

FIRST QUARTER REPORT 2009/10.

**benne**

## HIGHLIGHTS.

- Economic environment clearly perceptible: decrease in sales by 20% to EUR 47.6 million
- After historical record quarter of the previous year, slightly negative EBIT of EUR -0.8 million
- Extensive package of measures as reaction to changed environment already initiated

## ECONOMIC ENVIRONMENT.

In the first quarter of 2009, the global economy was characterised by an intensification of the downturn. Whereas the overall year 2008, despite a clear slowdown in growth still recorded a plus of around 3.2%, the International Monetary Fund IWF now, for the first time since decades, expects a decrease in the global gross domestic product by 1.3%. This decline is mainly resulting from the developments in the industrial countries.

Likewise, in the first quarter of the current year, the European economy was clearly shrinking. Compared to the first quarter of 2008, the economic performance of the EU 27 decreased by 4.5%, the one of the euro-countries by 4.8%. Investment expenditures dropped by 4.2% – according to German trade associations, the current difficulties in granting credits to companies are a crucial factor therefore. As stated by experts, this fact and the banks' demand for additional securities, already in the summer of the current year, may become existence threatening for many companies. Exports within the euro zone fell by around 8.1%; imports shrank by 7.2%. The European Central Bank (ECB) had to further revise downwards all its previous forecasts for 2009: Currently, experts expect a decline in the economy by 4.6%; in March they still assumed a minus of 2.7%. For the business year 2010, the ECB predicts an economic growth in a range between -1.0% to +0.3%.

Contrary to Europe, with 2.5%, the USA recorded only a smaller decline. Japan however showed a minus in the GDP of 9.1% in the first quarter of 2009.

Previously, economists had expected a decrease in the GDP by 1.5% for Great Britain. Actually Great Britain had to record a downturn of 1.9% compared to the prior year – a dimension not experienced for 30 years.

In the first quarter of 2009, Austria showed a decline in GDP of 3.5%. Exports plunged heavily. Incoming orders and industrial production are considerably decreasing and the private consumption further slowed down. For the overall year 2009, the National Bank expects a drop in GDP by 4.2%. The inflation shall amount to only 0.4% in the year 2009, before it will increase again to 1.1% respectively to 1.2% in 2010 and 2011.

In the first quarter of 2009, the German gross domestic product declined by 3.8%, primarily due to slumps in exports and investments. Thus, Germany experiences the deepest recession of post-war history. A return to growth is only assumed as of the end of the year 2009.

After successful years with lasting economic growth, in the first quarter of 2009, Russia reported a downturn of the GDP by 9.5% compared to the prior year. For the overall year, the Russian Ministry of Economics expects a decrease of the industrial production by 9.1%. In the year 2010, this key figure might at best increase by 3.2% instead of the initially predicted 6%. European companies hope for impetus from the preparation for the Olympic Winter Games in Sotschi in 2014.

In almost all important national economies of Central and Eastern Europe (CEE), after a remarkable economic slump in the first quarter, the experts of the RZB assume a persistent production slow down until the summer of 2009. Likewise, in the CEE region, the export economy and the decline in private consumption will play a decisive role for the economic development. Overall, for 2009, the RZB expects a drop in GDP of 3.8% in CEE, for 2010 a slight increase is forecasted.

## BUSINESS PERFORMANCE IN THE FIRST QUARTER OF 2009/10.

After record sales and earnings in the first quarter of 2008/09, the intensification of the global recession shows clear impacts on sales and earnings of the first quarter of 2009/10. Compared to the previous year's quarter, sales of the Bene Group dropped by 20.2% to EUR 47.6 million. The EBIT of EUR -0.8 million was slightly negative.

### SALES DEVELOPMENT.

In the weak economic environment, the Bene Group did not continue its growth in the first three months of the business year 2009/10: Sales dropped by 20.2% to EUR 47.6 million (first quarter of 2008/09: EUR 59.7 million). The individual regions recorded different developments: In Russia and in Germany, the Bene Group realised large-scale projects, whereas the economic downturn in the UK and in several markets in Eastern and Central Europe showed already clear effects in the third quarter of 2008/09.

In Austria, in the first three months of the business year 2009/10 sales decreased by 26.2% to EUR 14.5 million and thus remained by EUR 5.2 million behind the previous year's value (first quarter of 2008/09: EUR 19.7 million). Despite the difficult market environment, the Bene acquired notable large-scale projects such as Knorr Bremse, Generali Versicherung and Bernecker & Rainer.

