

R E P O R T

**by the Supervisory Board of ZUMTOBEL AG
in accordance with
§ 153 of the Austrian Stock Corporation Act
in connection with § 159 (2) 3 of the Austrian Stock Corporation Act**

The Supervisory Board of ZUMTOBEL AG, which maintains its registered offices in Dornbirn with A-6850 Dornbirn, Höchsterstrasse 8 as its business address and is recorded in the company register of the provincial court of Feldkirch under FN 62309 g, hereby files the following report on the planned authorisation of the Management Board to use treasury shares, with the approval of the Supervisory Board, to meet the obligations of the Company arising from the employee stock participation programme ("Mitarbeiterbeteiligungsprogramm", "MSP") under the exclusion of the subscription rights of shareholders. In accordance with § 153 of the Austrian Stock Corporation Act in connection with § 159 (2) 3 of the Austrian Stock Corporation Act, this report is submitted by the Supervisory Board since plans also call for the granting of shares to members of the Management Board.

1. Under Point 6 of the agenda for the Annual General Meeting of ZUMTOBEL AG on 24 July 2009, the shareholders will be asked to pass a resolution authorising the Management Board of ZUMTOBEL AG, with the consent of the Supervisory Board of the Company,
 - a) To use 510,694 shares of treasury stock for sale to employees, key managers and members of the Management Board of the Company or a subsidiary and
 - b) To fully exclude the subscription rights of shareholders.

2. The authorisation of the Management Board to use treasury shares for sale to employees, key managers and members of the Management Board of the Company or a subsidiary is based on the conviction that the motivation of the employees of the Company and its subsidiaries as well as the attractiveness as an employer are improved when employees are able to participate in the success of the corporation.

3. The Company and its subsidiaries are heavily dependent on the hiring and retention of qualified employees. Since qualified employees are difficult to replace, it is necessary to create a strong bond between these persons and the Company. Part of the treasury shares will therefore be used to meet the obligations of the Company arising from the employee stock participation programme ("MSP"). Shares acquired at an earlier time will be used for this purpose so the Company will not be required to purchase additional shares over the stock exchange. In order to be in a position to grant sufficient shares to employees, the subscription rights of existing shareholders must be excluded.

4. Information on the number and distribution of the treasury shares to be sold:

The maximum number of shares to be sold under the employee stock participation programme ("MSP") is 510,694.

5. The principles of the employee stock participation programme ("MSP") call for the following:

The MSP was introduced in connection with the initial public offering on 1 May 2006. In order to participate in the MSP, a manager must place a certain number of shares ("MSP shares") in blocked deposit. The MSP is divided into three sub-programmes (MSP I, MSP II, MSP III), with each sub-programme divided into five segments. For each MSP share held in blocked deposit, the increase in value is multiplied by a factor of eight in the form of additional shares. The calculation of the increase in value is based on the difference between the 60-day average stock price on the date of exercise less the 60-day average stock price on the date of granting plus 10%. The options are granted at the beginning of the financial year and automatically exercised two years after granting. If the increase in value is less than or equal to zero, no bonus is granted.

6. In this sense, the use of treasury shares as described above, under the complete exclusion of the subscription rights of previous shareholders, is in the interests of the Company, necessary and appropriate.

Dornbirn, 26 June 2009

Jürg Zumtobel
Chairman of the Supervisory Board
of
ZUMTOBEL AG