Consolidated Interim Financial Statements
in accordance with International Financial Reporting Standards (IFRS)
as of October 31, 2007
of

EGGER HOLZWERKSTOFFE GMBH

St. Johann in Tirol

A.) CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheet
as of October 31, 2007

	31.10.2007 TEUR	30.4.2007 TEUR
ASSETS		
Non-current assets		
Property, plant and equipment	938,068	843,885
Intangible assets	4,492	4,186
Financial assets	24,858	16,219
Investments in associates	2,769	2,435
Other assets	4,211	6,943
Non-current tax assets	90	0
Deferred tax assets	24,147	23,753
	998,637	***897,422***
Current assets		
Inventories	236,270	184,416
Trade receivables	154,753	74,492
Other assets	52,672	41,072
Current tax assets	5,524	1,899
Securities and financial assets	391	425
Cash and cash equivalents	146,192	153,452
	595,802	***455,756***
Total Assets	**1,594,439**	**1,353,178**
EQUITY AND LIABILITIES		
Equity		
Issued capital, participation rights, perpetual bond and reserves	479,151	424,114
Minority interest	21,534	18,489
	500,685	***442,602***
Non-current liabilities		
Bonds	237,381	237,310
Financial liabilities	251,497	198,790
Other liabilities	4,533	4,448
Investment subsidies	54,680	57,557
Provisions	57,098	62,223
Deferred tax liabilities	22,229	22,336
	627,418	***582,664***
Current liabilities		
Financial liabilities	152,702	77,100
Trade payables	192,584	157,825
Other liabilities	88,088	72,666
Current tax liabilities	30,944	18,293
Provisions	2,019	2,028
	466,337	***327,912***
Total Equity and Liabilities	**1,594,439**	**1,353,178**

Consolidated Income Statement
for the period from May 1 to October 31, 2007

	5-10/2007 TEUR	5-10/2006 TEUR
Revenues	**829,058**	**708,146**
Other operating income	20,362	21,416
Increase/decrease in inventories	21,049	-13,126
Own work capitalized	3,852	3,806
Cost of materials	-450,658	-368,178
Personnel expenses	-124,761	-117,120
Depreciation and amortization	-57,807	-52,788
Other operating expenses	-143,563	-134,370
Operating profit before non-recurring items	**97,532**	**47,786**
Non-recurring income	8,745	0
Operating profit after non-recurring items	**106,277**	**47,786**
Financial results	-16,977	-11,632
Income from financial investments	6	166
Income from associates	347	190
Profit before tax	**89,652**	**36,510**
Income taxes	-27,603	-11,403
Profit after tax	**62,049**	**25,107**
Attributable to:		
Minority shareholders	3,400	1,043
Parent company	58,650	24,063
	62,049	**25,107**

Consolidated Cash Flow Statement
for the period from May 1 to October 31, 2007

	5-10/2007 TEUR	5-10/2006 TEUR
Profit before tax	89,652	36,510
Depreciation and amortization	57,567	52,788
Impairment charges to and valuation of financial assets	42	57
Use of investment subsidies	-5,400	-5,040
Income/loss from the disposal of fixed assets	419	240
Income from changes in the consolidation range	-8,745	0
Income from associates	-349	-190
Increase/decrease in long-term provisions	3,063	1,940
Income taxes paid	-16,103	-12,625
Gross cash flow	**120,146**	**73,680**
Increase/decrease in inventories	-51,854	-10,648
Increase/decrease in trade receivables	-80,291	-29,040
Increase/decrease in other assets	-13,256	-15,237
Increase/decrease in trade payables	34,777	17,813
Increase/decrease in other liabilities	20,531	18,290
Increase/decrease in current provisions	0	34
Currency translation adjustments	-854	-920
Cash flow from changes in net current assets	**-90,947**	**-19,708**
Cash flow from operating activities	***29,199***	***53,972***
Purchase of non-current assets	-161,848	-118,800
Increase/decrease in securities and current financial assets	34	30,327
Distributions from associates	0	1,750
Proceeds from the disposal of non-current assets	1,967	289
Cash flow from investing activities	***-159,847***	***-86,434***
Increase/decrease in current financial liabilities	75,602	18,175
Increase/decrease in non-current financial liabilities	52,778	-31,609
Capital contributions	0	1,000
Distributions	0	-6
Cash flow from financing activities	***128,380***	***-12,440***
Cash and cash equivalents at the beginning of the financial year	153,452	199,149
Change in cash and cash equivalents resulting from changes in the consolidation range	-4,992	0
Net change in cash and cash equivalents	***-2,268***	***-44,902***
Cash and cash equivalents at the end of the financial year	146,192	154,247

