

**HALF-YEAR
STATUS
REPORT
11/12**

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STATUS REPORT

KEY MESSAGES

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- Growth dynamics continued unabated
- Sales rose by 14.3%
- All key earnings figures significantly improved
- Gross profit margin further increased to 53.7%
- Active expansion in the growth markets Asia/Pacific

ECONOMIC ENVIRONMENT

With a growth of 3.0%, the global economy was again characterised by a high economic dynamic in the second quarter of 2011. Once again the strongest stimulus came from the emerging countries, which recorded growth rates of more than 6.0% in the second quarter of 2011. The fastest growing countries were China with an increase of 9.5%, India with 7.8% and Singapore with 7.0%. In Europe and in the USA, the development was much more modest. Whereas the US-economy recorded an increase of 1.3% compared to the previous quarter, the European economy stagnated in the same period with a slight plus of 0.3%. Despite the increasing uncertainties in the international markets, the International Monetary Fund predicts a growth rate of 3.3% of the global economy for the overall year 2011, where again mainly the emerging countries contribute to the increase.

In the second quarter of 2011, with an increase of 1.3%, the USA fell clearly behind forecasts. Partly, the economic weakness is resulting from temporary factors – such as the strong increase in consumer prices or the delivery shortfalls of Japanese suppliers for the automotive and electronic production. One of the remaining risks for the further economic development is the unchanged and ongoing uncertainty about the financial policy concerning government debt in the USA. The third quarter of 2011 will be decisive for the further recovery of the US-economy, since the negative shocks from the first half-year of 2011 will cease. Furthermore, it remains to be seen how far actually only temporary exceptional factors slowed down the US-economy or if serious structural problems prevent a strong recovery.

Despite the acceleration of the debt crisis in the euro zone, the euro barely weakened against the U.S. dollar in the second quarter of 2011. Overall, in the second quarter of 2011, the U.S. dollar against the euro

ranged between 1.41 and 1.48. For a future revaluation against the euro, according to estimates of analysts, the US Federal Reserve Bank would have to introduce and to consistently pursue a u-turn in the tightening of its monetary policy. The U.S. dollar was also weakened due to the long time unresolved conflict about the increase of the legal debt limit in the USA. On the other hand, this development helped the Swiss franc to an upward trend. For the lack of alternatives, in the second quarter of 2011, the Swiss franc as a safe haven ranged in a price band between 0.76 and 0.85 against the euro.

In the second quarter of 2011, the economy in the euro zone grew significantly slower than in the first three months of the year. Considering the prevailing problems of individual peripheral countries and the increasingly restrictive financial policy, the development in the euro zone with a GDP growth of 0.3% nonetheless, overall has to be considered as positive particularly since the strong increase in the first quarter of 2011 was influenced by special effects. Due to higher costs of raw materials, the last months were characterised by relatively high price increase rates in the euro zone, whereupon the European Central Bank, for the second time this year, has increased the key interest rate in July 2011.

Starting from a high level, in the second quarter of 2011, the Austrian economy grew again by 1.0% compared to the previous quarter. The main stimulus came on the one hand from foreign trade and on the other hand from building investments, where in the second quarter the decline slowed down after years. In the reporting period, private consumption was robust and in comparison with the prior quarter increased again by 0.2%, even though real income was negatively impacted by the high inflation. In total, a growth of 2.4% in the current year is assumed for Austria.

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After the rapid growth at the beginning of the year, the recovery in Germany in the second quarter of 2011 with an increase of only 0.1 % slowed down. However, year-on-year this still corresponds to a rise of 2.8%. Despite this slight slump and the accelerated sovereign debt crisis in Europe, according to analysts, Germany continues to be strong because of low interest rates and increased competitiveness. For the current year, despite temporary losses, the German government expects an overall growth of 3.6%.

Compared to the previous quarter, UK recorded an increase of 0.2% in the second quarter of 2011 and thus exceeded the value of 2010 by 0.7%. The slight decline is justified by several one-off effects. In the reporting period, the service sector grew by 0.5% compared to an increase of 0.9% in the prior quarter. For the current year, a growth of 1.7% is assumed.

Based on the lowest growth rate in export demand since five quarters, with an increase of only 3.4%, the economy in Russia once again had to record losses. In the second quarter of 2011 however, positive trends were again perceptible. Likewise, in Central and Eastern Europe, the economic development lost some pace in the second quarter of 2011. On the contrary, due to their export orientation, countries with close ties to Germany and particularly to German companies achieved significantly higher growth than comparable states.

In the second quarter of 2011, emerging countries such as China or India achieved almost double-digit growth rates, which however were accompanied by an increasing inflation rate. China could continue the stable growth and generated a GDP increase of 9.5% compared to the prior year. The Chinese economy is mainly driven by the rise in gross value added as well as the increase in income and the growing private consumption. By a well-targeted fiscal and monetary policy, the Chinese Government attempts to slow down the inflationary threat for the current year, in order to - according to the IMF - be able to stabilise the growth at about 9.5% for 2011. In Japan, positive economic figures raise hope for a rapid economic recovery. After the record drop in March 2011, already in the second quarter of 2011, the industrial production has bottomed out due to the resumption of the interrupted production chains at a seasonally adjusted plus of 1%. For the second half-year of 2011 it is expected to reach the pre-crisis level due to the great need for catching up.

