in 1,000 pcs.)	43,139	43,134	
Average diluting effect (stock options) (in 1,000 pcs.)	1	2	
Average number of shares outstanding – diluted (in 1,000 pcs.)	43,140	43,136	
Earnings per share (in EUR)			
Basic earnings per share	0.13	0.16	
Diluted earnings per share	0.13	0.16	
Earnings per share from continuing operations (in EUR)			
Basic earnings per share	0.13	0.15	
Diluted earnings per share	0.13	0.15	
Earnings per share from discontinued operations (in EUR)			
Basic earnings per share	0.00	0.00	
Diluted earnings per share	0.00	0.00	

Statement of Comprehensive Income

in TEUR	Q1 2014/15	Q1 2013/14	Change in %
Net profit/loss for the period	5,721	6,674	(14.3)
Currency differences	1,984	(7,867)	>100
Currency differences arising from loans	1,618	(2,632)	>100
Hedge accounting	(243)	1,949	<(100)
Deferred taxes due to hedge accounting	61	(487)	>100
Total of items that will be reclassified ("recycled") subsequently to the income statement	3,420	(9,037)	>100
Subtotal other comprehensive income	3,420	(9,037)	>100
thereof due to non-controlling interests	57	(27)	>100
thereof due to shareholders of the parent company	3,363	(9,010)	>100
Total comprehensive income	9,141	(2,363)	>100
<i>thereof due to non-controlling interests</i>	<i>(20)</i>	<i>(182)</i>	<i>89.3</i>
<i>thereof due to shareholders of the parent company</i>	<i>9,161</i>	<i>(2,181)</i>	<i>>100</i>

Balance Sheet

in TEUR	31 July 2014	in %	30 April 2014	in %
Goodwill	189,471	18.5	187,792	18.7
Other intangible assets	56,295	5.5	55,682	5.5
Property, plant and equipment	223,987	21.9	230,635	22.9
Financial assets accounted for at-equity	2,496	0.2	2,441	0.2
Financial assets	1,482	0.1	1,466	0.1
Other assets	4,315	0.5	4,354	0.4
Deferred taxes	37,719	3.7	37,509	3.7
Non-current assets	515,765	50.4	519,879	51.5
Inventories	186,265	18.2	181,426	18.1
Trade receivables	213,315	20.8	199,303	19.8
Financial assets	2,740	0.3	2,731	0.3
Other assets	31,208	3.1	29,071	2.9
Liquid funds	73,859	7.2	74,191	7.4
Current assets	507,387	49.6	486,722	48.5
ASSETS	1,023,152	100.0	1,006,601	100.0
Share capital	108,750	10.6	108,750	10.8
Additional paid-in capital	335,260	32.8	335,249	33.3
Reserves	(124,579)	(12.2)	(115,215)	(11.5)
Net profit/loss for the period	5,798	0.6	(4,995)	(0.5)
Capital attributed to shareholders of the parent company	325,229	31.8	323,789	32.1
Capital attributed to non-controlling interests	3,998	0.4	3,765	0.4
Equity	329,227	32.2	327,554	32.5
Provisions for pensions	76,829	7.5	77,486	7.7
Provisions for severance compensation	39,243	3.8	41,374	4.1
Provisions for other employee benefits	12,747	1.2	12,860	1.3
Other provisions	1,065	0.1	1,073	0.1
Borrowings	222,994	21.8	197,357	19.6
Other liabilities	2,727	0.3	2,575	0.3
Deferred taxes	4,196	0.4	4,337	0.4
Non-current liabilities	359,801	35.1	337,062	33.5
Provisions for taxes	20,253	2.0	20,057	2.0
Other provisions	38,192	3.7	32,985	3.3
Borrowings	11,813	1.2	5,314	0.5
Trade payables	140,244	13.7	159,912	15.9
Other liabilities	123,622	12.1	123,717	12.3
Current liabilities	334,124	32.7	341,985	34.0
EQUITY AND LIABILITIES	1,023,152	100.0	1,006,601	100.0

