

FIRST QUARTER REPORT 2010/11.

berne

## KEY MESSAGES.

- Sales decreased by 21.6% in total to EUR 37.3 million
- Austria segment: plus of 8.4% to EUR 15.7 million revenue
- EBITDA of EUR -0.9 million slightly negative
- Personnel expenses reduced by 16.0%

## ECONOMIC ENVIRONMENT.

In the first three months of the year 2010, the stabilisation continued in the most important economic regions of the world. The high level of debt of individual countries and the resulting uncertainty with regard to their financial solvency were in the focus of observations. The world-wide recession, which characterised the global mood in 2009, seems to be overcome, although the expiry of economic stimulus programs and single increasing key interest rates might possibly slow down the dynamic in the course of the year 2010. The International Monetary Fund (IMF) predicts a global economic growth of 4.2% for 2010 and thus a higher increase than expected at the beginning of the year.

In the reporting period, the economy of the USA further recovered, which is mainly attributable to investments related to the launched stimulus programs and the increased build-up of inventories in a number of industries. Due to the ongoing difficult situation on the labour market with an unemployment rate of more than 10.0%, private consumption, which makes the largest contribution to the gross domestic product in the USA, still remained weak. In view of this development, the US Federal Reserve Bank FED announced to leave the key interests at the current low level in the foreseeable future.

In fact, the economic recovery of the euro zone continued in the first quarter of 2010, however in most of the member countries due to the weak private consumption it was more moderate than in the USA. High unemployment in most of the EU-member countries as well as government programs, which were introduced for the consolidation and the reduction of budget deficits, slowed down the economic recovery. Overall, the IMF expects an economic growth of 1.0% for the euro zone in 2010, whereas particularly financial difficulties of Greece, but also of Spain, Portugal and Ireland, which slipped into a deep crisis in the past year, will restrain the overall development.

The stabilisation and recovery of the economies in Central and Eastern Europe might also have continued in the first quarter of 2010. Whereas private consumption due to increased unemployment rates and small demand for credit is likely to remain weak, the recovery of industrial production was supported by improved export demand. Furthermore, the base effect of the extremely low production level in the first quarter of 2009 had a positive effect in the yearly comparison.

In Asia and other major emerging regions the positive economic development further continued during the reporting period. In China, increasing exports and comprehensive economic stimulus programs were decisive factors therefore. Currently, forecasts for China assume an increase in the gross domestic product of 10.0% in the year 2010. Likewise, the economy in Japan and in most countries of South America developed positively in the first quarter of 2010. A growth of 8.8% is expected for the Indian economy in 2010.

Also the financial markets showed a positive development in the first months of 2010, even though in the first quarter of 2010, the euro suffered particularly from the developments in Greece. The common currency lost about 5.0% in value against the US dollar and the Chinese Yuan, not least due to the unresolved question of further financing requirements. Raw material prices further increased; at the end of March 2010, the oil price of USD 81.56 for one barrel was 3.8% higher compared to the value at the end of 2009 and about 70.0% higher than the price of USD 47.64 at the end of March 2009.

*Sources: OECD, IMF, Raiffeisen International, FED*

## BUSINESS PERFORMANCE IN THE FIRST QUARTER OF 2010/11.

In the first quarter of 2010/11, sales and earnings of the Bene Group were still negatively impacted by the difficult environment in the sales markets. Against this background, in the current reporting period, sales of the Bene Group decreased by 21.6% to EUR 37.3 million compared to the first quarter of the prior year. In the same period, the Group's EBIT amounted to EUR -3.1 million (Q1 2009/10: EUR -0.8 million).

### SALES DEVELOPMENT.

The still weak economic environment, particularly in Germany and Russia dominated the sales development of the Bene Group in the first quarter of 2010/11. In total, sales of the first three months of the current reporting period decreased by 21.6% to EUR 37.3 million (Q1 2009/10: EUR 47.6 million). Thus, with the exception of Austria, in line with the economic environment, all segments suffered from declines in sales.

In **Austria**, in the first three months of the business year 2010/11, sales increased by 8.4% to EUR 15.7 million, and thus were EUR 1.2 million higher than the previous year's reference value (Q1 2009/10: EUR 14.5 million). Not least due to major projects with Raiffeisen Landesbank Vorarlberg, KABAEG Landeskrankenhaus Klagenfurt and Ferro Montagetechnik, Bene succeeded in increasing sales despite the ongoing difficult market situation.

In **Germany**, in the current period under review, sales dropped by 36.2% to EUR 9.1 million compared to the still good first quarter of the prior year (Q1 2009/10: EUR 14.3 million). Projects were realised with Deutsche Bahn AG in Berlin, Mainova AG in Aschaffenburg as well as with Stiftung Deutsche Hygiene in Leipzig.

In the **UK** segment, Bene had to record a decrease in sales of 43.0% to EUR 3.0 million compared to the first quarter of the past year (Q1 2009/10: EUR 5.3 million). However, projects for Moore Stephens, Ahmad Tea Limited or Orbis Investment Advisory were realised despite the difficult economic environment.

In **Russia**, the considerably slower demand had a strongly negative impact on the Bene sales development. In the first quarter of 2010/11, sales declined by 46.6% to EUR 2.7 million (Q1 2009/10: EUR 5.1 million). In the current reporting period, projects for KMT Engineering or Gint Constructions could be realised.

The **'other markets'** segment performed very differently: Asia (Singapore), India, Ireland, Bulgaria, Poland, Belgium and France recorded sales increases. Markets such as Middle East, Hungary, Czechia or Switzerland, on the contrary had to report a minus in sales. In total, sales of the 'other markets' segment fell by 20.1% to EUR 6.7 million compared to the first quarter of the reference period (Q1 2009/10: EUR 8.4 million). The largest projects were concluded in the Middle East (T&D Design) and in Singapore (Jeb Asia Ltd.).

