

**THIRD
QUARTER
REPORT
11/12**

bene

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Q3 2011/12

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STATUS REPORT

KEY MESSAGES

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- Break Even achieved in third quarter
- Sales rose by 10.1 %
- Clear increase in sales and significant improvement in earnings expected for the full year 2011/12

ECONOMIC ENVIRONMENT

In the third quarter of 2011, the growth of the **global economy** continued to slow down. The International Monetary Fund sees the main reasons for this on the one hand in the weak growth in the industrial countries due to declining investments and a low consumer spending, on the other hand in the uncertainty on the financial markets, which as a result of the unsolved debt crisis once again is gaining ground. Additionally, the changes in numerous oil-exporting countries in the Middle East involve further risks. Against this background, the IMF expects a global growth of 4.0% for 2011.

Against the global trend, in the third quarter, the economy in the **USA** grew almost twice as fast compared to the previous quarter. The gross domestic product increased by 2.5% in comparison with the prior year's reference period. This was mainly due to the increasing private consumption and the rising investments of the public sector during the reporting period. Although the USA shall be spared by a recession for the time being, economists however emphasise the risks of the ongoing debt situation of the USA. Another pillar of growth was the increase in foreign trade by 0.2% in the third quarter of 2011.

In the first three quarters, the **financial markets** were marked by increasing uncertainty and thus by high volatility. In the third quarter of 2011, the recurring turbulences on many stock markets led to strong market corrections. Fears of recession resulted in declining raw material prices. After a strong increase in the first quarter of 2011, the oil price fell again, but at the end of the third quarter of 2011, with USD 93.19 per barrel (Brent) still remained at a high level. Particularly in the third quarter of 2011, the Euro lost against the US-dollar and the Chinese Yen and at the end of the quarter stood at USD 1.41 resp. CNY 8.95.

In the third quarter of 2011, the economic performance in the **euro zone** slightly increased by 0.2%. Compared with the previous year, the seasonally adjusted GDP in the euro zone grew by 1.4% after 1.6% in the prior quarter. This was once again mainly driven by Germany (+0.5%) and France (+0.4%), whereas towards the end of the year, the economic outlooks are becoming cloudy. The moderate growth in the euro zone is on the one hand resulting from the expansion of the debt crisis and on the other hand from the infection of other crisis countries and of the banking sector. The consequences were reduced corporate and government investments in the third quarter of 2011 and a decline in private consumption in the euro zone.

Compared with the previous year's period, the economic performance in **Austria** grew by 2.6% in the third quarter of 2011 and thus only by 0.3% in comparison with the preceding period. The weakening of the international environment particularly affected the export oriented material goods industry. As a result, the foreign trade and the manufacture of goods barely contributed to the growth. After high growth in the year 2011 (+ 2.9%), an increase of only 0.8% in 2012 is forecasted for the domestic economy.

Despite the debt crisis in Europe, in the third quarter of 2011, the economy in **Germany** picked up again. In the reporting period, the gross domestic product increased by 0.5% and likewise the second quarter was revised upwards to 0.3%. The reasons therefore are on the one hand the rise in consumer spending and the increased investment activity of many companies; due to consistent growth in exports and imports, foreign trade remained unchanged. As a result of the debt crisis in the euro zone, economists expect a slowdown of the economy towards the end of the year.

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Likewise, the economy in **Great Britain** has grown in the third quarter of 2011, however is still faced with a gloomy outlook. Although the gross domestic product increased by 0.5% in the reporting period compared to the previous quarter and thus slightly stronger than expected, economists however see the rise as a counter-reaction to the subdued spring 2011.

In the first three quarters of 2011, the gross domestic product in **Russia** grew by 4.8%. Compared to the previous quarter, the GDP rose by 5.1% in the third quarter of 2011. The growth was mainly resulting from the robust increases in agriculture and in the service industry. Higher wages and salaries as well as a rise in consumer credits have stimulated a stable domestic demand during the period under review. As a result of the decreasing inflation and the increased investment activity, the GDP shall report a growth of 4.4% at the end of the year.

The states in **Central and Eastern Europe** are indirectly affected by the developments in the Western European countries, since the euro countries are important export markets for the CEE-region. Thus, in comparison with the preceding quarter, Bulgaria (+0.0%), Romania (+1.9%), Slovakia (+0.7%), Czechia (+0.0%) and Hungary (+0.5%) followed the development of the euro zone. Compared to the third quarter of the prior year, Estonia (+7.9%), Latvia (+5.3%), Lithuania (+7.2%), Romania (+4.5%) and Slovakia (+3.2%) however showed strong, convincing growth rates. Whereas Romania benefits from good yields from agriculture, the sensitivity with regard to the development in the euro zone is most notably in Hungary and the Czech Republic.