In Germany, the decline in sales by 10.0% to EUR 14.3 million (first quarter of 2008/09: EUR 15.9 million) was much more moderate. The further establishment of the Bene brand in Germany, the direct distribution structure as well as the realisation of various large-scale projects such as for VHV in Hanover, Santander Bank in Düsseldorf and Voith Paper in Stuttgart positively contributed to this development. Germany is the largest European office furniture market.

As already in the last quarters of the past business year 2008/09, the UK segment had to pay tribute for the significantly weakened investment climate: The first quarter of 2009/10 recorded a decrease in sales by 22.2% to EUR 5.3 million (first quarter of 2008/09: EUR 6.8 million). Despite the tense situation, Bene realised for example projects for the Boston Consulting Group or for Reed Smith Richards Butler LLP.

At the beginning of the year 2009, the demand clearly decelerated and the investment climate significantly slowed down in Russia. Despite this negative market development, Bene increased its sales in the first quarter of 2009/10 by 51.0% to EUR 5.1 million (first quarter of 2008/09: EUR 3.4 million).

The „other markets“ segment developed very differently: As a result of the difficult economic situation and the delay of large-scale projects, sales dropped in Ireland, France, Poland and Romania. However, this decline was partly compensated by gains in the Middle East and Asian markets. Compared to the historical record quarter of the previous period, yet in total, sales of the „other markets“ segment fell by 39.7% to EUR 8.4 million (first quarter of 2008/09: EUR 14.0 million). Among others, the most important projects were realised in the Middle East (Al Muhalhel, Bain & Company) or in Asia (BW Ltd.).

For the next quarters, the Bene Management expects a continuation of the tense environment.

### EARNINGS DEVELOPMENT.

Due to the difficult economic environment, in line with the sales development, the Bene Group did not continue its growth in earnings and profitability. Promptly implemented personnel and material cost-cutting measures however slightly absorbed the decreases in earnings.

Efficiency increasing measures in the procurement and in purchasing reduced the spending on materials and supplies by EUR 6.5 million or -23.5% to EUR 21.1 million in the first quarter of 2009/10 (first quarter of 2008/09: EUR 27.6 million). Thus, within the Bene Group, the gross profit margin clearly improved at a simultaneous decrease in sales by 20.2%. Personnel measures already initiated in autumn of 2008 reduced the personnel costs by 7.4% to EUR 17.9 million in the first quarter of 2009/10. This included for example reductions in the context of natural labour turnover, which subsequently were not replaced, reduction in staff in the UK segment and also first selective personnel adjustments in the overall Bene organisation. An extensive material cost-cutting program also was implemented and first effects begin already to show: The other expenses dropped by 7.7% from EUR 10.3 million in the first quarter of 2008/09 to EUR 9.5 million in the first quarter of 2009/10.

In the first quarter of 2009/10, amortisations amounted to EUR 2.0 million (first quarter of 2008/09: EUR 1.7 million). Compared to the historical record quarter of the previous year, the EBIT decreased by EUR 4.1 million to EUR -0.8 million (first quarter of 2008/09: EUR 3.3 million).

In comparison to the first quarter of 2008/09, in the Austria segment, the slump in sales in combination with more price intensive projects led to a drop in EBIT by EUR 1.2 million to EUR -0.4 million. The Management immediately reacted to these developments and implemented personnel and material cost-cutting measures.

Compared to the very good first quarter of the previous year, in the Germany segment the EBIT dropped by EUR 1.1 million to EUR -0.7 million (first quarter of 2008/09: EUR 0.4 million). As quick reaction to this development, beside savings in material costs, a short-time working model was worked out and is already being implemented.

In the UK segment, the cost and efficiency optimisation measures taken in the past business year had already their effects. Thus, the impacts of the repeated sales decrease were nearly compensated. In comparison with the first quarter of 2008/09, the EBIT declined by EUR 0.3 million to EUR 0.2 million. The EBIT margin of 4.7% clearly exceeded the Group's margin (first quarter of 2008/09: 8.6%).