Sources: WIFO, IWF, DPA, Eurostat, Commerzbank

BUSINESS PERFORMANCE IN THE FIRST HALF-YEAR OF 2011/12

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After the trend reversal in the second half-year of 2010/11, the Bene Group likewise further continued the positive momentum in the first half-year of 2011/12. In comparison with the first half-year of 2010/11, the Company achieved considerable increases in sales and earnings in almost all sales markets. In the first six months of the current business year, total sales rose by 14.3% or EUR 11.1 million to EUR 88.2 million in comparison with the first half-year of the prior year. The Bene Group also significantly improved the EBIT, which however with EUR -2.3 million was still negative (first half-year 2010/11: EUR -6.4 million) but was 63.4% and thus clearly higher than the reference value of the previous year.

SALES DEVELOPMENT

After the significant sales increase in the first quarter of 2011/12, the Bene Group has again continued this positive development in the second quarter of 2011/12. In comparison with the first half-year of the previous year, the segments UK, Germany as well as 'Other markets' showed considerable increases in sales. Only Austria and Russia sales remained below the previous year's reference values, whereas in Russia on the basis of the orders booked, a considerable increase in sales is expected for the second half-year of 2011/12. In the first six months of the current business year, total sales of the Bene Group reached EUR 88.2 million and thus were 14.3% higher than the reference value of the prior year (first half-year 2010/11: EUR 77.1 million).

In the **Austria** segment, Bene consistently pursued the strategy introduced at the beginning of the year to counteract the ongoing weak margin development on major projects in the home market. By this measure, in the medium term, Bene expects an expansion in sales of medium and small projects as well as a stronger market penetration and thus an improvement in margins. Against this background, sales dropped by 16.2% or EUR 4.4 million to EUR 22.7 million in the first six months of the business year 2011/12 (first half-year 2010/11: EUR 27.1 million). As undisputed market leader in the home market, Bene successfully concluded numerous projects in a highly competitive environment – among others for Skandia Austria Holding AG or the Erste Bank Immobilien Vermietungsgesellschaft.m.b.H.

In the **Germany** segment, the positive trend reversal of the sales development has again been confirmed in the second quarter of 2011/12. In the first six months of the current reporting period, sales rose by 19.6% to EUR 24.3 million (first half-year 2010/11: EUR 20.3 million). This significant increase in sales was mainly

resulting from successfully realised projects in the regions 'central and southern Germany' – among others for STEWA Touristik.

In the **UK** segment, in a generally positive macro-economic environment with a clear recovery in demand from the financial centre London, the Bene Group could successfully realise several major projects – among others for Google. Compared with the first half-year of the previous year, Bene UK sales grew by EUR 2.9 million or 32.2% to EUR 11.7 million (first half-year 2010/11: EUR 8.8 million).

The remarkable recovery of the economic environment in the **Russia** segment continued in the second quarter of 2011/12. After sales of EUR 3.2 million in the first quarter, sales of EUR 3.7 million were generated in the second quarter. Accumulated sales of the first six months of the current business year reached EUR 6.9 million (first half-year 2010/11: EUR 7.8 million) and thus were 11.6% lower than the previous year's reference value, which however due to one single large-scale project in the second quarter of 2010/11 reported an extraordinary high value.

In the '**Other markets**' segment, in the first half-year of 2011/12, Bene has carried on with the successful performance of the last quarters and has realised numerous projects among others for Sony (Paris, France), Shire Pharmaceuticals (Madrid, Spain) or Edelweiss Air (Zürich, Switzerland). Total sales of this segment significantly increased by 72.4% or EUR 9.5 million to EUR 22.7 million (first half-year 2010/11: EUR 13.2 million). Thus, sales in Hungary, Slovenia, Slovakia, France or Switzerland were clearly exceeding the reference value of the prior year. Bene has benefited from the noticeable market recovery in Middle East and increased sales in this region by 129% to EUR 2.9 million. Likewise, the rather small market Luxemburg considerably contributed to the increase in the 'Other markets' sales through the acquisition and the implementation of a major project.

EARNINGS DEVELOPMENT

The considerable rise in sales, the well-targeted control of the product portfolio in the different sales markets and the focus on high-margin projects reflected in the positive development of earnings in the first half-year of 2011/12. Although the EBT of EUR -3.9 million was still negative after the first six months of the current reporting period, but with an improvement of 51.0% clearly exceeded the reference value of the past year (first half-year 2010/11: EUR -8.0 million).

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After the first half-year, the gross profit margin (revenue +/- inventory changes - expenses for materials and supplies in relation to revenue) reached 53.7% and thus despite the achieved expansion in sales was clearly higher than the reference value of the prior year (first half-year 2010/11: 52.8%) but also higher than the value of the first quarter of 2011/12 (Q1 2011/12: 52.8%). Expenses for materials and supplies increased by EUR 6.4 million to EUR 43.7 million in the first six months (first half-year 2010/11: EUR 37.3 million) and thus represented 49.6% of revenue (first half-year 2010/11: 48.3%). The growth however was compensated by increased inventory changes in the amount of EUR 2.9 million, since until the balance sheet date of the interim financial statements several major projects could not be invoiced to the customers (first half-year 2010/11: EUR 0.9 million).

