REPORT FOR THE FIRST HALF-YEAR OF 14/15

FOREWORD BY THE MANAGEMENT BOARD

Dear Shareholders,

The business development of the Bene Group in the first half of the current financial year continued to be characterised by a highly competitive market environment, which in some regions was also encumbered by political crises. We were able to achieve positive results with the EBITDA adjusted for the one-off effects from the restructuring in the first half of the 2014/15 financial year in this very challenging period for the Bene Group. This not only shows that the measures introduced to turn the company around are working, but also that in going down this route we have implemented effective steps towards restructuring the company. Although overall sales fell on a Group-wide basis compared with the same period in the previous year, sales in some of the regions relevant to Bene have already showed positive development in the first six months. For instance, we were able to increase sales in the UK — a market where there has traditionally been high demand for innovative and integrated solutions with a greater degree of consultancy and higher design standards — by 46.5 %. With a EUR 4.4 million increase during the same period we more than doubled sales in the high-growth region of the »Middle East« compared with the same period in the previous year. By consistently focussing on markets and projects with a strong margin, Bene managed to increase the gross profit margin to 56.9 %, thus reaching a level which management has been striving to achieve as a sustainable target. The cost-reduction measures are also showing positive results: both personnel expenses as well as other operating expenses were substantially reduced compared with the first half of 2013/14.

The Management Board is therefore convinced that it will be able to implement the restructuring measures for the Bene Group in line with the plan and, based on the results of the first half of 2014/15, is standing by its objective for the 2014/15 financial year of achieving sales of about the level of the last financial year and a positive EBITDA margin before restructuring.

As one of the leading companies in the European furniture industry, Bene is rising to the challenge of the different requirements in the market. In close coordination with the Supervisory Board, the Management Board developed a new sales concept in the first half of the 2014/15 financial year as a response to the sustained changes in the competitive situation. This was the outcome of comprehensive market analyses, a market research project commissioned by Bene, and internal strategy plans. The new sales concept takes the various requirements of the individual customer segments into consideration as well as spelling out target customers and markets, making a clear commitment to the Bene brand and its comprehensive product portfolio.

The above-mentioned broad international study provided convincing evidence that customer requirements have undergone a significant transformation in the last few years. In response Bene has reorganised its sales structure in order to meet these changes in requirements from different types of customers more effectively. Thus the sales organisation is no longer regional but rather structured along the three channels of »direct selling«, »project business« and »dealer support«. This will enable Bene to meet the wide variety of needs of customers of different sizes and different types of dealers and to combine our knowledge and skills to benefit these customers going forward.

With a strong commitment to target customers that are appropriate for the Bene brand, we have carefully fine-tuned our target customer segment and defined potential customer groups that are open to innovative employee- and design-oriented solutions.

As part of Sales' new strategic orientation, Bene will concentrate regional sales activities on certain cosmopolitan cities. These cities offer Bene advantageous strategic growth perspectives and have been selected according to clearly defined parameters. In the core market Austria the area-wide sales approach will be maintained.

At Bene — to the benefit of our customers — we have always thought definitively in concepts and overall solutions, which is greatly appreciated by both national and international brand-savvy and innovation-oriented customers. We will continue to expand on this solution competence.

Our new approach calls for a stronger orientation of Sales towards holistic applications and office solutions. Bene will now be consistently aligning its marketing structure and activities. The newly created area of Channel Marketing supports Sales with the structured generation of leads, thus ensuring that the relevant customer segments can be reached more quickly and in a more targeted manner.

With this new strategic direction for Sales the Bene Group has taken a further important step on the road to an overall revival, reinforcing our goal to again reach a sales level of about EUR 200 million over the medium term.

We would like to thank all of the Bene Group's customers, employees and shareholders for their support during this challenging period.

Kind regards

Michael Fried,
Management Board
Sales & Marketing

Rudolf Payer,
Management Board
Operations & Finance

MANAGEMENT REPORT FOR THE FIRST HALF OF 2014/15

ECONOMIC ENVIRONMENT

Economic performance in the euro area remained unchanged at 0.2 % in the first half of 2014. However, the area achieved a growth of 0.7 % compared with the previous year. Growth of 1.1 % has been forecast for 2014 as a whole.

The **Austrian** economy recorded a 0.2 % growth in the first half of 2014 over the previous year. Demand for Austrian goods and services abroad levelled out following an initial upward trend towards the end of the first half of 2014. Both exports as well as imports rose in real terms by 0.5 % compared with the previous year. Growth of 1.4 % has been forecast for 2014 and of 1.7 % for 2015.

After 0.7 % growth in the first quarter, **Germany** recorded a slight fall in gross domestic product of 0.2 % in the second quarter of 2014. The probable reason for this is the extremely mild weather with strong growth rates at the start of the year. Foreign trade and investments were responsible for the slight decline in GDP. Exports rose less strongly than imports. Building investments also fell compared with winter 2013/14. By contrast, a little more was consumed both by public budgets and private households than at the start of the six months. Growth of 1.9 % has been forecast for 2014.

