

**FIRST
QUARTER
REPORT
11/12**

bene

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STATUS REPORT

KEY MESSAGES

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- Trend reversal confirmed – Sales increase of 18.5%
- Significant improvement in all key earnings figures
- Expenses for personnel and non-personnel costs continue to decline
- Gross profit margin further improved

ECONOMIC ENVIRONMENT

Despite single macro-economic and political risks, the global economy continued its steady growth in the first quarter of 2011. Although signs of a worldwide increasing inflation were already observed, a further strengthening of the economy is expected for the subsequent quarters due to the positive development of the first three months in Europe and the USA. In spite of several macro-economic and political risks – such as the political unrest in Northern Africa and in the Middle East or the natural disaster in Japan – the IMF is forecasting a steady growth of the global economy of 4.4%.

In the USA, a relatively high unemployment rate, high gasoline prices, and a weak lending resulted in a restrained growth of the economy in the first quarter of 2011. The increase of only 1.8% remains below the value expected by many economists, since in the previous quarter, the US-economy still rose by 3.1%. Growth rates between 3.0 and 4.0% are again assumed for the second quarter.

The different monetary policies of the European Central Bank and the US Federal Reserve Bank, despite the debt crisis of individual EU-countries, still cause a negative dollar exchange rate prediction for 2011. Particularly as the inflation in Europe increased again in the first quarter of 2011, the ECB had to raise the base rate. In the first quarter of 2011, the dollar exchange rate against the euro ranged between 1.33 and 1.41 dollar. According to the US Federal Reserve Bank, the euro price may increase to 1.50 or 1.60 dollar in the course of the year. Likewise, the price of 135 dollar for a barrel (159 litres) crude oil is imaginable.

At the beginning of the year 2011, the economic development in the euro zone gained momentum. Thanks to economic engines such as Germany, seasonally adjusted, the gross domestic product of the euro zone rose by 0.8% compared to the prior quarter and by

2.5% in the yearly comparison. Thus, at the beginning of the year 2011, the economic recovery in the euro zone speeded up considerably.

In Austria, the upswing continued again in the first quarter of 2011. Compared to the prior period, in real terms, the GDP increased by 1.0%, in comparison with the previous year by 4.2%. As in the previous quarter, impulses came from the brisker export trade, where especially the material goods production grew by 2.7% in real terms. The Austrian construction industry was still in crisis. Since the second quarter of 2008, investments in constructions were declining, however, the decrease is slowing down again (first quarter of 2011 0.3% in real terms compared to the previous period). For the year 2011, the WIFO now expects an economic growth of 2.5% for Austria.

In the context of the economic recovery, Germany still acts as the locomotive in the euro zone. In comparison with the fourth quarter of 2010, after adjustments for price, seasonal and calendar effects, the German gross domestic product (GDP) grew by 1.5%. Driven by substantial investments and government consumer spending, the German economic performance reached a growth of 5.2% compared to the first quarter of 2010 – the strongest result since the German reunification. The biggest increases were reached in the construction industry with a plus of 13.5% and in the manufacturing sector with 11.6%. In addition, Germany benefited from the global economic recovery and recorded an increase in exports of 2.3% compared with the prior quarter.

At the beginning of the year 2011 the economy in the UK has grown again. In the first quarter, the gross domestic product increased by 0.5% compared to the prior quarter after a minus of 0.5% in the fourth quarter of 2010. Year over year, in the first quarter of 2011, the growth reached 1.8%. Whereas the service sector

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and the industry supported the growth, the construction industry experienced the strongest decrease since the beginning of 2009.

After the substantial recovery of the Russian economy in the course of the year 2010, the growth slightly slowed down again. In the first quarter of 2011, the GDP recorded an increase of 4.1% compared to the previous year and thus fell short of expectations. Yet, with a plus of 4.0%, Russia exceeded the 2010 year's level.

Likewise, the countries in Central and Eastern Europe promisingly started into the new year. In Poland, Czechia, Slovakia and Hungary the industrial production recorded double-digit rises. Accordingly, the overall economic development of these countries was above the European average.

In emerging markets such as China or India there is a real economic boom. However, the economy is in danger of overheating and the resulting increase in the inflation rate. In the first quarter of 2011, the Chinese economy grew by 9.7% after 9.8% in the fourth quarter of 2010. The growth may be dampened in particular by a restrictive credit policy, increasing wages, lower asset investments as well as decreasing earnings thereof and the gradual currency appreciation. The already high inflation rate of 5.0% in the first quarter of 2011 will further rise until the end of the year due to the increasing wages.

Sources: WIFO, IWF, DPA, Eurostat, Statistisches Bundesamt

BUSINESS PERFORMANCE IN THE FIRST QUARTER OF 2011/12

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After the positive trend reversal in the second half-year of 2010/11, the Bene Group likewise further continued the positive momentum in the first quarter of 2011/12. Particularly in comparison with the first quarter of the business year 2010/11, against the background of the positive overall economic environment, the Company achieved considerable increases in sales and earnings in almost all sales markets. In the current reporting period, total sales rose by 18.5% or EUR 6.9 million to EUR 44.3 million in comparison with the first quarter of the prior year. The Bene Group also significantly improved the EBIT, which however with EUR -1.3 million was still negative (Q1 2010/11: EUR -3.1 million) but was 59.4% higher than the reference value of the previous year.