In the emerging countries, the economy slowed down in the third quarter of 2011, however significantly more moderate than in Europe. The continued good domestic consumption largely made up for the slowdown in industrial production. Due to the weaker export demand and the restrictive monetary policy, **China's** economic growth slightly dropped to 9.1% in the third quarter of 2011 compared to the previous period. Despite a downturn of the global economic development, China expects a total growth rate of 9.5% at the end of the year. For the first time since the nuclear disaster in March, **Japan** records growth again and in the third quarter of 2011 could improve the GDP by 1.5% compared to the preceding quarter. In comparison with the previous year, this corresponds to a decline of only 0.2%.

Sources: WIFO, IMF, Eurostat, HSBC, Ria Novosti

BUSINESS PERFORMANCE

THIRD QUARTER 2011/12

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_____ In the third quarter of the current business year, the Bene Group could once again continue with the positive dynamic of the previous quarters and thus for the fifth consecutive quarter could achieve increases in sales and earnings in almost all sales markets. In the first nine months of the current business year, total sales rose by 10.1% or EUR 12.2 million to EUR 132.5 million in comparison with the reference period of the prior year. The Bene Group also significantly improved the EBIT, which however with EUR -2.2 million was still negative but was 74.9% and thus clearly higher than the reference value of the previous year (Q1–Q3 2010/11: EUR -8.7 million).

SALES DEVELOPMENT

After the significant sales increase in the first two quarters of 2011/12, the Bene Group has continued this positive development in the third quarter of 2011/12. The segments UK, Germany as well as ,Other markets' showed considerable increases in sales after the first nine months. Only Austria and Russia sales remained below the previous year's reference values. After the first three quarters of the current business year, total sales of the Bene Group reached EUR 132.5 million and thus were 10.1% higher than the reference value of the prior year (Q1–Q3 2010/11: EUR 120.3 million).

In the first nine months of the business year 2011/12, sales of the **Austria** segment dropped by 17.2% or EUR 7.0 million to EUR 33.8 million (Q1–Q3 2010/11: EUR 40.8 million). As undisputed market leader in the home market, Bene successfully concluded numerous projects in a highly competitive environment – among others for Kwizda Holding GmbH or Unicredit Bank Austria AG.

In the **Germany** segment, the positive trend reversal introduced at the beginning of the year still continued during the third quarter of 2011/12. In the first nine months of the current reporting period, sales rose by 23.7% to EUR 38.2 million (Q1–Q3 2010/11: EUR 30.9 million). This significant increase in sales was mainly resulting from successfully realised projects for the *Ärzteversorgung Niedersachsen* (physician supply - Lower Saxony), *Bildungscampus Heilbronn* (campus) and *Zentrum für Virtuelles Engineering* (centre for virtual engineering).

In the **UK** segment, in a still favourable market environment, the Bene Group could successfully realise several major projects in the financial centre London – among others for *AllianceBernstein* or *American Express*.

Compared with the first three quarters of the previous year, Bene UK sales grew by EUR 1.8 million or 13.0% to EUR 15.6 million (Q1–Q3 2010/11: EUR 13.8 million).

In the **Russia** segment, sales of the first nine months of the business year 2011/12 dropped by 10.8% or EUR 1.2 million to EUR 9.8 million (Q1–Q3 2010/11: EUR 11.0 million). In a challenging market environment, the Bene Group succeeded against strong competition and among others successfully implemented projects for *Estee Lauder Company* and *KMT Construction Holding LLC*.

In the **,Other markets'** segment, in the third quarter of 2011/12, Bene has carried on with the successful performance of the last quarters and has realised numerous projects among others for *Swarovski* (Barcelona, Spain), *PricewaterhouseCoopers* (Geneva, Switzerland), *LaLuxembourgeoise* (Luxembourg) or *Sun TV* (India). Total sales of this segment significantly increased by 47.3% or EUR 11.3 million to EUR 35.1 million (Q1–Q3 2010/11: EUR 23.8 million). Particularly sales of the markets Hungary, Slovenia, Slovakia, Poland or France were clearly exceeding the reference value of the prior year. The noticeable market recovery in the Middle East resulted in a sales increase of 184.8% to EUR 7.9 million. Likewise, the rather small market Luxembourg again contributed considerably to the growth in ,Other markets' sales through the acquisition and the implementation of several major projects.

EARNINGS DEVELOPMENT

Based on 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, the Bene Group considerably improved the earnings figures in the first three quarters. Although the EBT of EUR -3.5 million was still negative after the first nine months of the current reporting period, but with an improvement of 67.9% clearly exceeded the reference value of the past year (Q1–Q3 2010/11: EUR -11.0 million).

