

THIRD QUARTER REPORT 2010/11.

bene

THIRD QUARTER STATUS REPORT.

KEY MESSAGES.

- Slight increase in sales and earnings: sales EUR 120.3 million, EBIT EUR -8.7 million
- Increase in EBIT in almost all segments compared to reference period of the previous year
- Expenses for personnel and non-personnel costs significantly below previous year's value
- Gross profit margin stable

ECONOMIC ENVIRONMENT.

In the third quarter of 2010, the global economy showed a positive development particularly of the emerging markets and Asia, whereas there are still no signs of a sustainable and strong recovery in Europe and the USA. On this basis, the worldwide economic upswing still remains fragile. For the year 2010, the International Monetary Fund (IMF) expects a global economic growth of 4.8%. However, a slight decline to 4.2% is assumed for the year 2011.

In the euro zone, the economic performance increased by 0.4% in the third quarter of 2010. Compared to the previous year, the seasonally adjusted GDP in the euro zone rose by 1.9%. While Germany is heading for record growth in 2010, in Spain, Ireland and particularly in Greece there is growing evidence for a renewed economic

decline, which slows down the economic growth in the euro zone and according to estimates will reach a plus of 1.7% for the year 2010.

During summer, the economy in Austria grew stronger than the one in Germany and the euro zone. Compared to the previous quarter, the GDP rose by 0.9% in the third quarter and thus exceeded the previous year's value by 2.4%.

In the third quarter of 2010, Germany reported an increase in GDP of 0.7% compared to the prior quarter. In comparison with the previous year 2009, the economic performance grew by 3.9% in the third quarter of 2010. Thus, the German economy continued its recovery, even though – as expected after the record result of the second quarter – at a reduced pace.

Contrary to forecasts, the UK economy reported a more positive development in the third quarter of 2010 than expected. Whereas experts assumed only of plus of 0.4%, the GDP increased by 0.8% compared to the previous quarter. In particular, the construction industry reported the strongest increase since more than 20 years. On the other hand, the industrial growth slowed down slightly, the service sector remained stable.

Current estimates for Central and Eastern Europe expect a growth of 3.7%. Following the turbulent summer months July and August with a declining GDP compared to the prior months, for the first time, Russia showed an increase of 0.2% in September. After a growth of 5.2% in the first half-year of 2010, the development pace slowed down in the third quarter and with a plus of only 3.4% after the first nine months, remains below the announced annual result of 4.0%.

In Asia, China has to be mentioned as growth driver. Meanwhile the second most important economy in the world, China expects a growth of 10.5% for the year 2010. Likewise, with 9.7% the expectations for India are very high. Thus, in China and also in the rest of Asia as well as in the other important emerging economic regions, the strong economic growth of the prior quarters has continued in the period under review.

Sources: IMF, OECD, WIFO, IHS

BUSINESS PERFORMANCE IN THE THIRD QUARTER OF 2010/11.

For the first time since 3 quarters, the Bene Group achieved a slight increase in sales and earnings in the third quarter of 2010/11. Even though, after 9 months, cumulative sales of EUR 120.3 million still remain 10.9% below the previous year's value (Q1-Q3 2009/10: EUR 135.0 million), as a result of the cost cutting measures implemented, the EBIT of EUR -8.7 million already slightly improved against the reference period of the past year (Q1-Q3 2009/10: EUR -8.8 million).

SALES DEVELOPMENT.

Despite the continuing weakness in demand in several markets, after EUR 37.3 million in the first quarter and EUR 39.8 million in the second quarter, the Bene Group further increased sales by 8.6% to EUR 43.2 million in the third quarter of 2010/11. Likewise in comparison with the third quarter of the prior year, sales improved by 10.2% (Q3 2009/10: EUR 39.2 million). Thus, total sales of the period under review amounted to EUR 120.3 million and hence were down only 10.9% compared to the previous year's reference value (Q1-Q3 2009/10: EUR 135.0 million).

In the **Austria** segment, in the first 9 months of the business year 2010/11, sales increased by 2.1% to EUR 40.8 million and thus exceeded the reference value of the prior year by EUR 0.8 million (Q1-Q3 2009/10: EUR 40.0 million). Among others successfully realised projects for Berglandmilch, Bundes Immobilien Gesellschaft or Unilever Austria decisively contributed to this.

In the **Germany** segment, sales of EUR 10.6 million in the third quarter of 2010/11 almost reached the reference value of the second quarter of the current business year (EUR 11.1 million). However, in the first 9 months of the

current reporting period, the segment recorded a decline in sales of 18.5% to EUR 30.9 million (Q1-Q3 2009/10: EUR 37.9 million). In a still difficult market environment, among others, the Bene Group successfully implemented projects for Fossil or Decoma.

The **UK** segment, which, after the financial crisis, benefited from positive market signals already in the second quarter, likewise showed a positive development in the third quarter. Sales of the third quarter of 2010/11 were 6.0% higher compared to the reference value of the prior year. Cumulative sales of the first 9 months of 2010/11 increased to EUR 13.8 million (Q1-Q3 2009/10: EUR 13.0 million). Along with the continued positive market development, among others, the Bene Group realised projects for the Bank of China or AXIS London.