### EARNINGS DEVELOPMENT.

The continuing weak economic environment as well as the increased price competition for major projects in the individual sales markets led to a decrease in earnings figures in the first three months of the current business year 2010/11 compared to the reference value of the previous period. This development was somewhat compensated by personnel and non-personnel cost-cutting measures, however it could not be fully offset.

As a result of the continuing pressure on prices for major projects and the relatively high share in merchandise, the gross profit margin of the current reporting period was in relation to revenue 52.7% (Q1 2009/10: 55.9%). The Bene Group defines gross profit as difference between revenue, inventory changes and expenses for materials and supplies. Expenses for materials and supplies decreased by EUR 4.5 million to EUR 16.6 million (Q1 2009/10: EUR 21.1 million) and thus were at 44.6% in relation to revenue (Q1 2009/10: 44.4%).

Since August 2009, a specially elaborated part-time program applies to all employees of the Bene Group in Austria. Furthermore, the employees of selected sales locations in Germany are on short-time work. In addition, since summer 2009, up to 60 industrial workers of the production site Waidhofen/Ybbs participate in a rolling model of two months termination with reemployment. The part-time program will expire at the end of July 2010 for all employees in Austria; for the sales staff the program was already early terminated as of May 01, 2010 due to the emerging market upturn.

As a result of the measures implemented, after three months of the current period under review 2010/11, personnel expenditure was reduced by 16.0% to EUR 15.0 million compared to the corresponding period of the past year. In the current reporting period, the headcount dropped by 19.1% to 1,233 employees in comparison with the prior year (Q1 2009/10: 1,525 employees).

Already in the first quarter of 2009/10, the Bene Group has implemented an extensive non-personnel cost-cutting program, which showed further effects in the first quarter of 2010/11. After the first three months of the current period under review, other expenses fell by 27.7% to EUR 6.9 million (Q1 2009/10: EUR 9.5 million).

Compared to the reference period of the prior year, the EBITDA decreased by EUR 2.1 million to EUR -0.9 million in the first three months of the business year 2010/11 (Q1 2009/10: EUR 1.2 million). After three months of the current business year the EBIT came to EUR -3.1 million (Q1 2009/10: EUR -0.8 million).

In the **Austria** segment, the slight increase in sales combined with the cost-cutting measures implemented showed effects and thus, in the first quarter of 2010/11 the EBIT of EUR -0.5 million almost reached the previous year's level (Q1 2009/10: EUR -0.4 million).

In the **Germany** segment, compared to the first quarter of the previous year, the EBIT dropped by EUR 0.7 million to EUR -1.4 million (Q1 2009/10: EUR -0.7 million). As in Austria, beside non-personnel cost-cutting measures, as quick response to this development, a short-time work model was elaborated for selected locations; this model is still being applied.

In the **UK** segment, Bene has already introduced cost and efficiency optimisation measures in the past business year 2009/10. Thus, the negative impacts of the sales decrease of 43.0% after three months of the current period under review could be compensated to a certain extent. However, compared to the first quarter of 2009/10, the EBIT dropped by EUR 0.5 million to EUR -0.3 million (Q1 2009/10: EUR 0.2 million).

In the **Russia** segment, the decline in sales of 46.6% also reflected in earnings of the first quarter of 2010/11. In comparison with the prior period, the EBIT fell by EUR 0.9 million to EUR -0.3 million (Q1 2009/10: EUR 0.6 million). Non-personnel cost-cutting measures, the use of natural attrition as well as the traditionally high share in variable remuneration components of the internal salary system were implemented as short-term action plan; however these measures could offset the sales decrease only to a certain degree.

Despite the decline in sales by 20.1%, the EBIT of EUR -0.5 million of the **'other markets'** segment remained almost on the previous year's level (Q1 2009/10: EUR -0.6 million). The increase in sales in combination with profitable projects in the markets Asia, Ireland and Poland led to this positive trend in the EBIT.

In the current reporting period, depreciation, amortisation and impairments of intangible assets and property, plant and equipment in the amount of EUR 2.2 million remained almost on the past year's level (Q1 2009/10: EUR 2.0 million). The increased interest charges from the corporate bond issued in April 2009 resulted in a decrease in the financial result of EUR 0.3 million to EUR -0.8 million in the first quarter of 2010/11 (Q1 2009/10: EUR -0.5 million).

Thus, at the end of the first quarter of 2010/11, the EBT dropped by EUR 2.5 million to EUR -3.9 million (Q1 2009/10: EUR -1.4 million).

## ASSETS AND CAPITAL STRUCTURE.

As of April 30, 2010, the balance sheet total decreased by EUR 11.1 million to EUR 150.6 million compared to the balance sheet date January 31, 2010 (January 31, 2010: EUR 161.7 million). At the end of the first quarter of 2010/11, the equity ratio of 31.6% remained almost unchanged (January 31, 2010: 31.7%).

As of April 30, 2010, non-current assets slightly declined to EUR 68.6 million – due to the decrease in property, plant and equipment. The financing structure of the Bene Group was and will be based on longer-term debt and the creation of strategic liquidity reserves. As of April 30, 2010, long-term financial liabilities of EUR 50.9 million remained unchanged compared to the balance sheet date January 31, 2010.