Gross domestic product in the **UK** rose 0.8 % in the first half of 2014 and as such stands out considerably from the economic dynamic in the euro area. Growth of 3.2 % overall has been forecast for 2014.

Economic growth in **Russia** continued to slow in the first half of the year on account of the crisis in Ukraine. Gross domestic product only rose by 0.8 % in the second quarter of 2014 after 0.9 % in the first quarter. Growth of 0.5 % is expected for 2014.

The economies in the **countries in Central and Eastern Europe** surprised observers at the start of the year with solid GDP growth. Growth for the 2014 financial year is expected to be 2.8 %.

The expected figure for Poland is 3.2 % and then 3.9 % and 1.2 % for Hungary and Romania respectively. Their economic strength was attributable to private consumption and private investments. Market reaction to the ongoing conflict in Russia and Ukraine is less volatile, yet the uncertainty is resulting in investments being withheld.

Sources: Eurostat, Austrian Institute of Economic Research, German Federal Statistical Office, Rostat, IMF

BUSINESS PERFORMANCE IN THE FIRST HALF-YEAR OF 2014/15

BENE
HY 2014/15

Business development at the Bene Group in the first half of the 2014/15 financial year continued to be marked by the difficult external market environment as well as the ongoing efforts to achieve a sustainable reorganisation in the Group. Happily, positive results were achieved in the first half of 2014/15 from the **EBITDA adjusted** for the one-off effects of the restructuring. This confirms the success shown by the turn-around measures that have been introduced, despite the decline in sales and operating performance.

KEY FIGURES PERTAINING TO THE FINANCIAL POSITION

in EUR thousands	HY 2014/15	HY 2013/14	Change	Change in %
Sales	73,482	82,281	-8,799	-10.7
Operating performance	75,088	79,914	-4,826	-6.0
Gross profit	42,762	41,678	1,084	2.6
in % of operating performance	56.9	52.2	4.8	
EBITDA before restructuring	644	-5,621	6,265	111.5
in % of operating performance	0.9	-7.0	7.9	
EBITDA	-1,540	-8,392	6,852	81.6
in % of operating performance	-2.1	-10.5	8.5	
EBIT	-5,205	-13,504	8,299	61.5
in % of operating performance	-6.9	-16.9	10.0	
Earnings before taxes (EBT)	-7,171	-15,921	8,750	55.0
in % of operating performance	-9.6	-19.9	10.4	

Sales were down by about 10.7 % in the reporting period compared to the same period in the previous year. The regions that are most important for the Bene Group developed quite differently, specifically as follows:

in EUR thousands	HY 2014/15	HY 2013/14	Change	Change in %
Austria	18,342	20,924	-2,582	-12.3
Germany	18,940	22,767	-3,827	-16.8
UK	10,135	6,920	3,215	46.5
Other Western Europe	9,342	9,781	-439	-4.5
CEE / RUS / CIS	7,561	12,749	-5,187	-40.7
Middle East /Africa	7,577	3,174	4,403	138.7
Other markets	1,584	5,967	-4,382	-73.4
BENE GROUP	**73,482**	**82,281**	**-8,799**	**-10.7**

Our »home markets« of **Austria** and **Germany** were characterised by a difficult market environment with intense competition and consequently extreme pressure on prices. In line with its new sales approach, Bene has consciously focused on projects with high margins as well as the retail business, while consciously accepting that orders may potentially be lost for large projects with inadequate contribution margins.

Nevertheless some prestigious customers such as Kapsch Carrier and Jones Long LaSalle were once again equipped with our forward-looking office solutions.

Performance in the **UK** market was positive, making an essential contribution to consolidation of the Group with a 46.5% rise in revenues. Building on the generally positive mood in the London property market, the UK Team under its new leadership was able to implement projects with Key Accounts such as BP and Warner Brothers.

The rest of **Western Europe** essentially saw stable revenues, with the Belgian market in particular recording a highly positive performance. Projects were implemented for customers which included Credit Agricole and La Bourse Luxemburg.

The situation in **Eastern Europe** and particularly in Russia represents a strain for Bene as it does for many other companies. While a downward trend could be seen in the Russian market before the start of the crisis in Ukraine, this has continued to intensify with the latest political unrest. Bene will continue to monitor further developments in this region very closely. Changes in the sales structure in individual countries cannot be ruled out if the overall economic and political conditions do not improve.

The **Middle East** region continues to provide attractive markets for the future. With an increase in sales of EUR 4.4 million in the first half of 2014/15, Bene more than doubled its revenue in these regions compared with the same period in the previous year. Admittedly this market is characterised by the invoicing of major orders, which needs to be taken into account when comparing periods. The orders invoiced in the first half of the current financial year include orders from British American Tobacco and Par Global. The major ADNOC project in Abu Dhabi also contributed to the increase in revenues thanks to the initial partial invoices.