On the reference date July 31, 2011, the Bene Group had 1,261 employees (July 31, 2010: 1,265 employees). On the basis of the short-time model still effective in the first half-year of the past year as well as expenses in the second quarter of 2011/12 related to the withdrawal of a Management Board member in the amount of EUR 1.1 million, personnel expenditure increased by 8.6% to EUR 33.1 million in the first six months of the current reporting period (first half-year 2010/11: EUR 30.5 million).

Despite higher sales, other expenses grew only by 1.9% to EUR 15.2 million in the first six months of the current reporting period (first half-year 2010/11: EUR 15.0 million).

In the first half-year of the current business year, the EBITDA amounted to EUR 1.8 million and thus was significantly – EUR 3.9 million higher – than the previous year's reference value (first half-year 2010/11: EUR -2.1 million). At the end of the first half-year of 2011/12, depreciation and amortisation of intangible assets and property, plant and equipment amounted to EUR 4.2 million (first half-year 2010/11: EUR 4.3 million). After the first six months of the current business year, likewise the EBIT of EUR -2.3 million considerably improved (first half-year 2010/11: EUR -6.4 million).

In the **Austria** segment, the focus on higher margins on the medium and small project business showed first effects on EBIT. Despite the decline in sales, the EBIT slightly improved to EUR -1.6 million in the first half-year of 2011/12 (first half-year 2010/11: EUR -1.8 million).

In the **Germany** segment, the rise in sales as well as the already implemented measures to increase efficiency and effectiveness led to a substantial improvement in EBIT, which at the end of the first half-year of 2011/12 amounted to EUR -1.6 million (first half-year 2010/11: EUR -3.0 million).

On the basis of the significant increase in sales and the good margins on the realised projects, after the first six months of the current reporting period, the **UK** segment recorded a positive EBIT in the amount of EUR 1.5 million, which thus was EUR 1.2 million higher than the reference value of the previous year (first half-year 2010/11: EUR 0.3 million).

In the **Russia** segment, the sales growth and the recovery of the project business showed first effects on EBIT, which after EUR -0.6 million in the first quarter of 2011/12 improved to EUR -0.1 million in the second quarter. After the first six months of the current reporting period, accumulated EBIT amounted to EUR -0.7 million (first half-year 2010/11: EUR -0.1 million).

Due to the high-selling first half-year, the EBIT of the **Other markets'** segment strongly increased and with a balanced value of EUR 0.0 million exceeded the previous year's value by EUR 1.8 million (first half-year 2010/11: EUR -1.8 million). This was mainly attributable to the increase in sales in combination with high-margin projects in the markets Middle East, France, Switzerland and Luxembourg.

The interest charges, mainly from the corporate bond issued in April 2009, reflected in a negative financial result of EUR -1.6 million after the first six months of the business year 2011/12 (first half-year 2010/11: EUR -1.6 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 half-year of 2011/12. However, in total, after the first six months of the current reporting period, the EBT of EUR -3.9 million was still negative, but compared to the prior year, increased by 51.0% or EUR 4.1 million (first half-year 2010/11: EUR -8.0 million).

ASSETS AND CAPITAL STRUCTURE

In comparison with the balance sheet date, as of July 31, 2011 the balance sheet total decreased by EUR 13.7 million to EUR 135.5 million (January 31, 2011: EUR 149.2 million). At the same time, the equity ratio came to 25.1% (January 31, 2011: 25.9%).

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Compared to the balance sheet date (January 31, 2011: EUR 66.4 million), as of July 31, 2011, non-current assets declined by EUR 1.5 million to EUR 64.9 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. Compared to the balance sheet date, long-term financial liabilities decreased by EUR 1.1 million to EUR 47.2 million due to repayments.

As of July 31, 2011, the working capital (= inventories + trade receivables - trade liabilities - prepayments received) increased by EUR 19.2 million to EUR 30.2 million compared to the balance sheet date (January 31, 2011: EUR 11.0 million). Beside the increase in trade receivables in the amount of EUR 8.8 million and the reduction in trade payables taking account of prepayments received amounting to EUR 7.4 million, the rise in working capital was also resulting from an increase in inventory of EUR 3.0 million.

INVESTMENTS

Additions to property, plant, and equipment and to intangible assets reached EUR 3.1 million in the first six months of the current business year (first half-year 2010/11: EUR 3.0 million) and thus remained at the previous year's level. Investments in replacements at the site in Waidhofen/Ybbs as well as the expansion and the modernisation of the showrooms in London, Moscow, and Villingen-Schwenningen represented the largest items.

CASH FLOW & FINANCES

After the first six months of the current reporting period, the operating cash flow of the Bene Group amounted to EUR -24.0 million (first half-year 2010/11: EUR -11.3 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 -3.3 million in the first half-year of the current business year (first half-year 2010/11: EUR -7.4 million). The use of short-term cash advances as well as interest payments for the corporate bond and investment loans led to an in total positive cash flow from financing activities in the amount of EUR 3.1 million in the first half-year of 2011/12 (first half-year 2010/11: EUR -0.2 million).

