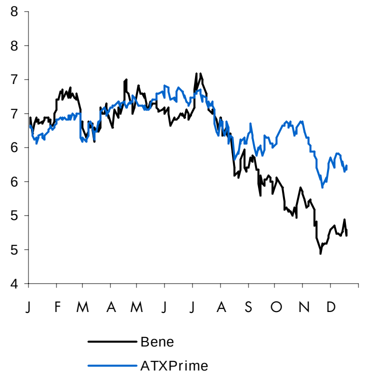
December 20, 2007 **Industrials/Austria**

Bene

Buy

Price 19.12.07	4.79
Price target	6.40
Volatility risk	medium
Year high/low	7.10/4.43
Currency	EUR
EUR/EUR	1.00
ADR rate	n.a.
Market capitalisation in EUR mn	116.6
Free float	52.7%
Free float in EUR mn	61.5
Avg. daily turnover (12 m) in EUR mn	0.3
Index	ATX Prime
ISIN code	AT00000BENE6
Bloomberg	BENE AV
Reuters	BENE.VI
Datastream	O:BEN
www.bene.com	



Source: Raiffeisen Centrobank

Promised and delivered

Bene could not only beat our sales estimates for 3Q 07/08 but also surpassed our EBITDA margin estimate by presenting a margin of 10.5% (RCB est. 9.4%) or - in absolute terms - reported an EBIT of EUR 5.7 mn vs. our estimate of EUR 4.2 mn for 3Q 07/08. A closer look at past quarterly results reveals quite volatile margin movements. As the management already announced beforehand, the production for numerous projects which could only be invoiced in later periods and thus generates profits in 2H 07/08 was the reason why the performance in the first two quarters of 2007/08 was only lackluster. As we can not exclude this to happen again in upcoming periods we do not want to put too much weight on individual quarterly results in future but expect the yearly results to balance this effect.

Outlook: As we do not reckon with a qoq sales increase again in 4Q 07/08 and expect an EBITDA margin of about 8.1% in the last quarter of 2007/08e we made only minor adjustments in our valuation model. We increased our sales estimates for FY 07/08 from EUR 240.3 mn to EUR 245.5 mn and also expect slightly higher revenues in 2008/09e and 2009/10e due to market share gains resulting from the current strong sales volume increase. As our EBITDA and EBIT margin assumptions did not change at all in our valuation the minor increase in net profit is the consequence of this sales increase.

Valuation: Based on the average of three valuation methods (PER, EV/EBITDA, DCF) we calculate a fair value of EUR 6.40 (was EUR 6.55). Although we slightly increased our estimates based on a higher sales volume at constant EBIT margins the decline in prices in our peer group companies on rather constant consensus estimates led to this slight decline in our price target. Nonetheless because of the strong 3Q 07/08 figures and an expected FY 07/08 EBITDA margin of 8.3% that should increase to 9.2% in 2008/09e we see an upside potential of around 34% and reiterate our "buy" recommendation.

Key ratios

EUR	*1/2006*	*1/2007*	*1/2008e*	*1/2009e*	*1/2010e*
EPS reported	0.40	0.42	0.40	0.47	0.50
PE reported	n.a.	15.6	12.1	10.1	9.6
Adjusted EPS diluted	0.40	0.42	0.40	0.47	0.50
Adjusted PE diluted	n.a.	15.6	12.1	10.1	9.6
Operating cash flow per share	0.76	0.18	0.48	0.78	0.80
Price cash flow	n.a.	35.8	9.9	6.1	6.0
Book value per share	1.53	2.59	2.78	3.06	3.32
Price book value	n.a.	2.5	1.7	1.6	1.4
Dividend per share	0.10	0.20	0.20	0.24	0.25
Dividend yield	n.a.	3.1%	4.2%	4.9%	5.1%
EV/adjusted EBITDA	n.a.	7.6	5.3	4.9	4.8

Source: Bene, Raiffeisen Centrobank estimates

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Looking back: 3Q 07/08

2nd best quarterly margins in company history

Quarterly figures

in EUR mn	1Q 06/07	2Q 06/07	3Q 06/07	4Q 06/07	1Q 07/08	2Q 07/08	3Q 07/08
Sales	40.6	47.6	49.7	60.7	54.5	60.6	69.1
EBITDA	2.8	7.2	4.3	4.4	3.9	4.3	7.3
EBITDA margin	6.8%	15.1%	8.6%	7.2%	7.2%	7.0%	10.5%
EBIT	1.3	5.8	2.9	3.1	2.5	2.7	5.7
EBIT margin	3.2%	12.2%	5.9%	5.0%	4.5%	4.4%	8.2%
EBT	1.2	5.5	2.7	3.0	2.6	2.7	5.6
Net profit a.m.	0.7	4.0	2.2	1.5	1.6	1.6	4.4

Source: Bene

Strong sales and margin growth

Bene again posted an impressive increase in quarterly sales revenues up from EUR 60.6 mn in 2Q 07/08 to EUR 69.1 mn for 3Q 07/08, resulting in a yoy increase for 1-3Q 07/08 of 33.7% to EUR 184.3 mn. This increase was driven by a strong sales increase in most segments and a stable high sales volume in the Austrian market. Especially the Rest of the World (RoW) segment showed an impressive yoy sales growth rate of 65.4% and already accounts for about 18% of total sales. In 3Q 07/08 sales in this segment increased from EUR 9.9 mn in 2Q 07/08 to EUR 15.2 mn. Beside the other European markets above all the two new points of sale – Ireland and Belgium – and the market entry in Ukraine and the United Arab Emirates contributed to this significant increase.