As of April 30, 2010, the working capital (inventories plus trade receivables minus trade liabilities minus prepayments received) increased by EUR 1.9 million to EUR 22.8 million compared to the balance sheet date January 31, 2010 (January 31, 2010: EUR 20.9 million). In fact, in the first quarter of 2010/11, trade receivables were reduced, however due to the massive reduction in trade liabilities the positive effect of the reduced funds employed was overcompensated. The strong reduction in the position 'trade liabilities' in the first quarter of 2010/11 becomes evident in the change in 'cash and cash equivalents' of EUR 9.4 million to EUR 34.4 million (January 31, 2010: EUR 43.8 million).

## INVESTMENTS.

Additions to property, plant and equipment and to intangible assets amounted to EUR 1.4 million in the first three months of the current business year 2010/11 (Q1 2009/10: EUR 3.7 million) and thus were clearly below the previous year's level. Investments in replacements at the site in Waidhofen/Ybbs as well as investments in the new location in Vienna represented the largest items.

## CASH FLOW & FINANCES.

In the first quarter of 2010/11 mainly the decrease in trade payables had a negative impact on the operating cash flow, whereas the reduction in trade receivables had

a positive effect. Thus, a negative operating cash flow in the amount of EUR -6.3 million is resulting for the first three months of the business year 2010/11 (Q1 2009/10: EUR 1.1 million).

The cash flow from investing activities, predominantly determined by expenditures for property, plant and equipment and intangibles assets amounted to EUR -0.6 million in the first quarter of the current reporting period (Q1 2009/10: EUR -3.4 million). In the first quarter of 2010/11, interest payments and the repayment of a long-term investment loan led to a cash flow from financing activities in the amount of EUR -2.9 million (Q1 2009/10: EUR 54.0 million).

Total changes in cash and cash equivalents amounted to EUR -9.8 million in the first three months of the current business year (Q1 2009/10: EUR 51.8 million).

As of April 30, 2010, net debt of the Bene Group reached EUR 21.7 million (January 31, 2010: EUR 12.6 million); the net gearing was 45.7% (January 31, 2010: 24.6%).

## EMPLOYEES.

On the reporting date April 30, 2010 the Bene Group occupied 1,233 employees in total, which are 292 persons or 19.1% less than on April 30, 2009. Consequently, as of the end of the first quarter of 2010/11, the number of employees of the different segments decreased as follows compared to the reference period 2009/10: Austria -20.2%, Germany -17.0%, UK -6.8%, Russia -21.1% and 'other markets' -15.6%.

## BUSINESS TRANSACTIONS WITH RELATED PARTIES.

With regard to transactions with related parties during the first three months of the business year 2010/11, we refer to the notes to the condensed consolidated interim financial statements of the BENE AG according to IFRSs.

## RISKS IN THE REMAINING MONTHS OF THE BUSINESS YEAR AND RISK MANAGEMENT.

As internationally operating company, the Bene Group is exposed to a variety of risks in the context of its business activity. These risks mainly include the economic developments of the target markets. A weak economy with low investment activity has a major impact on the sales situation of the Bene Group.

Due to many years of international experience in the core business as well as the major market presence in the relevant markets, Bene may identify risks at an early stage and appropriately evaluate these risks. Because of the geographic diversification, specific market and production risks never threaten the overall Group, but rather only local subdivisions. Thus, the Bene business model contributes to a natural balancing of risks.

The control and the management of finance risks constitute an important element of the Bene's group-wide controlling, accounting and treasury systems. At a very early stage, permanent controlling and regular reporting shall ensure the identification of major risks and – if necessary – initiate counter measures.

For a major part of business transactions, the payment risk is minimised by an active and permanent credit monitoring of the customers.

A group-wide financial and liquidity planning ensures that sufficient liquidity is available or that a necessary financing is guaranteed by an adequate credit line to fulfil the Group's financial obligations.

## OUTLOOK.

As late cyclical, the Bene group is hit by both, positive and negative economic developments only at a late stage. Towards the beginning of the third quarter of 2009/10, Bene experienced a slight stabilisation in demand, although at a low level. Due to the still prevailing general uncertainty in the markets and the volatile situation, the Management of the Bene Group makes a very conservative estimate for the business year 2010/11. When and to what extent an economic upturn might be expected, cannot be answered reliably from today's point of view. Therefore, the Management Board expects, that the Bene Group will report a negative result for the business year 2010/11.

In the medium-term, however, the Bene Group has a strong organic growth potential on the basis of the existing capacities. Since Bene has introduced profitable products to the sales organisation in the last years and has made essential investments in the capacity at the site in Waidhofen/Ybbs, in case of a market recovery, the Bene Group should be able to realise a considerably higher increase in sales and earnings, compared to the industry.

### Note

*Among others, this report contains statements on potential future developments, which were made on the basis of currently available information. Such statements, which reflect the current assessment of future developments by our Management Board, cannot be construed as guarantees for future performance and bear unforeseeable risks and uncertainties. There may be a variety of reasons for actual results and conditions to diverge from the assumption, on which the statements were based.*

### Key figures for Q1 2010/11

in TEUR and %	Q1 2010/11	Q1 2009/10	Changes in %	Changes absolut
Revenue	37,332	47,638	-21.6%	-10,305
EBITDA	-891	1,164	-176.5%	-2,055
EBITDA-margin	-2.4%	2.4%	-	-
EBIT	-3,083	-836	268.7%	-2,247
EBIT-margin	-8.3%	-1.8%	-	-
Employees (as of the reporting date)	1,233	1,525	-19.1%	-292
CAPEX	-643	-3,437	-81.3%	2,795
Cash flow from operating activities	-6,297	1,102	-671.5%	-7,399

Interim financial report of the BENE AG as of April 30, 2010  
(comparison period Feb. 01, 2009-April 30, 2009).