The decline in revenues in the **remaining regions** of the world was principally due to the end of the loss-making Asia/Pacific joint venture in the fourth quarter of the last financial year. Bene is now currently building up a sustainable sales structure via a network of dealers in this crucial growth region.

At 6.0%, the decline in **operating performance** was slightly lower than the figure for sales. This was principally attributable to the work that started on the major ADNOC order.

By consistently focussing on markets and projects with high margins—while consciously accepting isolated order losses—Bene managed to increase its **gross profit** despite the fall in revenue by around EUR 1.1 million or 2.6%. As such the gross profit margin of 56.9% was on the scale which management has been striving for as a sustainable target value.

The cost-reduction measures implemented in the past financial year showed positive results. For instance both **personnel** expenses as well as **other operating expenses** were reduced substantially compared with the first half of 2013/14. Adjusted for the one-off effects from the restructuring these costs fell in total by around EUR 5.6 million.

Group **headcount** developed as follows in the last 12 months broken down according to region:

	31 July 2014	31 Jan. 2014	31 July 2013
Austria	789	754	842
Germany	131	140	152
UK	43	46	51
Russia	60	63	74
Other regions	86	76	133
BENE GROUP	**1,109**	**1,079**	**1,252**

The slight increase in headcount compared with the start of the current financial year was principally due to the launch of the major ADNOC project.

On account of the improvements in the margins and the effects of the cost-saving programme, the Bene Group was able to achieve a **positive EBITDA before restructuring costs**, both in the first as well as in the second quarter of the current financial year. Overall in the first half of the current financial year this important key figure for the company was EUR 0.6 million after EUR -5.6 million in the same period in the previous year. Admittedly this development is just an interim step on the path to restructuring the company, but it does show that the measures introduced and implemented are making an impact and Bene is on the right road to achieving sustainable positive corporate results.

After accounting for restructuring costs for the first half of 2014/15 amounting to EUR 2.2 million (essentially consultancy costs) the **EBITDA according to IFRS** was EUR -1.5 million, representing a clear improvement compared with the same period in the previous year (EUR -8.4 million). The disposals for **EBIT** and **earnings before taxes** were also substantially reduced.

KEY FIGURES ON THE FINANCIAL SITUATION

in EUR thousands	31 July 2014	31 Jan. 2014	Change	Change in %
Total assets	92,225	95,438	-3,213	-3.4
Equity	-29,524	-21,883	-7,641	-34.9
in % of total assets	-32.0	-22.9	-9.1	
Net working capital*	8,362	10,238	-1,876	-18.3
Net financial liabilities	67,322	64,627	2,695	4.2

* Inventories + Receivables - Trade payables - Other liabilities - Current provisions

in EUR thousands	HY 2014/15	HY 2013/14	Change	Change in %
Cash flow from the result	-1,863	-8,854	6,991	79.0
Cash flow from operations	-225	-7,168	6,943	96.9
Investments	946	1,782	-836	-46.9
Free cash flow	-1,060	-8,336	7,276	87.3

Mainly because of the ongoing loss situation within the Group, the consolidated **total assets** fell since the start of the 2014/15 financial year by a further EUR 3.2 million. This is also reflected in a further reduction in the **equity** and the **equity ratio**.

With **cash flow from the result** also Bene was still unable to achieve a profit on account of the negative result before taxes, although this key figure did improve by EUR 7.0 million compared with the previous year.

The **net working capital** fell by around EUR 1.9 million compared with 31 January 2014 despite the launch of the ADNOC project, primarily on account of the increase in current liabilities relating to the reporting date. Accordingly the **cash flow from operating activities** was virtually even in the first half of 2014/15.

The **investment expenditure** of EUR 0.9 million (see the explanations in the Notes) resulted in a **free cash flow** of EUR -1.1 million, representing an improvement of EUR 7.3 million compared with the first half of 2013/14. Based on the slightly negative free cash flow and the cash-relevant financial expenditure amounting to EUR 1.6 million, the **net financial liabilities** were up as at 31 July 2014 by EUR 2.7 million compared with the last balance sheet date.

KEY RISKS IN THE REMAINING MONTHS OF THE FINANCIAL YEAR

As an internationally operating company, the Bene Group is exposed to a wide variety of risks in the course of its business activities. These risks include above all economic trends in the target markets. A weak economy in which the companies have little interest in making investments has a major influence on the sales situation of the Bene Group.

In Bene's specific case, we see the following risks for the second half of this financial year:

- Market developments in Eastern Europe and in Russia in particular may be substantially impaired through a further worsening in political relations.