3Q 2007/08

in EUR mn	3Q 06/07	3Q 07/08	+/- %	RCB est.	+/- % vs.est.	Comment
Sales	49.7	69.1	39.1	62.5	10.6	Strong growth in UK and RoW
EBITDA	4.3	7.3	69.7	5.9	24.1	Invoicing of projects already produced in previous quarter, increasing share of in-house production
EBITDA margin	8.6%	10.5%		9.4%		
EBIT	2.9	5.7	95.8	4.2	35.9	
EBIT margin	5.9%	8.2%		6.7%		
EBT	2.7	5.6	105.7	4.3	31.7	
Net profit a.m.	2.2	4.4	99.2	3.1	40.1	

Source: Bene, Raiffeisen Centrobank

A slight increase in in-house production, the invoicing and profit realization of projects already produced in 2Q 07/08 and especially of new projects from profitable regions led to an increase in the quarterly EBITDA margin to 10.5%, which also exceeded our quarterly estimates.

UK and Russia already account for 55% of total EBIT

The most profitable segments are still the UK and Russia with a 1-3Q 07/08 EBIT margin of 10.7% and 14.5%, respectively. Also a good performance in 3Q 07/08 pulled the result of Germany into the black with a 1-3Q 07/08 EBIT margin of 1.1%. Although the EBIT margin in the RoW segment at 6.3% is below last year's 1-3Q 06/07 EBIT margin of 15.7% due to weaker earnings of large-scale projects, the 4Q 07/08 EBIT margin should not lag behind the current figures because of profitable projects in the United Arab Emirates. In Austria, which is still Bene's top-selling market in terms of sales volume, the EBIT margin slightly increased yoy from last year's strong level of 3.9% to 4.0%.

Outlook

Although the 3Q 07/08 result was slightly above our estimates we only made some minor adjustments in our planning model as we expect FY 07/08 to come in broadly in line with our previous expectations. We increased our sales estimates for FY 07/08 from EUR 240.3 mn to EUR 245.5 mn and also slightly increased the expected sales volume for the upcoming years as the company again managed to increase the quarterly sales volume.

We made no changes to the EBITDA and EBIT margins as we expect a FY 07/08 EBITDA margin of 8.3%, thus resulting in an EBITDA margin for 4Q 07/08 of 8.1% - slightly lower compared to the extremely good EBITDA margin of 10.5% for 3Q 07/08 but in line with the expected FY 07/08 margin. We also did not change our estimates for the EBITDA margins in 2008/09e and 2009/10e as we anticipate an EBITDA margin of about 9.2% - 9.3% which is in line with management guidance of an EBITDA margin increase to > 9%.

Changes to forecast

	old			*new*			
in EUR mn	***1/2008e***	***1/2009e***	***1/2010e***	***1/2008e***	***1/2009e***	***1/2010e***	***Comment***
Sales	240.3	257.9	275.8	245.5	261.3	279.0	Capacity extension, better 3Q 07/08 figures
EBITDA	19.7	23.7	25.5	20.4	24.0	25.8	No changes to EBITDA margin
EBITDA margin	8.2%	9.2%	9.3%	8.3%	9.2%	9.3%	
EBIT	13.3	16.2	17.2	14.0	16.5	17.5	No changes to EBIT margin
EBIT margin	5.6%	6.3%	6.2%	5.7%	6.3%	6.3%	
EBT	13.6	16.4	17.1	14.0	16.5	17.2	
Net profit a.m.	9.3	11.4	12.0	9.6	11.5	12.1	
EPS	0.38	0.47	0.49	0.40	0.47	0.50	
EPS adjusted	0.38	0.47	0.49	0.40	0.47	0.50	
DPS	0.20	0.24	0.25	0.20	0.24	0.25	

Source: Raiffeisen Centrobank estimates

Valuation

We derive our price target by using three valuation methods, namely PER and EV/EBITDA multiples as well as a DCF model. For calculating the price target we use the average of these three methods for the years 2007e to 2009e (previously: 2007e to 2008e).

As the peer group companies lost on average about 12% in the past three months with most of the consensus data showing unchanged earnings estimates our PER and EV/EBITDA multiple based valuation derives slightly lower price targets (for PER based valuation about EUR 0.2 per share, for EV/EBITDA based valuation about EUR 0.5 per share lower).

We did not alter the parameters in our DCF model. As the increase in sales volume at a constant EBIT margin slightly increased the absolute annual free cash flow the DCF based price target increased from EUR 7.4 to EUR 7.6 per share.

Price target calculation

in EUR per share	*2007e*	*2008e*	*2009e*
PER Median	5.4	5.4	5.3
EV/EBITDA Median	6.3	6.2	6.2
DCF	7.6	7.6	7.6
Fair Value	6.4	6.4	6.4
Price target		**6.40**	

Source: Reuters, Raiffesien Centrobank estimates

Based on these assumptions we calculate a new price target of EUR 6.40 (old EUR 6.55) resulting in a current upside potential of about 34% and reiterate our "buy" recommendation.