Cash Flow Statement

in TEUR	Q1 2014/15	Q1 2013/14
Operating profit from continuing and discontinued operations	9,093	10,858
Depreciation and amortisation	13,356	16,443
Gain/loss from disposal of fixed assets	(61)	11
Changes in the consolidation range	120	0
Cash flow from operating results	22,508	27,312
Inventories	(5,080)	(5,432)
Trade receivables	(6,359)	(22,975)
Trade payables	(28,627)	(5,428)
Prepayments received	(974)	1,203
Change in working capital	(41,040)	(32,632)
Non-current provisions	(3,309)	(2,417)
Current provisions	5,054	649
Other current and non-current assets and liabilities	(11,709)	(4,207)
Change in other operating items	(9,964)	(5,975)
Taxes paid	(1,381)	(1,289)
Cash flow from operating activities	(29,877)	(12,584)
Proceeds from the sale of non-current assets	210	122
Capital expenditures on non-current assets	(14,157)	(11,865)
Change in non-current and current financial assets	(705)	659
Change in liquid funds from changes in the consolidation range	9,522	297
Cash flow from investing activities	(5,130)	(10,787)
FREE CASH FLOW	(35,007)	(23,371)
Change in net borrowings	33,923	15,086
<i>thereof restricted cash</i>	(41)	(6)
Change in minority interest	0	(1,524)
Exercise of options	11	0
Interest paid	(1,935)	(1,714)
Interest received	95	217
Cash flow from financing activities	32,094	12,065
Effects of exchange rate changes on cash and cash equivalents	1,501	(4,454)
CHANGE IN CASH AND CASH EQUIVALENTS	(1,412)	(15,760)
Cash and cash equivalents at the beginning of the period	70,583	82,902
Cash and cash equivalents at the end of the period	69,171	67,142
Change absolute	(1,412)	(15,760)

Statement of Changes in Equity

1st Quarter 2014/15

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

1st Quarter 2013/14

	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			
in TEUR											
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	(10,472)	1,462	0	0	6,829	(2,181)	(182)	(2,363)
+/- Dividends	0	0	(3,019)	0	0	0	0	0	(3,019)	0	(3,019)
+/- Changes in minority interest	0	0	(1,883)	0	0	0	0	0	(1,883)	359	(1,524)
31 July 2013	108,750	335,210	10,951	(39,938)	(2,909)	19,732	(91,831)	6,829	346,794	3,686	350,480

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

Change in the name of the company

The 38th annual general meeting on 25 July 2014 approved a change in the name of the company from "Zumtobel AG" to "Zumtobel Group AG". This change took effect before the publication of the consolidated interim financial statements as of 31 July 2014.

Accounting and Valuation Methods

The condensed consolidated interim financial statements as of 31 July 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 as of 31 July 2014 were neither audited nor reviewed by a certified public accountant.

The unaudited condensed consolidated interim financial statements were prepared in accordance with all IFRS/IAS issued by the International Accounting Standards Board (IASB) as well as all interpretations (IFRIC/SIC) of the International Financial Reporting Interpretations Committee and Standing Interpretations Committee that were adopted by the European Union through its endorsement procedure and were applicable as of the balance sheet date. The accounting and valuation methods applied as of 31 July 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

The changes resulting from the new standards and interpretations were analysed, and these new rules do not have a significant effect on the consolidated interim financial statements.

In order to improve the clarity and informative value of these financial statements, individual positions on the income statement and balance sheet were combined and are reported separately in the notes. The amounts in the tables are presented in thousand euros (TEUR), unless indicated otherwise. The use of automatic data processing equipment can lead to rounding differences.

The quarterly financial statements of the companies included in the 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 July 2014	31 July 2013	31 July 2014	30 April 2014
AUD	1.4561	1.3799	1.4396	1.4947
CHF	1.2178	1.2370	1.2169	1.2200
USD	1.3619	1.3080	1.3379	1.3850
SEK	9.1220	8.6380	9.2261	9.0723
GBP	0.8039	0.8545	0.7928	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	2		2
<i>thereof newly founded</i>	2		2
Deconsolidated during reporting period	(2)		(2)
31 July 2014	96	2	98

- >> 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.

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 12,580 (prior year: TEUR 11,751) for sales deductions (primarily customer discounts. Gross revenues total TEUR 336,035 (prior year: TEUR 321,030).

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 Quarter 2014/15

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

1st Quarter 2013/14

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(127,897)	(942)	(13)	0	(128,852)
Personnel expenses	(54,744)	(44,225)	(6,982)	(3,547)	(109,498)
Depreciation	(12,024)	(1,485)	(274)	(2,660)	(16,443)
Other expenses	(18,554)	(29,403)	(3,318)	(666)	(51,941)
Own work capitalised	5,068	0	0	0	5,068
Internal charges	1,414	(2,391)	977	0	0
Total expenses	(206,737)	(78,446)	(9,610)	(6,873)	(301,666)
Other income	1,331	1,593	73	248	3,245
Total	(205,406)	(76,853)	(9,537)	(6,625)	(298,421)

The cost of goods sold includes development costs of TEUR 16,623 (prior year: TEUR 16,299).