In comparison to the first quarter of the reference period, the Russia segment's EBIT increased by EUR 0.4 million to EUR 0.6 million (first quarter of 2008/09: EUR 0.2 million). This was achieved not least because of the acquisition of large-scale projects and a competitive cost structure. The EBIT margin of 11.8% clearly exceeded the one of the reference quarter (first quarter of 2008/09: 4.6%).

In the „other markets“ segment, despite quickly introduced cost-cutting measures, the decrease in sales could not be compensated. Compared to the historical record quarter of the prior period in 2008/09, the EBIT dropped by EUR -2.0 million to EUR -0.6 million (first quarter of 2008/09: EUR 1.4 million).

As a result of the difficult situation on the financial markets and the essential and permanent losses in all asset classes as a consequence thereof, the only remaining security position of the investment spectrum was subject to an impairment in the amount of EUR 0.3 million. In total, the financial result of the Bene Group deteriorated by EUR 0.4 million to EUR -0.5 million (first quarter of 2008/09: EUR -0.1 million).

Hence, in the first quarter of 2009/10, compared to the reference quarter, the EBT was reduced by EUR 4.6 million from EUR 3.2 million to EUR -1.4 million.

## ASSETS AND CAPITAL STRUCTURE.

The issue of a EUR 40 million corporate bond in April 2009 caused a substantial change in the assets and capital structure of the Bene Group. The equity ratio of 33.5% as of April 30, 2009 still remains on a high level (January 31, 2009: 46.8%). The term of the with 6.875% fixed interest bearing bond is five years. The proceeds of the issue serve to secure the medium term corporate financing, the consistent implementation of the corporate strategy and the possible use of acquisition potentials and constitutes an additional liquidity reserve for the coming years.

Minor increases in non-current assets were compensated by a reduction in the working capital by 23.6% to EUR 31.0 million (first quarter of 2008/09: EUR 39.4 million).

Overall, the bond essentially and sustainably strengthens the financing structure. Beyond that, the current financial liabilities were increased by the use of working credit lines.

## INVESTMENTS.

Investments in the amount of EUR 3.7 million (first quarter of 2008/09: EUR 4.0 million) resulted from the finalisation and the start of operation of the research and innovation centre at the site in Waidhofen an der Ybbs as well as from the ongoing modernisation of the production plants and the distribution sites.

## CASH FLOW & FINANCES.

Despite the negative operating result, the good development of the working capital in the first quarter of 2009/10 led to a positive operating cash flow in the amount of EUR 1.1 million (first quarter of 2008/09: EUR -2.5 million). Expenditures in fixed assets (CAPEX) of EUR -3.4 million (first quarter of 2008/09: EUR -3.6 million) were already covered in the past business year. In the first quarter of 2009/10, the cash flow from investing activities amounted to EUR -3.4 million (first quarter of 2008/09: EUR -3.5 million).

The cash flow from financing activities reported an inflow of EUR 54.0 million (first quarter of 2008/09: EUR 3.3 million). The issue of the corporate bond (EUR 40.0 million), additional financial liabilities in the amount of EUR 19.5 million – and the simultaneous repayment of current financial liabilities of EUR -5.2 million – represented the essential positions.

Total changes in cash (incl. cash flow from investing and from financing activities) amounted to EUR 51.8 million (first quarter of 2008/09: EUR -2.8 million).

The issue of the corporate bond ensures the medium-term corporate financing. As of April 30, 2009, as a result of the corporate bond, net debt added up EUR 11.2 million (April 30, 2008: EUR 2.2 million). At the same time, net gearing changed to 17.0% (April 30, 2008: -3.1%).

## EMPLOYEES.

On the reporting date April 30, 2009, the Bene Group employed 1,525 persons and thus 68 people or 4.7% more than on April 30, 2008. This change is mainly arising from the insourcing of logistics and assembly personnel in Russia (+64 employees). As already earlier mentioned, the adjustment of the headcount in UK was a quick reaction to the changed market situation (-24.1%). The rise in personnel in Austria (+1.7%) was resulting from the necessary capacity increase until mid of the past business year 2008/09. Due to personnel adjustment measures, implemented in the first quarter of 2009/10, the headcount will be reduced in the coming quarters.

## BUSINESS TRANSACTIONS WITH RELATED PARTIES.

With regard to the transactions with related parties during the first three months of the business year 2009/10, 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.

In the context of its business activities as internationally operating company, the Bene Group is exposed to a variety of risks. These risks basically relate to the economic development of the target markets, since a weak economy with a low investment activity of the companies has a major influence on the Group's sales situation.