DCF valuation

FCF projection (EUR mn)	*2007e*	*2008e*	*2009e*	*2010e*	*2011e*	*2012e*	*TV CF*
NOPLAT	10.2	12.0	12.7	13.4	14.4	15.5	15.1
Adj. NOPLAT	10.2	12.0	12.7	13.4	14.4	15.5	15.1
Depreciation of PPE & intangibles	6.4	7.5	8.4	8.8	8.8	8.4	8.0
Gross investment in PPE & intangibles	-14.5	-22.5	-21.0	-13.0	-11.5	-8.5	-8.5
Change in working capital	-5.7	-0.8	-1.6	-1.6	-1.6	-1.4	-0.4
NWC/Sales	9.1%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Change in LT provisions other than tax	1.1	0.5	0.3				
Net acquisitions & disposals	-1.7	-0.3	-0.4	0.0	0.0	0.0	
Free cash flow to firm	-4.3	-3.7	-1.6	7.6	10.1	14.0	14.2
Adj. free cash flow to firm	**-4.3**	**-3.7**	**-1.6**	**7.6**	**10.1**	**14.0**	**14.2**
EV DCF, mid-year assumption		**168.8**	**186.6**				
MV of non-operating assets		0.1	0.1				
MV of net debt		-9.6	-0.3				
MV of minorities		1.2	1.0				
Adjustments to EV		0.0	0.0				
Fair value of equity		**177.3**	186.0				
Shares outstanding (mn)		24.3	24.3				
Price target per share per 01/02 (in EUR)		**7.3**	**7.6**				

Value drivers	*2007e*	*2008e*	*2009e*	*2010e*	*2011e*	*2012e*	*TV CF*
Consolidated sales yoy	23.6%	6.5%	6.8%	6.5%	6.0%	5.0%	1.3%
EBITDA margin	8.3%	9.2%	9.3%	9.2%	9.1%	9.0%	8.7%
Rate of taxes paid	-27.5%	-27.5%	-27.5%	-27.5%	-27.5%	-27.5%	-27.5%
Working capital/sales	9.1%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Capex/depreciation	228.3%	300.0%	250.6%	147.7%	130.7%	101.2%	106.3%
Free cash flow margin	-1.7%	-1.4%	-0.6%	2.6%	3.2%	4.2%	4.3%

WACC	*2007e*	*2008e*	*2009e*	*2010e*	*2011e*	*2012e*	*TV CF*
Target capital structure (at MV)	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Debt/equity ratio (at MV)	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%
Risk free rate (local)	4.3%	4.7%	4.3%	4.3%	4.3%	4.3%	4.3%
Equity market premium	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Levered beta	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Cost of equity	8.7%	9.1%	8.7%	8.7%	8.7%	8.7%	8.7%
Cost of debt	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Tax rate	-27.5%	-27.5%	-27.5%	-27.5%	-27.5%	-27.5%	-27.5%
WACC	**8.0%**	**8.3%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**

Sensitivity analysis

Growth sensitivity (EUR)			*Terminal growth rate*				
WACC	***-0.3%***	***0.3%***	***0.8%***	***1.3%***	***1.8%***	***2.3%***	***2.8%***
6.5%	8.0	8.6	9.3	10.1	11.1	12.4	14.0
7.0%	7.3	7.9	8.4	9.1	10.0	11.0	12.2
7.5%	6.8	7.2	7.7	8.3	9.0	9.8	10.8
8.0%	6.3	6.7	7.1	**7.6**	8.2	8.9	9.7
8.5%	5.9	6.3	6.6	7.0	7.5	8.1	8.8
9.0%	5.6	5.8	6.2	6.5	6.9	7.4	8.0
9.5%	5.2	5.5	5.8	6.1	6.4	6.9	7.3

Margin sensitivity (EUR)			*FCF margin TV*				
WACC	***2.8%***	***3.3%***	***3.8%***	***4.3%***	***4.8%***	***5.3%***	***5.8%***
6.5%	6.9	8.0	9.0	10.1	11.2	12.2	13.3
7.0%	6.3	7.2	8.2	9.1	10.1	11.0	12.0
7.5%	5.8	6.6	7.5	8.3	9.2	10.0	10.9
8.0%	5.3	6.1	6.9	**7.6**	8.4	9.2	10.0
8.5%	4.9	5.6	6.3	7.0	7.8	8.5	9.2
9.0%	4.6	5.2	5.9	6.5	7.2	7.8	8.5
9.5%	4.3	4.9	5.5	6.1	6.7	7.3	7.9

Source: Raiffeisen Centrobank estimates

Risk/return analysis

	Currency	Price 19.12.	MCap. EUR mn	Performance (%) 1M	3M	12M	Vola (%) 250D	EPS CAGR 3-year
Steelcase	USD	15.19	1,576	-2.0	-12.8	-15.9	24.7	19.9%
Samas Groep	EUR	4.72	117	-1.7	-8.0	-44.5	33.5	neg.
Herman Miller	USD	28.42	1,216	13.2	-2.3	-16.8	38.2	11.3%
HNI	USD	35.64	1,224	-7.5	-4.2	-21.0	28.3	7.9%
Knoll	USD	16.71	607	3.4	-11.9	-18.0	33.6	13.8%
Teknion	CAD	1.35	72	-28.9	-37.8	-59.1	70.4	n.a.
Zumtobel	EUR	24.20	1,082	-12.2	-9.6	2.3	29.7	3.7%
Mean				**-5.1**	**-12.4**	**-24.7**	**36.9**	**11.8%**
Median				**-2.0**	**-9.6**	**-18.0**	**33.5**	**11.3%**
Bene	EUR	4.79	117	6.4	-13.4	-17.4	29.7	5.8%
ATX Prime		2,066.3		3.0	-8.1	-6.9	n.a.	