In the first six months of the current business year, total changes in cash amounted to EUR -24.2 million (first half-year 2010/11: EUR -18.9 million).

As of July 31, 2011, net debt of the Bene Group reached EUR 37.5 million (January 31, 2011: EUR 7.4 million); net gearing was 110.5% (January 31, 2011: 19.2%).

EMPLOYEES

On the reporting date July 31, 2011, the Bene Group occupied 1,261 employees in total and thus 4 persons or 0.3% less than on July 31, 2010. Compared to the reference period of 2010/11, the number of the different segment's employees at the end of the first half-year of 2011/12 changed as follows: Austria -3.1%, UK 16.7%, Germany -0.6%, Russia 12.1% and 'Other markets' 8.0%.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

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

Due to many years of international experience in the core business as well as 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.

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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 considerable positive trend reversal of quarterly sales and could continue this development in the first half-year of 2011/12.

On the basis of the further increased order intake, the Management of the Bene Group assumes a substantial growth in sales in the second half-year of 2011/12 as well as a significant improvement in earnings for the overall year 2011/12. Against this background and provided that the positive development continues over the coming months, the Bene Group expects to record a positive EBIT for the business year 2011/12.

The Bene Group started 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 production 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 market introduction of more new and profitable product groups in the past business 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 Q1-Q2 2011/12

in TEUR and %	Q1-Q2 2011/12	Q1-Q2 2010/11	Changes in %	Changes absolut	Q2 2011/12	Q2 2010/11	Changes in %	Changes absolut
Revenue	88,178	77,123	14.3%	11,055	43,926	39,790	10.4%	4,136
EBITDA	1,828	-2,096	187.2%	3,924	969	-1,205	180.4%	2,175
EBITDA-margin	2.1%	-2.7%	-	-	2.2%	-3.0%	-	-
EBIT	-2,341	-6,396	63.4%	4,055	-1,088	-3,313	67.2%	2,225
EBIT-margin	-2.7%	-8.3%	-	-	-2.5%	-8.3%	-	-
Employees (as of the reporting date)	1,261	1,265	-0.3%	-4	1,261	1,265	-0.3%	-4
CAPEX	-3,633	-2,827	-28.5%	-806	-1,537	-2,184	29.6%	647
Cash flow from operating activities	-24,030	-11,332	-112.1%	-12,698	-5,385	-5,035	-7.0%	-350

* Payments tangible fixed and intangible assets

INTERIM FINANCIAL REPORT OF THE BENE AG*

CONSOLIDATED BALANCE SHEET

AS OF JULY 31, 2011 (UNAUDITED) AND JANUARY 31, 2011 (AUDITED)

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in TEUR	2011/12	2010/11
Assets	as of July 31, 2011	as of Jan. 31, 2011
Intangible assets	14,790	13,821
Property, plant and equipment	43,351	45,639
Non-current financial assets	367	401
Deferred tax assets	6,407	6,495
Non-current assets	64,914	66,355
Inventories	19,302	16,307
Trade receivables	26,744	17,896
Other receivables and assets	5,007	5,110
Current financial assets	9,141	8,898
Cash and cash equivalents	10,365	34,616
Current assets	70,559	82,826
TOTAL ASSETS	135,473	149,181
Equity and liabilities		
Capital stock	24,347	24,347
Capital reserves	26,935	26,935
IAS 39 reserve	825	642
Currency translation reserves	-2,511	-2,487
Accumulated profit/loss	-15,660	-11,054
Stockholders equity	33,937	38,384
Non-controlling interests	0	183
Equity	33,937	38,565
Liabilities to employees	11,733	11,470
Long-term financial liabilities	47,239	48,304
Long-term government grants and subsidies	1,381	1,229
Deferred tax liabilities	312	258
Non-current liabilities	60,666	61,261
Trade payables (incl. prepayments received)	15,791	23,212
Current financial liabilities	9,754	2,627
Current provisions	939	1,869
Current tax provisions	610	698
Other liabilities	13,470	20,686
Current government grants and subsidies	304	262
Current liabilities	40,869	49,354
TOTAL EQUITY AND LIABILITIES	135,473	149,181

* As of July 31, 2011 (Comparison period Feb. 01, 2010 – July 31, 2010)

CONSOLIDATED INCOME STATEMENT

FOR THE FIRST HALF-YEAR OF 2011/12 (UNAUDITED) AND THE FIRST HALF-YEAR OF 2010/11 (UNAUDITED)