Development costs of TEUR 4,398 were capitalised during the reporting period (prior year: TEUR 4,821). The amortisation of capitalised development costs amounted to TEUR 3,398 (prior year: TEUR 3,284).

Other Operating Results

in TEUR	Q1 2014/15	Q1 2013/14
Government grants	133	(38)
License revenues	505	77
Special effects	(9,967)	(6,864)
<i>Impairment charges to non-current assets</i>	0	(2,650)
<i>Restructuring</i>	(9,535)	(4,161)
<i>Impairment charges to current assets</i>	(312)	0
<i>Changes in the consolidation range</i>	(120)	(53)
Miscellaneous	10	200
Total	(9,319)	(6,625)

The development of government grants in the previous year reflects the partial repayment of a grant that was not utilised in full.

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

The impairment charges of TEUR 2,650 recognised 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 4,312 for the Components Segment and TEUR 5,223 for the Lighting Segment. The expenses attributable to the Components Segment are related primarily to the termination of production in Ennenda, Switzerland. The restructuring expenses in the Lighting Segment are related chiefly to the closing of the lighting production plant in Landskrona, Sweden.

The impairment charges to current assets are connected with the shutdown of plants in the Components Segment.

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

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

Interest Expense

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

Other Financial Income and Expenses

in TEUR	Q1 2014/15	Q1 2013/14
Interest component as per IAS 19 less income on plan assets	(1,027)	(1,150)
Foreign exchange gains and losses	1,035	(1,789)
Market valuation of financial instruments	476	2,171
Total	484	(768)

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 in the Zumtobel Group's most important currencies versus the euro during the first quarter of 2014/15, while the first quarter of the previous year 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	Q1 2014/15	Q1 2013/14
Current taxes	(1,606)	(1,277)
<i>thereof current year</i>	(1,601)	(1,192)
<i>thereof prior years</i>	(5)	(85)
Deferred taxes	28	(95)
Income taxes	(1,578)	(1,372)

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 Quarter 2014/15

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

2013/14 Financial Year

in 1,000 pcs.	Balance Sheet Date	Average
1 May 2013	43,133	43,133
Stock options – exercises	5	3
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.

Taxes

This position consists solely of deferred taxes related to hedge accounting.

Notes to the Balance Sheet

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

The organisational structure led to changes in the designation of 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 "Lighting Segment" previously presented in the segment report, which covered the Zumtobel 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 1,678 to goodwill in the first quarter of 2014/15 (prior year: TEUR -2,960), 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 correlation of revenues with the seasonal development of business in the construction sector.

Non-Current Financial Liabilities

The increase in non-current financial liabilities resulted chiefly from an increase in the use of the financing line provided by the consortium credit agreement from TEUR 170,000 to TEUR 195,000.

Current Financial Liabilities

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

Other Current 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.

Other Current Liabilities

This position includes the dividend liability of TEUR 7,765 to the shareholders of Zumtobel Group AG for the 2013/14 financial year. The dividend was paid to shareholders after the end of the reporting period on 1 August 2014.

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

The financial instruments measured at fair value through profit or loss as of 31 July 2014 are classified in the valuation hierarchy as follows:

31 July 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	802	802	-	802	-
Others	-	-	-	-	-
Total	1,182	1,182	-	802	380

in TEUR	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Other current liabilities					
Derivatives (hedge accounting)	1,696	1,696	-	1,696	-
Derivatives held for trading	7,787	7,787	-	7,787	-
Total	9,483	9,483	-	9,483	-

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	-
Others	-	-	-	-	-
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 July 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. There were no changes in the composition since 30 April 2014, and no distributions of profit were recognised from these shareholdings 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 declined from TEUR -12,584 to TEUR -29,877, above all due to the seasonal increase in receivables and the reduction in trade payables. The positive cash flow effect shown under current provisions resulted chiefly from additions to provisions for restructuring in connection with the plant shutdowns in Ennenda, Switzerland, and Landskrona, Sweden.

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 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 the financing line provided by the consortium credit agreement and interest expense for the first quarter of 2014/15. 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 and, consequently, is therefore not included in cash flow for the first quarter of the reporting year.