Peer group valuation

	P/E pre-goodwill 2006	2007e	2008e	2009e	Dividend Yield 2006	2007e	2008e	2009e
Steelcase	24.2	15.0	12.2	10.6	3.0%	4.0%	4.0%	4.0%
Samas Groep	neg.	neg.	29.5	14.3	0.0%	0.0%	0.0%	2.8%
Herman Miller	18.4	12.5	11.5	10.4	1.0%	1.2%	1.3%	1.4%
HNI	14.1	14.3	12.9	10.8	2.1%	2.3%	2.4%	2.4%
Knoll	18.6	11.9	10.5	9.0	1.9%	2.6%	3.0%	3.4%
Teknion	neg.	21.7	9.3	n.a.	0.0%	0.0%	0.0%	n.a.
Zumtobel	11.5	11.7	10.2	9.4	1.9%	3.1%	3.7%	3.9%
Mean	**17.4**	**14.5**	**13.7**	**10.7**	**1.4%**	**1.9%**	**2.0%**	**3.0%**
Median	**18.4**	**13.4**	**11.5**	**10.5**	**1.9%**	**2.3%**	**2.4%**	**3.1%**
Bene	15.6	12.1	10.1	9.6	3.1%	4.2%	4.9%	5.1%

	P/BV 2006	2007e	2008e	2009e	ROE 2006	2007e	2008e	2009e
Steelcase	2.4	1.7	1.6	1.4	8.8%	11.8%	13.2%	14.1%
Samas Groep	2.3	2.6	2.3	2.0	neg.	neg.	13.2%	15.0%
Herman Miller	14.8	6.4	4.3	3.2	87.9%	64.4%	44.7%	34.2%
HNI	3.5	2.8	2.4	2.1	23.8%	21.4%	19.9%	20.7%
Knoll	246.1	15.7	7.6	4.7	278.5%	240.9%	96.8%	64.0%
Teknion	1.1	0.4	0.4	n.a.	neg.	1.8%	4.1%	n.a.
Zumtobel	2.7	2.1	1.9	1.6	33.1%	19.7%	19.2%	18.6%
Mean	**39.0**	**4.5**	**2.9**	**2.5**	**86.4%**	**60.0%**	**30.1%**	**27.8%**
Median	**2.7**	**2.6**	**2.3**	**2.0**	**33.1%**	**20.6%**	**19.2%**	**19.7%**
Bene	2.5	1.7	1.6	1.4	18.4%	14.7%	16.2%	15.6%

	EV/Sales 2006	2007e	2008e	2009e	EV/EBITDA 2006	2007e	2008e	2009e
Steelcase	0.9	0.6	0.6	0.5	10.5	6.2	5.8	6.0
Samas Groep	0.7	0.6	0.5	0.5	neg.	28.3	9.5	6.6
Herman Miller	1.2	1.0	0.9	0.9	10.0	7.1	6.5	6.4
HNI	0.8	0.7	0.7	0.7	7.3	7.2	6.9	6.2
Knoll	1.4	1.1	1.0	0.9	10.2	7.1	6.3	5.8
Teknion	0.5	0.2	0.2	n.a.	8.8	5.1	4.1	n.a.
Zumtobel	1.1	0.9	0.9	0.8	8.9	6.9	6.2	5.7
Mean	**0.9**	**0.7**	**0.7**	**0.7**	**9.3**	**9.7**	**6.5**	**6.1**
Median	**0.9**	**0.7**	**0.7**	**0.7**	**9.5**	**7.1**	**6.3**	**6.1**
Bene	0.7	0.4	0.4	0.4	7.6	5.3	4.9	4.8

Financial statements (IFRS)

Income statement (EUR mn)	*1/2005*	*1/2006*	*1/2007*	*1/2008e*	*1/2009e*	*1/2010e*
Consolidated sales	**167.3**	**186.7**	**198.6**	**245.5**	**261.3**	**279**
Changes in inventories	-0.1	-0.3	0.2	0.9	0	0
Own work capitalised	0.9	0.7	0.9	1.4	1	1
Other operating income	3	2.2	3.7	3.1	2.6	2.5
Total revenues	**171**	**189.3**	**203.4**	**250.9**	**265**	**282.5**
Material costs	-82.2	-92.8	-93.2	-120.5	-122.8	-130.9
Personnel expenses	-48.7	-53.8	-60.1	-70.4	-76.8	-81.8
Other operating expenses	-26.8	-25.9	-31.4	-39.5	-41.3	-44.1
EBITDA	**13.3**	**16.8**	**18.7**	**20.4**	**24**	**25.8**
Depreciation of PPE and intangibles	-5.4	-5.5	-5.6	-6.4	-7.5	-8.4
EBITA	**7.9**	**11.3**	**13.1**	**14**	**16.5**	**17.5**
Amortisation, impairment of goodwill	0	0	0	0	0	0
EBIT	**7.9**	**11.3**	**13.1**	**14**	**16.5**	**17.5**
Investment income	0	0	0.1	0.2	0.2	0.2
Net interest income	-1.7	-1.4	-0.9	-0.7	-0.2	-0.5
Other financial result	-0.1	0.4	0.1	0.6	0	0
Financial result	**-1.8**	**-0.9**	**-0.7**	**0**	**0**	**-0.3**
Earnings before taxes	**6.1**	**10.4**	**12.4**	**14**	**16.5**	**17.2**
Taxes on income	-3.5	-2.6	-3.4	-3.9	-4.5	-4.7
Extraordinary result	0	0	0	0	0	0
Net profit before minorities	**2.6**	**7.8**	**9**	**10.2**	**11.9**	**12.5**
Minority interests	0	-0.3	-0.5	-0.5	-0.5	-0.4
Net profit after minorities	**2.5**	**7.5**	**8.4**	**9.6**	**11.5**	**12.1**