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in TEUR	Q1-Q2 2011/12	Q1-Q2 2010/11	Changes in %	Q2 2011/12	Q2 2010/11	Changes in %
Revenue	88,178	77,123	14.3%	43,926	39,790	10.4%
Inventory changes finished/semi-finished goods	2,914	906	221.6%	2,791	1,919	45.5%
Other capitalised services	1,267	912	38.9%	675	385	75.5%
Other income	1,578	1,691	-6.7%	982	861	14.1%
Materials and supplies	-43,741	-37,279	17.3%	-22,741	-20,638	10.2%
Personnel expenses	-33,121	-30,487	8.6%	-17,006	-15,443	10.1%
Other expenses	-15,247	-14,961	1.9%	-7,658	-8,078	-5.2%
Earnings before interest, depreciation and amortisation, taxes and income from securities (EBITDA)	1,828	-2,096	187.2%	969	-1,205	180.4%
Depreciation and amortisation	-4,169	-4,300	-3.0%	-2,057	-2,107	-2.4%
Earnings before interest, taxes and income from securities (EBIT)	-2,341	-6,396	63.4%	-1,088	-3,313	67.2%
Interest expense	-1,639	-1,681	-2.5%	-896	-864	3.7%
Income from interest	11	54	-80.1%	6	32	-81.5%
Other financial expenses	-9	0	-	0	0	-
Other financial income	55	19	192.8%	19	19	0.0%
Financial result	-1,582	-1,608	1.6%	-872	-814	-7.1%
Earnings before taxes (EBT)	-3,923	-8,004	51.0%	-1,959	-4,126	52.5%
Taxes on income	-511	-179	186.0%	-200	-136	46.8%
Net income	-4,434	-8,183	45.8%	-2,159	-4,262	49.3%
Thereof:						
Shareholders of parent company	-4,499	-8,202	45.1%	-2,176	-4,277	49.1%
Non-controlling interests	65	19	236.4%	17	15	13.6%
	-4,434	-8,183	45.8%	-2,159	-4,262	49.3%
Earnings per share (diluted = basic) in TEUR:	-0.18	-0.34	45.1%	-0.09	-0.18	49.1%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST HALF-YEAR OF 2011/12 (UNAUDITED) AND THE FIRST HALF-YEAR OF 2010/11 (UNAUDITED)

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in TEUR	Q1-Q2 2011/12	Q1-Q2 2010/11	Q2 2011/12	Q2 2010/11
Net income	-4,434	-8,183	-2,159	-4,262
Other comprehensive income				
Valuation profit/-loss of available for sale financial instruments	243	-156	-57	-298
Taxes on income	-61	39	14	75
	182	-117	-43	-224
Adjustment from foreign currency translation	-28	258	93	148
Other comprehensive income after taxes	154	140	50	-76
Total comprehensive income for the period	-4,279	-8,043	-2,109	-4,338
thereof shareholders of parent company	-4,341	-8,062	-2,125	-4,356
thereof non-controlling interests	61	19	17	17
	-4,279	-8,043	-2,109	-4,338

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST HALF-YEAR OF 2011/12 (UNAUDITED) AND THE FIRST HALF-YEAR 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					-8,202	-8,202	19	-8,183
Other comprehensive income			-117	258	0	140	0	140
Total comprehensive income			-117	258	-8,202	-8,062	19	-8,043
Acquisition of non-controlling interests					-120	-120	-103	-223
as of July 31, 2010	24,347	26,935	585	-2,359	-6,663	42,845	139	42,983
as of Feb. 01, 2011	24,347	26,935	642	-2,487	-11,054	38,384	183	38,565
Net income					-4,499	-4,499	65	-4,434
Other comprehensive income			182	-24	0	158	-4	154
Total comprehensive income			182	-24	-4,499	-4,341	61	-4,279
Acquisition of non-controlling interests					-106	-106	-244	-351
as of July 31, 2011	24,347	26,935	825	-2,511	-15,660	33,937	0	33,937

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIRST HALF-YEAR OF 2011/12 (UNAUDITED) AND THE FIRST HALF-YEAR OF 2010/11 (UNAUDITED)

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in TEUR	Q1-Q2 2011/12	Q1-Q2 2010/11
Earnings before taxes (EBT)	-3,923	-8,004
Depreciation and amortisation	4,169	4,300
Net interest income and income from securities	1,582	1,608
Profit/loss from disposal of property, plant & equipment and intangible assets	-25	-16
Other non-cash expenses/income	-93	-680
Changes in inventory	-2,995	-2,493
Changes in receivables and other assets	-8,745	-495
Changes in trade payables	-7,420	-6,262
Changes in other liabilities	-5,395	739
Changes in long-term provisions (incl. employees)	263	128
Changes in current provisions	-930	-16
Cash flow from continuing operations	-23,512	-11,192
Taxes paid on income	-518	-140
Cash flow from operating activities	-24,030	-11,332
Proceeds from disposal of property, plant & equipment and intangible assets	288	6
Expenditures for property, plant & equipment and intangible assets	-3,633	-2,827
Expenditures for financial assets	34	-4,617
Interests received	11	54
Income from securities	46	19
Cash flow from investing activities	-3,255	-7,366
Raising of interest-bearing financial liabilities	7,000	3,000
Repayments of interest-bearing financial liabilities	-938	-109
Expenditures for the acquisition of non-controlling interests	-351	-223
Raising of government grants and subsidies	335	0
Interests paid	-2,970	-2,894
Cash flow from financing activities	3,077	-227
Changes in cash and cash equivalents	-24,208	-18,924
Cash and cash equivalents at beginning of period	34,616	43,773
Adjustment from foreign currency translation	-43	667
Cash and cash equivalents at end of period	10,365	25,514

SEGMENT REPORTING

FOR THE FIRST HALF-YEAR OF 2011/12 (UNAUDITED) AND THE FIRST HALF-YEAR OF 2010/11 (UNAUDITED)