Statement of Changes in Equity
as of October 31, 2007

	Equity before minority interest TEUR	Minority interest TEUR	Total TEUR
Balance on May 1, 2007	**424,114**	**18,489**	**442,602**
Currency translation adjustments	-3,614	9	-3,605
Net profit for the period	58,650	3,400	62,049
Total results for the period	55,036	3,409	58,445
Capital increases	0	270	270
Decrease in minority interest	0	-633	-633
Balance on October 31, 2007	**479,151**	**21,534**	**500,685**

B.) SELECTED EXPLANATORY NOTES

Notes to the Consolidated Interim Financial Statements
as of October 31, 2007

1. Accounting and Valuation Methods

The consolidated interim financial statements as of October 31, 2007 comprise the individual financial statements of Egger Holzwerkstoffe GmbH and its subsidiaries, which were consolidated in accordance with the principles of International Financial Reporting Standards and prepared in accordance with the rules for interim reporting (IAS 34).

The accounting and valuation methods that formed the basis for the consolidated annual financial statements as of April 30, 2007 remain unchanged. Additional information on the accounting and valuation methods is provided in the annual financial statements as of April 30, 2007, which form the basis for this interim report.

2. Consolidation Range and Consolidation

These interim financial statements include all domestic and foreign companies controlled by Egger Holzwerkstoffe GmbH.

Egger JV Beteiligungs GmbH, St. Johann i.T, and OOO Egger Drevprodukt, Moscow, are not controlled by Egger Holzwerkstoffe GmbH, St. Johann i.T. Fritz Egger Beteiligungsverwaltung GmbH, Egger Holzprodukte Management GmbH and Egger Holzproduktions GmbH have a material influence on the appointment of management for Egger JV Beteiligungs GmbH and also carry the major share of risks and benefits arising from Egger JV Beteiligungs GmbH through the participation rights. For this reason, Egger JV Beteiligungs GmbH, St. Johann in Tirol, must be included in these consolidated financial statements.

Egger Belgien Beteiligungsverwaltung GmbH, St. Johann in Tirol, Egger Benelux Management BVBA, Zulte, and EGGER Energia SRL, Radauti, were founded during the reporting period and included in the financial statements through full consolidation.

Egger Benelux BVBA, Zulte, which was previously included in the financial statements using the equity method for reasons of immateriality, was transformed into Egger Benelux GCV and converted to full consolidation.

Egger Finanzservice GmbH, St. Johann in Tirol, and Egger Finanzholding GmbH, St. Johann in Tirol, were merged into Egger Holzwerkstoffe GmbH.

The 95% investment held by Fritz Egger Gesellschaft m.b.H, St. Johann in Tirol, in Getränke-Industrie Richard Schipal Gesellschaft m.b.H, St. Pölten, was transferred to Egger Getränke Beteiligungsgesellschaft m.b.H, St. Pölten. In exchange Fritz Egger Gesellschaft m.b.H. now holds a stake of 18% in Egger Getränke Beteiligungsgesellschaft m.b.H, which is carried at cost under financial assets.

The 26% stake in the newly founded Ortswärme St. Johann in Tirol GmbH, St. Johann in Tirol, is carried at cost under financial assets.

The interim financial statements were prepared in thousand Euros (rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

3. Notes to the Balance Sheet

The capital stock of Egger Holzwerkstoffe GmbH was increased by TEUR 9,711 to TEUR 10,000 from internal funds.

Maintenance capex and growth investments totaled TEUR 161,463 (2006/07: TEUR 118,800) for the first half of the 2007/08 financial year.

Net debt rose by TEUR 135,674 (2006/07: TEUR 61,795), chiefly as a result of capital expenditure. Currency translation adjustments that were not recognized to profit and loss equaled TEUR -3,614 for the first six months of the 2007/08 financial year (2006/07: TEUR 2,142), and were recorded in England, Romania and Russia. Consolidated net profit for the period increased equity by TEUR 62,049 (2006/07: TEUR 25,107).