Balance sheet (EUR mn)	*1/2005*	*1/2006*	*1/2007*	*1/2008e*	*1/2009e*	*1/2010e*
Current assets	**61.7**	**64**	**97.4**	**101.4**	**93.8**	**89.1**
Liquid funds	23.6	19.5	41.2	26.1	14.9	6
Receivables	24.4	32.1	40	53.4	56.2	59.3
Inventories	12.7	11.4	14.7	20.9	21.7	22.9
Other assets	1	0.9	1.5	1	1	1
Fixed assets	**34.6**	**33.2**	**35**	**44.8**	**60.1**	**73.1**
Property, plant & equipment	27.8	27.1	27.2	35.3	50.2	62.8
Intangible assets	1.8	2.4	3.2	3.3	3.3	3.4
Goodwill	1.5	1.5	2.6	4.2	4.5	4.9
Financial assets	3.5	2.2	2.1	2.1	2.1	2.1
Deferred tax assets	**8.4**	**8**	**7.7**	**7.7**	**7.7**	**7.7**
Total assets	**104.8**	**105.2**	**140.2**	**153.9**	**161.6**	**170**
Current liabilities	**31.4**	**45.6**	**50.3**	**61.8**	**62.5**	**63.9**
Long-term liabilities	**51.3**	**30.4**	**25.9**	**23.7**	**24.2**	**25**
Shareholders' equity	**21.3**	**28.7**	**63**	**67.8**	**74.4**	**80.7**
Minority interests	**0.6**	**0.7**	**0.9**	**0.6**	**0.5**	**0.3**
Deferred tax liabilities	**0**	**0**	**0**	**0**	**0**	**0**
Total liabilities	**104.8**	**105.2**	**140.2**	**153.9**	**161.6**	**170**

Cash flow statement (EUR mn)	*1/2005*	*1/2006*	*1/2007*	*1/2008e*	*1/2009e*	*1/2010e*
Earnings before taxes	**6.1**	**10.4**	**12.4**	**14**	**16.5**	**17.2**
Taxes paid	-1.8	-1.9	-3.4	-3.9	-4.5	-4.7
Amortisation and depreciation	5.4	5.5	5.6	6.4	7.5	8.4
Other non-cash items	0.2	-0.5	-0.1	1.1	0.5	0.3
Cash flow from result	**9.9**	**13.5**	**14.4**	**17.6**	**19.9**	**21.2**
Change in working capital	0.2	0.8	-10.8	-5.9	-0.8	-1.6
Operating cash flow	**10.1**	**14.3**	**3.7**	**11.7**	**19.1**	**19.6**
Capex PPE and intangible assets	-4	-5.8	-6	-14.5	-22.5	-21
Acquisitions	0	0	-0.9	-1.7	-0.3	-0.4
Disposal of fixed assets (total)	1.5	3.5	0.3	0	0	0
Other items (investments)	-4.5	0	-16.2	18.4	0	0
Investing cash flow	**-7**	**-2.3**	**-22.8**	**2.2**	**-22.8**	**-21.4**
Dividend payments	-0.6	-0.2	-1.9	-4.9	-4.9	-5.8
Other changes in equity	15	0	28.1	-0.8	-0.5	-0.6
Change in interest-bearing financial assets	6.1	-2.4	16.5	-18.3	-0.1	0
Other items	-37.4	0.5	0	-0.1	-0.1	0
Change in NIBD	**-13.8**	**9.9**	**23.6**	**-10.2**	**-9.3**	**-8.2**

Source: Bene, Raiffeisen Centrobank estimates

Financial ratios

Changes yoy	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
Consolidated sales yoy	n.a.	11.6%	6.3%	23.6%	6.5%	6.8%
EBITDA yoy	n.a.	26.0%	11.0%	9.4%	17.6%	7.7%
EBITA yoy	n.a.	42.9%	15.9%	7.4%	17.4%	5.8%
EBIT yoy	n.a.	42.9%	15.9%	7.4%	17.4%	5.8%
EBT yoy	n.a.	70.6%	19.6%	13.3%	17.4%	4.3%
Net profit after minorities yoy	n.a.	193.9%	12.7%	14.5%	19.2%	5.3%

Margins	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
Material costs margin	-49.1%	-49.7%	-46.9%	-49.1%	-47.0%	-46.9%
EBITDA margin	8.0%	9.0%	9.4%	8.3%	9.2%	9.3%
EBITA margin	4.7%	6.0%	6.6%	5.7%	6.3%	6.3%
EBIT margin	4.7%	6.0%	6.6%	5.7%	6.3%	6.3%
EBT margin	3.6%	5.5%	6.2%	5.7%	6.3%	6.2%
Net margin	1.5%	4.0%	4.2%	3.9%	4.4%	4.3%

Balance sheet (EUR mn)	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
Net working capital	6.7	6.6	16.5	22.4	23.2	24.8
Net interest-bearing debt	13.8	3.9	-19.7	-9.6	-0.3	7.9
Capital employed	n.a.	n.a.	87.2	86.8	91.3	96.7
Market capitalisation	n.a.	n.a.	159.5	116.6	116.6	116.6
Enterprise value	n.a.	n.a.	141.3	108.1	117.2	125.0