SALES DEVELOPMENT

After sales increases in the third and fourth quarter of 2010/11, the Bene Group has again continued the positive trend in the first quarter of 2011/12 and has achieved considerable increases in sales of almost all segments. The segments UK, Germany, as well as 'Other markets' showed the most important increases and notably the Middle East, France, and individual markets in Central and Eastern Europe recorded significant growth. Only Austria had to suffer a decline in sales. In the first three months of the current business year, total sales reached EUR 44.3 million and thus were 18.5% higher than the reference value of the past year.

In the **Austria** segment sales dropped by 30.8% to EUR 10.9 million in the first three months of the business year 2011/12 and thus were EUR 4.8 million lower than the previous year's reference value (Q1 2010/11: EUR 15.7 million). This development is the result of the change in strategy introduced by the Bene Group at the beginning of the year to counteract the ongoing weak margin development in the home market. By this measure, in the medium term, Bene expects an expansion in sales of the medium- and small-volume projects as well as a stronger market penetration and thus an improvement in margins.

In the **Germany** segment, the positive macro-economic environment as well as the efficiency and effectiveness measures introduced in the past year led to a positive trend reversal in the sales development. In the first three months of the current reporting period, sales increased by 28.7% to EUR 11.8 million (Q1 2010/11: EUR 9.1 million). This growth in sales is even more

gratifying, because Bene could significantly expand sales in almost all sales regions. Successfully implemented projects such as for Mainova in the Germany central region constituted the basis for this successful development.

In the **UK** segment, the Bene Group benefited from the positive general economic environment and a clear recovery in demand of the financial centre London and continued the positive trend from the past year. Against this background as well as the acquisition of several major projects (such as for the Man Group in London), Bene more than doubled sales by EUR 3.9 million or 127.9% to EUR 6.9 million in comparison with the first quarter of the prior year (Q1 2010/11: EUR 3.0 million).

For the first time, the relaxation of the general economic environment in the **Russia** segment led to a slight relaxation in the Russian office furniture sector in the first quarter of 2011/12. Against this background, Bene improved sales of the Russia segment by 18.5% to EUR 3.2 million in the first three months of the current reporting period (Q1 2010/11: EUR 2.7 million).

Likewise, in the first quarter of 2011/12, in the **'Other markets'** segment Bene continued the positive momentum of the last quarters and realised several projects, among others for the Abu Dhabi National Bank (Middle East), Sun TV (India), Credit Suisse (Switzerland) or Gilead (France). Total sales of this segment substantially increased by 71.1% or EUR 4.8 million to EUR 11.5 million (Q1 2010/11: EUR 6.7 million). Many markets such as Hungary, Slovenia, Slovakia, Poland, France or Switzerland made a very good start into the new business year. In the Middle East, a clear market recovery was noticeable. In this environment, Bene could acquire several interesting large-scale projects and thus in this region, sales increased by 198% to EUR 2.1 million. As a result of the acquisition and the realisation of a major project, also the rather small market Luxemburg considerably contributed to the increase in the 'Other markets' sales.

EARNINGS DEVELOPMENT

The considerable rise in sales, the well-targeted control of the product portfolio in the different sales markets, the further expansion of own products and the focus on high-margin projects reflected in the positive development of earnings in the first quarter of 2011/12.

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Although the EBIT of EUR -1.3 million was still negative after the first three months of the current reporting period, but with an improvement of 59.4% clearly exceeded the reference value of the past year (Q1 2010/11: EUR -3.1 million).

In the same period, the gross profit margin (= revenue +/- changes in inventory - expenses for materials and supplies in relation to revenue) reached 52.8% and thus despite an expansion in sales was slightly higher than the reference value of the prior year (Q1 2010/11: 52.7%). Expenses for materials and supplies increased by EUR 4.4 million to EUR 21.0 million in the first three months (Q1 2010/11: EUR 16.6 million) and thus represented 47.5% of revenue (Q1 2010/11: 44.6%).

In the first three months of the current reporting period 2011/12, personnel expenditure increased by 7.1% to EUR 16.1 million (Q1 2010/11: EUR 15.0 million). The reason for this increase were the personnel measures still effective in last year's first quarter such as the short-time model for employees in Austria and the rolling system of two months termination with reemployment guarantee for industrial workers at the site in Waidhofen/Ybbs. The number of employees increased by 3.8% to 1,280 in the first quarter of 2011/12 (Q1 2010/11: 1,233 employees).

As a result of higher sales, other expenses grew by 10.3% to EUR 7.6 million in the first three months of the current reporting period (Q1 2010/11: EUR 6.9 million). Mainly transport, fleet and travel expenses were increasing.

