

**Report
by the Supervisory Board
of ZUMTOBEL AG
on 25 June 2013 for the 2012/2013 Financial Year**

Dear Shareholders,

During the past financial year, we performed the duties required by law and the articles of association. Our oversight functions covered the regular monitoring and control of the Management Board in their direction of ZUMTOBEL AG. The Management Board provided us with regular, timely and comprehensive written and verbal reports on the general development of business, major events and the position of ZUMTOBEL AG and the Group. In connection with specific issues, experts were invited to our meetings to supply additional information. The Management Board provided the Supervisory Board with regular reports on important topics between these meetings. Additional discussions also took place between the chief executive officer and the chairman of the Supervisory Board. These processes allowed the Supervisory Board to meet its obligations in full.

Meetings of the Supervisory Board

The Supervisory Board met seven times during the 2012/13 financial year: four times at scheduled meetings, twice at extraordinary meetings and once in a closed conference. One member was absent at one meeting, and two members were absent at another meeting.

The Supervisory Board meeting on 26 June 2012 focused, above all, on the annual financial statements and consolidated financial statements of ZUMTOBEL AG for the 2011/12 financial year. After an in-depth discussion of operating developments in the Zumtobel Group with its two segments (lighting and components) during the fourth quarter and the full 2011/12 financial year, we agreed with the Audit Committee's recommendations to approve the audited annual financial statements, including the management report, and accepted the consolidated financial statements and the group management report. The Supervisory Board also agreed with the Management Board's recommendation for the use of retained earnings with the payment of a EUR 0.20 dividend per share. We also approved the report by the compliance officer at this meeting. In agreement with a recommendation by the Audit Committee, we recommended the election of KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, as the auditor for the 2012/13 financial year. The Supervisory Board's report to the annual general meeting was also discussed and approved. Transactions that required and received the approval of the Supervisory Board included, among others, the appointment of Gavin Brydon as the managing director of Tridonic GmbH. The Supervisory Board of Zumtobel AG places high value on the efficiency of its work. Based on the results of a self-evaluation questionnaire, opportunities for improving the organisation and work processes of the Supervisory Board were evaluated in an open discussion.

In the meeting on 25 September 2012, the Supervisory Board dealt with the management report and key financial data on the first quarter of 2012/13. We discussed the development of costs in the Group and the lighting brands' Asian strategy, among other subjects, in detail. A transaction that required and received the approval of the Supervisory Board was the appointment of Alfred Felder as managing director of Tridonic GmbH as of 1 November 2012.

At two extraordinary meetings on 1 October 2012 and 5 November 2012, we dealt with a compliance issue and discussed and approved related measures.

The Supervisory Board met in a closed conference on 18 December 2012 for a detailed discussion of strategic issues. Strategic options for the Zumtobel Group's brands were presented and explained by the Management Board. The related management decisions were then discussed with the Supervisory Board. Among others, strategic options for the Thorn brand and various scenarios for the Tridonic were evaluated. The Supervisory Board also approved the possible sale of Ledon Lamp GmbH at this conference.

The main topics of the Supervisory Board meeting on 31 January 2013 were the management report on the first six months of 2012/13 and the outlook for the full financial year. Other key issues included the current challenges facing the development of the Thorn brand and the Asian strategy of the lighting brands. We also approved the restructuring of the controls & systems business and authorised a review of the internal compliance management system.

The Supervisory Board meeting on 26 April 2013 dealt, in particular, with the management report on the third quarter of 2012/13, the budget for 2013/14 and the related detailed medium-term planning for the following financial years. The budget was approved by the Supervisory Board and the medium-term planning was accepted. One transaction required and received the approval of the Supervisory Board: the concentration of the US production facilities at a single location and the related shutdown of the Zumtobel luminaire plant in Fairlawn. Possible strategic options for the Thorn brand were discussed in detail, with the result that the previously implemented restructuring of this business will be continued Thorn with great intensity.

The Supervisory Board | Committees

The Supervisory Board of Zumtobel AG has established the following committees; the members of these committees are listed in the annual financial report.

Audit Committee

Duties: The Audit Committee is responsible for the audit and preparations for the approval of the annual financial statements and consolidated financial statements, the management report and the recommendation for the distribution of profit. This committee also nominates the auditor for approval by the annual general meeting; the auditor is then commissioned by the chairman of the Supervisory Board. The Audit Committee is responsible for the monitoring of accounting processes and the work of the auditor as well as the internal control system, the risk management system and internal audit. These responsibilities were met in full during the 2012/13

financial year. At each meeting the responsible managers report to the committee on the current status of these systems and processes. The chairman of the Audit Committee also meets twice each year with the head of corporate internal audit.