BENE

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FIRST HALF-YEAR OF 2011/12

in TEUR	Austria	Germany	UK	Russia	Other markets	Adjustment for inter-group transactions	Total Group
Revenue	45,804	24,264	11,663	6,858	22,717	-23,128	88,178
from third parties	22,676	24,264	11,663	6,858	22,717	0	88,178
from other segments	23,128	0	0	0	0	-23,128	0
EBIT per segment	-1,588	-1,573	1,534	-730	17	0	-2,341

FIRST HALF-YEAR OF 2010/11

in TEUR	Austria	Germany	UK	Russia	Other markets	Adjustment for inter-group transactions	Total Group
Revenue	47,998	20,294	8,820	7,762	13,176	-20,927	77,123
from third parties	27,071	20,294	8,820	7,762	13,176	0	77,123
from other segments	20,927	0	0	0	0	-20,927	0
EBIT per segment	-1,828	-3,007	339	-142	-1,759	0	-6,396

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 half-year of 2011/12 (as of July 31, 2011) has been compiled under the responsibility of the Management Board with the date of signing and was released for publication on September 16, 2011.

1.2 PRINCIPLES OF ACCOUNTING, FINANCIAL REPORTING AND VALUATION METHODS

1.2.1 Principles of accounting

The interim report as of July 31, 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 six months of the business year 2011/12. As of July 31, 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 half-year of 2011/12. With the exception of the Austrian home market and Russia, sales of all segments partly significantly improved compared to the prior year reference period. An increase in sales of 14.3% compared to the first six months of 2010/11 was recorded on Group level.

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

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.

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1.4 ACQUISITIONS AND CHANGE OF NON-CONTROLLING INTERESTS

1.4.1 Business year 2011/12

In the business year 2011/12 (as of the reference date June 30, 2011), the company has acquired the last tranche of non-controlling interests of the BENE PLC, London (5.8%). Thus, on the reporting date for the half-year financial statements, the participating interest amounts to 100.0% (January 31, 2011: 94.2%). As in the past business year, the residual value resulting from the comparison of the cash paid purchase price (TEUR 351) with the book value of the additional acquired shares (TEUR 244) was not recognised as increase in goodwill, but according to the amendments of the revised IFRS 3 and IAS 27 was stated in equity.

1.4.2 Business year 2010/11

As of the reference date June 30, 2010, the company had acquired 4.7% of non-controlling interests of the BENE PLC, London (exercise of the third call option). Thus, the BENE AG's shareholding increased from 89.5% (January 31, 2010) to 94.2% (July 31, 2010). Comparing the cash paid purchase price (TEUR 223) with the book value of the additional acquired shares (TEUR 103), the residual value amounted 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 in equity.

1.5 GOODWILL

Just as the exercise of the third call option in the business year 2010/11, the exercise of the fourth and last call-option on the BENE PLC, London as of June 30, 2011 did not result in any change of the recognised goodwill (see 1.4 – Acquisitions and change of non-controlling interests).

The change in the goodwill stated in the first half-year of 2011/12 is on the one hand resulting from the adjustment of variable purchase price components in the Bene GmbH, Hamburg (first half-year 2010/11:

no change in variable purchase price components). Likewise, on the other hand, currency losses from the conversion of goodwill of the BENE PLC, London from previous business years in the amount of TEUR 31 were taken into account (first half-year 2010/11: currency gains in the amount of TEUR 65).

As of July 31, 2011, the book value of goodwill recognised in the Bene Group amounts to TEUR 4,344 and is divided as follows (January 31, 2011: TEUR 4,415):

in TEUR	BENE PLC, London		Bene GmbH, Villingen-Schwenningen		Bene GmbH, Hamburg		Bene Belgium, BVBA	
	July 31, 2011	Jan. 31, 2011	July 31, 2011	Jan. 31, 2011	July 31, 2011	Jan. 31, 2011	July 31, 2011	Jan. 31, 2011
Book value of goodwill	3,149	3,180	571	571	568	608	55	55

The development of goodwill during the first six months of the business year 2011/12 is as follows:

in TEUR

as of Jan. 31, 2011	4,415
Foreign currency effects (BENE PLC, London)	-31
Adjustment of variable purchase price components (Bene GmbH, Hamburg)	-39
as of July 31, 2011	4,344

1.6 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In the first half-year of 2011/12, the Bene Group acquired property, plant and equipment and intangible assets in the amount of TEUR 3,066 (July 31, 2010: TEUR 2,957). The most important additions to property, plant and equipment were related to the showrooms in London, Moscow and Villingen-Schwenningen 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 1,995 (July 31, 2010: TEUR 1,019).

Until July 31, 2011, the Bene Group disposed of property, plant and equipment and intangible assets with a net book value of TEUR 263 (July 31, 2010: TEUR 10). The realised net profit from sale amounts to TEUR 25 (July 31, 2010: TEUR 16).

1.7 LONG-TERM AND CURRENT FINANCIAL ASSETS

In the first six months of the business year 2011/12, no long-term or current financial instruments available for sale were purchased or sold (first half-year 2010/11: acquisition of government bonds, government guaranteed corporate bonds and corporate bonds in the amount of TEUR 4,589).

Valuation gains of the first half-year of the 2011/12 in the amount of TEUR 182 were reported in other income (IAS 39 reserve) (first half-year 2010/11: valuation losses of TEUR 117 were recognised in other income (IAS 39 reserve)).