In the first quarter of 2011/12, the EBITDA amounted to EUR 0.9 million and thus with EUR 1.8 million was significantly higher than the previous year's reference value (Q1 2010/11: EUR -0.9 million). At the end of the first quarter of 2011/12, depreciation, amortisation and impairments amounted to EUR 2.1 million (Q1 2010/11: EUR 2.2 million). After the first three months of the current business year, the EBIT came to EUR -1.3 million (Q1 2010/11: EUR -3.1 million).

In the **Austria** segment, the decline in sales of major projects, the change in strategy as well as the personnel measures still effective in last year's first quarter had a significant impact on the EBIT, which after the first three months of the current reporting period amounted to EUR -1.0 million (Q1 2010/11: EUR -0.5 million).

In the **Germany** segment, the rise in sales as well as the already implemented measures to increase efficiency and effectiveness led to a considerable improvement in EBIT, which at the end of the first quarter amounted to EUR -0.8 million (Q1 2010/11: EUR -1.4 million).

In the **UK** segment, the significant increase in sales and the good margin situation of the realised projects, after the first three months of the current reporting period resulted already in a positive EBIT in the amount of EUR 1.0 million (Q1 2010/11: EUR -0.3 million).

In the **Russia** segment, the slight sales growth in the current business year did not yet have effects on the prevailing price situation of the project business. After the first three months of the current reporting period, total EBIT amounted to EUR -0.6 million (Q1 2010/11: EUR -0.3 million).

Due to the strong sales start into the current business year, the **'Other markets'** segment improved the EBIT considerably and with EUR 0.1 million was EUR 0.6 million higher than the reference value of the past year (Q1 2010/11: EUR -0.5 million). This was mainly attributable to the increase in sales in combination with high-margin projects in the markets Middle East, France, Switzerland and Luxemburg.

The interest charges, mainly from the corporate bond issued in April 2009, resulted in a negative financial result of EUR -0.7 million after the first three months of the business year 2011/12 (Q1 2010/11: EUR -0.8 million).

As a result of the measures taken in the individual segments in combination with the increase in sales, the Bene Group could significantly increase earnings of the first quarter of 2011/12. However, in total, after the first three months of the current reporting period the EBT of EUR -2.0 million was still negative, but compared to the prior year, increased by 49.4% or EUR 1.9 million (Q1 2010/11: EUR -3.9 million).

ASSETS AND CAPITAL STRUCTURE

In comparison with the balance sheet date January 31, 2011, as of April 30, 2011 the balance sheet total decreased by EUR 10.8 million to EUR 138.4 million (January 31, 2011: EUR 149.2 million). As of April 30, 2011, the equity ratio came to 26.3% (January 31, 2011: 25.9%).

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Compared to the balance sheet date (January 31, 2011: EUR 66.4 million), as of April 30, 2011, non-current assets declined by EUR 0.6 million to EUR 65.8 million – primarily due to the decrease in property, plant and equipment. The financing structure of the Bene Group was and will be based on longer-term debt and the creation of strategic liquidity reserves. As of April 30, 2011, long-term financial liabilities of EUR 48.3 million remained unchanged as against the balance sheet date January 31, 2011.

As of April 30, 2011, the working capital (= inventories + trade receivables - trade liabilities - prepayments received) increased by EUR 16.7 million to EUR 27.7 million compared to the balance sheet date January 31, 2011 (January 31, 2011: EUR 11.0 million). The rise in working capital was mainly resulting from the increase in trade receivables in the amount of EUR 6.6 million as well as the reduction in trade payables amounting to EUR 9.7 million.

INVESTMENTS

Additions to property, plant, and equipment and to intangible assets reached EUR 1.8 million in the first three months of the current business year (Q1 2010/11: EUR 1.4 million) and thus slightly exceeded the previous year's level. Investments in replacements at the site in Waidhofen/Ybbs as well as investments in the modernisation of the show room in London represented the largest items.

CASH FLOW & FINANCES

After the first three months of the current reporting period, the operating cash flow of the Bene Group amounted to EUR -18.6 million. (Q1 2010/11: EUR -6.3 million). Particularly the reduction of trade payables and of other liabilities and the increase in trade receivables resulting from rising sales had a negative impact on the cash flow from operating activities.

The cash flow from investing activities – primarily determined by expenditures for property, plant and equipment and intangible assets – amounted to EUR -1.8 million in the first quarter of the current business year (Q1 2010/11: EUR -0.6 million). The use of short-term cash advances as well as the interest payment for the corporate bond led to a in total positive cash flow from financing activities in the amount of EUR 3.4 million in the first quarter of 2011/12 (Q1 2010/11: EUR -2.9 million).

In the first three months of the current business year, total changes in cash amounted to EUR -17.1 million (Q1 2010/11: EUR -9.8 million).

As of April 30, 2011, net debt of the Bene Group reached EUR 30.2 million (January 31, 2011: EUR 7.4 million); net gearing was 83.2% (January 31, 2011: 19.2%).