Transition to Cash and Cash Equivalents

in TEUR	31 July 2014	30 April 2014	30 April 2013
Liquid funds	73,859	74,191	87,048
Not available for disposal	(216)	(169)	(204)
Overdrafts	(4,473)	(3,439)	(3,942)
Cash and cash equivalents	69,170	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 other comprehensive income 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 July 2014	359,488

In the first quarter of 2014/15, 1,452 stock options (prior year: 0 options) were exercised from the Stock Option Programme (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 related to the application of IAS 19.

Non-controlling Interests

The change in the first quarter 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. This purchase resulted in 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.

in TEUR	Lighting Segment			Components Segment			Reconciliation			Group		
	Q1 2014/15	Q1 2013/14	Q1 2012/13	Q1 2014/15	Q1 2013/14	Q1 2012/13	Q1 2014/15	Q1 2013/14	Q1 2012/13	Q1 2014/15	Q1 2013/14	Q1 2012/13
Net revenues	243,358	229,905	243,038	96,553	99,652	98,099	(16,456)	(20,278)	(17,750)	323,455	309,279	323,387
External revenues	242,868	229,774	242,878	80,515	79,488	80,416	72	17	93	323,455	309,279	323,387
Inter-company revenues	490	131	160	16,038	20,164	17,683	(16,528)	(20,295)	(17,843)	0	0	0
Operating profit/loss	11,941	14,900	12,732	2,785	(224)	2,279	(5,633)	(3,818)	(2,416)	9,093	10,858	12,595
Investments	9,619	8,850	7,231	4,230	2,938	2,713	308	77	325	14,157	11,865	10,269
Depreciation	(8,002)	(7,869)	(8,006)	(4,772)	(8,082)	(5,386)	(582)	(492)	(468)	(13,356)	(16,443)	(13,860)

in TEUR	31 July 2014	30 April 2014	30 April 2013	31 July 2014	30 April 2014	30 April 2013	31 July 2014	30 April 2014	30 April 2013	31 July 2014	30 April 2014	30 April 2013
Assets	684,954	668,998	640,657	202,212	209,046	208,852	135,986	128,557	145,329	1,023,152	1,006,601	994,838

in TEUR	31 July 2014	30 April 2014	30 April 2013	31 July 2014	30 April 2014	30 April 2013	31 July 2014	30 April 2014	30 April 2013	31 July 2014	30 April 2014	30 April 2013
Headcount (full-time equivalent)	5,141	5,186	5,091	1,926	1,971	1,946	140	134	125	7,207	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	Q1 2014/15	Q1 2013/14
Group parent companies	(5,633)	(3,765)
Group entries	0	(53)
Operating profit/loss	(5,633)	(3,818)

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 July 2014	30 April 2014
Assets used by more than one segment	131,043	129,266
Group parent companies	47,455	48,927
Group entries	(42,511)	(49,636)
Assets	135,987	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 AG. As of 31 July 2014 the Zumtobel Group had no business relationships with related parties.

The supply and delivery transactions with associated companies reflect standard market conditions. As of 31 July 2014 trade receivables due from associated companies totalled TEUR 387 (30 April 2014: TEUR 742) and trade payables amounted to TEUR 2,985 (30 April 2014: TEUR 3,528). No receivables due from associated companies were written off as uncollectible during the first quarter of 2014/15, and none of these receivables were classified as uncollectible as of 31 July 2014.

Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 7,920 (30 April 2014: TEUR 8,135) for various purposes.

Subsequent Events

The dividend for the 2013/14 financial year that was approved by the annual general meeting on 25 July 2014 was paid on 1 August 2014.

Dornbirn, 2 September 2014

The Management Board

Ulrich Schumacher
Chief Executive Officer (CEO)

Karin Sonnenmoser
Chief Financial Officer (CFO)

Service

Financial Terms

Adjusted EBIT	EBIT adjusted for special effects
Adjusted EBIT margin	= Adjusted EBIT as a percentage of revenues
Adjusted EBITDA	EBITDA adjusted for special effects
Average capital employed	= Goodwill + intangible assets + property, plant and equipment + inventories + trade receivables - trade payables - provisions for income taxes - other provisions - other liabilities, as an average over four quarters
CAPEX	Capital expenditure
Debt coverage ratio	Net debt divided by EBITDA
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Equity ratio	= Equity as a percentage of assets
Gearing	= Net debt as a percentage of equity
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 Quarter 2014/15 (1 May 2014 – 31 July 2014)	02 September 2014
Report on the First Half-year 2014/15 (1 May 2014 – 31 October 2014)	09 December 2014
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

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Financial Reports

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

More Information

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

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

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Disclaimer

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.