- The ADNOC project in Abu Dhabi signified the start in the second quarter of 2014/15 of the implementation of the largest single order in Bene's corporate history. The positive impact of this order on the company's results may be delayed or be lower in scope than planned as a result of the usual project risks associated with these types of projects.

- The reorganisation of the Bene Group's sales organisation will have noticeable positive effects on order generation and revenue according to management expectations. Admittedly there are also risks associated with such a wide-ranging organisational transformation as is standard for change management processes.

- Continuation of the strategic and operational restructuring of the Bene Group is associated in particular with a risk that cost-saving potentials cannot be implemented to their full extent or that unplanned special charges will be incurred.

All in all, however, the Management Board is of the opinion that it has portrayed these risks properly and taken them sufficiently into consideration in its plans.

OUTLOOK

Based on the results in the first half of 2014/15 management is adhering to its objective of achiving a positive EBITDA before restructuring costs for the 2014/15 financial year. Sales should reach approximately the level of the last financial year, principally dependent on the precise schedule for the implementation of the major ADNOC project. However, further economic developments in Eastern Europe as well as in other important markets for the Group remain to be seen.

Note

This report also contains statements about possible developments in the future that have been made based on the information that is currently available. These statements, which reflect the Management Board's current assessment of future events, cannot be considered guarantees of future performance and pertain to risks and uncertainties that are difficult to predict. There is a wide variety of reasons why actual results or circumstances could differ considerably from those assumptions on which the statements were based.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF BENE AG

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2014 (UNAUDITED) AND 31 JANUARY 2014 (AUDITED)

BENE
HY 2014/15

in EUR thousands

Assets	31 July 2014	31 Jan. 2014
Intangible assets	11,366	12,263
Property, plant and equipment	34,261	36,081
Non-current financial assets	26	26
Deferred tax assets	28	367
Non-current assets	**45,681**	**48,737**
Inventories	11,028	11,529
Trade receivables	23,801	20,649
Receivables and other assets	4,078	4,184
Cash	7,637	10,339
Current assets	**46,544**	**46,701**
Total ASSETS	**92,225**	**95,438**
Equity and liabilities		
Share capital	24,347	24,347
Accumulated profit/loss	-54,029	-46,387
Stockholders equity	**-29,682**	**-22,040**
Non-controlling interests	158	157
(Negative) equity	**-29,524**	**-21,883**
Liabilities to employees	15,065	14,970
Long-term government grants and subsidies	825	877
Deferred tax liabilities	245	245
Non-current liabilities	**16,136**	**16,093**
Trade payables (incl. prepayments received)	15,342	12,938
Current financial liabilities	74,959	74,966
Current provisions	1,839	1,841
Income tax provisions	174	35
Other liabilities	13,191	11,309
Current government grants and subsidies	108	139
Current liabilities	105,613	101,228
Total EQUITY AND LIABILITIES	**92,225**	**95,438**

CONSOLIDATED INCOME STATEMENT

STATEMENT FOR THE FIRST HALF YEAR 2014/15 (UNAUDITED) AND THE FIRST HALF YEAR 2013/14 (UNAUDITED)

BENE
HY 2014/15

in EUR thousands	HY1 2014/15	HY1 2013/14
Sales	**73,482**	**82,281**
Inventory changes finished/semi-finished goods	1,502	-2,691
Own work capitalised	104	324
Other income	721	1,105
Expenses for materials and services rendered	-32,326	-38,236
Personnel expenses	-31,103	-34,354
Other expenses	-13,920	-16,821
Earnings before interest, depreciation and amortisation, taxes and income from securities (EBITDA)	**-1,540**	**-8,392**
Depreciation, amortisation and impairments	-3,665	-5,112
Earnings before interest, taxes and income from securities (EBIT)	**-5,205**	**-13,504**
Interest expense	-1,624	-2,559
Interest income	6	13
Other financial expenses	-348	0
Other financial income	0	129
Financial result	**-1,967**	**-2,417**
Earnings before taxes (EBT)	**-7,171**	**-15,921**
Taxes on income	-534	-1
Net income	**-7,705**	**-15,922**
Thereof attributable to:		
Shareholders of parent company	-7,698	-14,783
Non-controlling interests	-7	-1,139
	-7,705	-15,922
Earnings per share (diluted = basic) in EUR:	-0.32	-0.61

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT FOR THE FIRST HALF YEAR 2014/15 (UNAUDITED) AND THE FIRST HALF YEAR 2013/14 (UNAUDITED)

BENE
HY 2014/15

in EUR thousands	HY1 2014/15	HY1 2013/14
Net income	**-7,705**	**-15,922**
Items that will subsequently be reclassified to the income statement		
Foreign currency effects	64	-104
Other comprehensive income after taxes	**64**	**-104**
Total comprehensive income for the period	**-7,641**	**-16,026**
thereof shareholders of parent company	**-7,642**	**-14,874**
thereof non-controlling interests	**1**	**-1,152**
	-7,641	**-16,026**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

