INTERIM MANAGEMENT STATEMENT

FIRST QUARTER 15/16

REVISED VERSION AS PER 10 SEPTEMBER 2015 INCLUDING OUTLOOK

INTERIM MANAGEMENT STATEMENT FOR THE FIRST QUARTER OF 2015/16

ECONOMIC CLIMATE

BENE
Q1 2015/16

The economic recovery in a number of **eurozone** countries, the rise in domestic demand in Germany and the pick-up in industrial production in Eastern Europe are all benefiting the EU economy. Seasonally adjusted GDP for the first quarter of 2015 was up 0.4 % on the previous quarter, and increased by 1.0 % year on year, according to flash estimates from Eurostat, the statistical office of the European Union. The main drivers of the upturn were Spain (0.9 %) and France (0.6 %), while growth was sluggish in Italy (0.3 %), Germany (0.3 %) and Austria (0.1 %).

Due to low domestic demand and restrictive fiscal policies, economists at the Austrian Institute of Economic Research are forecasting only a mild economic recovery in the eurozone in 2015. Especially in countries like France and Italy, there is still a need for economic reform in order to assure long-term growth potential. In both of those countries, the weak labour market and inefficiencies in the markets for goods and services (especially in respect of freelance professionals) are weighing on growth.

In **Austria**, the devaluation of the euro had a positive effect on exports in the first quarter, but this was largely cancelled out by increased imports as a result of the fall in the oil price in 2014, meaning net exports did not make a significant contribution to growth. However, the decline in investment slowed, meaning that real GDP went sideways in the first quarter, growing by 0.1 % year on year. As a result of the continuing weakness of the economy, the seasonally adjusted unemployment rate increased to 9.2 % in April 2015.

The **German** economy continued to grow, but at a slower pace. Adjusted for inflation, seasonal and calendar effects, GDP in the first three months of the financial year was 0.3 % higher than in the previous quarter (Q1 2014: 0.8 %). Household and government spending, as well as investment in buildings and equipment, provided impetus but foreign trade put the brakes on growth. According to preliminary calculations, exports of goods and services were higher at the beginning of 2015 than in the final quarter of the previous year, but imports climbed much more strongly. Growth also increased year on year, as inflation-adjusted GDP edged up by 1.0 % in the first quarter.

The **UK** economy expanded by just 0.3 % in the first quarter of 2015. This figure — the lowest since the first quarter of 2013 — was well below the average forecast growth of 0.5 %. Whether this result was an outlier or the first indication of a slowdown in growth remains to be seen.

Meanwhile in **Russia**, the economy continued to slow, with GDP shrinking by 1.8 % compared with a year earlier — a sharper decline than predicted. The first quarter is likely to be the weakest in 2015, with positive signs mainly coming from the manufacturing sector: business surveys showed that companies expect production volumes to rise, with modernisation of production facilities and import substitution seen as stimulating the economy. Conversely, negative factors included higher interest rates, inflation and sharp fluctuations in the value of the rouble, although these have been smoothed in recent months by the reduction in the base rate from 17.3 % to 14 %.

Over the past few months a broad-based recovery in industrial production has only been evident in **Eastern Europe**. Growth in the region also received a boost from a further rise in domestic demand, while the contribution made by net exports in CEE weakened. In comparison with the first quarter of 2014, Romania (4.2 %), Hungary (3.1 %) and Slovakia (2.9 %) all posted strong GDP growth.

The **US** recovery slowed in the first quarter of 2015, as the economy grew by 0.1 % quarter on quarter. The strong dollar had a negative impact, as did exceptional factors such as bad weather and strikes at west coast ports. However, the climate remains favourable, and the deceleration in growth is perceived as only a blip in the recovery. Low energy prices eased the burden on households and boosted consumer spending. The labour market recovery is expected to continue.

Sources: Austrian Institute of Economic Research, German Federal Statistical Office, Business Insider, Erste Group Research,

BUSINESS PERFORMANCE AND EARNINGS, ASSETS AND FINANCES

BENE
Q1 2015/16

As in the preceding quarter, the first quarter of the 2015/16 financial year was shaped by the Group's extensive restructuring programme. In line the realignment of sales structures initiated in the third quarter of 2014/15, Bene took a number of important steps in the restructuring process in the period under review. Operations focused mainly on the implementation of the large-scale ADNOC project in Abu Dhabi, which is now at an advanced stage.