The general economic market environment in the **Russia** segment remained again difficult and volatile during the third quarter of 2010/11. After sales of EUR 2.7 million in the first quarter and EUR 5.0 million in the second quarter, weaker sales of EUR 3.2 million followed in the third quarter. After 9 months of the current period under review, total sales reached EUR 11.0 million. This corresponds to a decline of 45.4% compared to the previous year's value (Q1-Q3 2009/10: EUR 20.1 million).

With EUR 10.7 million in the third quarter of 2010/11, the „**other markets**“ segment – after EUR 6.4 million in the second quarter – recorded significant gains. Thus, losses in sales from previous quarters in comparison with the prior year could almost be compensated. Cumulative sales amounted to EUR 23.8 million and thus almost reached the previous year's level (Q1-Q3 2009/10: EUR 24.0 million).

Particularly, markets such as Asia, India, Ireland, France, Switzerland, Belgium or Poland significantly contributed to this positive development. In the third quarter of 2010/11, among others, Bene realised projects for Credit Suisse and JT International in Switzerland or Management Consultancy, Riyadh in Saudi-Arabia.

EARNINGS DEVELOPMENT.

As a result of the human resources flexibilisation and the non-personnel cost-cutting measures as well as the slight increase in sales, the Bene Group could further stabilise earnings in the third quarter of 2010/11. In total, after the first 9 months of the current reporting period 2010/11, the EBT of EUR -11.0 million reached the previous year's level (Q1-Q3 2009/10: EUR -10.9 million).

In the same period, the gross profit margin (defined as difference between revenue, inventory changes and expenses for materials and supplies) was 52.4% and thus remained slightly below the value of the first half-year 2010/11 (Q1-Q2 2010/11: 52.8%) and marginally above the value of the previous year's reference period (Q1-Q3 2009/10: 52.3%). Expenses for materials and supplies decreased by EUR 7.6 million to EUR 58.2 million (Q1-Q3 2009/10: EUR 65.8 million). This corresponds to a value of 48.4% in relation to revenue (Q1-Q3 2009/10: 48.8%).

As a result of the part-time and short-time models adopted in the first half-year of 2010/11 and discontinued as of the end of June 2010, after the first 9 months of the current reporting period, Bene reduced personnel expenditure by 7.2% to EUR 46.1 million compared to the previous year's reference period. In the same period, the headcount dropped by 1.3% to 1,278 employees (Q3 2009/10: 1,295 employees). Due to the increasing capacity utilisation at the production site in Waidhofen/Ybbs, the rolling system of two months termination with reemployment guarantee applied to a certain number of industrial workers ended in summer 2010.

Due to non-personnel cost savings and the still restrictive spending policy, other expenses decreased by 14.1% to EUR 23.8 million in the first 9 months of the current reporting period (Q1-Q3 2009/10: EUR 27.7 million).

At the end of the third quarter of 2010/11, the EBITDA amounted to EUR -2.3 million and thus, despite the decline in sales, was EUR 0.2 million higher than the previous year's reference value (Q1-Q3 2009/10: EUR -2.5 million). Depreciation, amortisation and impairments amounted to EUR 6.4 million (Q1-Q3 2009/10: EUR 6.3 million). After 9 months of the current business year, the EBIT came to EUR -8.7 million (Q1-Q3 2009/10: EUR -8.8 million).

In the **Austria** segment, after the first 9 months of the current reporting period, the EBIT of EUR -2.5 million was EUR 0.2 million higher than the previous year's reference value (Q1-Q3 2009/10: EUR -2.7 million).

In the **Germany** segment, the drop in sales as well as the pressure on prices for major projects continued to show an impact on the EBIT, which at the end of the third quarter of 2010/11 amounted to EUR -4.4 million (Q1-Q3 2009/10: EUR -2.4 million). Both, non-personnel cost savings as well as effects of short-time work could not compensate the decline in earnings.

In the **UK** segment, the recovery in sales showed positive effects on the EBIT, which with EUR 0.5 million after the first 9 months of the current period under review clearly exceeded the previous period's reference value (Q1-Q3 2009/10: EUR -0.8 million).

In the **Russia** segment, the decrease in sales of 45.4% showed a significant impact on absolute earnings, even though in the third quarter of 2010/11, the Bene Group succeeded again in contracting projects at better conditions. In total, after the first 9 months of the current reporting period, the EBIT amounted to EUR -0.6 million and thus remained at previous year's reference value (Q1-Q3 2009/10: EUR -0.6 million).

Due to strong sales in the third quarter, the EBIT of the „other markets“ segment has stabilised to a large extent and with EUR -1.8 million was higher than past year's value (Q1-Q3 2009/10: EUR -2.2 million). This was mainly attributable to the increase in sales in combination with profitable projects in the markets Asia, India, Ireland, France, Switzerland, Belgium and Poland.

In the current reporting period, depreciation, amortisation and impairments of intangible assets and property, plant and equipment in the amount of EUR 6.4 million remained almost at past year's level (Q1-Q3 2009/10: EUR 6.3 million). Increased interest charges from the corporate bond issued in April 2009 resulted in a negative financial result of EUR -2.3 million after the first 9 months of the business year 2010/11 (Q1-Q3 2009/10: EUR -2.1 million).