STATEMENT FOR THE FIRST HALF YEAR 2014/15 (UNAUDITED) AND THE FIRST HALF YEAR 2013/14 (UNAUDITED)

in EUR thousands	Share capital	Accumulated profit/loss	Total shareholders of the parent company	Non-controlling interests	Total
As of 1 Feb 2013	**24,347**	**-20,704**	**3,643**	**-445**	**3,198**
Net income	0	-14,783	-14,783	-1,139	-15,922
Other comprehensive income	0	-91	-91	-13	-104
Total comprehensive income for the period	0	-14,874	-14,874	-1,152	-16,026
Reclassifications	0	-15	-15	15	0
Formation of subsidiaries	0	0	0	183	183
As of 31 July 2013	**24,347**	**-35,593**	**-11,246**	**-1,399**	**-12,645**
As of 1 Feb 2014	**24,347**	**-46,387**	**-22,040**	**157**	**-21,883**
Net income	0	-7,698	-7,698	-7	-7,705
Other comprehensive income	0	55	55	8	63
Total comprehensive income for the period	0	-7,643	-7,643	1	-7,642
As at 31 July 2014	**24,347**	**-54,030**	**-29,683**	**158**	**-29,525**

CONSOLIDATED CASH FLOW STATEMENT

STATEMENT FOR THE FIRST HALF YEAR 2014/15 (UNAUDITED) AND THE FIRST HALF YEAR 2013/14 (UNAUDITED)

BENE
HY 2014/15

in EUR thousands	HY1 2014/15	HY1 2013/14
Earnings before taxes (EBT)	**-7,171**	**-15,921**
Depreciation, amortisation and impairments of intangible assets and property, plant and equipment	3,665	5,112
Profit/loss from disposal of property, plant & equipment and intangible assets	-4	-18
Liabilities to employees	-143	-543
Taxes paid on income	-55	-163
Financial result	1,967	2,417
Other non-cash expenses/income	-122	262
Cash flow from the result	**-1,863**	**-8,854**
Changes in net current assets		
Inventories	501	4,280
Receivables and other assets	-3,046	12,622
Trade payables	2,404	-5,857
Other liabilities	1,896	-10,959
Current provisions	-117	1,600
Cash flow from changes in net current assets	**1,638**	**1,686**
Cash flow from operating activities	**-225**	**-7,168**
Proceeds from disposal of property, plant & equipment and intangible assets	106	483
Expenditures for property, plant & equipment and intangible assets	-946	-1,782
Expenditures for the acquisition of subsidiaries	0	-11
Interest received	6	13
Income from securities	0	129
Cash flow from investing activities	**-834**	**-1,168**
Free cash flow	**-1,060**	**-8,336**
Change in financial liabilities	-7	7,462
Proceeds from non-controlling interests for the formation of subsidiaries	0	183
Interest paid	-1,635	-1,398
Cash flow from financing activities	**-1,642**	**6,247**
Changes in cash	**-2,702**	**-2,089**
Cash at the beginning of the period	**10,339**	**12,845**
Adjustment from foreign currency translation	0	-358
Cash at the end of the period	**7,637**	**10,398**

SELECTED DISCLOSURES FROM THE NOTES

INFORMATION ABOUT THE COMPANY

BENE AG is a company according to Austrian law, with its headquarters at Schwarzwiesenstraße 3 in 3340 Waidhofen/Ybbs. The company is registered in the commercial register of St. Pölten under the number FN 89102h.

The Bene Group creates, produces and sells office furniture and integrated office concepts, primarily for the European market. In its Austrian home market, Bene is market leader and on the European market it is one of the leading suppliers.

The consolidated interim financial statements were prepared in euros. Unless otherwise specified, all amounts were rounded to thousand euros (EUR thousand). The total of rounded amounts may show rounding related differences resulting from the use of automatic calculation methods.

This consolidated interim financial statements of BENE AG and its subsidiaries for the first half year 2014/15 (reporting date 31 July 2014) were prepared as of the date of its signing under the responsibility of the Management Board.

PRINCIPLES OF ACCOUNTING, FINANCIAL REPORTING AND VALUATION METHODS

Principles of accounting
The consolidated interim financial statements as of 31 July 2014 were prepared in compliance with the principles of the International Financial Reporting Standards (IFRS), as applicable in the European Union. It has not been subjected to a full audit or an audit review by an auditor.

The consolidated interim financial statements do not contain all the information and notes that are included at the balance sheet date and should therefore be read in combination with the consolidated financial statements of BENE AG as of 31 January 2014.

Principles of consolidation
There were no changes in the method of consolidating individual companies.

Judgemental decisions and uncertainties from estimates
With regard to judgemental decisions and uncertainties from estimates we refer to the disclosures in the consolidated financial statements of BENE AG as of 31 January 2014.