The key earnings indicators for the first three months of 2015/16 were as follows:

KEY EARNINGS INDICATORS

EUR '000	Q1 2015/16	Q1 2014/15	Change	Change (%)
Revenue	38,536	35,109	3,427	9.8
Operating revenue	35,140	36,254	-1,114	-3.1
Gross profit	21,287	21,248	39	0.2
as % of operating revenue	60.6	58.6	2.0	
EBITDA before restructuring	2,839	206	2,633	1,278.2
as % of operating revenue	8.1	0.6	7.5	
EBITDA	172	-633	805	127.2
as % of operating revenue	0.5	-1.7	2.2	
EBIT	-1,315	-2,510	1,195	47.6
as % of operating revenue	-3.7	-6.9	3.2	
Earnings before tax	-2,075	-3,312	1,237	37.3
as % of operating revenue	-5.9	-9.1	3.2	

Revenue rose by 9.8 % year on year in the first quarter of the 2015/16 financial year. Performance varied widely in the Bene Group's key operating regions, as shown in the table below:

EUR '000	Q1 2015/16	Q1 2014/15	Change	Change (%)
Austria	7,692	8,323	-631	-7.6
Germany	7,741	7,502	239	3.2
UK	3,706	3,703	3	0.1
Other Western Europe	4,999	5,470	-471	-8.6
CEE/Russia/CIS	2,457	3,831	-1,374	-35.9
Middle East/Africa	11,183	5,251	5,932	113.0
Rest of world	758	1,029	-271	-26.3
BENE GROUP	**38,536**	**35,109**	**3,427**	**9.8**

Owing to the continued weakness of the economy, revenue in **Austria** was 7.6 % down on the comparative period of 2014/15. This decline was mainly the result of the Group's decision to only bid for projects with adequate margins. In **Germany**, the completion of a major project led to a 3.2 % year-on-year revenue gain. In spite of the challenging operating environment, Bene acquired a number of high-profile customers for its office solutions, including Emirates and Labors.at in Austria, as well as Bilfinger Shared Services GmbH, Deutsche Rentenversicherung and Persona Service in Germany.

Bene's **UK** revenues held steady at the previous year's solid levels. The British market remains important in terms of margins, since it is characterised by a strong affinity for design and solutions based on integrated concepts. The Group completed reference projects for world-renowned jeweller Tiffany, popular daily newspaper The Telegraph and global electronics company Panasonic.

Revenue in other countries in **Western Europe** fell by 8.6 %, which was in line with Management's expectations. Nevertheless, Bene won the contracts for and completed a number of large-scale reference projects, including for Groupe Casino and EGE (France).

The fact that the economic and political situation in **Eastern Europe** weighed on the Bene Group's revenue in the first three months of the 2015/16 financial year came as little surprise. The drop of 35.9% was mainly attributable to persistent instability in Russia and Bene's strategic realignment in the CEE region. In Russia, major international clients such as H&M, Farlanos Enterprise and Mercedes Benz Russia placed orders for the Group's office solutions. Bene cannot rule out further restructuring measures in the short term, with a view to holding its own in Russia in the face of a difficult trading environment.

As expected in light of last year's performance and the large-scale ADNOC order, the Group recorded a significant increase in revenue in the **Middle East/ Africa** region in the first quarter of 2015/16. The gain of close to 113% was almost exclusively accounted for by the ADNOC project. Bene has been firmly established as a supplier of premium office solutions in the region for several years.

Revenue in the **rest of the world** slipped by 26.3%. Under its new sales strategy, Bene services these regions solely through a network of retailers, and agreements have been reached with a number of leading distributors with a view to gaining a foothold in these markets. The Group also made progress in implementing structures for the development of selected markets in major cities on the US east coast.

Operating revenue decreased by 3.1% in the first quarter, mainly as a result of inventory drawdown in connection with the ADNOC project.

Gross profit rose to 60.6% of operating revenue (Q1 2014/15: 58.6%), meaning that Bene again remained within the target range for this indicator.

As a result of the restructuring measures, Group **head count** fell year on year and in comparison with the start of the current financial year:

	30.04.2015	31.01.2015	30.04.2014
Austria	760	779	748
Germany	102	106	133
UK	46	46	44
Russia	35	40	67
Other regions	30	77	72
BENE GROUP	**973**	**1,048**	**1,064**

In spite of the restructuring costs incurred in the first quarter, **staff costs** and other administrative expenses were virtually unchanged on the comparative period of the 2014/15 financial year.

Due to increased profitability and changes in the cost structure, **EBITDA** in the first three months of 2015/16 was **positive** by EUR 0.2 million (m), compared with a loss of EUR 0.6m in the same period a year earlier.