## CONSOLIDATED BALANCE SHEET.

As of April 30, 2010 (unaudited) and January 31, 2010 (audited).

in TEUR	2010/11 as of April 30, 2010	2009/10 as of Jan. 31, 2010
<b>Assets</b>		
Intangible assets	13,906	13,909
Property, plant and equipment	47,478	48,191
Non-current financial assets	374	359
Deferred tax assets	6,810	6,809
<b>Non-current assets</b>	<b>68,569</b>	<b>69,268</b>
Inventories	14,193	13,829
Trade receivables	21,007	25,828
Other receivables and assets	7,825	4,608
Current financial assets	4,532	4,389
Cash and cash equivalents	34,429	43,773
<b>Current assets</b>	<b>81,985</b>	<b>92,427</b>
<b>TOTAL ASSETS</b>	<b>150,554</b>	<b>161,696</b>
<b>Equity and liabilities</b>		
Capital stock	24,347	24,347
Capital reserves	26,935	26,935
IAS 39 reserve	810	703
Currency translation reserves	-2,505	-2,617
Accumulated profit/loss	-2,266	1,659
<b>Stockholders equity</b>	<b>47,320</b>	<b>51,027</b>
Minority interests	224	223
<b>Equity</b>	<b>47,544</b>	<b>51,250</b>
Liabilities to employees	10,737	10,704
Long-term financial liabilities	50,931	50,931
Long-term government grants and subsidies	1,426	1,492
Deferred tax liabilities	246	214
<b>Non-current liabilities</b>	<b>63,340</b>	<b>63,341</b>
Trade payables (incl. prepayments received)	12,431	18,756
Current financial liabilities	9,737	9,846
Current provisions	1,732	1,746
Current tax provisions	694	708
Other liabilities	14,812	15,785
Current government grants and subsidies	263	264
<b>Current liabilities</b>	<b>39,669</b>	<b>47,105</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>150,554</b>	<b>161,696</b>

## CONSOLIDATED INCOME STATEMENT.

For the first quarter of 2010/11 (unaudited) and the first quarter of 2009/10 (unaudited).

in TEUR	Q1 2010/11	Q1 2009/10	Changes in %
<b>Revenue</b>	<b>37,332</b>	<b>47,638</b>	<b>-21.6%</b>
Inventory changes finished / semi-finished goods	-1,013	103	-1,087.7%
Other capitalised services	527	750	-29.7%
Other income	830	1,235	-32.8%
Materials and supplies	-16,641	-21,130	-21.2%
Personnel expenses	-15,044	-17,906	-16.0%
Other expenses	-6,883	-9,525	-27.7%
<b>Earnings before interest, depreciation, amortisation and impairments, taxes and income from securities (EBITDA) and result from affiliated companies</b>	<b>-891</b>	<b>1,164</b>	<b>-176.5%</b>
Depreciation, amortisation and impairments	-2,193	-2,000	9.6%
<b>Earnings before interest, taxes, income from securities (EBIT) and result from affiliated companies</b>	<b>-3,083</b>	<b>-836</b>	<b>268.7%</b>
Interest expense	-817	-310	163.8%
Income from interest	22	19	17.2%
Other financial expenses	0	-259	-100.0%
<b>Financial result</b>	<b>-795</b>	<b>-549</b>	<b>44.6%</b>
Result from affiliated companies	0	14	-100.0%
<b>Earnings before taxes (EBT)</b>	<b>-3,878</b>	<b>-1,372</b>	<b>182.7%</b>
Taxes on income	-43	-516	-91.7%
<b>Net income</b>	<b>-3,920</b>	<b>-1,887</b>	<b>107.8%</b>
Thereof:			
Shareholders of parent company	-3,925	-1,949	101.4%
Minority interests	4	62	-93.1%
	-3,920	-1,887	107.7%
<b>Earnings per share (diluted = basic) in TEUR:</b>	<b>-0.16</b>	<b>-0.08</b>	<b>101.4%</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

For the first quarter of 2010/11 (unaudited) and the first quarter of 2009/10 (unaudited).

in TEUR	Q1 2010/11	Q1 2009/10
<b>Net income</b>	<b>-3,920</b>	<b>-1,887</b>
<b>Other comprehensive income</b>		
Valuation profit / loss of available for sale financial instruments	142	0
Taxes on income	-36	0
	<b>107</b>	<b>0</b>
Adjustment from foreign currency translation	110	-476
<b>Other comprehensive income after taxes</b>	<b>217</b>	<b>-476</b>
<b>Total comprehensive income for the period</b>	<b>-3,704</b>	<b>-2,364</b>
thereof shareholders of parent company	-3,706	-2,426
thereof minority interests	2	62
	<b>-3,704</b>	<b>-2,364</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

For the first quarter of 2010/11 (unaudited) and the first quarter of 2009/10 (unaudited).

in TEUR	Capital stock	Capital reserves	IAS 39 reserve	Currency translation reserves	Consolidated net income/ loss	Shareholders' equity	Minority interests	Equity
<b>as of Feb. 01, 2009</b>	<b>24,347</b>	<b>26,935</b>	<b>0</b>	<b>-2,166</b>	<b>18,742</b>	<b>67,858</b>	<b>216</b>	<b>68,073</b>
Net income					-1,949	-1,949	62	-1,887
Other comprehensive income			0	-476	0	-476	0	-476
Total comprehensive income			0	-476	-1,949	-2,426	62	-2,364
<b>as of April 30, 2009</b>	<b>24,347</b>	<b>26,935</b>	<b>0</b>	<b>-2,642</b>	<b>16,793</b>	<b>65,433</b>	<b>277</b>	<b>65,709</b>
<b>as of Feb. 01, 2010</b>	<b>24,347</b>	<b>26,935</b>	<b>703</b>	<b>-2,617</b>	<b>1,659</b>	<b>51,027</b>	<b>223</b>	<b>51,250</b>
Net income					-3,925	-3,925	4	-3,920
Other comprehensive income			107	112	0	219	-2	217
Total comprehensive income			107	112	-3,925	-3,706	2	-3,704
<b>as of April 30, 2010</b>	<b>24,347</b>	<b>26,935</b>	<b>810</b>	<b>-2,505</b>	<b>-2,266</b>	<b>47,320</b>	<b>224</b>	<b>47,544</b>