EMPLOYEES

On the reporting date April 30, 2011, the Bene Group occupied 1,280 employees in total and thus 47 persons or 3.8% more than on April 30, 2010. Compared to the reference period of 2010/11, the number of the different segment's employees at the end of the first quarter of 2011/12 changed as follows: Austria 4.8%, UK 24.4%, Germany -7.0%, Russia 4.1% and ,Other markets' 7.9%.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

With regard to transactions with related parties during the first three months of the business year 2011/12, we refer to the notes of the condensed consolidated interim financial statements of the BENE AG according to IFRSs.

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

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

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

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

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

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

OUTLOOK

With the moderate recovery of the global economic climate in the year 2010, the Bene Group could achieve a positive trend reversal of quarterly sales and could continue this development in the first quarter of 2011/12.

The Management of the Bene Group expects a further substantial improvement in sales for the subsequent quarters of 2011/12, however, it generally remains only carefully optimistic with regard to estimates for the business year 2011/12; although a significant global economic growth may be assumed, the markets and the price levels will still remain very volatile. Hence, the Management Board expects that the Bene Group may once again improve the earnings situation for the financial year 2011/12, but will report a slightly negative result for the overall business year 2011/12.

The Bene Group starts from a further strengthened market position into the business year 2011/12 and with its broad geographic spread, the strategic right positioning in the growth markets and the market proximity through the strong direct sales net, Bene offers key assets and clear competitive advantages. The liquidity and financial situation allows the Bene Group the necessary activities to consolidate its market position and the active expansion of the growth markets in Asia/Pacific.

On the basis of existing capacities, the Bene Group has a great organic growth potential to exploit, provided that the markets continue to develop positively. Particularly against the background of the successful introduction of new and profitable product groups in the last year.

Note

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

KEY FIGURES FOR Q1 2011/12

in TEUR and %	Q1 2011/12	Q1 2010/11	Changes in %	Changes absolut
Revenue	44,252	37,332	18.5 %	6,920
EBITDA	859	-891	196.4 %	1,750
EBITDA-margin	1.9%	-2.4%	-	-
EBIT	-1,253	-3,083	59.4 %	1,830
EBIT-margin	-2.8%	-8.3%	-	-
Employees (as of the reporting date)	1,280	1,233	3.8 %	47
CAPEX*	-2,096	-643	-226.3 %	-1,453
Cash flow from operating activities	-18,645	-6,297	-196.1 %	-12,348

* Payments tangible fixed and intangible assets

INTERIM FINANCIAL REPORT OF THE BENE AG*

CONSOLIDATED BALANCE SHEET

AS OF APRIL 30, 2011 (UNAUDITED) AND JANUARY 31, 2011 (AUDITED)

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in TEUR	2011/12	2010/11
Assets	as of April 30, 2011	as of Jan. 31, 2011
Intangible assets	14,429	13,821
Property, plant and equipment	44,513	45,639
Non-current financial assets	375	401
Deferred tax assets	6,451	6,495
Non-current assets	65,768	66,355
Inventories	16,380	16,307
Trade receivables	24,491	17,896
Other receivables and assets	5,123	5,110
Current financial assets	9,198	8,898
Cash and cash equivalents	17,439	34,616
Current assets	72,630	82,826
TOTAL ASSETS	138,398	149,181
Equity and liabilities		
Capital stock	24,347	24,347
Capital reserves	26,935	26,935
IAS 39 reserve	867	642
Currency translation reserves	-2,604	-2,487
Accumulated profit/loss	-13,377	-11,054
Stockholders equity	36,168	38,384
Non-controlling interests	227	183
Equity	36,396	38,565
Liabilities to employees	11,451	11,470
Long-term financial liabilities	48,304	48,304
Long-term government grants and subsidies	1,310	1,229
Deferred tax liabilities	330	258
Non-current liabilities	61,395	61,261
Trade payables (incl. prepayments received)	13,143	23,212
Current financial liabilities	8,627	2,627
Current provisions	1,491	1,869
Current tax provisions	498	698
Other liabilities	16,563	20,686
Current government grants and subsidies	283	262
Current liabilities	40,605	49,354
TOTAL EQUITY AND LIABILITIES	138,398	149,181

* As of April 30, 2011 (Comparison period Feb. 01, 2010 – April 30, 2010)

CONSOLIDATED INCOME STATEMENT

FOR THE FIRST QUARTER OF 2011/12 (UNAUDITED) AND THE FIRST QUARTER OF 2010/11 (UNAUDITED)