1.8 LONG-TERM AND CURRENT FINANCIAL LIABILITIES

Long-term financial liabilities

In comparison with the balance sheet date January 31, 2011, long-term financial liabilities decreased in the first half-year of 2011/12. This change is resulting from the regular repayment in the amount of TEUR 938 and the scheduled increase of TEUR 127 of a financial liability due in short term. The existing terms and other conditions however remained unchanged (first half-year 2010/11: regular repayments in the amount of TEUR 109 as well as the presentation of the first contractually agreed repayment of the ERP-investment loan as current financial liability).

Current financial liabilities

In the first six months of the present business year 2011/12, the current financial liabilities increased by TEUR 7,127 – at unchanged terms and conditions. This is mainly resulting from the use of approved credit lines in the amount of TEUR 7,000. Additionally, TEUR 127 are arising from the increase of the short-term portion of a financial liability (first half-year 2010/11: use of cash advances in the amount of TEUR 3,000 as well as the first-time presentation of the contractually agreed repayment of the ERP-investment loan as current financial liability).

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1.9 PROVISIONS (LONG-TERM AND CURRENT)

Besides further utilisations, in the first half-year 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 and the representation in Belgrade:

in TEUR	Other current provisions	Current tax provisions
as of Feb. 01, 2011	1,869	698
Additions	21	450
Utilisations	-384	-536
Reversals	-567	0
Foreign currency effects	0	-1
as of July 31, 2011	939	610

The provisions for guarantees and warranties recognised as of January 31, 2011 were partly reversed in the first six months of the business year 2011/12, since the obligation does no longer exist.

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

As of July 31, 2011, provisions of the Bene Group are as follows:

in TEUR	July 31, 2011	Jan. 31, 2011
Other current provisions	939	1,869
Current tax provisions	610	698
Current provisions	1,549	2,567

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1.10 GOVERNMENT GRANTS AND SUBSIDIES

During the first half-year of 2011/12, a subsidy in the amount of TEUR 335 was granted. The subsidy from the European Regional Development Fund (ERDF), which was funded by the NÖ Wirtschafts- und Tourismusfond is tied to a certain investment volume in product development.

Government grants and subsidies as of July 31, 2011 are as follows:

in TEUR	July 31, 2011	Jan. 31, 2011
as of Feb. 01	1,492	1,756
Granted during the business year	335	0
Released to income statement	-142	-264
as of July 31	1,685	1,492
thereof current	304	262
thereof long-term	1,381	1,229

They include:

in TEUR	July 31, 2011	Jan. 31, 2011
Subsidy NÖ WF Fonds 2003	175	207
Subsidy AMF acc. § 35A 2004	175	207
Subsidy ERDF NÖ 2007-2010	679	724
Subsidy AMFG Land NÖ 2007-2010	332	353
Subsidy Innovation Space & Structure	325	0
Total grants/subsidies	1,685	1,492
thereof current	304	262
thereof long-term	1,381	1,229

At the end of the first six months 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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1.11 DERIVATIVE FINANCIAL INSTRUMENTS

As of July 31, 2011, there are no forward exchange dealings to hedge future currency risks arising from existing projects (July 31, 2010: two forward exchange dealings in GBP).

As of July 31, 2010 the situation was as follows:

in EUR	Market value as of July 31, 2010	Fair Value as of July 31, 2010	Term until
GBP 1,500,000 foreign exchange sales	1,648,171	-147,817	Oct. 29, 2010
GBP 1,500,000 foreign exchange sales	1,646,542	-148,959	Jan. 28, 2011
Total	3,294,713	-296,776	

As of July 31, 2010, the fair value was recognised in the net income (position 'other expenses'). Derivative financial instruments were 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.

1.12 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	7	205	4	3
Persons in key functions	0	0	1	0
as of July 31, 2011	7	205	5	3

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	159	4	1
Persons in key functions	0	0	4	0
as of July 31, 2010	12	159	8	1

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

As of July 31, 2011, purchases from related parties are mainly resulting from consultancy services provided by Manfred Bene.

1.13 CONTINGENCIES AND OTHER OBLIGATIONS

1.13.1 Litigation

Due to a reassessment of the situation in the first six months of 2011/12, the provision existing on the balance sheet date January 31, 2011 from the title of the contract termination of a former distribution partner for the region Serbia and Montenegro could be released in the result for the period under review.

At the end of the first half-year 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).

1.14 SUBSEQUENT EVENTS

There were no essential subsequent events between the balance sheet date of the condensed interim financial statements of the BENE AG (July 31, 2011) and their publication, which would have led to a different presentation of the financial and earnings situation.