The Audit Committee met twice during 2012/13 and also held one preparatory conference call. One member was excused from the conference call.

The meeting on 26 June 2012 concentrated on the annual financial statements for 2011/12. Due to the scope of this topic, a preparatory conference call was held on 21 June 2012. On both dates, the auditor and company staff supplied the Audit Committee with detailed information on the consolidated financial statements and individual financial statements of ZUMTOBEL AG as well as accounting processes and major accounting principles. A report was also provided on measures to improve the system of internal controls. The commentaries were accepted by the Audit Committee and the corrective measures were viewed as completed. The recommendation by the Management Board for the distribution of profit was accepted. Additionally, the reports on the risk management system, the internal control system and the activities of corporate internal audit were discussed and accepted. The committee also received the corporate governance report and the report by the insider compliance officer. A resolution for the appointment of the auditor for the 2012/13 financial year was approved and passed on to the Supervisory Board.

The Audit Committee meeting on 31 January 2013 dealt with the six-month financial statements as of 31 October 2012, whereby the related reports by the auditor and corporate staff were accepted. The accounting process and related steps were discussed in detail. In preparation for the 2012/13 financial statements, the approach and focal points of the audit as well as details on tax reporting and the impairment testing process were discussed. Reports were also provided on the status of the finance organisation and progress in the analysis of the compliance system. Other status reports covered the internal control and risk management systems as well as the activities of corporate internal audit together with a discussion of the most important results of the individual audits. The Audit Committee also discussed the amendments to the Corporate Governance Code that took effect in July 2012 as well as the timing for their application.

Committee for Management Board Matters

Duties: The Committee for Management Board Matters is responsible for relations between the company and the members of the Management Board. It corresponds to the remuneration committee required by Rule 43 of the Corporate Governance Code and also fulfils the duties required of a nominating committee under Rule 41. As one of the related duties, the committee developed and approved a job profile and nomination process for the Management Board in accordance with Rule 38.

A new system to calculate variable remuneration for the Management Board and key management was discussed and implemented in 2012/13. This so-called TOTAL REWARD SYSTEM compares the operating results of the individual Zumtobel Group brands with the earnings of relevant competitors and other similar companies as the basis for the calculation of bonuses. This remuneration system was developed in cooperation with Fehr Advice, a consulting firm located in Zurich.

The Committee for Management Board Matters, supported by Fehr Advice, defined the goals for the calculation of bonuses. This project also involved the creation of a special compensation committee, which includes the Committee for Management Board Matters, Fehr Advice, the Management Board and human resources management in the Zumtobel Group. The compensation committee is responsible for monitoring the development of the new remuneration system. Fehr Advice and the members of the Committee for Management Board Matters held five conference calls to prepare and establish the compensation committee. A closing conference was held in Zurich on 17 December 2012 with the members of the Committee for Management Board Matters and Fehr Advice.

The compensation committee held its first meeting on 18 December 2012. A decision was taken to evaluate the composition of the peer group and the redefinition of incentives at regular intervals because of the rapidly changing economic environment and the technology shift.

The Committee for Management Board Matters and Fehr Advice held two conference calls in preparation for the compensation committee meeting on 19 March 2013.

In addition, the Management Board contract with Martin Brandt was negotiated and approved. This contract, which covers the period from 1 May 2013 to 30 April 2015, was dealt with by the Committee for Management Board Matters in four conference calls.

Annual Financial Statements

The annual financial statements and the management report as well as the consolidated financial statements and the group management report for the 2012/13 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which was elected to perform this engagement by the annual general meeting, and were awarded an unqualified opinion.

Representatives of KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, took part in the preparatory and final meetings of the Audit Committee as well as the Supervisory Board meeting that dealt with these financial statements and provided detailed information on these documents. After extensive evaluation and discussion by the Audit Committee and the Supervisory Board, the Supervisory Board approved the annual financial statements (including the notes) and the management report as well as the corporate governance report and the recommendation by the Management Board for the distribution of profit. The annual financial statements as of 30 April 2013 are therefore considered finalised pursuant to § 125 (2) of the Austrian Stock Corporation Act. The Supervisory Board also accepted the consolidated financial statements and the group management report.

The Supervisory Board would like to thank the Management Board as well as the employees of ZUMTOBEL AG and its affiliated companies for their strong personal commitment during the past financial year.

In conclusion, we would also like to thank the shareholders of ZUMTOBEL AG for their confidence.

For the Supervisory Board

Jürg Zumtobel
Chairman of the Supervisory Board

Dornbirn, 25 June 2013