



EANS-Adhoc: BENE AG / Bene announces third quarter 2010/11

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Slight increase in sales and earnings for the first time in three quarters
EBIT increased in almost all segments
Expenses for personnel and non-personnel costs continue to decline

Vienna/Waidhofen an der Ybbs, December 15, 2010. In the third quarter of 2010/11, for the first time since the beginning of 2010, the Bene Group reported again a slight increase in sales and earnings. Despite the continuing weakness in demand in several markets, in the third quarter, the Bene Group increased sales by 10.2 % in comparison with the previous year (Q3 2009/10: EUR 39.2 million). In the first nine months, cumulative sales of EUR 120.3 million were down 10.9 % compared to the prior year's reference value (Q1-Q3 2009/10: EUR 135.0 million).

In Austria, in the first nine months of the business year 2010/11, sales increased by 2.1 % to EUR 40.8 million and thus exceeded the past year's reference value by EUR 0.8 million (Q1-Q3 2009/10: EUR 40.0 million). In Germany, sales dropped by 18.5 % to EUR 30.9 million in comparison with the previous period (Q1-Q3 2009/10: EUR 37.9 million). The UK segment continued to develop positively again during the third quarter. After the first nine months of 2010/11, cumulative sales increased to EUR 13.8 million (Q1-Q3 2009/10: EUR 13.0 million) and thus were 6.0 % higher compared to the reference value of the past year. In the Russia segment, sales reached EUR 11.0 million after nine months of the current reporting period. This corresponds to a decline of 45.4 % compared to the previous year's reference value (Q1-Q3 2009/10: EUR 20.1 million). In the "other markets" segment, sales amounted to EUR 23.8 million and thus almost reached the previous year's level (Q1-Q3 2009/10: EUR 24.0 million).

Despite the ongoing difficult market environment, the Bene Group could stabilise earnings in the third quarter of 2010/11 due to the slight increase in sales as well as the consistent human resources flexibilisation and personnel and non-personnel cost cutting measures. As a result of the still restrictive spending policy, other expenses decreased by 14.1 % to EUR 23.8 million (Q1-Q3 2009/10: EUR 27.7 million). In total, after the first nine months of the current reporting period 2010/11, the EBT of EUR -11.0 million remained at the previous year's level (Q1-Q3 2009/10: EUR -10.9 million). Likewise, in the same period, the EBIT of EUR -8.7 million came close to the past year's value (Q1-Q3 2009/10: EUR -8.8 million). The year-to-date financial result deteriorated from EUR -2.1 million in Q3 2009/10 to EUR -2.3 million due to increased interest charges from the corporate bond issued in April 2009. At the end of the third quarter of 2010/11, the equity ratio amounted to 26.5 % (January 31, 2010: 31.7 %); net gearing was 77.2 % (January 31, 2010: 24.6 %).

In the first nine months of the current financial year 2010/11, additions to property, plant and equipment and to intangible assets decreased to EUR 4.3 million (Q1-Q3 2009/10: EUR 8.8 million) and thus remained clearly below the previous year's level. Investments in replacements at the site in Waidhofen/Ybbs as well as investments in the new location in Vienna represented the largest positions.

On the reporting date October 31, 2010, the Bene Group occupied 1,278 employees. Compared to the previous period, the headcount decreased by 17 persons or 1.3 %.

After a first phase of stabilisation by mid of the third quarter of 2009/10, noticeable signs of recovery are observed in almost all markets since then. This positive development is reflected in the Bene project pipeline, which is increasingly filling-up again, particularly in the Middle East, Asia, Western Europe (also in Germany) and several countries in Eastern Europe.

This already has an impact on group sales, which rose by 8.6 % compared to the previous quarter of 2010/11. However, the Germany and Russia segments still recorded significant declines in sales and earnings. All segments, with the exception of Germany, improved the EBIT compared to the reference period.

Despite the clear evidence of a slow recovery of the office furniture market, due to the time delay between receipt of order and invoicing of project business, the Management Board maintains its forecast that the Bene Group will report a clearly negative result for the current business year.

In the medium-term, however, the Bene Group has a strong organic growth potential on the basis of the existing capacities and the extensive distribution network as well as the clear focus on direct sales. Bene having introduced profitable products to the sales organisation during the last years and having made essential investments in the capacity at the site in Waidhofen/Ybbs, the Bene Group should be able to realise a considerably higher increase in revenue and earnings compared to the industry in the event of a market recovery.

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.

About Bene.

Bene is convinced that there is a clear connection between the design of office and work environments, corporate culture and the success of a company. Bene's concepts, products and services put this philosophy into reality. Development, design and production as well as consulting and sales are covered under one roof. With 83 sites in 33 countries and 1,248 employees worldwide, Bene offers its customers regional access to all of its services. In the business year 2009/10, consolidated sales of the Bene Group amounted to EUR 179.3 million. Bene is market leader in Austria and number five in Europe. The comprehensive quarterly report is available under www.bene.com.

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stockmarkets: official market: Wien
language: English*



Aussendung übermittelt durch euro adhoc
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