After the first three quarters, the gross profit margin (revenue +/- inventory changes - expenses for materials and supplies in relation to revenue) reached 54.5% after the first three quarters and thus despite the achieved expansion in sales was clearly higher than the reference value of the prior year (Q1–Q3 2010/11: 52.4%). Expenses for materials and supplies increased by EUR 7.5 million to EUR 65.7 million in the first nine months (Q1–Q3 2010/11: EUR 58.2 million) and

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thus represented 49.6% of revenue (Q1–Q3 2010/11: 48.4%). The growth was compensated by an increase in inventories in the amount of EUR 5.4 million, since several major projects could not be invoiced to the customers as of the reference date for the interim financial statements (Q1–Q3 2010/11: EUR 0.9 million).

On the reference date October 31, 2011, the Bene Group occupied 1,321 employees (October 31, 2010: 1,278 employees). As a result of the short-time work arrangements effective until the first half-year of the past year as well as expenses in the second quarter of 2011/12, recognised in the context of the retirement of a Management Board member in the amount of EUR 1.1 million, personnel expenditure increased by 6.9% to EUR 49.3 million in the first nine months of the current reporting period (Q1–Q3 2010/11: EUR 46.1 million).

Despite higher sales, other expenses of EUR 22.7 million were EUR 1.1 million or 4.5% lower than the comparison value of the previous year (Q1–Q3 2010/11: EUR 23.8 million).

In the first nine months of the current business year, the EBITDA amounted to EUR 4.0 million and thus was significantly – EUR 6.4 million – higher than the previous year's reference value (Q1–Q3 2010/11: EUR -2.3 million). At the end of the third quarter of 2011/12, depreciation and amortisation of intangible assets and property, plant and equipment amounted to EUR 6.2 million (Q1–Q3 2010/11: EUR 6.4 million). After the first nine months of the current business year, likewise the EBT of EUR -3.5 million considerably improved (Q1–Q3 2010/11: EUR -11.0 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 improved by 36.9% to EUR -1.6 million in the first nine months of 2011/12 (Q1–Q3 2010/11: EUR -2,5 million).

In the **Germany** segment, the rise in sales as well as measures to increase efficiency and effectiveness led to a substantial improvement in EBIT, which at the end of the third quarter of 2011/12 amounted to EUR -2.0 million (Q1–Q3 2010/11: EUR -4.4 million).

On the basis of the significant increase in sales and the good margins on the realised projects, after the first nine months of the current reporting period, the **UK** segment recorded a positive EBIT in the amount of EUR 2.0 million, which was EUR 1.5 million and thus clearly higher than the reference value of the previous year (Q1–Q3 2010/11: EUR 0.5 million).

After the first nine months of the current reporting period, the EBIT of the **Russia** segment amounted to EUR -1.2 million (Q1–Q3 2010/11: EUR -0.6 million).

Due to the considerable sales growth in the first nine months of the current reporting period, the EBIT of the **Other markets** segment significantly increased and with EUR 0.5 million was EUR 2.3 million higher than the previous year's reference value (Q1–Q3 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 realisation of valuation gains through the exchange of shares in funds resulted in other financial income in the amount of EUR 0.9 million in the third quarter of 2011/12. Taking the interest charges, mainly from the corporate bond issued in April 2009, into account, the financial result came to EUR -1.4 million after the first nine months of 2011/12 (Q1–Q3 2010/11: EUR -2.3 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 three quarters of 2011/12. Overall, after the first nine months of the current reporting period, the EBT of EUR -3.5 million was still negative, but compared to the prior year, increased by 67.9% or EUR 7.5 million (Q1–Q3 2010/11: EUR -11.0 million).

ASSETS AND CAPITAL STRUCTURE

In comparison with the balance sheet date, as of October 31, 2011 the balance sheet total decreased by EUR 8.2 million to EUR 141.0 million (January 31, 2011: EUR 149.2 million). Accordingly, as of the reference date, the equity ratio came to 23.6% (January 31, 2011: 25.9%).

Compared to the balance sheet date (January 31, 2011: EUR 66.4 million), as of October 31, 2011, non-current assets declined by EUR 1.7 million to EUR 64.7 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, due to repayments long-term financial liabilities decreased by EUR 1.6 million to EUR 46.7 million.

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As of October 31, 2011, the working capital (= inventories + trade receivables - trade liabilities - prepayments received) increased by EUR 20.8 million to EUR 31.8 million compared to the balance sheet date January 31, 2011 (January 31, 2011: EUR 11.0 million).

The rise in working capital was besides the increase in trade receivables in the amount of EUR 9.4 million, the reduction in trade payables taking prepayments received of EUR 6.0 million into account also resulting from an increase in inventories of EUR 5.4 million.