BENE

Q1 2011/12

in TEUR	Q1 2011/12	Q1 2010/11	Changes in %
Revenue	44,252	37,332	18.5%
Inventory changes finished/semi-finished goods	123	-1,013	-112.2%
Other capitalised services	592	527	12.2%
Other income	596	830	-28.2%
Materials and supplies	-21,000	-16,641	26.2%
Personnel expenses	-16,115	-15,044	7.1%
Other expenses	-7,589	-6,883	10.3%
Earnings before interest, depreciation and amortisation, taxes and income from securities (EBITDA) and result from affiliated companies	859	-891	196.4%
Depreciation, amortisation and impairments	-2,112	-2,193	-3.7%
Earnings before interest, taxes and income from securities (EBIT)	-1,253	-3,083	59.4%
Interest expense	-743	-817	-9.1%
Income from interest	5	22	-78.1%
Other financial expenses	-9	0	-
Other financial income	36	0	-
Financial result	-711	-795	10.6%
Earnings before taxes (EBT)	-1,964	-3,878	49.4%
Taxes on income	-312	-43	628.5%
Net income	-2,275	-3,920	42.0%
Thereof:			
Shareholders of parent company	-2,323	-3,925	40.8%
Non-controlling interests	48	4	1,024.9%
	-2,275	-3,920	42.0%
Earnings per share (diluted = basic) in TEUR:	-0.10	-0.16	40.8%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER OF 2011/12 (UNAUDITED) AND THE FIRST QUARTER OF 2010/11 (UNAUDITED)

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in TEUR	Q1 2011/12	Q1 2010/11
Net income	-2,275	-3,920
Other comprehensive income		
Valuation profit/-loss of available for sale financial instruments	300	142
Taxes on income	-75	-36
	225	107
Adjustment from foreign currency translation	-121	110
Other comprehensive income after taxes	104	217
Total comprehensive income for the period	-2,172	-3,704
thereof shareholders of parent company	-2,216	-3,706
thereof non-controlling interests	44	2
	-2,172	-3,704

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER OF 2011/12 (UNAUDITED) AND THE FIRST QUARTER OF 2010/11 (UNAUDITED)

in TEUR	Capital stock	Capital reserves	IAS 39 reserve	Currency translation reserves	Consolidated net income/ loss	Shareholders' equity	Non-controlling interests	Equity
as of Feb. 01, 2010	24,347	26,935	703	-2,617	1,659	51,027	223	51,250
Net income					-3,925	-3,925	4	-3,920
Other comprehensive income			107	112	0	219	-2	217
Total comprehensive income			107	112	-3,925	-3,706	2	-3,704
as of April 30, 2010	24,347	26,935	810	-2,505	-2,266	47,320	224	47,544
as of Feb. 01, 2011	24,347	26,935	642	-2,487	-11,054	38,384	183	38,565
Net income					-2,323	-2,323	48	-2,275
Other comprehensive income			225	-117	0	108	-4	104
Total comprehensive income			225	-117	-2,323	-2,216	44	-2,172
as of April 30, 2011	24,347	26,935	867	-2,604	-13,377	36,168	227	36,396

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIRST QUARTER OF 2011/12 (UNAUDITED) AND THE FIRST QUARTER OF 2010/11 (UNAUDITED)

BENE

Q1 2011/12

in TEUR	Q1 2011/12	Q1 2010/11
Earnings before taxes (EBT)	-1,964	-3,878
Depreciation, amortisation and impairments	2,112	2,193
Net interest income and income from securities	702	795
Profit/loss from disposal of property, plant & equipment and intangible assets	-20	-12
Other non-cash expenses/income	-61	-463
Changes in inventory	-73	-364
Changes in receivables and other assets	-6,609	1,603
Changes in trade payables	-10,068	-6,325
Changes in other liabilities	-1,796	196
Changes in long-term provisions (incl. employees)	-19	33
Changes in current provisions	-378	-14
Cash flow from continuing operations	-18,175	-6,236
Taxes paid on income	-470	-62
Cash flow from operating activities	-18,645	-6,297
Proceeds from disposal of property, plant & equipment and intangible assets	198	13
Expenditures for property, plant & equipment and intangible assets	-2,096	-643
Expenditures for financial assets	26	-15
Interests received	5	22
Income from securities	36	0
Cash flow from investing activities	-1,832	-622
Raising of interest-bearing financial liabilities	6,000	0
Repayments of interest-bearing financial liabilities	0	-109
Raising of government grants and subsidies	168	0
Interests paid	-2,802	-2,774
Cash flow from financing activities	3,366	-2,883
Changes in cash and cash equivalents	-17,111	-9,803
Cash and cash equivalents at beginning of period	34,616	43,773
Adjustment from foreign currency translation	-67	459
Cash and cash equivalents at end of period	17,439	34,429

SEGMENT REPORTING

FOR THE FIRST QUARTER OF 2011/12 (UNAUDITED) AND THE FIRST QUARTER OF 2010/11 (UNAUDITED)

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Q1 2011/12

in TEUR	Austria	Germany	UK	Russia	Other markets	Adjustment for inter-group transactions	Total Group
Revenue	23,409	11,772	6,868	3,222	11,511	-12,530	44,252
from third parties	10,879	11,772	6,868	3,222	11,511	0	44,252
from other segments	12,530	0	0	0	0	-12,530	0
EBIT per segment	-950	-827	991	-550	82	0	-1,253

Q1 2010/11

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO IFRSs

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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 2011/12 (as of April 30, 2011) has been compiled under the responsibility of the Management Board with the date of signing and was released for publication on June 17, 2011.