## CONSOLIDATED CASH FLOW STATEMENT.

For the first quarter of 2010/11 (unaudited) and the first quarter of 2009/10 (unaudited).

in TEUR	Q1 2010/11	Q1 2009/10
<b>Earnings before taxes (EBT)</b>	<b>-3,878</b>	<b>-1,372</b>
Depreciation, amortisation and impairments	2,193	2,000
Impairment of available for sale financial instruments	0	259
Net interest income and income from securities	795	291
Profit / loss from disposal of property, plant & equipment and intangible assets	-12	-19
Result from affiliated companies	0	-14
Other non-cash expenses / income	-463	-263
Changes in inventory	-364	-550
Changes in receivables and other assets	1,603	2,715
Changes in trade payables	-6,325	-2,167
Changes in other liabilities	196	332
Changes in long-term provisions (incl. employees)	33	53
Changes in current provisions	-14	10
<b>Cash flow from continuing operations</b>	<b>-6,236</b>	<b>1,275</b>
Taxes paid on income	-62	-174
<b>Cash flow from operating activities</b>	<b>-6,297</b>	<b>1,102</b>
Proceeds from disposal of property, plant & equipment and intangible assets	13	69
Expenditures for property, plant & equipment and intangible assets	-643	-3,437
Expenditures for financial assets	-15	-8
Interests received	22	19
<b>Cash flow from investing activities</b>	<b>-622</b>	<b>-3,357</b>
Raising of interest-bearing financial liabilities	0	59,497
Repayments of interest-bearing financial liabilities	-109	-5,182
Interests paid	-2,774	-294
<b>Cash flow from financing activities</b>	<b>-2,883</b>	<b>54,021</b>
<b>Changes in cash and cash equivalents</b>	<b>-9,803</b>	<b>51,766</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>43,773</b>	<b>11,763</b>
Adjustment from foreign currency translation	459	-234
<b>Cash and cash equivalents at end of period</b>	<b>34,429</b>	<b>63,294</b>

## SEGMENT REPORTING.

For the first quarter of 2010/11 (unaudited) and the first quarter of 2009/10 (unaudited).

### Q1 2010/11.

	Austria	Germany	UK	Russia	Other markets	Adjustment for intergroup transactions	Total Group
in TEUR							
<b>Revenue</b>	<b>25,637</b>	<b>9,147</b>	<b>3,013</b>	<b>2,720</b>	<b>6,729</b>	<b>0</b>	<b>37,332</b>
from third parties	15,723	9,147	3,013	2,720	6,729	0	37,332
from other segments	9,914	0	0	0	0	-9,914	0
<b>EBIT per segment</b>	<b>-518</b>	<b>-1,423</b>	<b>-281</b>	<b>-314</b>	<b>-548</b>	<b>0</b>	<b>-3,083</b>

### Q1 2009/10.

	Austria	Germany	UK	Russia	Other markets	Adjustment for intergroup transactions	Total Group
in TEUR							
<b>Revenue</b>	<b>31,082</b>	<b>14,341</b>	<b>5,289</b>	<b>5,089</b>	<b>8,419</b>	<b>0</b>	<b>47,638</b>
from third parties	14,500	14,341	5,289	5,089	8,419	0	47,638
from other segments	16,582	0	0	0	0	-16,582	0
<b>EBIT per segment</b>	<b>-359</b>	<b>-692</b>	<b>249</b>	<b>602</b>	<b>-637</b>	<b>0</b>	<b>-836</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO IFRSs.

## 1.1 COMPANY INFORMATION.

The BENE AG is a company according to Austrian law, with its headquarters in Schwarzwiesenstraße 3, 3340 Waidhofen/Ybbs. The Company is registered in the commercial register of St. Pölten under FN 89102h.

The Bene Group develops, produces and sells office furniture and integrated office concepts, primarily for the European market. In its Austrian home market, the Company is market leader and on the European market it is one of the leading suppliers.

The present interim report of the BENE AG and its subsidiaries for the first quarter of 2010/11 (as of April 30, 2010) has been compiled under the responsibility of the Management Board with the date of signing and was released for publication on June 18, 2010.

## 1.2 PRINCIPLES OF ACCOUNTING, FINANCIAL REPORTING AND VALUATION METHODS.

### 1.2.1 Principles of accounting

The interim report as of April 30, 2010 was compiled in compliance with the principles of the International Financial Reporting Standards (IFRSs), regulations for interim reports (IAS 34) applicable in the European Union. It was neither subject to a full audit nor to an auditor's review.

The interim report does not contain all information and notes of the balance sheet date and thus should be read in combination with the consolidated financial statements of the BENE AG as of January 31, 2010.

### 1.2.2 Principles of consolidation

In the first quarter of the business year 2010/11, there were no changes in the scope of consolidation resp. in the principles of consolidation. Thus, as of April 30, 2010, the number of fully consolidated companies of the Bene Group remains 21 as on the balance sheet date January 31, 2010.

### 1.2.3 Judgemental decisions and uncertainties from estimates

With regard to judgemental decisions and uncertainties from estimates we refer to the consolidated financial statements of the BENE AG as of January 31, 2010.