INVESTMENTS

Additions to property, plant, and equipment and to intangible assets reached EUR 4.5 million in the first nine months of the current business year (Q1–Q3 2010/11: EUR 4.3 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 show rooms in London, Moscow, Hamburg and Villingen-Schwenningen represented the largest items.

CASH FLOW & FINANCES

After the first nine months of the current reporting period, the operating cash flow of the Bene Group amounted to EUR -23.8 million. (Q1–Q3 2010/11: EUR -10.6 million). Particularly the reduction of trade payables and of other liabilities and the increase in inventories and trade receivables resulting from rising sales led to a lower 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 -4.8 million in the first three quarters of the current business year (Q1–Q3 2010/11: EUR -8.5 million). The use of short-term cash advances as well as the interest payments for the corporate bond led to an in total positive cash flow from financing activities in the amount of EUR 7.3 million in the first nine months of 2011/12 (Q1–Q3 2010/11: EUR -1.1 million).

After the first nine months of the current business year, total changes in cash amounted to EUR -21.3 million (Q1–Q3 2010/11: EUR -20.2 million).

As of October 31, 2011, net debt of the Bene Group reached EUR 39.5 million (January 31, 2011: EUR 7.4 million); net gearing was 118.6% (January 31, 2011: 19.2%).

EMPLOYEES

On the reporting date October 31, 2011, the Bene Group occupied 1,321 employees in total and thus 43 persons or 3.4% more than on the reference date of the comparison period. Compared to the reference period of 2010/11, after the first nine months of 2011/12, the headcount of the different segments changed as follows: Austria -0.6%, Germany 6.7%, UK 21.4%, Russia 17.0% and ,Other markets' 14.7%.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

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

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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

On the basis of the further increased incoming orders in the third quarter of 2011/12, the Management of the Bene Group expects once again a substantial growth in sales and increased earnings for the final quarter of 2011/12. Against this background, the Bene Group will probably significantly increase sales of the business year 2011/12 and will report a positive EBIT.

In the course of the business year, the Bene Group has again introduced new and profitable product groups to the market. Thus, despite the growth dynamics of the last quarters, the gross profit margin consistently remained at a high level. This development encourages the Management to resolutely continue on the chosen path. On the basis of the increased profitability, the broad geographic spread and the active expansion of the growth markets Asia/Pacific, the Bene Group is a stable company, which is competitive in the market even in economically challenging times.

Note

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

KEY FIGURES Q1–Q3 2011/12

in TEUR and %	Q1–Q3 2011/12	Q1–Q3 2010/11	Changes in %	Changes absolut	Q3 2011/12	Q3 2010/11	Changes in %	Changes absolut
Revenue	132,522	120,344	10.1%	12,178	44,345	43,221	2.6%	1,123
EBITDA	4,031	-2,343	272.1%	6,375	2,203	-247	991.8%	2,450
EBITDA-margin	3.0%	-1.9%	-	-	5.0%	-0.6%	-	-
EBIT	-2,187	-8,716	74.9%	6,529	154	-2,320	106.7%	2,474
EBIT-margin	-1.7%	-7.2%	-	-	0.3%	-5.4%	-	-
Employees (as of the reporting date)	1,321	1,278	3.4%	43	1,321	1,278	3.4%	43
CAPEX*	-5,224	-4,280	-22.1%	-944	-1,591	-1,453	-9.5%	-138
Cash flow from operating activities	-23,819	-10,619	-124.3%	-13,201	211	713	-70.5%	-503

* Payments tangible fixed and intangible assets

INTERIM FINANCIAL REPORT OF THE BENE AG*

CONSOLIDATED BALANCE SHEET

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

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in TEUR	2011/12	2010/11
	as of Oct. 31, 2011	as of Jan. 31, 2011
Assets		
Intangible assets	14,857	13,821
Property, plant and equipment	42,769	45,639
Non-current financial assets	365	401
Deferred tax assets	6,679	6,495
Non-current assets	64,670	66,355
Inventories	21,680	16,307
Trade receivables	27,301	17,896
Other receivables and assets	5,467	5,110
Current financial assets	8,741	8,898
Cash and cash equivalents	13,116	34,616
Current assets	76,305	82,826
TOTAL ASSETS	140,974	149,181
Equity and liabilities		
Capital stock	24,347	24,347
Capital reserves	26,935	26,935
IAS 39 reserve	-170	642
Currency translation reserves	-2,571	-2,487
Accumulated profit/loss	-15,237	-11,054
Stockholders equity	33,305	38,384
Non-controlling interests	0	183
Equity	33,305	38,565
Liabilities to employees	11,815	11,470
Long-term financial liabilities	46,729	48,304
Long-term government grants and subsidies	1,305	1,229
Deferred tax liabilities	248	258
Non-current liabilities	60,098	61,261
Trade payables (incl. prepayments received)	17,157	23,212
Current financial liabilities	14,634	2,627
Current provisions	305	1,869
Current tax provisions	364	698
Other liabilities	14,807	20,686
Current government grants and subsidies	304	262
Current liabilities	47,571	49,354
TOTAL EQUITY AND LIABILITIES	140,974	149,181