4. Notes to the Income Statement

Consolidated revenues totaled TEUR 829,058 (2006/07: TEUR 708,146). Operating profit before depreciation (EBITDA) equaled TEUR 155,339 (2006/07: TEUR 100,574).

Non-recurring income of TEUR 8,745 represents the result from the deconsolidation of Getränke-Industrie Richard Schipal Gesellschaft m.b.H.

5. Segmentation

The primary segments of business are as follows:

Decorative: Production and sale of chipboard, MDF and HDF boards as well as semi-finished and finished products derived, refined and processed from these items

Retail: Production and sale of laminated flooring and OSB boards

	October 31, 2007			
	Decorative TEUR	Retail TEUR	Consolidation TEUR	Total TEUR
Revenues	646,380	218,118	-35,440	829,058
Depreciation	41,468	16,339	0	57,807
Segment results (EBIT)	75,173	19,944	2,415	97,532
Segment assets	3,842,493	346,258	-2,594,312	1,594,439
Segment liabilities	975,406	267,549	-149,200	1,093,755
Investments	155,617	5,846	0	161,463

6. Notes to the Cash Flow Statement

Profit before tax forms the starting point for the cash flow statement. Taxes paid are shown as a direct deduction under cash flow from operating activities. The appropriate adjustments are found under cash flow from operating activities as a change in other liabilities.

7. Waiver of Review

The interim financial statements were neither audited nor reviewed by a certified public accountant.

8. Statement by Management

The managing directors of Egger Holzwerkstoffe GmbH hereby declare to the best of their knowledge and belief that these unaudited interim financial statements, which were prepared in accordance with International Financial Reporting Standards (IFRS), provide a true and fair value of the combined asset, financial and earnings position of all companies included in the consolidation.

St. Johann in Tirol, Dezember 2007

The Managing Directors

Michael Egger Walter Schiegl Dr. Thomas Leissing Ulrich Bühler

C.) MANAGEMENT REPORT

A. Development of Business

Current developments

Egger was able to meet its growth targets for the first half of the 2007/08 financial year. Group revenues rose by 17% from EUR 708.1 million in the first six months of 2006/07 to EUR 829.1 million for the period from May to October 2007. EBITDA increased 54% from EUR 100.6 million to EUR 155.3 million during this same period. This positive development was supported by outstanding performance in the production area and the full utilization of capacity, higher sales volumes and related revenue growth, and the successful start-up of new production lines. The massive rise in the cost of timber, adhesives and energy during the previous financial year were largely passed on to the market through price increases. Although the cost of timber is beginning to stabilize, prices remain at a very high level. In addition, the second half of the financial year is expected to bring a massive rise in the price of adhesives.

Austria / Switzerland

Both markets are characterized by stable demand and positive development. The sharp rise in raw material prices during the previous year was largely passed on to the market through price increases, but with a delay.

Export

The strong growth in export revenues (revenues generated outside the Group‘s producing countries) during 2006/07 was followed by another significant year-on-year improvement in the first half of 2007/08, with Eastern Europe recorded the highest increases. The Group’s activities also focused on the preparation of the Romanian and Ukrainian markets for the start of operations at the new production facility in Radauti, Romania. Markets in the Benelux countries and Scandinavia show stable demand at a high level. The strength of the Euro in relation to the Dollar has had a substantial negative influence on exports to Asia, above all to Japan.

Germany

The German market was characterized by sound demand and steady development during the first two quarters. Positive impulses were provided by the strong performance of the lacquering and pre-fabricated component aggregates, the start-up of new laminating equipment and the optimization of MDF production. In addition, preparations are in progress for a new sawmill at the plant in Brilon.

Great Britain

The start of operations with the new Contiroll aggregate in Hexham was excellent. Strong demand from the market led to a significant increase in sales volumes, and permitted the further optimization of the product mix and the implementation of additional price increases.

France / Spain

The Contiroll aggregate at the Rambervillers was overhauled and numerous optimization steps were carried out during August, with the result that production is now stable. The demand situation and market development are constant on both markets, and allowed for the implementation of price increases.