1.2 PRINCIPLES OF ACCOUNTING, FINANCIAL REPORTING AND VALUATION METHODS

1.2.1 Principles of accounting

The interim report as of April 30, 2011 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, 2011.

1.2.2 Principles of consolidation

As against the balance sheet date January 31, 2011, the number of companies included in the interim condensed consolidated financial statements of the BENE AG remained unchanged in the first quarter of the business year 2011/12. As of April 30, 2011, the number is 20; the same as on the balance sheet date (January 31, 2011).

Likewise, there were no 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, 2011.

1.2.4 Accounting and valuation principles

With the exception of the newly applicable standards in the business year 2011/12, the financial reporting and valuation principles, valid on the balance sheet date January 31, 2011 were applied for the compilation of the interim financial report.

The first time adoption of the IFRS 1 – Limited exemption for first-time adopters from comparative IFRS 7 disclosures, the IAS 24 – Related party disclosures (revised), the IAS 32 – Financial instruments: classification of rights issues, the IFRIC 14 – Prepayments of minimum funding requirements, the IFRIC 19 – Extinguishing financial liabilities with equity instruments as well as the improvements to IFRS 2010 did not have any significant effects on the financial and earnings situation of the Group. Therefore, they are not displayed in detail.

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. The emerging recovery of the individual markets at the end of the previous business year still continued in the first quarter of 2011/12. With the exception of the Austrian home market, sales of all segments partly significantly improved compared to the prior year reference period. An increase in sales of 18.5% compared to the first quarter of 2010/11 was recorded on Group level.

This positive development likewise reflects in the EBIT of the first quarter of 2011/12. With the exception of the Austria and Russia segment, compared to the previous year, the Bene Group improved the EBIT of all segments.

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For the business year 2011/12, the Management Board expects a bottoming out in the relevant markets, however with a still high volatility of the price levels. That is why the Management still remains carefully optimistic with regard to estimates for the overall year.

1.4 PROPERTY, PLANT AND EQUIPMENT

Additions to and disposal of assets

In the first quarter of 2011/12, the Bene Group acquired property, plant and equipment and intangible assets in the amount of TEUR 1,782 (April 30, 2010: TEUR 1,392). The most important additions to property, plant and equipment were related to the showroom in London as well as to investments in rationalisation and replacement at the production site in Waidhofen/Ybbs.

Additions to intangible assets (capitalisation of development services, modernisation of the IT-environment etc.) amounted to TEUR 1,153 (April 30, 2010: TEUR 605).

Until April 30, 2011, the Bene Group disposed of property, plant and equipment and intangible assets with a net book value of TEUR 178 (April 30, 2010: TEUR 1). The realised net profit from sale amounts to TEUR 20 (April 30, 2010: TEUR 12).

1.5 LONG-TERM AND CURRENT FINANCIAL ASSETS

As in the first quarter of the reference period, no long-term or current financial instruments available for sale were purchased or sold in the first quarter of 2011/12. Valuation gains in the first quarter of the business year 2011/12 in the amount of TEUR 300 were reported in other income (IAS 39 reserve) (first quarter of 2010/11: valuation gains of TEUR 142 were recognised in other income).

1.6 LONG-TERM AND CURRENT FINANCIAL LIABILITIES

Long-term financial liabilities

Just as on the reference date of the comparison period, at the end of the first quarter of 2011/12, long-term financial liabilities stayed the same as on the previous balance sheet date; the terms and conditions remained unchanged.

Current financial liabilities

On the contrary, in the first three months of the business year 2011/12 there were current financial liabilities from the use of approved credit lines in the amount of TEUR 6,000. The existing conditions and terms remained basically unchanged (first quarter of 2010/11: repayment of current financial liabilities in the amount of TEUR 109).

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1.7 PROVISIONS (LONG-TERM AND CURRENT)

Besides further utilisations, in the first quarter of 2011/12 other current provisions recognised as of the balance sheet date were partly used due to the shut-down of the site in St. Pölten as of March 31, 2011:

in TEUR	Other current provisions	Current tax provisions
as of Feb. 01, 2011	1,869	698
Addition	10	309
Utilisation	-391	-500
Foreign currency effects	2	-9
as of April 30 ,2011	1,491	498

The utilisation of current tax provisions is based on the earnings situation of individual subsidiaries in the previous business year.

As of April 30, 2011, provisions of the Bene Group are as follows:

in TEUR	April 30, 2011	Jan. 31, 2011
Other current provisions	1,491	1,869
Current tax provisions	498	698
Current provisions	1,990	2,567

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1.8 GOVERNMENT GRANTS AND SUBSIDIES

During the first three months of the business year 2011/12, a subsidy in the amount of TEUR 168 was granted. The national share of the subsidy from the European Regional Development Fund (ERDF), which was funded by the NÖ Wirtschafts- und Tourismusfonds is tied to a certain investment volume in product development.