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

CONSOLIDATED INCOME STATEMENT

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

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in TEUR	Q1-Q3 2011/12	Q1-Q3 2010/11	Changes in %	Q3 2011/12	Q3 2010/11	Changes in %
Revenue	132,522	120,344	10.1 %	44,345	43,221	2.6 %
Inventory changes finished/semi-finished goods	5,352	947	465.0 %	2,437	41	5,855.2 %
Other capitalised services	1,795	1,801	-0.3 %	528	888	-40.6 %
Other income	2,112	2,752	-23.3 %	534	1,062	-49.7 %
Materials and supplies	-65,692	-58,248	12.8 %	-21,952	-20,969	4.7 %
Personnel expenses	-49,337	-46,144	6.9 %	-16,216	-15,657	3.6 %
Other expenses	-22,720	-23,795	-4.5 %	-7,473	-8,834	-15.4 %
Earnings before interest, depreciation and amortisation, taxes and income from securities (EBITDA)	4,031	-2,343	272.1 %	2,203	-247	991.8 %
Depreciation and amortisation	-6,218	-6,373	-2.4 %	-2,049	-2,073	-1.2 %
Earnings before interest, taxes and income from securities (EBIT)	-2,187	-8,716	74.9 %	154	-2,320	106.7 %
Interest expense	-2,465	-2,572	-4.2 %	-826	-891	-7.3 %
Income from interest	22	68	-68.1 %	11	14	-22.2 %
Other financial expenses	-9	0	-	-153	0	-
Other financial income	1,094	178	514.9 %	1,192	159	648.5 %
Financial result	-1,358	-2,326	41.6 %	225	-717	131.3 %
Earnings before taxes (EBT)	-3,544	-11,042	67.9 %	379	-3,038	112.5 %
Taxes on income	-468	-320	46.3 %	43	-141	130.7 %
Net income	-4,012	-11,361	64.7 %	422	-3,179	113.3 %
Thereof:						
Shareholders of parent company	-4,077	-11,400	64.2 %	422	-3,198	113.2 %
Non-controlling interests	65	38	68.7 %	0	19	-100.0 %
	-4,012	-11,361	64.7 %	422	-3,179	113.3 %
Earnings per share (diluted = basic) in TEUR:	-0.17	-0.47	64.2 %	0.02	-0.13	113.2 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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in TEUR	Q1-Q3 2011/12	Q1-Q3 2010/11	Q3 2011/12	Q3 2010/11
Net income	-4,012	-11,361	422	-3,179
Other comprehensive income				
Valuation profit/-loss of available for sale financial instruments	-157	-220	-400	-64
Transfer to net income from disposal of available for sale financial instruments	-927	0	-927	0
Taxes on income	271	55	332	16
	-813	-165	-995	-48
Adjustment from foreign currency translation	-87	20	-59	-238
Other comprehensive income after taxes	-900	-144	-1,054	-285
Total comprehensive income for the period	-4,911	-11,506	-632	-3,463
thereof shareholders of parent company	-4,973	-11,545	-632	-3,483
thereof non-controlling interests	61	38	0	19
	-4,911	-11,506	-632	-3,463

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST TO THE THIRD QUARTER OF 2011/12 (UNAUDITED) AND
THE FIRST TO THE THIRD 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					-11,400	-11,400	38	-11,361
Other comprehensive income			-165	20	0	-144	0	-144
Total comprehensive income			-165	20	-11,400	-11,545	38	-11,506
Acquisition of non-controlling interests					-120	-120	-103	-223
as of Oct. 31, 2010	24,347	26,935	538	-2,597	-9,862	39,362	158	39,520
as of Feb. 01, 2011	24,347	26,935	642	-2,487	-11,054	38,384	183	38,565
Net income					-4,077	-4,077	65	-4,012
Other comprehensive income			-813	-83	0	-896	-4	-900
Total comprehensive income			-813	-83	-4,077	-4,973	61	-4,911
Acquisition of non-controlling interests					-106	-106	-244	-351
as of Oct. 31, 2011	24,347	26,935	-170	-2,571	-15,237	33,305	0	33,305