Russia

Sales volumes and demand remained strong throughout the first half-year. The retail business was expanded and a number of new customers were acquired for the industrial area. Order intake for the second six months is very positive. The primary objective is to hold delivery times at an average level and guarantee customer satisfaction. Prices are showing stable development.

Retail

Egger maintained its sound position in spite of the difficult market environment. Substantial price increases were implemented to cover the higher cost of raw materials, and improvements were also made to the customer and product mix. The launch of the new direct-print flooring in selected markets was successful. At the plant in Wismar, operations are currently starting for a new high-bay warehouse with a capacity of 2.1 million m².

B. Asset, Financial and Earnings Position

1. Asset and Financial Position

- The balance sheet total rose from EUR 1,353 million on April 30, 2007 to EUR 1,594 million, or by 18%. This development was driven primarily by growth investments, which led to an increase in non-current assets as well as inventories and receivables.

- Non-current assets increased 11% to EUR 999 million. This figure represents 63% of the balance sheet total (2006/07: 66%) and also illustrates the high capital intensity of production in this branch.

- Inventories rose by EUR 52 million to EUR 236 million (2006/07: EUR 184 mill.). This increase was triggered above all by the expansion of production and sales volumes as well as a sharp rise in raw material prices.

- Receivables increased from EUR 74 million as of April 30, 2007 to EUR 155 million. The main reasons for this increase included the limited use of factoring options as well as the expansion of business and higher selling prices. The turnover of trade receivables equaled 45 days, which is slightly less than the 47 days reported as of April 30, 2007.

- Equity, including subsidies, rose by 11% to EUR 555 million as of October 31. 2007 (2006/07: EUR 500 mill.). After the inclusion of subsidies, the equity ratio equaled 35% compared with 37% in the prior year.

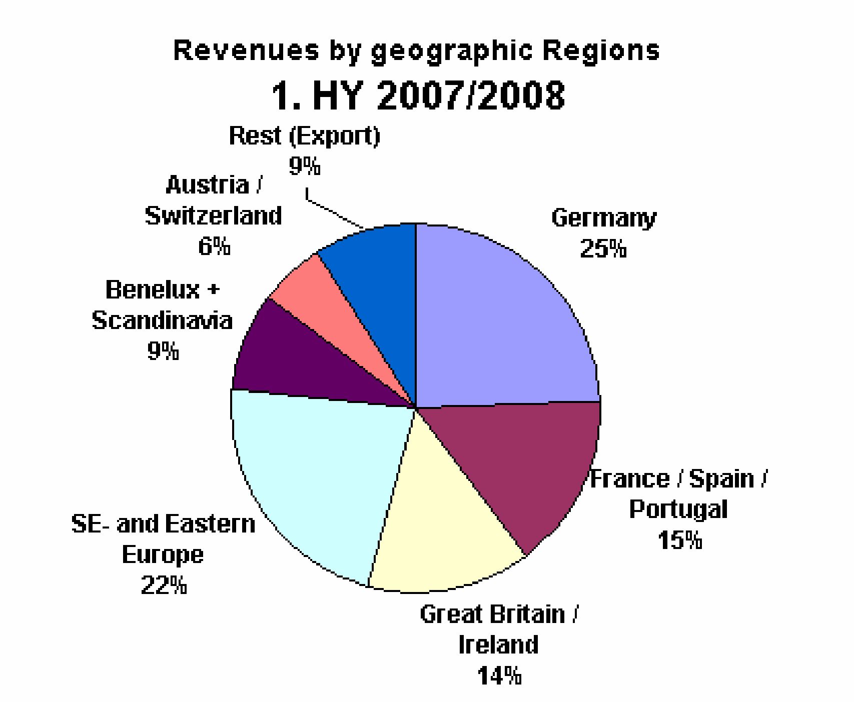
- Interest-bearing liabilities (financial liabilities and bonds) rose by EUR 129 million to EUR 642 million (2006/07: EUR 513 mill.).

- Net debt totaled EUR 495 million as of October 31, 2007 (2006/07: EUR 359 mill.), which reflects an increase of 38% or EUR 136 million. The increase in net debt is related chiefly to investments and higher working capital.

2. Earnings

Consolidated revenues totaled EUR 829 million for the first half of the 2007/08 financial year (first half-year 2006/07: EUR 708 mill.), which represents an increase of 17% over the previous year. This growth comprised an increase of approx. 5% in sales volumes and 12% in prices.