As a result of the longstanding international experience in the core business as well as the Company's significant market position, risks can be detected at an early stage and can be evaluated appropriately. Due to the geographic diversification, specific market or product risks never threaten the entire Group, but only local partial organizations. 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. Permanent controlling and regular reporting shall ensure the identification of major risks at a very early stage 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.

Worldwide, the markets are at a low level and compared to the last downturns, presently virtually all regions are affected to a minor or major extent. According to the current economic forecasts, no improvement is expected for the current business year 2009/10. The Management of the Bene Group meets the general uncertainty of the markets by improved scenario models to quickly and extensively react to any further development. However, from today's point of view no reliable outlook for the overall year 2009/10 may be provided.

With regard to the economic development, Bene, as the entire office furniture industry, has to be considered as „cyclically late“. Hence, positive as well as negative economic fluctuations hit the company delayed in time. The first signs of the slowdown became apparent in the UK segment already in the middle of the last business year 2008/09, whereas at that time, segments as Russia or the home market Austria still showed a very good performance.

The broad geographic spread, the strategic right positioning in the growth markets and the market proximity through the strong direct sales, particularly in times of uncertainty prove to a competitive edge. The strengthening of the financial structure by the issue of a corporate bond supports the Bene Group in further expanding its market position through personnel recruitment in the existing units or through short-term acquisition opportunities.

### 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, cannot be construed as guarantees for future performance and bear unforeseeable risk and uncertainty. There may be a variety of reasons for actual results and conditions to diverge from the assumptions, on which the statements were based.*

## Key figures Q1 2009/10

in TEUR and %	Q1 2009/10	Q1 2008/09	Changes in %	Changes absolut
Revenue	47,638	59,721	-20.2%	-12,084
EBITDA	1,164	4,982	-76.6%	-3,818
EBITDA margin	2.4%	8.3%	-	-
EBIT	-836	3,318	-125.2%	-4,155
EBIT margin	-1.8%	5.6%	-	-
Employees (as of the reporting date)	1,525	1,457	4.7%	68
CAPEX	-3,437	-3,552	-3.2%	115
Cash flow from operating activities	1,102	-2,511	-143.9%	3,612

Interim financial report of the Bene AG as of April 30, 2009  
(Comparison period as of April 30, 2008).

## CONSOLIDATED BALANCE SHEET.

As of April 30, 2009 (unaudited) and January 31, 2009 (audited).

in TEUR	2009/10 as of Apr. 30, 2009	2008/09 as of Jan. 31, 2009
<b>Assets</b>		
Intangible Assets	13,737	13,140
Property, plant and equipment	46,372	45,283
Investments in affiliated companies	405	391
Non-current financial assets	327	319
Deferred tax assets	6,741	6,736
<b>Non-current assets</b>	<b>67,582</b>	<b>65,868</b>
Inventories	19,665	19,116
Trade receivables	32,522	39,228
Other receivables and assets	9,894	5,919
Current financial assets	3,452	3,711
Cash and cash equivalents	63,294	11,763
<b>Current assets</b>	<b>128,828</b>	<b>79,736</b>
<b>TOTAL ASSETS</b>	<b>196,409</b>	<b>145,604</b>
<b>Equity and liabilities</b>		
Capital stock	24,347	24,347
Capital reserves	26,935	26,935
Currency translation reserves	-2,642	-2,166
Accumulated profit/loss	16,793	18,742
<b>Stockholders equity</b>	<b>65,433</b>	<b>67,858</b>
Minority interests	277	216
<b>Equity</b>	<b>65,709</b>	<b>68,073</b>
Liabilities to employees	11,599	11,546
Long-term financial liabilities	51,158	3,658
Long-term tax provisions	316	316
Long-term government grants and subsidies	513	546
Deferred tax liabilities	96	118
<b>Non-current liabilities</b>	<b>63,682</b>	<b>16,185</b>
Trade payables (incl. prepayments received)	21,153	23,309
Current financial liabilities	26,739	19,923
Current provisions	244	235
Current tax provisions	1,058	688
Other liabilities	17,691	17,058
Current government grants and subsidies	134	134
<b>Current liabilities</b>	<b>67,018</b>	<b>61,346</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>196,409</b>	<b>145,604</b>