CONSOLIDATED CASH FLOW STATEMENT

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

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in TEUR	Q1-Q3 2011/12	Q1-Q3 2010/11
Earnings before taxes (EBT)	-3,544	-11,042
Depreciation and amortisation	6,218	6,373
Transfer to net income from disposal of available for sale financial instruments	-927	0
Net interest income and income from securities	2,285	2,326
Profit/loss from disposal of property, plant & equipment and intangible assets	-32	-35
Other non-cash expenses/income	9	-412
Changes in inventory	-5,373	-3,643
Changes in receivables and other assets	-9,762	-1,431
Changes in trade payables	-6,055	-3,953
Changes in other liabilities	-4,874	1,061
Changes in long-term provisions (incl. employees)	345	424
Changes in current provisions	-1,564	-22
Cash flow from continuing operations	-23,275	-10,353
Taxes paid on income	-544	-265
Cash flow from operating activities	-23,819	-10,618
Proceeds from disposal of property, plant & equipment and intangible assets	232	139
Expenditures for property, plant & equipment and intangible assets	-5,224	-4,280
Proceeds from disposal of financial assets	4,379	0
Expenditures for financial assets	-4,343	-4,630
Interests received	22	68
Income from securities	158	178
Cash flow from investing activities	-4,775	-8,525
Raising of interest-bearing financial liabilities	-12,000	3,000
Repayments of interest-bearing financial liabilities	-1,567	-731
Expenditures for the acquisition of non-controlling interests	-351	-223
Raising of government grants and subsidies	335	0
Interests paid	-3,079	-3,117
Cash flow from financing activities	7,339	-1,072
Changes in cash and cash equivalents	-21,256	-20,215
Cash and cash equivalents at beginning of period	34,616	43,773
Adjustment from foreign currency translation	-245	215
Cash and cash equivalents at end of period	13,116	23,772

SEGMENT REPORTING

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

BENE

Q3 2011/12

Q1–Q3 2011/12

in TEUR	Austria	Germany	UK	Russia	Other markets	Adjustment for inter-group transactions	Total Group
Revenue	71,230	37,178	15,609	9,787	35,120	-37,402	132,522
from third parties	33,828	37,178	15,609	9,787	35,120	0	132,522
from other segments	37,402	0	0	0	0	-37,402	0
EBIT per segment	-1,551	-1,996	2,031	-1,193	521	0	-2,187

Q1–Q3 2010/11

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO IFRSs

BENE
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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 three quarters of 2011/12 (as of October 31, 2011) has been compiled under the responsibility of the Management Board with the date of signing and was released for publication on December 09, 2011.

1.2 PRINCIPLES OF ACCOUNTING, FINANCIAL REPORTING AND VALUATION METHODS

1.2.1 Principles of accounting

The interim report as of October 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 nine months of the business year 2011/12. As of October 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 three quarters 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 10.1 % compared to the first nine months of 2010/11 was recorded on Group level.

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

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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 first three quarters' 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% (October 31, 2010). Comparing the cash paid purchase price (TEUR 223) with the book value of the additional acquired shares (TEUR 103), the residual value 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 nine months of 2011/12 is on the one hand resulting from the adjustment of variable purchase price components in the Bene GmbH, Hamburg (Q1–Q3 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 30 were taken into account (Q1–Q3 2010/11: currency losses in the amount of TEUR 10).

As of October 31, 2011, the book value of goodwill recognised in the Bene Group amounts to TEUR 4,345 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	
	Oct. 31, 2011	Jan. 31, 2011	Oct. 31, 2011	Jan. 31, 2011	Oct. 31, 2011	Jan. 31, 2011	Oct. 31, 2011	Jan. 31, 2011
Book value of goodwill	3,150	3,180	571	571	568	608	55	55

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

in TEUR

as of Jan. 31, 2011	4,415
Foreign currency effects (BENE PLC, London)	-30
Adjustment of variable purchase price components (Bene GmbH, Hamburg)	-39
as of Oct. 31, 2011	4,345

1.6 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In the first nine months of 2011/12, the Bene Group acquired property, plant and equipment and intangible assets in the amount of TEUR 4,536 (October 31, 2010: TEUR 4,329). The most important additions to property, plant and equipment were related to the showrooms in London, Moscow, Hamburg 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 2,564 (October 31, 2010: TEUR 1,569).

Until October 31, 2011, the Bene Group disposed of property, plant and equipment and intangible assets with a net book value of TEUR 200 (October 31, 2010: TEUR 105). The realised net profit from sale amounts to TEUR 32 (October 31, 2010: TEUR 35).

1.7 LONG-TERM AND CURRENT FINANCIAL ASSETS

In the first three quarters of the business year 2011/12, current financial instruments available for sale in the amount of TEUR 4,379 were sold. The accumulated valuation gains previously recognised in the IAS 39 reserve (TEUR 695) were therefore transferred to the result for the period (see 1.12 – Development of the IAS 39 reserve).

Furthermore, current financial instruments available for sale in the amount of TEUR 4,379 were acquired. The low-risk fund consisting of government and corporate bonds is quoted in active markets and thus is classified level 1 of the fair-value hierarchy (Q1–Q3 2010/11: acquisition of government bonds, government guaranteed corporate bonds and corporate bonds in the amount of TEUR 4,589).