Financing (x)	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
Interest cover	7.0	10.7	16.9	19.8	28.3	32.5
Internal financing ratio	4.0	2.7	0.6	0.8	0.8	0.9
Net gearing	62.9%	13.3%	-30.9%	-14.0%	-0.4%	9.8%
Quick ratio	1.6	1.2	1.6	1.3	1.2	1.0
Fixed assets cover	2.1	1.8	2.6	2.1	1.6	1.4
Capex / depreciation	0.7	1.0	1.1	2.3	3.0	2.5
Equity ratio	21.0%	27.9%	45.6%	44.4%	46.3%	47.7%

Profitability	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
Return on assets	6.5%	8.6%	8.0%	7.4%	8.0%	7.9%
Return on equity	23.8%	29.9%	18.4%	14.7%	16.2%	15.6%
Return on capital employed	14.6%	16.2%	14.2%	12.9%	14.4%	14.1%

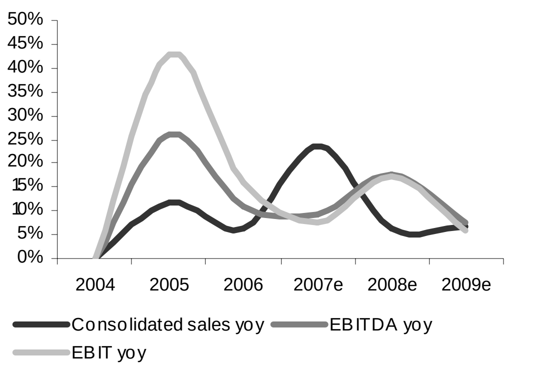
Per share data (EUR)	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
Weighted avg. no. of shares (mn)	12.2	18.8	20.1	24.3	24.3	24.3
EPS reported	0.21	0.40	0.42	0.40	0.47	0.50
EPS pre-goodwill	0.21	0.40	0.42	0.40	0.47	0.50
Adjusted EPS diluted	0.21	0.40	0.42	0.40	0.47	0.50
Operating cash flow per share	0.83	0.76	0.18	0.48	0.78	0.80
Book value per share	1.14	1.53	2.59	2.78	3.06	3.32
Dividend per share	0.00	0.10	0.20	0.20	0.24	0.25
Payout ratio	0.0%	25.3%	57.8%	50.8%	50.0%	49.6%

Valuation (x)	1/2005	1/2006	1/2007	1/2008e	1/2009e	1/2010e
PE reported	n.a.	n.a.	15.6	12.1	10.1	9.6
PE pre-goodwill	n.a.	n.a.	15.6	12.1	10.1	9.6
Adjusted PE diluted	n.a.	n.a.	15.6	12.1	10.1	9.6
Price cash flow	n.a.	n.a.	35.8	9.9	6.1	6.0
Price book value	n.a.	n.a.	2.5	1.7	1.6	1.4
Dividend yield	n.a.	n.a.	3.1%	4.2%	4.9%	5.1%
Free cash flow yield	n.a.	n.a.	-1.3%	-2.3%	-2.9%	-1.2%
EV/sales	n.a.	n.a.	0.7	0.4	0.4	0.4
EV/EBITDA	n.a.	n.a.	7.6	5.3	4.9	4.8
EV/EBIT	n.a.	n.a.	10.8	7.7	7.1	7.2
EV/operating cash flow	n.a.	n.a.	38.4	9.2	6.2	6.4
Adjusted EV/CE	n.a.	n.a.	2.1	1.6	1.5	1.4
Adjusted EV/CE vs. ROCE/WACC	n.a.	n.a.		1.0	0.9	0.8

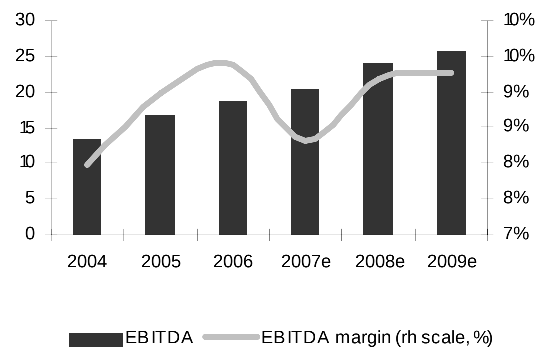
Source: Bene, Raiffeisen Centrobank estimates

Financial graphs

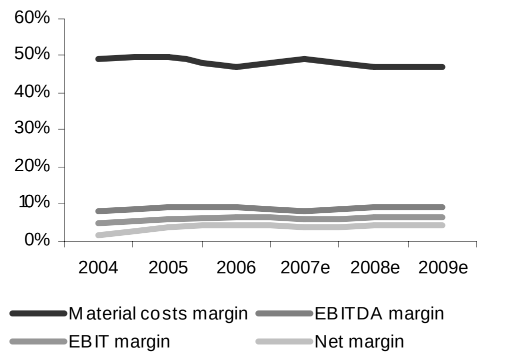
Momentum 2004-2009e (%)



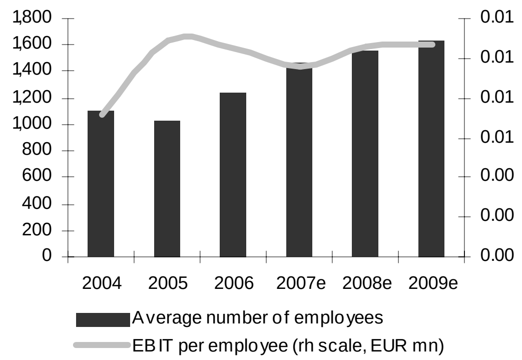
EBITDA margin 2004-2009e (EUR mn)