## CONSOLIDATED INCOME STATEMENT.

For the first quarter of 2009/10 (unaudited) and the first quarter of 2008/09 (unaudited).

in TEUR	Q1 2009/10	Q1 2008/09	Changes in%
<b>Revenue</b>	<b>47,638</b>	<b>59,721</b>	<b>-20.2%</b>
Inventory changes finished/semi-finished goods	103	793	-87.1%
Other capitalised services	750	793	-5.4%
Other income	1,235	935	32.1%
Materials and supplies	-21,130	-27,608	-23.5%
Personnel expenses	-17,906	-19,334	-7.4%
Other expenses	-9,525	-10,319	-7.7%
<b>Earnings before interest and taxes, depreciation and amortisation (EBITDA) and result from affiliated companies</b>	<b>1,164</b>	<b>4,982</b>	<b>-76.6%</b>
Depreciation and amortisation	-2,000	-1,664	20.2%
<b>Earnings before interest and taxes (EBIT) and result from affiliated companies</b>	<b>-836</b>	<b>3,318</b>	<b>-125.2%</b>
Interest expense	-310	-215	44.2%
Income from interest	19	64	-70.3%
Other financial expenses	-259	0	-
<b>Financial result</b>	<b>-549</b>	<b>-151</b>	<b>263.9%</b>
Result from affiliated companies	14	6	154.6%
<b>Earnings before taxes (EBT)</b>	<b>-1,372</b>	<b>3,173</b>	<b>-143.2%</b>
Taxes on income	-516	-776	-33.5%
<b>Net income</b>	<b>-1,887</b>	<b>2,397</b>	<b>-178.7%</b>
Thereof:			
Shareholders of parent company	-1,949	2,371	-182.2%
Minority interests	62	26	137.3%
	-1,887	2,397	-178.7%
<b>Earnings per share (diluted = basic) in € 000:</b>	<b>-0.08</b>	<b>0.10</b>	<b>-182.2%</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

For the first quarter of 2009/10 (unaudited) and the first quarter of 2008/09 (unaudited).

in TEUR	April 30, 2009	April 30, 2008
Valuation profit/loss of available for sale financial instruments taken to equity	0	-78
Taxes on income taken to equity	0	19
Adjustment from foreign currency translation	-476	-169
Other comprehensive income	-476	-227
Net income	-1,887	2,397
<b>Total comprehensive income for the period</b>	<b>-2,364</b>	<b>2,170</b>
thereof shareholders of parent company	-2,426	2,144
thereof minority interests	62	26
	<b>-2,364</b>	<b>2,170</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

For the first quarter of 2009/10 (unaudited) and the first quarter of 2008/09 (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, 2008</b>	<b>24,347</b>	<b>26,886</b>	<b>-275</b>	<b>-1,031</b>	<b>19,048</b>	<b>68,976</b>	<b>213</b>	<b>69,188</b>
Share based payments		16				16	0	16
Total comprehensive income for the period			-58	-169	2,371	2,144	26	2,170
<b>as of April 30, 2008</b>	<b>24,347</b>	<b>26,903</b>	<b>-333</b>	<b>-1,200</b>	<b>21,419</b>	<b>71,135</b>	<b>239</b>	<b>71,373</b>
<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>
Total comprehensive income for the period	0	0	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>

## CONSOLIDATED CASH FLOW STATEMENT.

For the first quarter of 2009/10 (unaudited) and the first quarter of 2008/09 (unaudited).

in TEUR	Q1 2009/10	Q1 2008/09
<b>Earnings before taxes (EBT)</b>	-1,372	3,173
Depreciation and amortisation	2,000	1,664
Impairment of available for sale financial instruments	259	0
Net interest income and income from securities	291	151
Profit/loss from disposal of property, plant & equipment and intangible assets	-19	-22
Result from affiliated companies	-14	-5
Share based payments	0	16
Other non-cash expenses/income	-263	13
Changes in inventory	-550	-4,673
Changes in receivables and other assets	2,715	-6,893
Changes in trade payables	-2,167	4,415
Changes in other liabilities	332	-245
Changes in long-term provisions (incl. employees)	53	410
Changes in current provisions	10	12
<b>Cash flow from continuing operations</b>	<b>1,275</b>	<b>-1,985</b>
Taxes paid on income	-174	-526
<b>Cash flow from operating activities</b>	<b>1,102</b>	<b>-2,511</b>
Proceeds from disposal of property, plant & equipment and intangible assets	69	141
Expenditures for property, plant & equipment and intangible assets	-3,437	-3,552
Expenditures for financial assets	-8	-159
Interests received	19	64
<b>Cash flow from investing activities</b>	<b>-3,357</b>	<b>-3,507</b>
Raising of interest-bearing financial liabilities	59,497	3,462
Repayments of interest-bearing financial liabilities	-5,182	0
Interests paid	-294	-203
<b>Cash flow from financing activities</b>	<b>54,021</b>	<b>3,259</b>
<b>Changes in cash and cash equivalents</b>	<b>51,766</b>	<b>-2,759</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,763</b>	<b>16,139</b>
Adjustment from foreign currency translation	-234	-180
<b>Cash and cash equivalents at end of period</b>	<b>63,294</b>	<b>13,201</b>