Valuation losses of the first nine months of 2011/12 in the amount of TEUR 118 were reported in other income (IAS 39 reserve) (Q1–Q3 2010/11: valuation losses of TEUR 165 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 three quarters of 2011/12. This change is primarily resulting from the regular repayment in the amount of TEUR 1,575. The existing terms and other conditions however remained unchanged (Q1–Q3 2010/11: regular repayments in the amount of TEUR 731 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 nine months of the present business year 2011/12, current financial liabilities increased by TEUR 12,007 – at unchanged terms and conditions. This is mainly resulting from the use of approved credit lines and cash advances in the amount of TEUR 12,000 (Q1–Q3 2010/11: change of current financial liabilities primarily due to the 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 in the amount of TEUR 837 as current financial liability).

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1.9 PROVISIONS (LONG-TERM AND CURRENT)

The majority of provisions for guarantees and warranties recognised as of January 31, 2011 was reversed in the first three quarters of the business year 2011/12, since the obligation does no longer exist.

Besides further utilisations, in the first nine months 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	30	245
Utilisations	-384	-577
Reversals	-1,210	0
Foreign currency effects	0	-2
as of Oct. 31, 2011	305	364

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

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

in TEUR	Oct. 31, 2011	Jan. 31, 2011
Other current provisions	305	1,869
Current tax provisions	364	698
Current provisions	669	2,567

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1.10 GOVERNMENT GRANTS AND SUBSIDIES

During the first three quarters 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 October 31, 2011 are as follows:

in TEUR	Oct. 31, 2011	Jan. 31, 2011
as of Feb. 01	1,492	1,756
Granted during the business year	335	0
Released to income statement	-218	-264
as of Oct. 31	1,609	1,492
thereof current	304	262
thereof long-term	1,305	1,229

They include:

in TEUR	Oct. 31, 2011	Jan. 31, 2011
Subsidy NÖ WF Fonds 2003	159	207
Subsidy AMF acc. § 35A 2004	159	207
Subsidy ERDF NÖ 2007-2010	657	724
Subsidy AMFG Land NÖ 2007-2010	321	353
Subsidy Innovation Space & Structure	314	0
Total grants/subsidies	1,609	1,492
thereof current	304	262
thereof long-term	1,305	1,229

At the end of the first nine 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 October 31, 2011, there are no forward exchange dealings to hedge future currency risks arising from existing projects (October 31, 2010: one forward exchange dealing in GBP).

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

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

As of October 31, 2010, the fair value was recognised in the net income (position 'other expenses'). Derivative financial instruments 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 DEVELOPMENT OF THE IAS 39 RESERVE

in EUR	
as of Feb. 01, 2010	703
Valuation changes in other comprehensive income	-165
as of Oct. 31, 2010	538
as of Feb. 01, 2011	642
Valuation changes in other comprehensive income	-118
Transfer to net income from disposal	-695
as of Oct. 31, 2011	-170

The presentation of the IAS 39 reserve is based on the consideration of deferred taxes.

Due to the disposal of current financial instruments, in the first three quarters of the business year 2011/12, valuation gains in the amount of TEUR 695 were taken to net income (position 'Other financial income' – see 1.7 – Long-term and current financial assets) (Q1–Q3 2010/11: no transfer from the disposal of available for sale financial instruments).

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1.13 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	14	289	3	0
Persons in key functions	0	0	2	0
as of Oct. 31, 2011	14	289	4	0

in TEUR	Sales proceeds from associated companies and persons	Acquisitions from associated companies and persons	Amounts due from associated companies and persons	Amounts due to associated companies and persons
Associated persons	30	249	17	2
Persons in key functions	1	0	2	0
as of Oct. 31, 2010	31	249	18	2

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

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

1.14 CONTINGENCIES AND OTHER OBLIGATIONS

1.14.1 Litigation

Due to a reassessment of the situation in the first nine 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 three quarters 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).