As a result of the measures taken in the individual segments as well as the increase in sales, the Bene Group could stabilise earnings in the third quarter of 2010/11. However, in total, after the first 9 months of the current reporting period, the EBT of EUR -11.0 million was only EUR 0.1 million lower than the comparison value of the prior year (Q1-Q3 2009/10: EUR -10.9 million).

ASSETS AND CAPITAL STRUCTURE.

In comparison with the balance sheet date January 31, 2010, the balance sheet total decreased by EUR 12.6 million to EUR 149.1 million as of October 31, 2010 (January 31, 2010: EUR 161.7 million). At the end of the third quarter of 2010/11, the equity ratio came to 26.5% (January 31, 2010: 31.7%).

As against the balance sheet date (January 31, 2010: EUR 69.3 million) non-current assets declined by EUR 2.1 million to EUR 67.2 million as of October 31, 2010 – due to the decrease in property, plant and equipment. The financing structure of the Bene Group was and will be based on the creation and protection of strategic liquidity reserves. As of October 31, 2010, long-term

financial liabilities amounted to EUR 49.4 million. Due to regular repayments as well as the reclassification of the first contractually agreed repayment of the ERP-investment loan from long-term to current financial liabilities, the balance sheet total decreased by EUR 1.5 million compared to the balance sheet date January 31, 2010 (January 31, 2010: EUR 50.9 million).

As of October 31, 2010, the working capital (defined as inventories plus trade receivables minus trade payables minus prepayments received) increased by EUR 7.9 million to EUR 28.8 million compared to the balance sheet date January 31, 2010 (January 31, 2010: EUR 20.9 million). The rise in inventories in the amount of EUR 3.6 million as well as the reduction of trade payables amounting to EUR 4.0 million significantly influenced the increase in working capital. The increase in sales in the third quarter of 2010/11 likewise led to an increase in trade receivables compared to the value on January 31, 2010.

INVESTMENTS.

Additions to property, plant and equipment and to intangible assets reached EUR 4.3 million in the first 9 months of the current business year (Q1-Q3 2009/10: EUR 8.8 million) and thus remained 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.

After the first 9 months of the current reporting period, the operating cash flow of the Bene Group amounted to EUR -10.6 million (Q1-Q3 2009/10: EUR -1.2 million). This results in a slight improvement in comparison with the first half-year of 2010/11 (Q1-Q2 2010/11: EUR -11.3 million). Particularly the reduction of trade payables and the increase in inventories resulting from rising sales had a negative impact on the cash flow from operating activities.

The cash flow from investing activities, predominantly determined by expenditures for property, plant and equipment and intangible assets as well as the acquisition of financial instruments available for sale amounted to EUR -8.5 million in the third quarter of the current business year (Q1-Q3 2009/10: EUR -8.2 million). The use of short-term cash advances in the context of the ULSG-financing, the interest payment for the corporate bond and the scheduled repayment of long-term financial liabilities led to a negative cash flow from financing activities in the amount of EUR -1.1 million in the third quarter of 2010/11 (Q1-Q3 2009/10: EUR 48.8 million).

In the first 9 months of the current business year, total changes in cash amounted to EUR -20.2 million (Q1-Q3 2009/10: EUR 39.4 million).

As of October 31, 2010, net debt of the Bene Group reached EUR 30.5 million (January 31, 2010: EUR 12.6 million); net gearing was 77.2% (January 31, 2010: 24.6%).

EMPLOYEES.

On the reporting date October 31, 2010 the Bene Group occupied 1,278 employees in total and thus 17 persons or 1.3% less than on October 31, 2009. Compared to the reference period of 2009/10, the number of employees at the end of the third quarter of 2010/11 changed as follows: Austria 1.5%, UK 2.4%, Germany -5.8%, Russia -9.6% and „other markets“ -11.8%.

BUSINESS TRANSACTIONS WITH RELATED PARTIES.

With regard to transactions with related parties during the first 9 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.

RISIKS 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 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 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.

After a first phase of stabilisation by mid of the third quarter of 2009/10, noticeable signs of recovery are observed in almost all markets. This positive development is reflected in the Bene project pipeline, which is increasingly filling-up again, particularly in the Middle East, Asia, Western Europe (also in Germany) and several countries in Eastern Europe.

This already has an impact on group sales, which rose by 8.6% compared to the preceding quarter of 2010/11. However, the Germany and Russia segments still recorded significant declines in sales and earnings. All segments, with the exception of Germany, improved the EBIT compared to the reference period.

Despite the clear evidence of a slow recovery of the office furniture market, due to the time delay between receipt of order and invoicing of project business, the Management Board maintains its forecast that the Bene Group will report a clearly negative result for the current business year.

In the medium-term, however, the Bene Group has a strong organic growth potential on the basis of the existing capacities and the extensive distribution network as well as the clear focus on direct sales. Since Bene has introduced profitable products to the sales organisation during the last years and having 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 revenue 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 Q1-Q3 2010/11

in TEUR and %	Q1-Q3 2010/11	Q1-Q3 2009/10	Changes in %	Changes absolut	Q3 2010/11	Q3 2009/10	Changes in %	Changes absolut
Revenue	120,344	135,000	-10.9%	-14,656	43,221	39,221	10.2%	4,000
EBITDA	-2,343	-2,487	5.8%	144	-247	-192	-28.7%	-55
EBITDA-margin	-1.9%	-1.8%	-	-	-0.6%	-0.5%	-	-
EBIT	-8,716	-8,804	1.0%	89	-2,320	-2,401	3.4%	81
EBIT-margin	-7.2%	-6.5%	-	-	-5.4%	-6.1%	-	-
Employees (as of the reporting date)	1,278	1,295	-1.3%	-17	1,278	1,295	-1.3%	-17
CAPEX	-4,280	-8,689	50.7%	4,409	-1,453	-2,014	27.9%	561
Cash flow from operating activities	-10,619	-1,212	-776.2%	-9,407	713	2,394	-70.2%	-1,681

INTERIM FINANCIAL REPORT

OF THE BENE AG.*

CONSOLIDATED BALANCE SHEET.