## SEGMENT REPORTING.

For the first quarter of 2009/10 (unaudited) and the first quarter of 2008/09 (unaudited).

### Q1 2009/10.

	Austria	Germany	UK	Russia	Other markets	Adjustment for intra-group transactions	Total
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>

### Q1 2008/09.

	Austria	Germany	UK	Russia	Other markets	Adjustment for intra-group transactions	Total
in TEUR							
<b>Revenue</b>	<b>37,074</b>	<b>15,940</b>	<b>6,799</b>	<b>3,371</b>	<b>13,959</b>	<b>0</b>	<b>59,721</b>
from third parties	19,651	15,940	6,799	3,371	13,959	0	59,721
from other segments	17,423	0	0	0	0	-17,423	0
<b>EBIT per segment</b>	<b>784</b>	<b>376</b>	<b>587</b>	<b>156</b>	<b>1,415</b>	<b>0</b>	<b>3,318</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 2009/10 (as of April 30, 2009) has been compiled under the responsibility of the Management Board with the date of signing and was released for publication on June 19, 2009.

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

### 1.2.1 Principles of accounting

The interim report as of April 30, 2009 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, 2009.

### 1.2.2 Principles of consolidation

As of April 1, 2009, the Bene Deutschland GmbH has sold the Bene GmbH based in Munich, the Bene GmbH based in Hamburg, the Bene GmbH based in Bonn and the Bene GmbH based in Villingen-Schwenningen to the

Bene AG. For the interim financial statements of the Bene Group as of April 30, 2009 no effects with regard to the profit, financial and earnings situation are resulting from this transaction.

Against the background of a consistent market appearance, as of April 1, 2009, the Office Technology BVBA, Brussels changed its name. The Belgian company now operates under the name of Bene Belgium BVBA, Brussels.

Compared to the balance sheet date January 31, 2009, in the first quarter of the business year 2009/10, the number of companies included in the consolidated interim financial statements of the Bene AG remained unchanged. As of April 30, 2009 the number is 22 (January 31, 2009: 22).

There were no further changes (e. g. changes in the method of consolidation of individual companies).

### 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, 2009.

### 1.2.4 Accounting and valuation principles

Except the following listed amendments, the accounting and valuation principles valid as of January 31, 2009 were applied unchanged. The following IFRSs and IFRICs mandatory applicable for the first time in business years starting on or after January 1, 2009 however led to effects on the consolidated interim financial statements of the Bene AG as of April 30, 2009:

- **IAS 1 – Presentation of financial statements (revised):**

The revised standard requires separate presentation of changes in equity, resulting from transactions with shareholders in their capacity as equity investors and other changes in equity. The adoption of the revised IAS 1 led only to changes in the presentation. The Bene Group will continue to report the statement of comprehensive income in two presentations.

- **IAS 23 – Borrowing costs (revised):**

The revised IAS 23 requires the capitalisation of borrowing costs, which can directly be attributed to the acquisition, the construction or the production of qualified assets. So far, the Bene Group recognises borrowing costs in the income statement in the period, in which they have arisen. According to the transitional provisions of the revised IAS 23, the Bene Group will adopt the standard prospectively. Thus, borrowing costs, which are related to qualified assets, of which the initial capitalisation was on or after February 1, 2009 are capitalised. In the first quarter of 2009/10, there was no such capitalisation of borrowing costs.