1.15 SUBSEQUENT EVENTS

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

1.16 EXECUTIVE BODIES

As of October 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

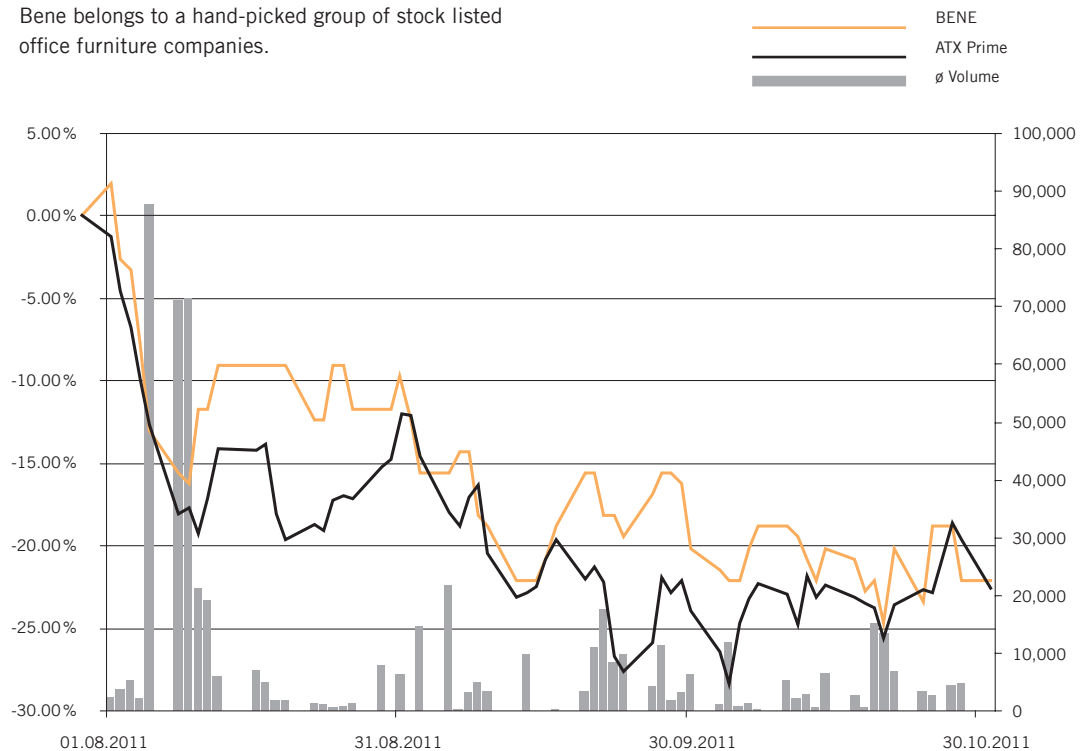
Supervisory board

- 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)

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 persistent uncertainty about the scale of the European government debts as well as the downgrading of the USA and of individual European States during the reporting period heavily influenced the development of the ATX Prime index and the Bene share. During this period, the Bene share had to record a decline of 22.1% (ATX Prime: -22.5%).

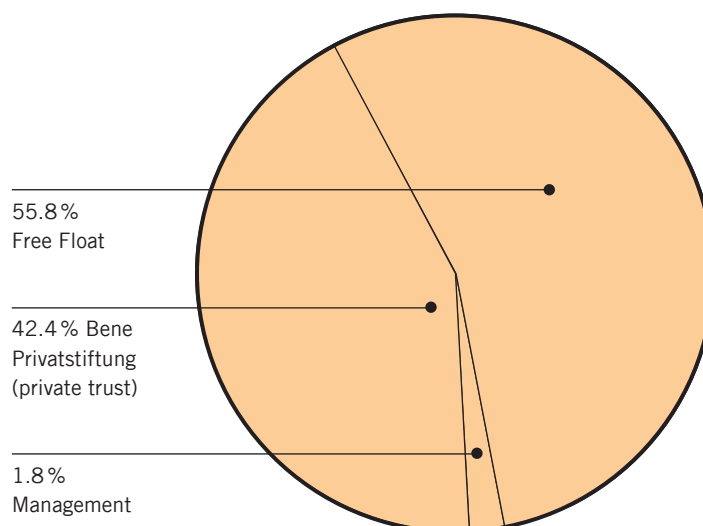
In the period under review, the highest closing price was EUR 1.57 (August 01, 2011); the lowest closing price was EUR 1.16 (October 20, 2011).

TRADING VOLUME

In the third quarter of the business year 2011/12, the average daily trading volume amounted to 8,398 shares. The highest daily trading volume of 87,600 shares was realised on August 05, 2011, the lowest on September 16, 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:	55.8%

FINANCIAL CALENDAR 2012/13

Annual meeting 2011/12	May 15, 2012
General meeting	June 05, 2012
Ex-Dividend	June 12, 2012
Dividend payment	June 12, 2012
First quarter results 2012/13	June 20, 2012
First half-year results 2012/13	September 19, 2012
Third quarter results 2012/13	December 12, 2012

With the resignation of Thomas Bene from the Management Board of the BENE AG, as of the third quarter of 2011/12, his shareholdings were included in the free float, which thus increased to 55.8%. The shares of Thomas Bene were not sold.

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.

CONTACT

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

Waidhofen/Ybbs, December 09, 2011



Frank Wiegmann
Member of the Management Board
Operations & Finance



Wolfgang Neubert
Member of the Management Board
Sales & Marketing

BENE

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