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

in TEUR	2010/11 as of Oct. 31, 2010	2009/10 as of Jan. 31, 2010
Assets		
Intangible assets	13,754	13,909
Property, plant and equipment	46,309	48,191
Non-current financial assets	401	359
Deferred tax assets	6,780	6,809
Non-current assets	67,244	69,268
Inventories	17,472	13,829
Trade receivables	26,110	25,828
Other receivables and assets	5,757	4,608
Current financial assets	8,758	4,389
Cash and cash equivalents	23,772	43,773
Current assets	81,869	92,427
TOTAL ASSETS	149,112	161,696
Equity and liabilities		
Capital stock	24,347	24,347
Capital reserves	26,935	26,935
IAS 39 reserve	538	703
Currency translation reserves	-2,597	-2,617
Accumulated profit/loss	-9,862	1,659
Stockholders equity	39,362	51,027
Non-controlling interests	158	223
Equity	39,520	51,250
Liabilities to employees	11,129	10,704
Long-term financial liabilities	49,364	50,931
Long-term government grants and subsidies	1,295	1,492
Deferred tax liabilities	148	214
Non-current liabilities	61,935	63,341
Trade payables (incl. prepayments received)	14,804	18,756
Current financial liabilities	13,682	9,846
Current provisions	1,724	1,746
Current tax provisions	603	708
Other liabilities	16,583	15,785
Current government grants and subsidies	262	264
Current liabilities	47,658	47,105
TOTAL EQUITY AND LIABILITIES	149,112	161,696

* as of October 31, 2010 (Comparison period Feb. 01, 2009 – Oct. 31, 2009).

CONSOLIDATED INCOME STATEMENT.

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

in TEUR	Q1-Q3 2010/11	Q1-Q3 2009/10	Changes in %	Q3 2010/11	Q3 2009/10	Changes in %
Revenue	120,344	135,000	-10.9%	43,221	39,221	10.2%
Inventory changes finished/semi-finished goods	947	1,378	-31.3%	41	557	-92.7%
Other capitalised services	1,801	1,741	3.4%	888	424	109.7%
Other income	2,752	2,669	3.1%	1,062	506	109.8%
Materials and supplies	-58,248	-65,817	-11.5%	-20,969	-19,272	8.8%
Personnel expenses	-46,144	-49,741	-7.2%	-15,657	-14,123	10.9%
Other expenses	-23,795	-27,716	-14.1%	-8,834	-7,506	17.7%
Earnings before interest, depreciation, amortisation and impairments, taxes and income from securities (EBITDA) and result from affiliated companies	-2,343	-2,487	5.8%	-247	-192	-28.7%
Depreciation, amortisation and impairments	-6,373	-6,317	0.9%	-2,073	-2,209	-6.1%
Earnings before interest, taxes, income from securities (EBIT) and result from affiliated companies	-8,716	-8,804	1.0%	-2,320	-2,401	3.4%
Interest expense	-2,572	-2,106	22.1%	-891	-922	3.3%
Income from interest	68	186	-63.2%	14	47	-69.9%
Other financial expenses	0	-259	-100.0%	0	0	-
Other financial income	178	77	130.4%	159	77	106.2%
Financial result	-2,326	-2,101	-10.7%	-717	-797	10.0%
Result from affiliated companies	0	-20	-100.0%	0	0	-
Earnings before taxes (EBT)	-11,042	-10,926	-1.1%	-3,038	-3,198	5.0%
Taxes on income	-320	-717	-55.4%	-141	20	-816.4%
Net income	-11,361	-11,643	2.4%	-3,179	-3,178	0.0%
Thereof:						
Shareholders of parent company	-11,400	-11,738	2.9%	-3,198	-3,220	0.7%
Non-controlling interests	38	95	-59.6%	19	42	-54.1%
	-11,361	-11,643	2.4%	-3,179	-3,178	0.0%
Earnings per share (diluted = basic) in TEUR:	-0.47	-0.48	2.9%	-0.13	-0.13	-0.7%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

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

in TEUR	Q1-Q3 2010/11	Q1-Q3 2009/10	Q3 2010/11	Q3 2009/10
Net income	-11,361	-11,643	-3,179	-3,178
Other comprehensive income				
Valuation profit/loss of available for sale financial instruments	-220	650	-64	393
Taxes on income	55	-162	16	-98
	-165	487	-48	294
Adjustment from foreign currency translation	20	-489	-238	-177
Other comprehensive income after taxes	-144	-2	-285	117
Total comprehensive income for the period	-11,506	-11,645	-3,463	-3,061
thereof shareholders of parent company	-11,545	-11,739	-3,483	-3,094
thereof non-controlling interests	38	95	19	34
	-11,506	-11,645	-3,463	-3,061