Government grants and subsidies as of April 30, 2011 are as follows:

in TEUR	April 30, 2011	Jan. 31, 2011
as of Feb. 01	1,492	1,756
Granted during the business year	168	0
Released to income statement	-66	-264
as of April 30	1,594	1,492
thereof current	283	262
thereof long-term	1,310	1,229

They include:

in TEUR	April 30, 2011	Jan. 31, 2011
Subsidy NÖ WF Fonds 2003	191	207
Subsidy AMF acc. § 35A 2004	191	207
Subsidy ERDF NÖ 2007-2010	701	724
Subsidy AMFG Land NÖ 2007-2010	343	353
Subsidy Innovation Space & Structure	168	0
Total grants/subsidies	1,594	1,492
thereof current	283	262
thereof long-term	1,310	1,229

At the end of the first quarter of 2011/12 it is assumed that the required covenants will be met in the future. If these expectations should not be fulfilled, the non-compliance with the required covenants could lead to proportionate repayment of subsidies.

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1.9 DERIVATIVE FINANCIAL INSTRUMENTS

As of April 30, 2011, there are no forward exchange dealings to hedge future currency risks arising from existing projects (April 30, 2011: three forward exchange dealings in GBP).

As of April 30, 2010 the situation was as follows:

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

As of April 30, 2010, the fair value was recognised in the net income (position 'other expenses'). Derivative financial instruments are stated in the consolidated balance sheet in the position 'other liabilities'.

In both reporting periods, no derivative financial instruments were applied for speculative purposes. Within the Bene Group the requirements for hedge accounting 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	1	99	2	2
Persons in key functions	0	0	7	0
as of April 30, 2011	1	99	9	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
Associated persons	12	76	8	0
Persons in key functions	0	0	2	0
as of April 30, 2010	12	76	10	0

Sales to and purchases from related parties are executed at common market conditions.

As of April 30, 2011, purchases from related parties are mainly resulting from consultancy services provided by Manfred Bene.

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1.11 CONTINGENCIES AND OTHER OBLIGATIONS

1.11.1 Litigation

The provision existing on the balance sheet date January 31, 2011 from the title of contract termination of a former distribution partner for the region Serbia and Montenegro was still in place on April 30, 2011.

At the end of the first quarter of 2011/12, there are no further major pending legal proceedings (i.e. lawsuits resulting from ordinary business activity, legal disputes concerning product liability, legal actions due to delivery contracts or other contracts as well as patent issues).

1.12 SUBSEQUENT EVENTS

In the shareholders' meeting for the business year 2010/11 on June 09, 2011, Thomas Bene has resigned as Management Board member for marketing and portfolio affairs. As of August 01, 2011, Wolfgang Neubert will take over his responsibilities and will steer the BENE AG jointly with Frank Wiegman as double-headed Management Board.

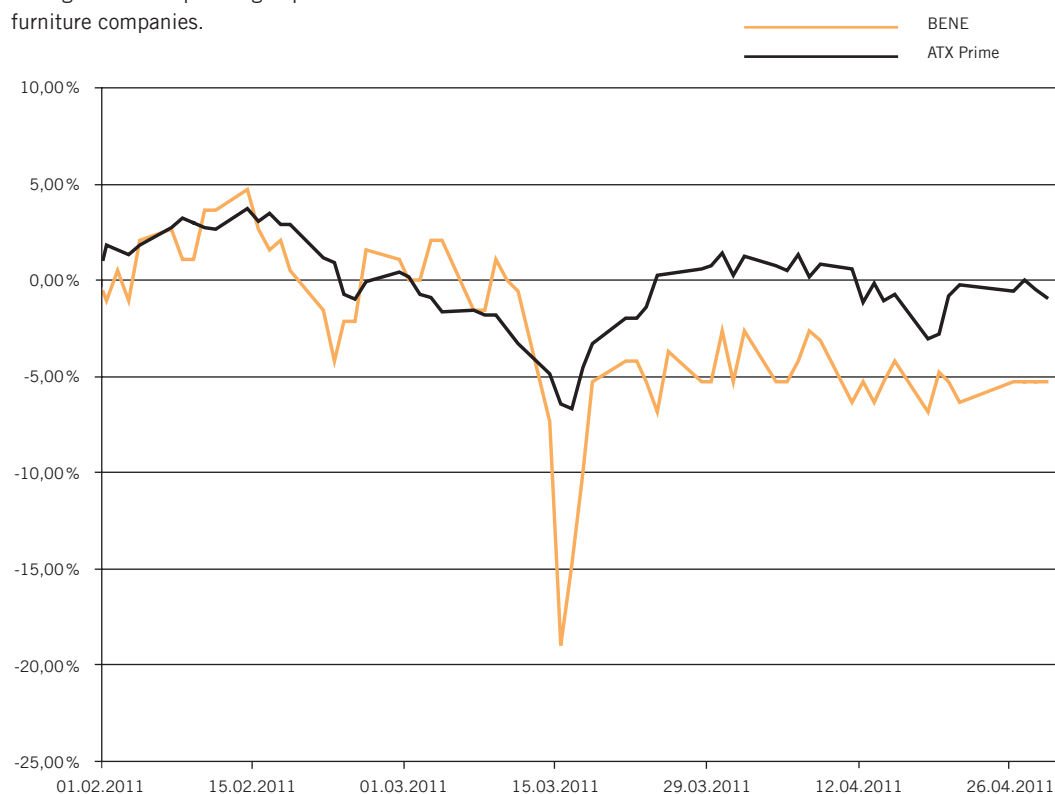
Furthermore, the resignation of Norbert Zimmerman from the Supervisory Board of the BENE AG was announced. Andrea Gaal was elected new member of the Supervisory Board.