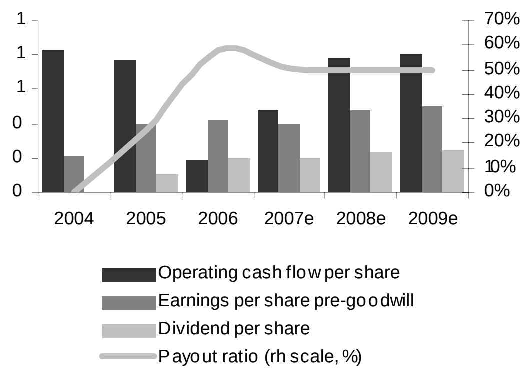
Profit margins 2004-2009e (%)



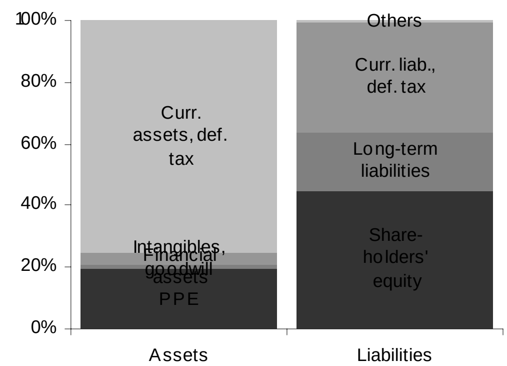
Productivity 2004-2009e



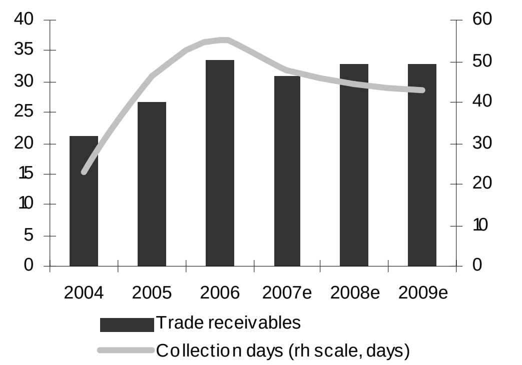
Per share data 2004-2009e (EUR)



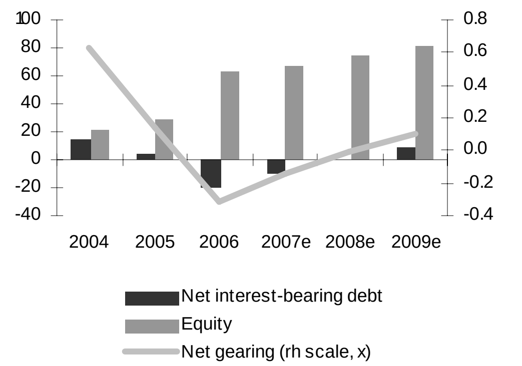
Balance sheet structure (%)



Cash management 2004-2009e (EUR mn)



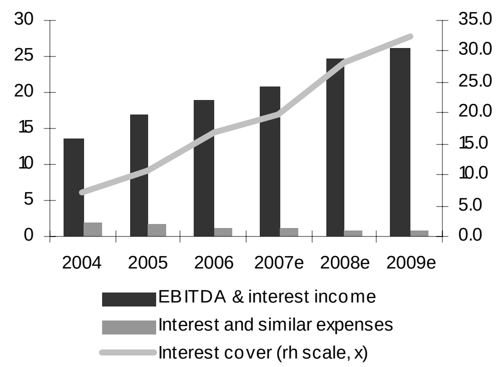
Net gearing 2004-2009e (EUR mn)



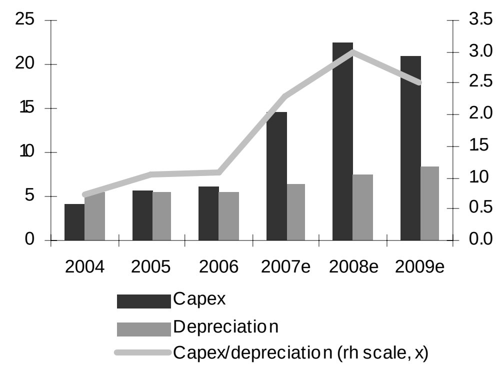
Source: Bene, Raiffeisen Centrobank estimates

Financial graphs

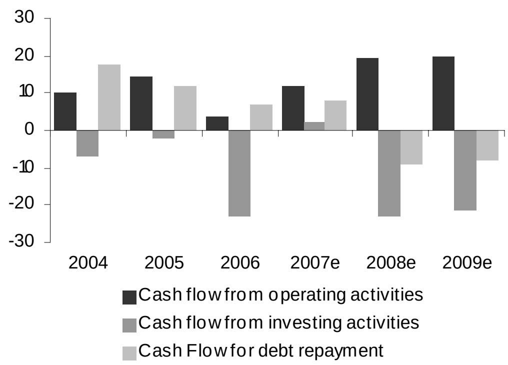
Interest cover 2004-2009e (EUR mn)



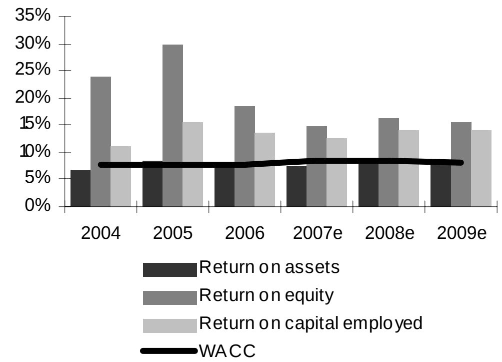
Capex vs. depreciation 2004-2009e (EUR mn)