### 1.2.4 Accounting and valuation principles

With the exception of the following listed amendments, the financial reporting and valuation principles valid as of January 31, 2010 were applied unchanged on the reference date for the interim financial report:

Amendments to IFRS 1 – First time adoption of the International Financial Reporting Standards (revised), to IFRS 2 – Share based payment: group cash-settled payment, to IFRS 3 – Business combinations (revised) and IAS 27 - Consolidated and separate financial statements (revised) including subsequent amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39, to IAS 32 – Financial instruments: presentation: classification of rights issues, to IAS 39 – Financial instruments: recognition and measurement: appropriate transactions, to IFRIC 9/IAS 39 – Financial instruments: recognition and measurement (revised) – reassessment of embedded derivatives, to IFRIC 17 – Distribution of non-cash assets to owners, to IFRIC 18 – Transfer of assets from customers and improvements to IFRS 2009.

From the first time adoption of these revised or new standards and interpretations no significant effects on the financial and earnings situation of the Bene Group were resulting in the reporting and reference period. However, as a result of the new provisions of the IFRS 3 (revised) and the IAS 27 (revised) changes have to be expected with regard to future acquisitions or loss of control of subsidiaries.

In addition to this, there were no further changes of accounting and valuation principles.

### 1.3 SEASONALITY.

Seasonal variations of sales and EBIT may arise from the different progress of large-scale projects. Due to the still prevailing tight economic environment, the Bene Group recorded again a considerable decline in sales and earnings in the first quarter of 2010/11. With the exception of the Austria segment, all other segments reported a decrease in sales. The EBIT of all segments remained below the previous year's reference value.

Likewise, for the subsequent quarters of the business year 2010/11, the Bene Management expects a continuation of the tense situation. That is why from today's point of view no reliable outlook for the overall year 2010/11 may be given.

### 1.4 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS.

#### *Additions to and disposals of assets*

Until April 30, 2010, the Bene Group acquired property, plant and equipment and intangible assets in the amount of TEUR 1,392 (April 30, 2009: TEUR 3,709). The most important additions to property, plant and equipment were related to the new distribution site in Vienna as well as to investments in rationalisation and in replacement at the production site Waidhofen/Ybbs.

Additions to intangible assets (capitalisation of development services, modernisation of the IT-environment etc.) amounted to TEUR 605 (April 30, 2009: TEUR 1,266).

During the first quarter of the business year 2010/11, the Bene Group disposed of property, plant and equipment and intangible assets with a net book value of TEUR 1 (April 30, 2009: TEUR 50). The realised net profit from sale amounts to TEUR 12 (April 30, 2009: TEUR 19).

### 1.5 LONG-TERM AND CURRENT FINANCIAL ASSETS.

In the first quarter of the business year 2010/11 no current or long-term financial instruments available for sale were bought or sold likewise during the first quarter of the comparison period. The valuation gains of the first three months of the business year 2010/11 in the amount of TEUR 142 were recognised in the other income (IAS 39 reserve) (first quarter of 2009/10: valuation losses in the amount of TEUR 259 were stated in the net result for the period).

### 1.6 LONG-TERM AND CURRENT FINANCIAL LIABILITIES.

#### *Long-term financial liabilities*

At the end of the first quarter of 2010/11, the long-term financial liabilities of the preceding balance sheet date January 31, 2010 are still in place at the same amount (first quarter of 2009/10: issue of a corporate bond in the amount of TEUR 40,000, regular repayments in the amount of TEUR 102 as well as the granting of an ERP-investment loan in the amount of TEUR 7,500).

#### *Current financial liabilities*

On the other hand, during the first three months of the business year 2010/11, current financial liabilities were repaid in the amount of TEUR 109. The existing terms and other conditions however remained unchanged (first quarter of 2009/10: increase of agreed credit lines and cash advance resp. repayment of used credit lines and thus changes in current financial liabilities in the amount of TEUR 6,917).

## 1.7 DERIVATIVE FINANCIAL INSTRUMENTS.

As of April 30, 2010, the Bene Group uses three forward exchange dealings to hedge future currency risks arising

from existing projects, which will be invoiced in GBP (April 30, 2009: four forward exchange dealings in GBP and AED).

in EUR	Market value as of April 30, 2010	Fair Value as of April 30, 2010	Term until
GBP 1,500,000 foreign exchange sales	1,648,895	-73,669	July 30, 2010
GBP 1,500,000 foreign exchange sales	1,648,171	-73,582	Oct. 29, 2010
GBP 1,500,000 foreign exchange sales	1,646,542	-74,181	Jan. 28, 2011
<b>Total</b>	<b>4,943,608</b>	<b>-221,432</b>	

As of April 30, 2010, the fair value was recognised in the net income (position ,other expenses'). Derivative financial

instruments are included in the balance sheet under 'other liabilities'.

As of April 30, 2009 the situation was as follows:

in EUR	Market value as of April 30, 2009	Fair Value as of April 30, 2009	Term until
GBP 1,500,000 foreign exchange sales	1,724,138	44,320	July 31, 2009
GBP 1,500,000 foreign exchange sales	1,725,129	44,727	Oct. 30, 2009
GBP 1,500,000 foreign exchange sales	1,726,122	45,432	Jan. 29, 2010
AED 416,500 foreign exchange sales	85,974	525	Oct. 06, 2009
<b>Total</b>	<b>5,261,363</b>	<b>135,005</b>	

In both reporting periods no derivative financial instruments were used for speculative purposes. Within the Bene

Group, the requirements for the accounting of hedging relationships according to IAS 39 are not met.