Accounting policies
The accounting and valuations as well as the explanations are based on the same accounting policies and valuation methods used for the consolidated financial statements as at 31 January 2014.

The inventories stated at the interim reporting date include advance payments received for a major project amounting to EUR 1,848 thousand balanced on the assets side (31 January 2014: EUR 0 thousand).

Aside from this, there were no further changes in the accounting and valuation principles.

The following new or amended standards were applied mandatorily in the first half of 2014. Unless otherwise stated these amendments have not impacted the consolidated interim financial statements of Bene AG:

- IFRS 10 – Consolidated Financial Statements
- IFRS 27 – Separate Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRIC 21 – Levies
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 10, 11 and 12 – Transition Guidance
- Amendments to IFRS 10, 12 and IAS 27 – Investment Entities
- Amendments to IAS 19 – Employee Contributions
- Amendments to IAS 39 – Financial Instruments: Novation of derivatives and continuation of accounting of hedging relationships.

SEASONALITY AND REVENUE DEVELOPMENTS DURING THE FINANCIAL YEAR

Seasonal fluctuations in sales and EBIT may arise due to the varying progress and final invoicing arrangements for large-scale projects. In comparison with the first half of 2013/14, sales in the first half of 2014/15 decreased, particularly in Eastern Europe and on account of the end of the fully-consolidated joint venture in East Asia/Australia. On a group level a 10.7 % decrease in sales can be observed after the first half of the 2014/15 financial year.

The development of sales revenues and operating performance and therefore the Group's EBIT will be subject to special influences over the next three quarters through the launch of the major ADNOC project.

SCOPE OF CONSOLIDATION

The number of companies included in BENE AG's consolidated interim financial statements did not change in the first half year of the 2014/15 financial year compared to the reporting date 31 January 2014. As of 31 July 2014, the number of fully consolidated companies is 13 (31 January 2014: 13).

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In the first half of 2014/15, the Bene Group acquired property, plant and equipment and intangible assets in the amount of EUR 946 thousand (HY1 2013/14: EUR 1,782 thousand).

In addition to replacement investments the greatest additions to the property, plant and equipment related to the redesign/reopening of the Bene PLC showroom in London. The other procurements related principally to operating equipment and IT hardware. The scheduled depreciation of property, plant and equipment amounts to EUR 2,374 thousand in the reporting period.

In relation to intangible assets the procurements related principally to software licences and the capitalisation of development services. The scheduled amortisation of intangible assets amounts to EUR 1,214 thousand in the reporting period.

The recognised goodwill amounting to EUR 2,121 thousand was lower by EUR 87 thousand compared to the previous reporting date because of fluctuations in foreign currency.

Up until 31 July 2014, the Bene Group had sold property, plant and equipment and intangible assets with a net book value of EUR 102 thousand (31 July 2013: EUR 465 thousand). The realised net profit from the sale amounted to EUR 4 thousand (31 July 2013: EUR 18 thousand).

As at 31 July 2014 there were no obligations related to capital investments.

LONG-TERM AND CURRENT FINANCIAL LIABILITIES

All of the Group's banking liabilities have been deferred to 2016 as per the restructuring agreement between BENE AG and the financing banks. However, these liabilities are still presented as current liabilities in this interim financial statement as there are breaches of covenant at the reporting date for the interim statement which grant an extraordinary right of termination to the banks. The banks have informed the company in September 2014 that they will not make use of this right.

TAXES ON INCOME

The taxes stated in the half-year financial statement relate to accruals for current taxes at EUR 300 thousand and changes to deferred tax assets at EUR 234 thousand.

FINANCIAL INSTRUMENTS

The following table shows the book values and fair values of the financial assets of the Bene Group:

CLASSES of financial instruments	31 July 2014		31 Jan. 2014	
in EUR thousands	Book value	Fair value	Book value	Fair value
ASSETS				
Cash	7,637	7,637	10,339	10,339
Trade receivables—TOTAL	**23,801**	**23,801**	**20,649**	**20,649**
Trade receivables—EUR	17,615	17,615	15,559	15,559
Trade receivables—GBP	4,541	4,541	2,750	2,750
Trade receivables—RUB	15	15	392	392
Trade receivables—other	1,630	1,630	1,947	1,947
Other receivables and assets	4,078	4,078	4,185	4,185
LIABILITIES				
Trade payables—TOTAL	**-9,128**	**-9,128**	**-6,693**	**-6,693**
Trade payables—EUR	-6,918	-6,918	-5,753	-5,753
Trade payables—GBP	-1,798	-1,798	-671	-671
Trade payables—RUB	0	0	-56	-56
Trade payables—other	-411	-411	-213	-213
Other liabilities	-6,973	-6,973	-6,745	-6,745
Financial liabilities (incl. bonds)	-74,959	n/a	-74,966	n/a

In the case of cash, receivables and liabilities it was assumed that the market values were basically equal to the book values. In the case of the financial liabilities, due to the company's restructuring situation, it was assumed that a reliable determination of the fair value of the liabilities was not possible, but that the fair value in any case could not be higher than the repayment amount of the liabilities.