The changes of IFRS 2 – Share based payments (revised), of IFRS 8 – Operating segments, of IAS 32 – Financial instruments: Presentation and IAS 1 presentation of financial statements – Puttable instruments and obligations arising on liquidation, of the improvements to IFRS 2008, of IFRIC 12 – Service concession arrangements, of IFRIC 13 – Customer loyalty programmes, IFRIC 14 IAS 19 – Limit on a defined benefit asset, minimum funding requirements and their interaction and IFRIC 16 – Hedges on a net investment in a foreign operation had no essential effects on the financial and earnings situation of the Bene Group in the reporting and comparison period. 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. As a result of the intensification of the worldwide recession, in the first quarter of 2009/10, the Bene Group had to record a considerable decrease in sales and earnings. With the exception of the Russia segment, all other segments reported a decline in sales as well as in EBIT.

The Bene Management tries to take account for the general uncertainty in the market by different scenarios. Nevertheless, from today's point of view no reliable outlook for the overall business year 2009/10 may be provided.

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

### *Additions to and disposals of assets*

Until April 30, 2009, the Bene Group acquired property, plant and equipment and intangible assets in the amount of TEUR 3,709 (April 30, 2008: TEUR 3,994). The largest individual investments in property, plant and equipment were related to the research and innovation centre in Waidhofen/Ybbs (TEUR 1,195) and the re-equipment of the show rooms of the subsidiaries in Munich and Belgium (TEUR 84).

Additions to intangible assets (capitalisation of development services, modernisation of the IT-environment etc.) amounted to TEUR 1,266 (April 30, 2008: TEUR 1,456).

During the first three months of 2009/10, the Bene Group disposed of property, plant and equipment and intangible assets with a net book value of TEUR 50 (April 30, 2008: TEUR 119). The realised net profit from sale amounts to TEUR 19 (April 30, 2008: TEUR 22).

## 1.5 LONG-TERM AND CURRENT FINANCIAL ASSETS.

In the first three months of the business year 2009/10 no current or long-term financial instruments available for sale were bought or sold. Due to essential and permanent changes in value, the accumulated losses of current financial instruments in the amount of TEUR 259 as of April 30, 2009 were recognised with effect on net income ('other financial expenses') (first quarter of 2008/09: accumulated losses in the amount of TEUR 58 were stated in the IAS 39 reserve, not affecting income).

## 1.6 LONG-TERM AND CURRENT FINANCIAL LIABILITIES.

### *Long-term financial liabilities*

With the pricing of April 28, 2009, the Bene AG has successfully closed the issue of a corporate bond in the amount of TEUR 40,000. The term of the, with 6.875% fixed interest bearing bond (denomination of TEUR 50), which was placed with Austrian institutional investors, is five years. The intended purpose is the medium-term securing of the corporate financing, the consistent pursuit of the corporate strategy and the possible use of acquisition potentials. In addition to regular repayments (in the amount of TEUR 102), export promotion credits increa-

sed by TEUR 7,500 (first quarter of 2008/09: no regular repayments, anticipated repayments or changes in terms and other conditions).

### *Current financial liabilities*

As a result of the increase of agreed credit lines and cash advances resp. the repayment of used credit lines in the first three months of the business year 2009/10 current financial liabilities changed by TEUR 6,917 (the existing terms and conditions remained unchanged) (first quarter of 2008/09: usage of agreed credit lines in the amount of TEUR 3,462).

## 1.7 DERIVATIVE FINANCIAL INSTRUMENTS.

As of April 30, 2009, the Bene Group uses four forward exchange dealings to hedge future currency risks arising

from existing projects, which will be invoiced in GBP and AED (April 30, 2008: 3 forward exchange dealings in USD, AED and GBP).

in EUR	Market value as of April 30, 2009	Fair value as of April 30, 2009	Term until
GBP 1,500.000 exchange sales	1,724.138	44,320	31/07/2009
GBP 1,500.000 exchange sales	1,725.129	44.727	30/10/2009
GBP 1,500.000 exchange sales	1,726.122	45.432	29/01/2010
AED 416,500 exchange sales	85,974	525	06/10/2009
<b>Total</b>	<b>5,261.363</b>	<b>135,005</b>	

As of April 30, 2009, the fair value was recognised in the income statement (,other income'). Within the

Bene Group, the conditions for the accounting of hedging relationships according to IAS 39 are not fulfilled.