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

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

in TEUR	Capital stock	Capital reserves	IAS 39 reserve	Currency translation reserves	Consoli- dated net income/loss	Shareholders' equity	Non- controlling interests	Equity
as of Feb. 01, 2009	24,347	26,935	0	-2,166	18,742	67,858	216	68,073
Net income					-11,738	-11,738	95	-11,643
Other comprehensive income			487	-489	0	-2	0	-2
Total comprehensive income			487	-489	-11,738	-11,739	95	-11,645
Acquisition of non-controlling interests						0	-86	-86
as of Oct. 31, 2009	24,347	26,935	487	-2,655	7,005	56,120	224	56,342
as of Feb. 01, 2010	24,347	26,935	703	-2,617	1,659	51,027	223	51,250
Net income					-11,400	-11,400	38	-11,361
Other comprehensive income			-165	20	0	-144	0	-144
Total comprehensive income			-165	20	-11,400	-11,545	38	-11,506
Acquisition of non-controlling interests					-120	-120	-103	-223
as of Oct. 31, 2010	24,347	26,935	538	-2,597	-9,862	39,362	158	39,520

CONSOLIDATED CASH FLOW STATEMENT.

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

in TEUR	Q1-Q3 2010/11	Q1-Q3 2009/10 (adjusted*)
Earnings before taxes (EBT)	-11,042	-10,926
Depreciation, amortisation and impairments	6,373	6,317
Impairment of available for sale financial instruments	0	259
Net interest income and income from securities	2,326	1,843
Profit/loss from disposal of property, plant & equipment and intangible assets	-35	-84
Result from affiliated companies	0	20
Other non-cash expenses/income	-412	-412
Changes in inventory	-3,643	406
Changes in receivables and other assets	-1,431	12,999
Changes in trade payables	-3,953	-9,299
Changes in other liabilities	1,061	-1,841
Changes in liabilities to employees	424	115
Changes in current provisions	-22	-36
Cash flow from continuing operations	-10,353	-640
Taxes paid on income	-265	-450
Withholding taxes paid	0	-122
Cash flow from operating activities	-10,618	-1,212
Proceeds from disposal of property, plant & equipment and intangible assets	139	247
Expenditures for property, plant & equipment and intangible assets	-4,280	-8,689
Expenditures for financial assets	-4,630	-24
Interests received	68	186
Income from securities	178	77
Cash flow from investing activities	-8,525	-8,203
Raising of interest-bearing financial liabilities	3,000	57,418
Repayments of interest-bearing financial liabilities	-731	-7,662
Expenditures for the acquisition of non-controlling interests	-223	-199
Interests paid	-3,117	-747
Cash flow from financing activities	-1,072	48,810
Changes in cash and cash equivalents	-20,215	39,396
Cash and cash equivalents at beginning of period	43,773	11,763
Adjustment from foreign currency translation	215	-160
Cash and cash equivalents at end of period	23,772	51,000

* due to changes of IAS 27 (see 1.2.4 Accounting and valuation principles)

SEGMENT REPORTING .

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

Q1-Q3 2010/11.

	Austria	Germany	UK	Russia	Other markets	Adjustment for inter-group transactions	Total Group
in TEUR							
Revenue	70,744	30,870	13,816	10,970	23,842	-29,898	120,344
from third parties	40,847	30,870	13,816	10,970	23,842	0	120,344
from other segments	29,898	0	0	0	0	-29,898	0
EBIT per segment	-2,459	-4,396	525	-596	-1,790	0	-8,716

Q1-Q3 2009/10.

	Austria	Germany	UK	Russia	Other markets	Adjustment for inter-group transactions	Total Group
in TEUR							
Revenue	73,695	37,892	13,031	20,100	23,958	-33,677	135,000
from third parties	40,018	37,892	13,031	20,100	23,958	0	135,000
from other segments	33,677	0	0	0	0	-33,677	0
EBIT per segment	-2,748	-2,436	-806	-626	-2,189	0	-8,804

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 third quarter of 2010/11 (as of October 31, 2010) has been compiled under the responsibility of the Management Board with the date of signing and was released for publication on December 10, 2010.

1.2 PRINCIPLES OF ACCOUNTING, FINANCIAL REPORTING AND VALUATION METHODS.

1.2.1 Principles of accounting

The interim report as of October 31, 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

As against the balance sheet date January 31, 2010, the number of companies included in the consolidated interim financial statements of the BENE AG remained unchanged in the first 3 quarters of 2010/11. As of October 31, 2010, the number is 21; the same as on the balance sheet date (January 31, 2010).

As a result of the acquisition of additional non-controlling interests in the first 3 quarters of 2010/11, the participating interest of the BENE AG in the BENE PLC, London increased from 89.47% (January 31, 2010) to 94.21% (October 31, 2010) (see point 1.4 Acquisitions and change of non-controlling interests).

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, 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 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.

The first time adoption of IFRS 3 – Business combinations (revised) and IAS 27 – Consolidated and separate financial statements (revised) resulted in a change in presentation of the acquisition of additional non-controlling interests in the BENE PLC, London in the first 9 months of 2010/11. For acquisitions after January 31, 2010, the difference between the acquisition costs and the book value disposed of of non-controlling interests are no longer recognised as increase in goodwill but are stated as transaction between shareholders (see point 1.5 Goodwill).