FAIR VALUE HIERARCHY

The following table categorises trade payables and trade receivables in 1 of 3 levels, depending on the extent to which their fair value can be observed on the market:

31 July 2014 in EUR thousands	Level 1	Level 2	Level 3	Fair value on 31 July 2014
ASSETS				
Trade receivables—TOTAL		**x**		**23,801**
Trade receivables—EUR		x		17,615
Trade receivables—GBP		x		4,541
Trade receivables—RUB		x		15
Trade receivables—other		x		1,630
Other receivables and assets		x		4,078
LIABILITIES				
Trade payables—TOTAL		**x**		**-9,128**
Trade payables—EUR		x		-6,918
Trade payables—GBP		x		-1,798
Trade payables—RUB		x		0
Trade payables—other		x		-411
Other liabilities		x		-6,973
Financial liabilities (incl. bonds)		x		n/a

The following table shows the valuation procedure and input factors for determining fair value:

Level	Financial instruments	Valuation method	Input factors
Subsequent valuation not at fair value—fair value is stated			
2	Financial liabilities	Capital-value oriented	Payments, interest rate yield curves and credit-spread information connected with the financial instruments
2	Receivables	-	Book value as a realistic estimate of the fair value

BUSINESS TRANSACTIONS WITH RELATED PARTIES

Sales to and purchases from related parties were executed at the usual market conditions.

Outstanding items as of 31 July 2014, as in the comparable period in the previous year (31 July 2013), came to under EUR 50 thousand; they were not collateralised and interest-free. They were settled with cash payments.

Of the services rendered by related parties in the first half of 2014/15, EUR 0 thousand were for consulting services for a member of the Supervisory Board (HY1 2013/14: EUR 177 thousand) and EUR 144 thousand for a former member of the Management Board (HY1 2013/14: EUR 109 thousand). No transactions were conducted with other related parties as at 31 July 2014.

CONTINGENCIES AND OTHER OBLIGATIONS

At the end of the first half of the 2014/15 financial year there is a pending trial regarding the dissolution of the Asia/Pacific Joint Ventures. The risks of this trial have been appropriately considered in these financial statements.

Furthermore, 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) in the Bene Group.

EVENTS AFTER THE REPORTING PERIOD

Effective 19 August 2014, Michael Feldt resigned from the Management Board. In the Supervisory Board meeting on that same date Mr Michael Fried, Mag., was appointed the new Member of the Management Board responsible for Sales and Marketing.

There were no essential subsequent events between the balance sheet date of BENE AG's condensed consolidated interim financial statements (31 July 2014) and their publication which would have led to a different presentation of the financial and earnings situation of the Bene Group.

DECLARATION OF THE MANAGEMENT BOARD IN ACCORDANCE WITH SECTION 87 (1) LINE 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

The signing members of the Management Board confirm in accordance with Section 87(1) line 3 of the Austrian Stock Exchange Act, as the legal representatives of BENE AG, to the best of their knowledge

a) that the condensed consolidated interim financial statements prepared at the end of the first half year of the 2014/15 financial year in accordance with the International Financial Reporting Standards (IFRS) as they are applied in the European Union, present a true and fair view of the assets, financial position and earnings of the company;

b) that the Group status report of the first six months of the 2014/15 financial year gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces in the remaining six months of the financial year as well describing the important transactions with related parties that are to be disclosed.