Adjusted for extraordinary restructuring costs, EBITDA amounted to EUR 2.8m (Q1 2014/15: EUR 0.2m).

First-quarter **EBIT** stood at EUR -1.3m, an improvement on the EUR -2.5m recorded a year earlier. **Earnings before tax** went up by EUR 1.2m over the same period.

ASSETS AND FINANCES — KEY INDICATORS

EUR '000	30.04.2015	31.01.2015	Change	Change (%)
Total assets	86,347	88,310	-1,963	-2.2
Total equity	-40,902	-38,971	-1,931	-5.0
as % of total assets	-47.4	-44.1	-3.2	
Net working capital*	12,947	16,883	-3,936	-23.3
Net financial liabilities	72,570	74,596	-2,026	-2.7

* Inventories plus receivables, less trade payables, other liabilities and short-term provisions

EUR '000	Q1 2015/16	Q1 2014/15	Change	Change (%)
Operating profit before working capital changes	-618	-756	139	18.3
Cash flows from operating activities	2,501	184	2,317	1,261.8
Investment	900	426	474	111,0
Free cash flow	2,801	-175	2,976	1,698.3

Consolidated **total assets** declined by EUR 2.0m during the quarter, which was reflected in falls in both total **equity** and the **equity ratio**.

Despite continuing to record losses, Bene again reported a year-on-year improvement in **operating profit before working capital changes**, of EUR 0.1m.

There was a reduction of around EUR 3.9m in **net working capital** during the period under review. As a result, **cash flows from operating activities** amounted to EUR 2.5m in the first quarter.

Adjusted for **investment** totalling EUR 0.9m, **free cash flow** was positive by EUR 2.8m as at 30 April 2015.

The Group's **net financial liabilities** fell by EUR 2.0m compared with the end of the previous reporting period, to EUR 72.6m.

Liquidity amounted to EUR 7.9m at the end of the first quarter.

OUTLOOK

In the coming months, the Bene Group will continue to face a challenging economic climate on the markets where it operates, which will be further exacerbated by the current political situation in Ukraine. Against this backdrop the Group will maintain its strong focus on the restructuring process, as well as carrying on its regular evaluation of all locations and markets.

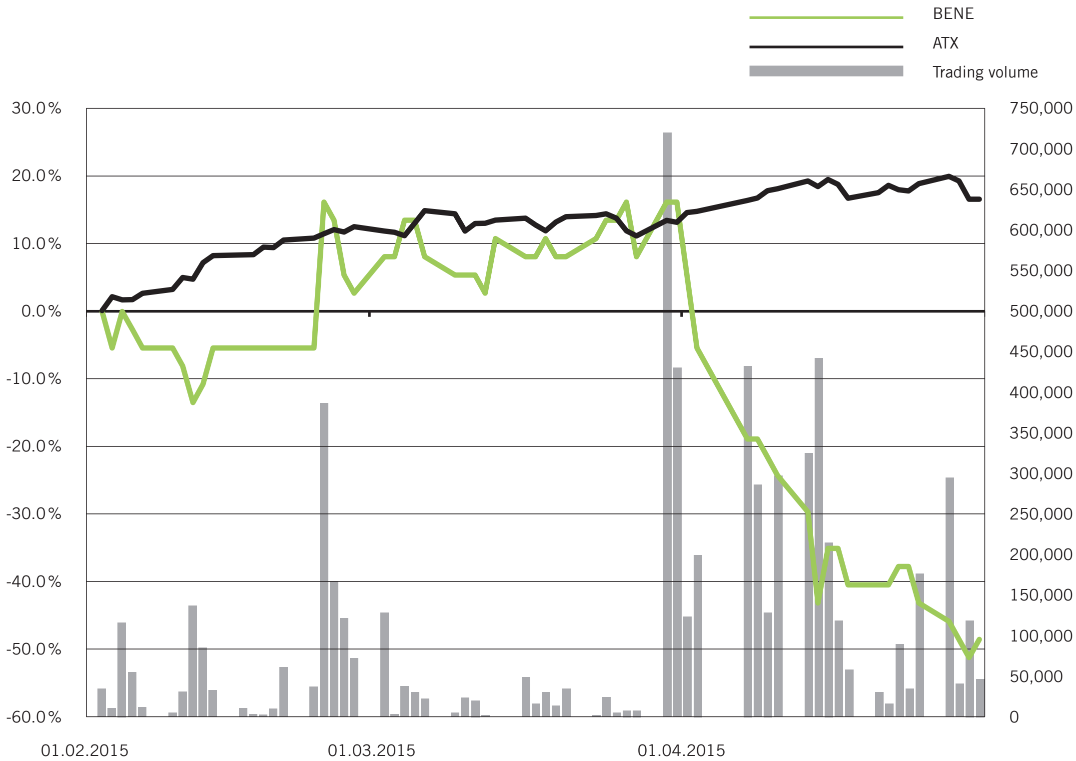
In light of the results for the first quarter of 2015/16, Management stands by its goal of achieving positive EBITDA for the financial year as a whole. However, this may depend on economic developments in the Group's main markets.