Besides, there were no essential subsequent events between the reference date of the interim condensed consolidated financial statements of the BENE AG (April 30, 2011) and the publication, which would have led to a different presentation of the financial and earnings situation.

THE BENE SHARE

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The Bene share is listed on the Vienna Stock Exchange since November 03, 2006; since November 20, 2006 it is part of the ATX Prime Market and the Vienna Stock Exchange Index. Hence, the BENE AG is the only office furniture manufacturer listed on the Vienna Stock Exchange and in Europe Bene belongs to a hand-picked group of stock listed office furniture companies.



SHARE PERFORMANCE

The constant performance at the beginning of the first quarter of 2011/12 was interrupted by the reaction of the finance markets to the natural and nuclear disaster in Japan. However, the price of the Bene share could stabilise shortly after and recorded only a slight decrease of 5.3% (ATX Prime: -0.9%) during the reporting period.

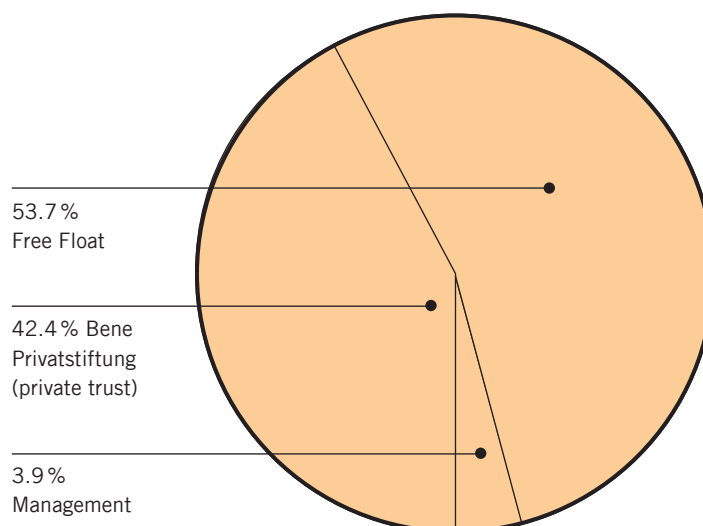
In the period under review, the highest closing price was EUR 1.99 (February 14, 2011); the lowest closing price was EUR 1.54 (March 15, 2011).

TRADING VOLUME

In the course of the first quarter of the business year 2011/12, the average daily trading volume amounted to 12,586 shares. The highest daily trading volume of 113,400 shares was realised on March 15, 2011, the lowest on April 20, 2011 (500 shares).

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SHAREHOLDER STRUCTURE



ISIN Code:	AT00000BENE6
Market issued:	Vienna Stock Exchange, Prime Market
Type of share:	Ordinary no-par value voting bearer shares
Total number of shares:	24,347,352
Authorised capital:	EUR 9.0 million
International dual listings:	none
Indices:	ATX Prime, WBI, VÖNIX
Ticker symbol:	BENE
Free float:	53.7 %

FINANCIAL CALENDAR 2011/12

Results first half-year of 2011/12	Sept. 21, 2011
Results third quarter of 2011/12	Dec. 14, 2011

CONTACT

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INVESTOR RELATIONS

The Bene Group is committed to meet the capital markets' requirements for transparency. In this spirit, Bene attaches great importance to an active and transparent communication to provide its stakeholders with a fair image of the Company. For this reason, the Bene undertakes to comply with the Austrian Corporate Governance Code in the current version of January 2010.

Declared objective of Investor Relations is to offer best service to the shareholders and to continuously expand the group of shareholders. For this purpose, the Management Board and the Investor Relations Department are regularly presenting the Bene Group in national and international road shows, investor conferences or individual discussions.

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

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_____ 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 herewith confirm that

a) the condensed interim financial statements for the first quarter of 2011/12 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 condensed status report for the first quarter of 2011/12 represents the business performance, the earnings and the Group's situation in a manner so as to give a true and fair view of the financial and earnings situation and so as to describe the essential risks and uncertainties in the remaining nine months of the business year, to which the Group is exposed and the major transactions with related parties being subject to disclosure.

Waidhofen/Ybbs, June 17, 2011



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



Thomas Bene
Member of the
Management Board
Marketing & Portfolio



Wolfgang Neubert
Member of the
Management Board
Sales