Mag. Rudolf Payer
Management Board Operations & Finance

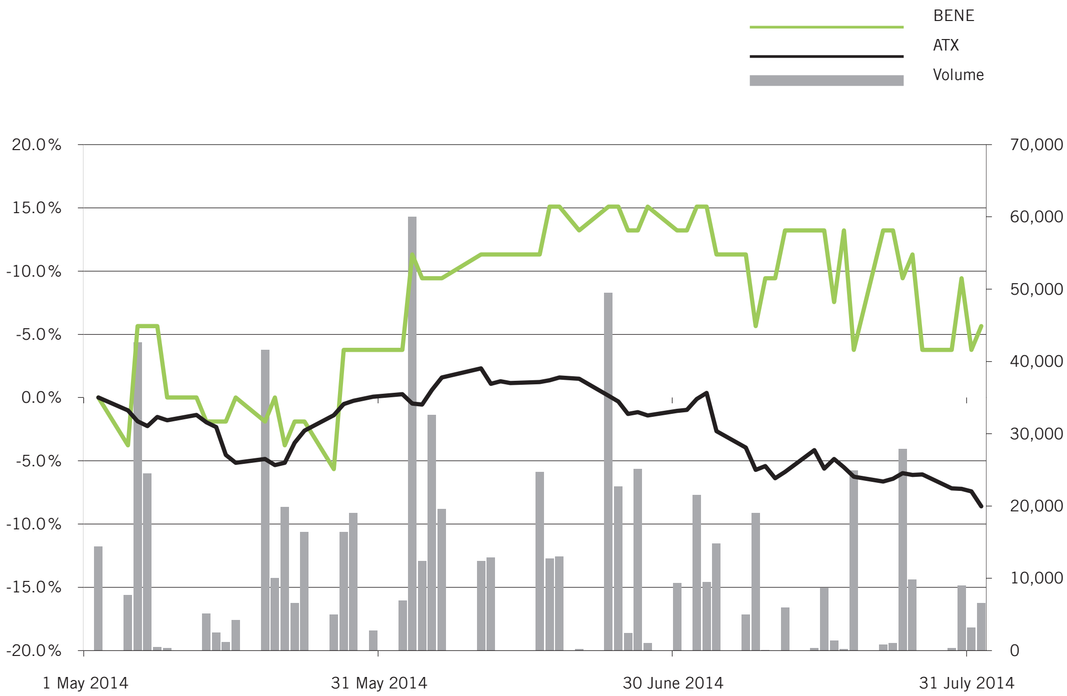
Mag. Michael Fried
Management Board Sales & Marketing

Waidhofen/Ybbs, Austria, 18 September 2014

BENE SHARES

BENE
HY 2014/15

Bene has been listed on the Vienna Stock Exchange since 3 November 2006 and from 20 November 2006 was included in the ATX Prime Market and Vienna Stock Exchange Index; on 24 September 2012 it switched to the Mid Market Continuous segment. This makes BENE AG the only office furniture company on the Vienna Stock Exchange and it is one of a handpicked group of listed office furniture companies in Europe.



SHARE PERFORMANCE

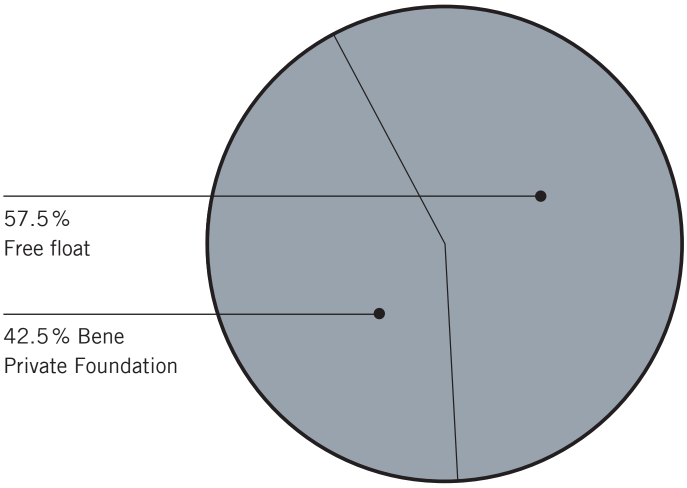
BENE AG's shares rose overall by 5.66 % in the second quarter of 2014/15 (ATX: -8.59 %).

The highest closing price in the reporting period was EUR 0.61 (17 June 2014) and the lowest was EUR 0.50 (26 May 2014).

TRADING VOLUMES

Over the course of the second quarter of financial year 2014/15 average trading volume stood at 11,750 shares. The highest daily turnover was 60,000 shares on 3 June 2014 and the lowest was 100 shares on 9 July 2014.

SHAREHOLDER STRUCTURE



ISIN Code:	AT0000BENE6
Stock Exchange:	Vienna Stock Exchange, Mid Market Continuous
Type of shares:	Ordinary no-par bearer shares
Total number of shares:	24,347,352
Other stock exchanges	None
Indices:	Mid Market Continuous, WBI, VÖNIX
Ticker symbol:	BENE
Research Coverage:	Raiffeisen Centrobank
Free float	57.5 %

INVESTOR RELATIONS

Bene is committed to an open and active communication policy with investors; the goal is to provide a true and fair view of the company and to meet the capital market's expectations concerning transparency. As a central communication medium, the website offers comprehensive information about the company as well as all the relevant key data about the shares, current analyses, key figures and dates as well as download versions of the annual reports and interim reports.

BENE AG undertakes to comply with the Austrian Corporate Governance Code as amended in July 2012. The Corporate Governance Code is intended primarily for Austrian listed public companies and lays down a set of rules for good company management and supervision. The goal of the Code is to establish responsible management and control of companies and groups, aimed at sustainable and long-term value enhancement. The Code is intended to provide higher transparency for the shareholders of the company and becomes effective by the voluntary self-commitment of companies.

FINANCIAL CALENDAR

Q3 2014/15	10 December 2014

CONTACT

Investor Relations
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