## 1.8 BUSINESS TRANSACTIONS WITH RELATED PARTIES.

in TEUR	Sales proceeds from associated companies and persons	Acquisitions from associated companies and persons	Amounts due from associated companies and persons	Amounts due to associated companies and persons
Associated persons	12	76	8	0
Persons in key functions	0	0	2	0
<b>as of April 30, 2010</b>	<b>12</b>	<b>76</b>	<b>10</b>	<b>0</b>

in TEUR	Sales proceeds from associated companies and persons	Acquisitions from associated companies and persons	Amounts due from associated companies and persons	Amounts due to associated companies and persons
Affiliated companies	3	28	0	4
Associated persons	5	91	14	0
<b>as of April 30, 2009</b>	<b>8</b>	<b>119</b>	<b>14</b>	<b>4</b>

Sales to and purchases from related parties were realised at common market conditions.

Purchases from related parties as of April 30, 2010, are mainly resulting from consultancy services of Mr. Manfred Bene.

## 1.9 CONTINGENCIES AND OTHER OBLIGATIONS.

### 1.9.1 Litigation

As of April 30, 2010, the provision in the amount of TEUR 100 for the title of contract termination of a former distribution partner for the region Serbia and Montenegro existing already on January 31, 2010 is still in place in the unchanged amount since no solution could be found in the first three months of the business year 2010/11.

As of April 30, 2010, there are no further major pending legal proceedings (i.e. lawsuits resulting from ordinary business activities, legal disputes concerning product liability, legal actions due to delivery contracts or other contracts as well as patent issues).

## 1.10 SUBSEQUENT EVENTS.

As of May 03, 2010, the BENE AG received a Government guarantee issued by the Österreichische Kontrollbank (Austrian Control Bank) in the context of the Austrian law to enhance the liquidity of companies ('Unternehmensliquiditätsstärkungsgesetzes' (ULSG)).

Furthermore, it was announced on June 01, 2010 that Mr. Roland Marouschek in his capacity as member of the Management Board for Sales and Human Resources resigns upon his own request and for personal reasons as of August 31, 2010. As his successor, Mr. Wolfgang Neubert was introduced; he will take over the Sales responsibility as of September 01, 2010.

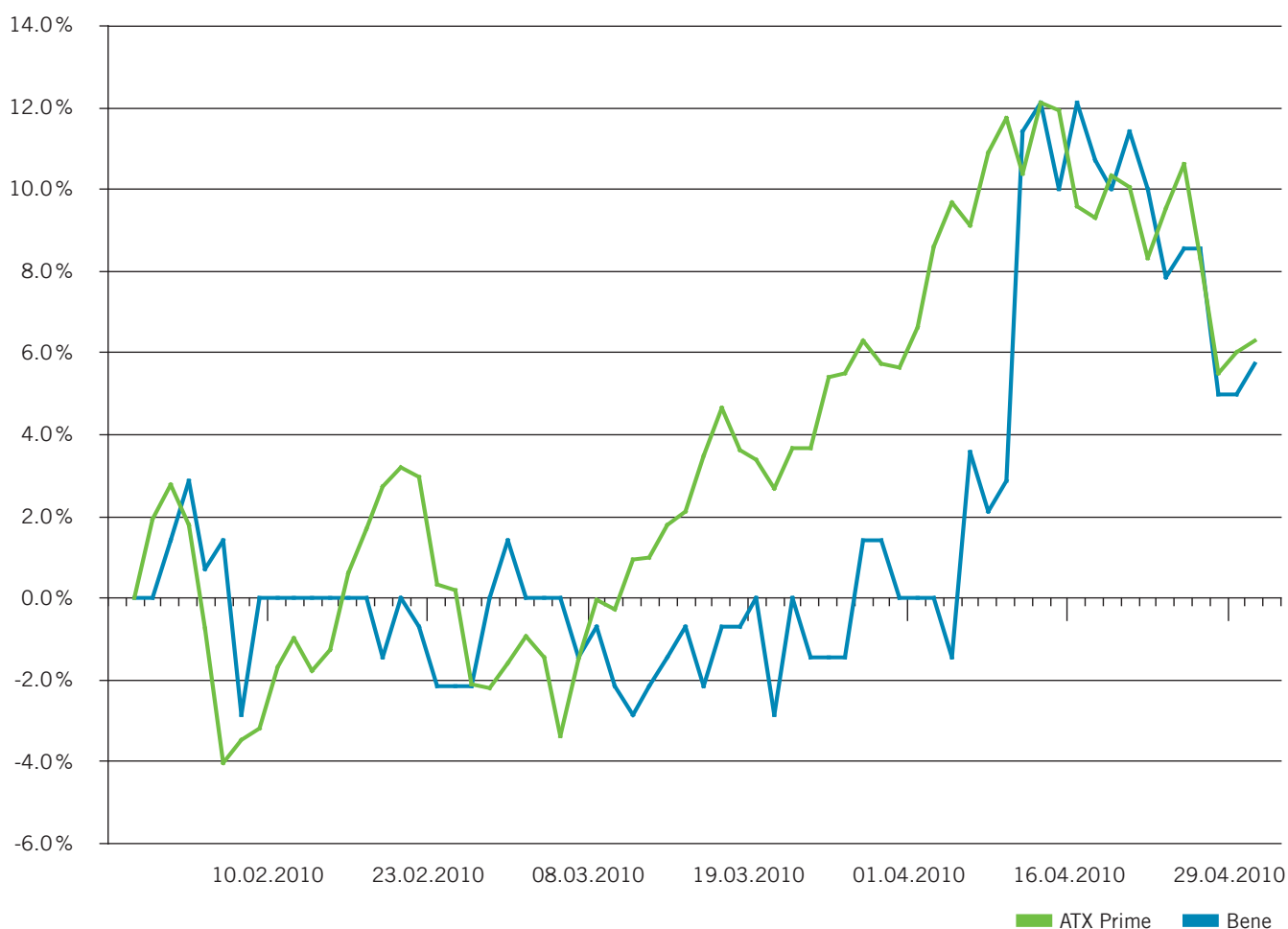
At the Annual General Meeting for the business year 2009/10 on June 09, 2010, it was decided to increase the number of Supervisory Board Members from four to five. Mr. Reinhold Süßenbacher will join the Supervisory Board as of the date of the registration of the amendment of the statutes in the Commercial Register.