As of April 30, 2008, the situation was as follows:

in EUR	Market value as of April 30, 2008	Fair value as of April 30, 2008	Term until
USD 500,000 exchange sales	341,297	17,556	29/08/2008
AED 5,800.000 exchange sales	1,037.938	9,334	28/08/2008
GBP 3,000.000 exchange sales	3,779.004	-9,891	30/07/2008
<b>Total</b>	<b>5,158.239</b>	<b>16,999</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
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>

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	2	31	2	4
Associated persons	22	114	2	0
<b>as of April 30, 2008</b>	<b>25</b>	<b>145</b>	<b>4</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, 2009, are mainly resulting from consultancy services of Mr. Manfred Bene.

## 1.9 CONTINGENCIES AND OTHER OBLIGATIONS.

### 1.9.1 Litigation

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 as of January 31, 2009, is still in place in the unchanged amount, since there were no new findings during the first three months of 2009/10.

As of April 30, 2009, 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.

There were no major events between the reporting date of the interim consolidated financial statements (April 30, 2009) and their publication.

## BENE SHARE.

The Bene share is listed at the Vienna stock exchange since November 3, 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.

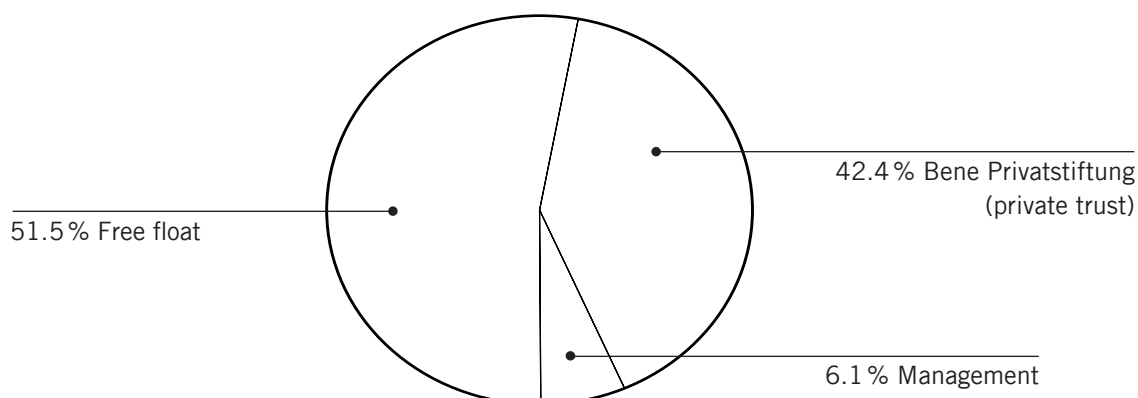
In the first quarter of 2009/10, the Bene share could not escape the difficult economic environment, however stabilised again towards the end with a price loss of -3.7% (ATX Prime: +10.2%).

In the reporting period, the highest closing price amounted to EUR 1.40 (February 6, 2009), the lowest closing price was EUR 0.97 (March 19, 2009).

### TRADING VOLUME.

In the course of the first three months of the business year 2009/10, the average trading volume amounted to 29,914 shares. The highest daily trading volume of 105,908 shares was realised on April 20, 2009, the lowest number of shares traded was 140 shares on February 3, 2009.

## 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 :** none

**Other dual listings:** none

**Indices:** ATX Prime, WBI

**Ticker symbols:** 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.

Second quarter results 2009/2010 September 23, 2009

Third quarter results 2009/2010 December 16, 2009

## CONTACT.

### Investor Relations

DI Frank Wiegmann

Chairman of the Management Board Bene AG

A-3340 Waidhofen/Ybbs Schwarzwiesenstraße 3

Tel. +43-7442-500-3100 Fax +43-7442-500-993494

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

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

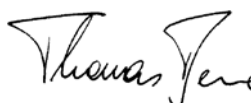
We hereby confirm that the condensed consolidated interim financial statements compiled according to the applicable reporting standards, to the best of our knowledge, are a fair representation of the financial and earnings situation of the Group and that the Group's first quarter status report gives a fair picture of the financial and earnings situation with regard to the most important

events during the first three months of the business year and their impact on the condensed consolidated interim financial statements, with respect to the major risks and uncertainties in the remaining nine months of the current business year and concerning disclosable essential business transactions with related parties.

Waidhofen, June 19th, 2009



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