Cash flow comparison 2004-2009e (EUR mn)



Profitability 2004-2009e (%)



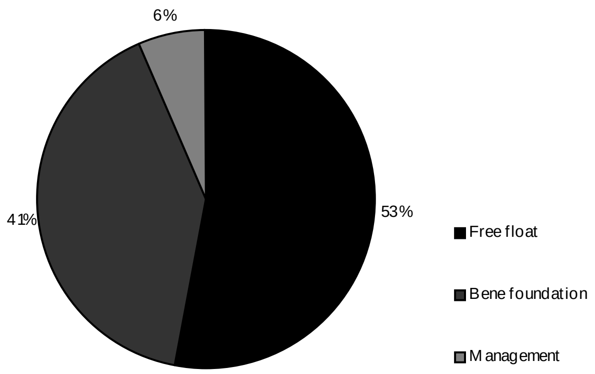
Source: Bene, Raiffeisen Centrobank estimates

Fact Sheet

Company description

Bene, which has its headquarter in Waidhofen/Ybbs, Lower Austria is the Austrian #1 and European #6 office furniture supplier, with sales of EUR 199 mn and 1,344 employees. Sales are mainly generated in Austria (one third), Germany (about 27%), UK (13%), Russia (10%) and several CEE, Western European countries and the United Arab Emirates (16%). The group offers a full-line range of office furniture as well as consultancy and related services. In the very fragmented European office furniture industry, Bene is positioned as a high-quality, highly design-oriented supplier. In contrast to most of its competitors Bene counts on direct distribution, with 93% of sales generated via its own point of sales. Thus more than 50% of the total workforce are salespeople. While the competitors run up to 12 specialist production sites, Bene concentrates on one highly automated factory and an integrated just-in-time production system. In the years 2001 to 2004 Bene suffered due to a strong market downturn in the European market with volume declines of up to 31% from the peak levels. The expected pick-up of non-residential construction in the next years provides a strong catalyst for accelerating growth due to a catching-up effect of postponed replacement investments.

Shareholder structure



Strengths/Opportunities

- Trend-setter with a strong brand and one of the leaders in the office furniture industry
- Strong market shares: #1 in Austria, # 6 in Europe, leading market shares in CEE
- Strong outperformance of European office furniture market in recent years
- Productivity advantages due to innovative production and supply-chain management
- European office furniture market is only at the beginning of an upswing
- Bene should benefit from the ongoing consolidation process in the very fragmented European market

Weaknesses/Threats

- Very cyclical industry
- Threat of increasing price pressure from low-cost producers from CEE and Asia
- Low liquidity of the share due to the small market capitalization
- Takeover of a swivel chair manufacturing company part of the equity story; a failure of this acquisition could burden the share price
- Very fragmented industry with no clear leader; a lot of companies could fight for the leading market positions

Income statement (EUR mn)	1/2007	1/2008e	1/2009e	1/2010e
Consolidated sales	198.6	245.5	261.3	279.0
EBITDA	18.7	20.4	24.0	25.8
EBIT	13.1	14.0	16.5	17.5
EBT	12.4	14.0	16.5	17.2
Net profit bef. min.	9.0	10.2	11.9	12.5
Net profit after min.	8.4	9.6	11.5	12.1
Balance sheet				
Total assets	140.2	153.9	161.6	170.0
Shareholders' equity	63.0	67.8	74.4	80.7
Goodwill	2.6	4.2	4.5	4.9
NIBD	-19.7	-9.6	-0.3	7.9
Cash flow statement				
Operating cash flow	3.7	11.7	19.1	19.6
Investing cash flow	-22.8	2.2	-22.8	-21.4
Change NIBD	23.6	-10.2	-9.3	-8.2

Per share data (EUR)	1/2007	1/2008e	1/2009e	1/2010e
EPS pre-goodwill	0.42	0.40	0.47	0.50
Adj. EPS diluted	0.42	0.40	0.47	0.50
Operating cash flow	0.18	0.48	0.78	0.80
Book value	2.59	2.78	3.06	3.32
Dividend	0.20	0.20	0.24	0.25
Payout ratio	57.8%	50.8%	50.0%	49.6%
Valuation (x)				
PE pre-goodwill	15.6	12.1	10.1	9.6
Adj. PE diluted	15.6	12.1	10.1	9.6
Price cash flow	35.8	9.9	6.1	6.0
Price book value	2.5	1.7	1.6	1.4
Dividend yield	3.1%	4.2%	4.9%	5.1%
FCF yield	-1.3%	-2.3%	-2.9%	-1.2%
EV/EBITDA	7.6	5.3	4.9	4.8
EV/EBIT	10.8	7.7	7.1	7.2
EV/operating CF	38.4	9.2	6.2	6.4

Source: Bene, Raiffeisen Centrobank estimates

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Risk ratings take into account volatility. Fundamental criteria might lead to a change in the risk classification. Also, the classification may change over the course of time.

Investment ratings: indicators of the expected return within a 6-12-month period from the date of the initial rating.
Buy: 10% or more for low/medium risk shares, 15% for high risk shares
Hold: -10% to +10% for low/medium risk shares, -15% to +15% for high risk shares
Sell: < -10% for low/medium risk shares, < -15% for high risk shares

Price targets are determined by the fair value derived from a peer group comparison and/or our DCF model. Other fundamental factors (M&A activities, capital markets transactions, share buybacks, sector sentiment etc.) are taken into account as well.

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6. The analyst owns securities of the issuer analysed by him.
7. The analyst is on the Supervisory Board/Board of Directors of the issuer analysed by him.
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