As a result of a subsequent amendment to IAS 7 – Cash flow statements, from now on, the acquisition of non-controlling interests has to be mandatorily presented in the cash flow from financing activities and no longer in the cash flow from investing activities. Due to the mandatory retrospective application of this amended provision, the previous year's value is reclassified accordingly.

With the exception of the new provisions of the IAS 27 (revised), which will have an effect on future acquisitions or loss of control of subsidiaries, the implementation of the other amended or new standards and interpretations will not have any significant effects on the financial and earnings situation of the Bene Group.

In addition to this, there were no further changes in the 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, in the first 9 months of 2010/11, the Bene Group recorded a considerable decline in sales and earnings in the markets Germany and Russia. However, compared to the previous quarter of 2010/11, at group level sales increased by 8.6%.

This positive development also reflects in the EBIT of the third quarter of 2010/11. With the exception of the Germany segment, the Bene Group improved the EBIT of all other segments in comparison with the reference period of the prior year.

However, the Management Board's estimates for the business year 2010/11 remain conservative and the Management Board maintains its forecast that the Bene Group will report a negative result for the business year 2010/11.

1.4 ACQUISITIONS AND CHANGE OF NON-CONTROLLING INTERESTS.

1.4.1 Business year 2010/11

As of the reference date June 30, 2010, the company has acquired 4.74% of non-controlling interests of the BENE PLC, London (exercise of the third call option). Thus, the BENE AG's shareholding increased from 89.47% (January 31, 2010) to 94.21% (October 31, 2010). Comparing the cash paid purchase price (TEUR 223) with the book value of the additional acquired shares (TEUR 103), the residual value amounts to TEUR 120. In accordance with the amendments of the revised IFRS 3 and IAS 27 it was not recognised as increase in goodwill, but as transaction between shareholders it was offset against equity attributable to the shareholders of the parent company.

1.4.2 Business year 2009/10

Due to the acquisition of non-controlling interests of the BENE PLC, London as of June 30, 2009, the shareholding of BENE AG increased from 84.74% (January 31, 2009) to 89.47% (October 31, 2009). Comparing the cash paid purchase price (TEUR 199) with the book value of the additional acquired shares (TEUR 86), good will amounted to TEUR 113.

1.5 GOODWILL.

Due to the provisions of the revised IFRS 3 and IAS 27, the exercise of the third call option for the BENE PLC, London as of June 30, 2010 resulted in a change of the accounting principles for the acquisition of non-controlling interests. Accordingly, from now on, differences between purchase price and book value disposed of of non-controlling interests are no longer recognised as goodwill but as transaction between shareholders they are offset against equity attributable to the shareholders of the parent company. In the first 9 months of 2010/11, goodwill of the Bene Group from previous periods stated as of the balance sheet date January 31, 2010 was recognised in the unchanged amount, also after the acquisition

of additional non-controlling interests in the BENE PLC, London. However, foreign currency exchange losses from the conversion of previous business years' goodwill of the BENE PLC, London in the amount of TEUR 10 were taken into account (first to the third quarter of 2009/10: foreign currency exchange losses in the amount of TEUR 12).

As of October 31, 2010, the book value of goodwill recognised in the Bene Group amounts to TEUR 4,345 and is divided as follows (January 31, 2010: TEUR 4,355):

in TEUR	BENE PLC, London		Bene GmbH, Villingen-Schwenningen		Bene GmbH, Hamburg		Bene Belgium, BVBA	
	Oct. 31, 2010	Jan. 31, 2010	Oct. 31, 2010	Jan. 31, 2010	Oct. 31, 2010	Jan. 31, 2010	Oct. 31, 2010	Jan. 31, 2010
Book value of goodwill	3,154	3,164	546	546	590	590	55	55

The development of goodwill during the first 9 months of the business year 2010/11 is as follows:

in TEUR	
as of Jan. 31, 2010	4,355
Foreign currency effects (BENE PLC, London)	-10
as of Oct. 31, 2010	4,345

1.6 PROPERTY, PLANT AND EQUIPMENT.

Additions to and disposals of assets

Until October 31, 2010, the Bene Group acquired property, plant and equipment and intangible assets in the amount of TEUR 4,329 (October 31, 2009: TEUR 8,820). 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 1,569 (October 31, 2009: TEUR 2,884).

During the first 3 quarters of 2010/11, the Bene Group disposed of property, plant and equipment and intangible assets with a net book value of TEUR 105 (October 31, 2009: TEUR 163). The realised net profit from sale amounts to TEUR 35 (October 31, 2009: TEUR 84).

1.7 LONG-TERM AND CURRENT FINANCIAL ASSETS.

Until the balance sheet date October 31, 2010 of the interim financial report, Bene acquired current available for sale financial instruments in the amount of TEUR 4,589 (first to the third quarter of 2009/10: no purchase or sale of available for sale financial instruments). Purchases in 2010/11 are government bonds, government guaranteed corporate bonds and corporate bonds, of which the price is published daily by the custodian bank. Thus, with regard to the measurement and the recognition of fair values, the newly acquired financial instruments are classified in level 1 of the fair-value-hierarchy.