Note
This report contains forward-looking statements that are based on the information currently available to us. Such statements, which reflect Management's current interpretations of future events, are not intended as a guarantee of future performance and are subject to unpredictable risks and uncertainties. A wide variety of factors could lead to actual results or conditions deviating significantly from the assumptions made in these statements.

BENE SHARES

BENE
Q1 2015/16

Bene shares have been listed on the Vienna Stock Exchange since 3 November 2006. From 20 November 2006 they were quoted on the ATX Prime Market as well as in the Wiener Börse Index (WBI), and on 24 September 2012 the listing was transferred to the Mid-market Continuous segment. Bene AG is the only office furniture business listed on the Vienna Stock Exchange.



SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Whilst the ATX gained 16.62 % in the first quarter of 2015/16, the Bene AG share price dropped by 48.65 % overall.

The highest closing price during the reporting period was EUR 0.43 (31 March 2015), and the lowest was EUR 0.18 (29 April 2015).

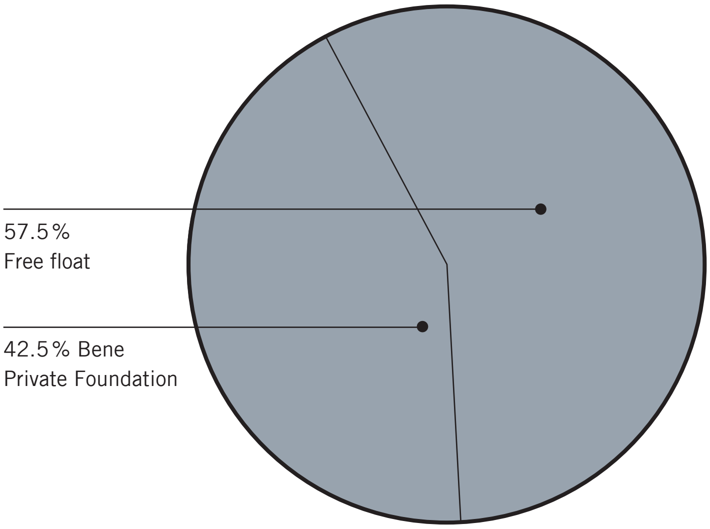
During the quarter the volume of shares traded averaged 104,669. The highest daily trading volume was recorded on 30 March 2015 at 720,200 shares, and the lowest was 100 shares, on 13 March 2015.

INVESTOR RELATIONS

Bene is committed to open and proactive communication with investors, with the aim of presenting as accurate a picture of the company as possible and fulfilling the expectations of the financial markets in terms of transparency. The Company website is the main communication channel, providing extensive information about the business, including all relevant data on shares, as well as recent analyses, key indicators and dates, and downloadable versions of annual and interim reports.

Bene AG complies with the provisions of the Austrian Code of Corporate Governance in its version of July 2012. The Code is primarily aimed at listed companies in Austria and sets out standards for good company management and supervision. Its objective is to promote responsible management and control of enterprises with a view to creating sustainable, long-term value. The Code is also geared towards achieving greater transparency for shareholders, and companies voluntarily undertake to adhere to the principles it contains.

SHAREHOLDER STRUCTURE



ISIN	AT00000BENE6
Market	Vienna Stock Exchange, Mid Market Continuous segment
Share type	Ordinary no par value bearer shares
Total number of shares	24,347,352
Authorised capital	EUR 9.0 million
Other markets	None
Indices	Mid Market Continuous, WBI, VÖNIX
Ticker symbol	BENE
Research coverage	Raiffeisen Centrobank
Free float	57.5 %

FINANCIAL CALENDAR

2014/15 financial year	1 July 2015
Annual General Meeting	2 September 2015
H1 2015/16	16 September 2015
Q3 2015/16	10 December 2015

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