1.15 EXECUTIVE BODIES

As of July 31, 2011, the executive bodies of the company are as follows:

Management board

- Frank Wiegmann
Operations & Finance
- Thomas Bene (until July 31, 2011)
Marketing & Portfolio
- Wolfgang Neubert
Sales & Marketing

Supervisory board

- Manfred Bene (Chairman)
- Andrea Gaal (since June 09, 2011)
- Karl Sevelda
- Reinhold Süßenbacher
- Richard Wolf
- Norbert Zimmermann (until June 09, 2011)
- Reinhard Gleiß (appointed by the works council)
- Augustin Hager (appointed by the works council)
- Martin Hönickl (appointed by the works council)

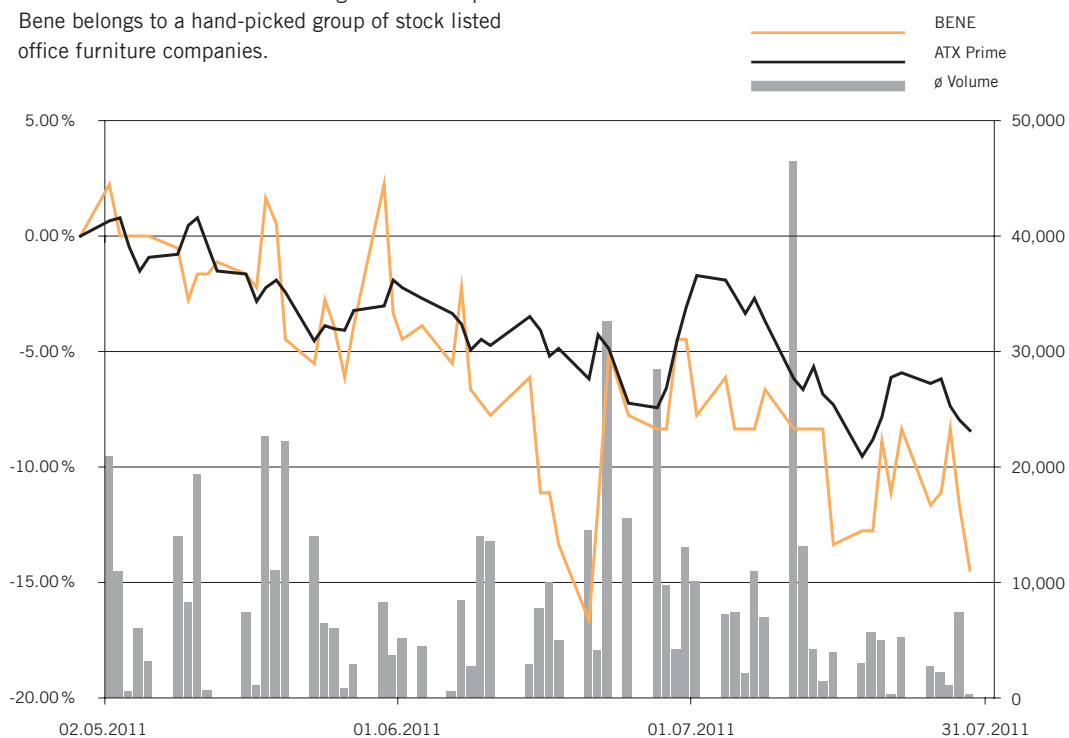
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THE BENE SHARE

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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

In the period under review, the still volatile financial markets and the debt crisis in the euro zone reflected on the performance of the ATX Prime Index as well as on the development of the Bene share. During this period, the Bene share had to record a total decline of 14.4% (ATX Prime: -8.4%).

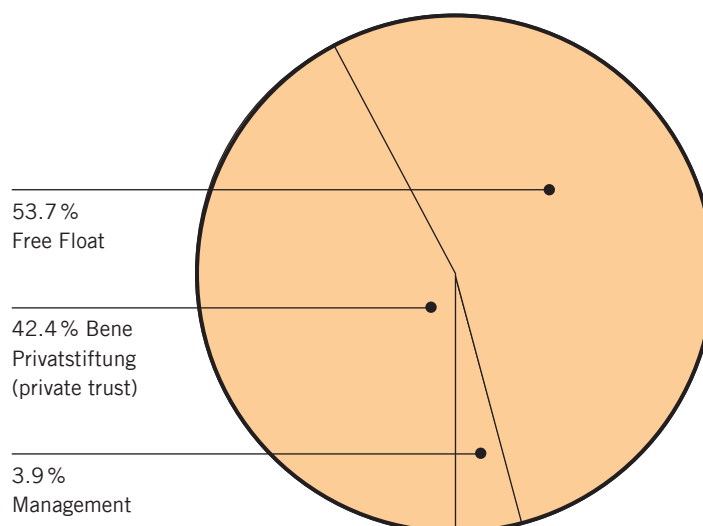
In the period under review, the highest closing price was EUR 1.84 (May 30, 2011); the lowest closing price was EUR 1.50 (June 20, 2011).

TRADING VOLUME

In the course of the second quarter of the business year 2011/12, the average daily trading volume amounted to 8,511 shares. The highest daily trading volume of 46,400 shares was realised on July 11, 2011, the lowest on July 29, 2011 (200 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 Mio.
International dual listings:	none
Indices:	ATX Prime, WBI, VÖNIX
Ticker symbol:	BENE
Free float:	53.7 %

FINANCIAL CALENDAR 2011/12

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, 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 half-year 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 half-year 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 six months of the business year, to which the Group is exposed and the major transactions with related parties being subject to disclosure.

Waidhofen/Ybbs, September 16, 2011



Frank Wiegmann
Member of the Management Board
Operations & Finance



Wolfgang Neubert
Member of the Management Board
Sales & Marketing

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