Until October 31, 2010, Bene reported valuation losses in the amount of TEUR 165 in the other comprehensive income (IAS 39 reserve) (first to the third quarter of 2009/10: valuation losses of the first quarter of 2009/10 amounting to TEUR 259 were stated in the result for the period. Valuation gains of the second and third quarter of 2009/10 in the amount of TEUR 487 were recognised in the IAS 39 reserve).

1.8 LONG-TERM AND CURRENT FINANCIAL LIABILITIES.

Long-term financial liabilities

Compared with the balance sheet date January 31, 2010, long-term financial liabilities decreased in the first 3 quarters of 2010/11. This change is on the one hand resulting from regular repayments in the amount of TEUR 731. On the other hand it is mainly influenced by the first contractually fixed repayment of the ERP-investment loan, which contrary to the balance sheet date, as of October 31, 2010 already has to be reported as current financial liability (first to the third quarter of 2009/10: issue of a corporate bond in the amount of TEUR 40,000, regular repayments in the amount of TEUR 207 as well as the granting of an ERP-investment loan in the amount of TEUR 7,500).

Current financial liabilities

In the first 9 months of the business year 2010/11, current financial liabilities increased in total by TEUR 3,936, which is mainly due to the use of cash advance. Additionally, at the end of the third quarter of 2010/11, the first contractually fixed repayment of the ERP-investment loan is for the first time stated as current liability. The existing terms and other conditions however remained unchanged (first to the third quarter of 2009/10: increase in agreed credit lines and cash advance resp. repayment of used credit lines and thus change of current financial liabilities in the amount of TEUR 2,878).

1.9 DERIVATIVE FINANCIAL INSTRUMENTS.

As of October 31, 2010, the Bene Group uses one forward exchange dealing to hedge future currency risks arising from existing projects, which will be invoiced in

GBP (October 31, 2009: six forward exchange dealings in GBP and AED).

in EUR	Market value as of Oct. 31, 2010	Fair Value as of Oct. 31, 2010	Term until
GBP 1,500,000 foreign exchange sales	1,646,542	-80,980	Jan. 28, 2011
Total	1,646,542	-80,980	

As of October 31, 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 October 31, 2009 the situation was as follows:

in EUR	Market value as of Oct. 31, 2009	Fair value as of Oct. 31, 2009	Term until
GBP 1,500,000 exchange sales	1,726,122	47,955	Jan. 29, 2010
AED 2,320,000 exchange sales	437,761	11,986	Jan. 28, 2010
GBP 1,500,000 exchange sales	1,649,077	-29,151	April 29, 2010
GBP 1,500,000 exchange sales	1,648,895	-29,444	July 30, 2010
GBP 1,500,000 exchange sales	1,648,171	-29,987	Oct. 29, 2010
GBP 1,500,000 exchange sales	1,646,542	-29,824	Jan. 28, 2011
Total	8,756,567	-58,465	

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.

1.10 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	30	249	17	2
Persons in key functions	1	0	2	0
as of Oct. 31, 2010	31	249	18	2

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	97	0	0
Associated persons	23	392	1	0
Persons in key functions	0	0	2	0
as of Oct. 31, 2009	26	489	4	0

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

Purchases from related parties as of October 31, 2010, are mainly resulting from consultancy services of Mr. Manfred Bene.

1.11 CONTINGENCIES AND OTHER OBLIGATIONS.

1.11.1 Litigation

As of October 31, 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 9 months of the business year 2010/11.

As of October 31, 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).