The distribution of revenues by geographic regions is shown on the following graph:



The development of revenues differed widely by region during the first half of 2007/08. The highest growth rates were recorded in Southeastern and Eastern Europe (incl. Russia) with a plus of 42% over the prior year. The following regions continued to exceed the Group average of +17%: Benelux + Scandinavia, Great Britain / Ireland and France / Spain / Portugal.

The Egger Group was able to meet its growth targets because of the positive development of business during the first half of 2007/08. EBITDA (earnings before interest, tax, depreciation and amortization) for the first six months rose by 54% from EUR 101 million in 2006/07 to EUR 155 million for the reporting year. This improvement resulted above all from the full utilization of capacity on existing aggregates as well as the successful start of operations with new equipment and positive market development, which made it possible to increase sales volumes and revenues. The EBITDA margin increased from the previous level of 14.2% to 18.7%.

- Financial results were 47% lower at EUR -16,6 million (2006/07: EUR -11.3 mill.). Interest cover (ratio of EBIT to net financing costs) reached 5.9 (2006/07: 4.2).
- The tax rate fell slightly from 31.2% in 2006/07 to 30.8%, and a further moderate decline is expected over the coming years.
- After the recent consolidation, the focus of the Group's strategy has turned to steady profitable growth and directed expansion in Eastern Europe.

3. Investments

- The Egger Group invested EUR 161 million during the first half of the 2007/08 financial year (2006/07: EUR 119 mill.). This figure includes EUR 18 million (2006/07: EUR 18 mill.) of maintenance investments, which represents 31% (2006/07: 33%) of scheduled depreciation for the year.
  A total of EUR 143 million (2006/07: EUR 101 mill.) was spent on growth investments. The most important growth projects during the first half of 2007/08 included the construction of a plant in Radauti (RO), preparations for and construction of the new sawmill in Brilon (DE), completion of the plant extension in Hexham (UK) and the construction of a new laminating aggregate at the Gifhorn plant (DE).

Total Investments	First half-year 2007/08	First half-year 2006/07
	EUR million	EUR million
Western and Central Europe	79	106
Southern and Eastern Europe	82	13
Total Investments	161	119

C. Major Risks and Uncertainties

- No risks can be indentified at the present time that could endanger the continued existence of the Egger Group during the final six months of this financial year. Major risks that could have a negative influence on earnings include the development of raw material and energy prices, the deterioration of market prices, an adverse shift in the competitive situation and financial risks.

D. Subsequent Events

1. Significant Events after October 31, 2007

- No significant events occurred after the balance sheet date.

2. Expected Developments / Outlook

Growth and investments

- Growth investments of approx. EUR 260 million are planned for the 2007/08 financial year. Of this total, roughly EUR 143 million were completed during the first six months. The following growth investments will be realized during the second half-year:

- The 16th Egger plant is currently under construction in Radauti (Romania). It will have the capacity to produce roughly 600,000 m³ of raw chipboard, and is expected to start operations at the beginning of 2008.
- The renovation and expansion of the Hexham (UK) plant have created approx. 150,000 m³ of additional capacity for the production of raw chipboard.
- The decision to construct a sawmill in Brilon (DE) with a capacity of approx. 800,000 solid cubic meter was followed by the start of work on September 29, 2007. Operations are expected to begin in mid-2008, and the investment volume for this project will equal roughly EUR 75 million.
- A new energy and environmental protection concept is being implemented at St. Johann (AT), which will not only optimize energy efficiency and reduce emissions at the plant but also supply the neighboring community with long-distance heating.
- Capital expenditure at the plant in Rion (FR) includes a new Contiroll aggregate for raw chipboard production as a replacement investment and a fourth laminating press. In order to improve the energy supply and environmental protection aspects of this location, a biomass boiler (50 MW) will also be installed.

Outlook on revenues and earnings

- The Egger Group intends to continue its successful growth course, with steady growth expected for the second half of the 2007/08 financial year. The positive development of business during the first half of this financial year leads to expectations of further sound growth in demand and revenues.
- This outlook includes forecasts that are based on current estimates for future developments. Uncertainty or risks in the market environment could influence these future developments and lead to variances from the current estimates.

St. Johann, December 2007