In addition, there were no essential subsequent events between the balance sheet date of the condensed interim financial statements of the BENE AG (April 30, 2010) and their publication, which would have led to a different presentation of the financial and earnings situation.

## BENE SHARE.

The Bene share is listed at the Vienna Stock Exchange since November 03, 2006 and is part of the ATX Prime Market and of the Vienna stock index since November 20, 2006. Thus, the BENE AG is the only office furniture

manufacturer quoted at the Vienna stock exchange and in Europe it belongs to a handpicked choice of listed office furniture suppliers.



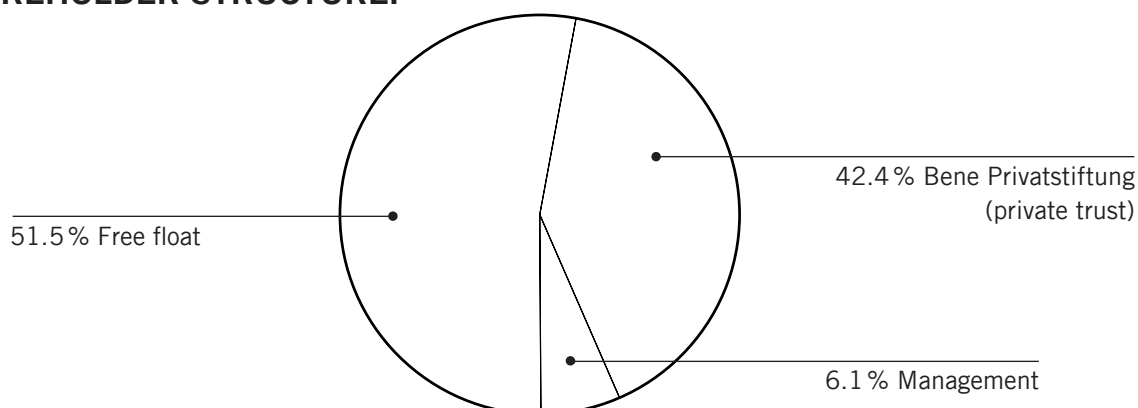
### SHARE PERFORMANCE.

In the first quarter of 2010/11, the price of the Bene share followed the positive development of the ATX Prime and recorded an increase of 5.7% (ATX Prime: 6.3%). In the reporting period, the highest closing price amounted to EUR 1.57 (April 14, 2010), the lowest closing price was EUR 1.36 (February 08, 2010).

### TRADING VOLUME.

In the course of the first quarter of the business year 2010/11, the average trading volume amounted to 14,794 shares. The highest daily trading volume of 106,300 shares was realised on April 13, 2010, the lowest number of shares traded was 200 shares on March 04, 2010.

## SHAREHOLDER STRUCTURE.



**ISIN code:** AT00000BENE6  
**Market issued:** Vienna Stock Exchange, Prime Market  
**Type of shares:** Ordinary no-par value voting bearer shares  
**Total number of shares:** 24,347,352

**Authorised capital:** EUR 9.0 Mio.  
**Other dual listings:** none  
**Indices:** ATX Prime, WBI  
**Ticker symbol:** BENE  
**Free float:** 51.5%

## INVESTOR RELATIONS.

Active and transparent communication with the financial community is of central importance to the Management of the BENE AG. The Bene Group will continue to build up an intense exchange of thoughts and information between the Company and its interested shareholders and new, interested investors. Moreover, such communication is regarded to be an essential part of the communication policy.

The Management Board and the Investor Relations Department will be readily available for road shows, investor conferences and individual meetings.

## FINANCIAL CALENDAR.

Half-year results 2010/11	September 22, 2010
Third quarter results 2010/11	December 15, 2010

## CONTACT.

**Investor Relations**  
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 E-Mail [ir@bene.com](mailto:ir@bene.com) [www.bene.com](http://www.bene.com)

## DECLARATION OF THE MANAGEMENT BOARD ACCORDING TO ARTICLE 87 (1) OF THE AUSTRIAN STOCK EXCHANGE ACT.

Pursuant to article 87 (1) of the Austrian Stock Exchange Act, the signing members of the Management Board as legal representatives of the BENE AG, in the best of their knowledge herewith confirm that


a) the condensed interim financial statements for the first quarter of 2010/11 compiled in accordance with the International Financial Reporting Standards (IFRSs) applicable in the EU give a true and fair view of the financial and earnings situation of the Group;

b) the consolidated status report for the first quarter of 2010/11 represents the business performance, the earnings and the Group's situation in a manner so as to give a true and fair view of the financial and earnings situation and so as to describe the essential risks and uncertainties in the remaining nine months of the business year, to which the Group is exposed and the major transactions with related parties being subject to disclosure.

Waidhofen/Ybbs, June 18, 2010



Frank Wiegmann  
Chairman of the Management Board  
Finance and Technology



Thomas Bene  
Member of the Management Board  
Marketing and portfolio



Roland Marouschek  
Member of the Management Board  
Sales and Personnel