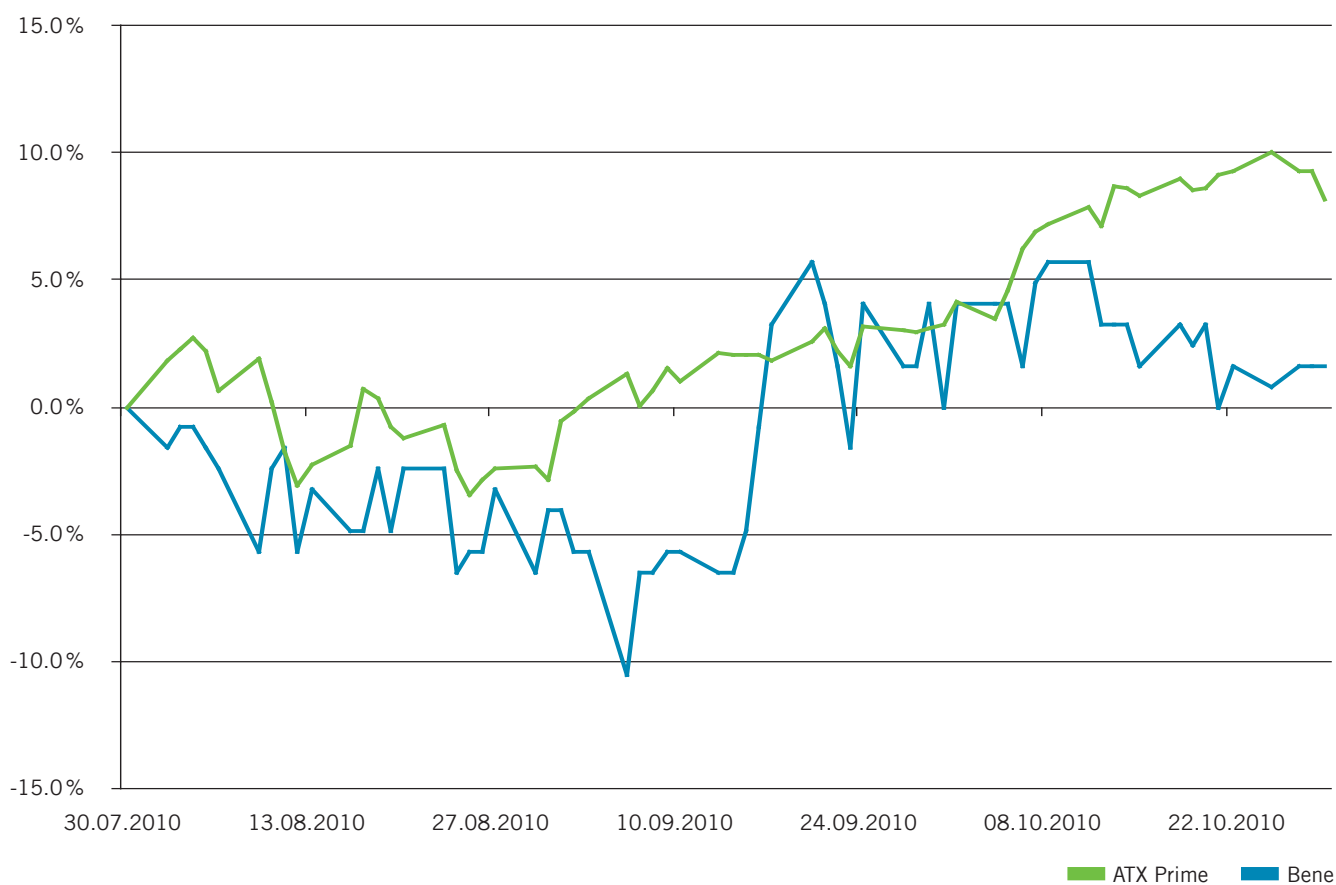
1.12 SUBSEQUENT EVENTS.

There were no essential subsequent events between the balance sheet date of the condensed consolidated interim financial statements of the BENE AG (October 31, 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.

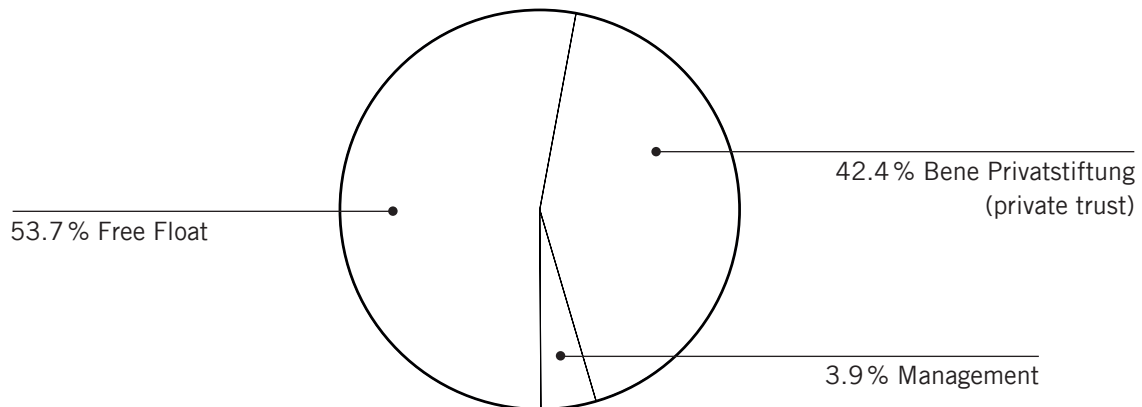
After a quite volatile performance in the first half of the third quarter of 2010/11, the Bene share price stabilised during the period under review and recorded an overall increase of 1.6% (ATX Prime: 8.2%).

In the reporting period, the highest closing price amounted to EUR 1.30 (October 11, 2010), the lowest closing price was EUR 1.10 (September 06, 2010).

TRADING VOLUME.

In the course of the third quarter of the business year 2010/11, the average trading volume amounted to 17,411 shares. The highest daily trading volume of 110,300 shares was realised on September 06, 2010, the lowest number of shares traded was 2,200 shares on August 27, 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, VÖNIX
Ticker-symbol: BENE
Free float: 53.7%

Following the resignation of Roland Marouschek from the Management Board of the BENE AG in the third quarter of 2010/11, his investment share was considered as

free-float, which consequently increased to 53.7%. The shares of Roland Marouschek were not sold.

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.

Annual result 2010/11	May 19, 2011
General meeting	June 09, 2011
Ex-Dividend	June 16, 2011
Dividend payment	June 16, 2011
First quarter results 2011/12	June 22, 2011
First half-year results 2011/12	September 21, 2011
Third quarter results 2011/12	December 14, 2011

CONTACT.

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 E-Mail ir@bene.com 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 three quarters 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 three quarters 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 3 months of the business year, to which the Group is exposed and the major transactions with related parties being subject to disclosure.

Waidhofen/Ybbs, December 10, 2010

Frank Wiegmann
Chairman of the Management Board, Finance, Technology and Human Resources

Thomas Bene
Member of the Management Board, Marketing and Portfolio

Wolfgang Neubert
Member of the Management Board, Sales