Consolidated Interim Financial Statements
in accordance with International Financial Reporting Standards (IFRS)
as of October 31, 2008
of

EGGER HOLZWERKSTOFFE GMBH

St. Johann in Tirol

A.) Consolidated Interim Financial Statements

Consolidated Balance Sheet
as of October 31, 2008

	31.10.2008 TEUR	30.4.2008 TEUR
ASSETS		
Non-current assets		
Property, plant and equipment	1,047,317	992,928
Intangible assets	4,164	4,302
Financial assets	28,500	28,583
Investments in associates	5,334	4,132
Other assets	1,293	1,248
Deferred tax assets	31,951	15.846
	1,118,558	***1,047,038***
Current assets		
Inventories	263,750	258,069
Trade receivables	119,909	86,640
Other assets	41,248	40,619
Current tax assets	1,354	1,880
Securities and financial assets	253	245
Cash and cash equivalents	159,262	207,768
	585,776	***595,221***
Total Assets	**1,704,334**	**1,642,259**
EQUITY AND LIABILITIES		
Equity		
Issued capital, participation rights, perpetual bond and reserves	514,222	497,942
Minority interest	24,885	23,999
	539,107	***521,941***
Non-current liabilities		
Bond	164,747	164,715
Financial liabilities	389,067	371,052
Other liabilities	3,069	4,019
Investment subsidies	43,879	49,211
Provisions	54,237	54,217
Deferred tax liabilities	18,107	17,568
	673,106	***660,782***
Current liabilities		
Bond	72,872	72,801
Financial liabilities	103,754	91,058
Trade payables	199,039	205,718
Other liabilities	92,231	71,077
Current tax liabilities	22,677	17,149
Provisions	1,549	1,734
	492,121	***459,536***
Total Equity and Liabilities	**1,704,334**	**1,642,259**

Consolidated Income Statement
for the period from May 1 to October 31, 2008

	5-10/2008 TEUR	5-10/2007 TEUR
Revenues	**824,072**	**829,058**
Other operating income	15,446	20,362
Increase/decrease in inventories	5,306	21,049
Own work capitalized	3,629	3,852
Cost of materials	-479,406	-450,658
Personnel expenses	-129,852	-124,761
Depreciation and amortization	-61,430	-57,807
Other operating expenses	-138,946	-143,563
Operating profit before non-recurring items	**38,820**	**97,532**
Non-recurring income	0	8,745
Operating profit after non-recurring items	**38,820**	**106,277**
Financial results	-26,813	-16,977
Income from financial investments	-53	6
Income from associates	380	347
Profit before tax	**12,334**	**89,652**
Income taxes	-247	-27,603
Profit after tax	**12,087**	**62,049**
Attributable to:		
Minority shareholders	1,370	3,400
Parent company	10,717	58,650
	12,087	**62,049**

Consolidated Cash Flow Statement
for the period from May 1 to October 31, 2008

	5-10/2008 TEUR	5-10/2007 TEUR
Profit before tax	12,334	89,652
Depreciation and amortization	61,430	57,567
Impairment charges to and valuation of financial assets	97	42
Use of investment subsidies	-5,342	-5,400
Income/loss from the disposal of fixed assets	356	419
Income from changes in the consolidation range	0	-8,745
Income from associates	-380	-349
Increase/decrease in long-term provisions	20	3,063
Income taxes paid	-9,173	-16,103
Gross cash flow	**59,342**	**120,146**
Increase/decrease in inventories	-5,681	-51,854
Increase/decrease in trade receivables	-33,269	-80,291
Increase/decrease in other assets	-147	-13,256
Increase/decrease in trade payables	-6,679	34,777
Increase/decrease in other liabilities	19,259	20,531
Increase/decrease in current provisions	-185	0
Currency translation adjustments	-320	-508
Cash flow from changes in net current assets	**-27,022**	**-90,601**
Cash flow from operating activities	***32,320***	***29,545***
Purchase of property, plant and equipment and intangible assets	-111,372	-161,463
Acquisition of associates	-822	0
Increase/decrease in securities and current financial assets	-128	-351
Proceeds from the disposal of non-current assets	373	1,967
Cash flow from investing activities	***-111,949***	***-159,847***
Increase/decrease in current financial liabilities	12,696	75,602
Increase/decrease in non-current financial liabilities	18,118	52,778
Cash flow from financing activities	***30,814***	***128,380***
Net change in cash and cash equivalents	**-48,815**	**-1,922**
Change in cash and cash equivalents resulting from changes in the consolidation range	0	-4,992
Effects of exchange rate fluctuations on cash held	309	-346
Cash and cash equivalents at the beginning of the financial year	207,768	153,452
Cash and cash equivalents at the end of the financial year	**159,262**	**146,192**

Statement of Changes in Equity
as of October 31, 2008

	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
Increase / decrease in minority interest	0	-633	-633
Balance on October 31, 2007	**479,151**	**21,534**	**500,685**
Balance on May 1, 2008	**497,942**	**23,999**	**521,941**
Currency translation adjustments	4,349	0	4,349
Net profit for the period	10,717	1,370	12,087
Total results for the period	15,066	1,370	16,436
(Deferred) taxes on items recognized directly in equity	1,215	0	1,215
Increase / decrease in minority interest	0	-485	-485
Balance on October 31, 2008	**514,222**	**24,885**	**539,107**

B.) Selected Explanatory Notes

Notes to the Consolidated Interim Financial Statements
as of October 31, 2008

1. Accounting and Valuation Methods

The consolidated interim financial statements as of October 31, 2008 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, 2008 remain unchanged. Additional information on the accounting and valuation methods is provided in the annual financial statements as of April 30, 2008, 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. However, Egger JV Beteiligungs GmbH is included in these interim financial statements because Fritz Egger Beteiligungsverwaltung GmbH, St. Johann in Tirol, has a material influence on the appointment of management for Egger JV Beteiligungs GmbH and also carries the major share of risks and benefits arising from the company through participation rights.

Egger Holzprodukte Management GmbH, St. Johann in Tirol, and Egger Rohstoffmanagement GmbH, St. Johann in Tirol, were founded during the reporting period and included in the financial statements through full consolidation.

In Switzerland, 100% of the shares in IHO-Holzprodukte AG, Kriens, were acquired and the name of this company was subsequently changed to EGGER Holzwerkstoffe Schweiz

GmbH. This company is included in the consolidation at equity because of its secondary importance for the group.

The investment in E.F.P. Floor Products Fußböden-GmbH, Wismar, was sold to Beteiligung "E.F.P." – Privatstiftung, Vienna, and subsequently deconsolidated.

The former Egger Rumänien Beteiligungsverwaltung GmbH, St. Johann in Tirol, was merged into Egger Holzhandel GmbH, St. Johann in Tirol, and is now known as Egger Osteuropa Beteiligungsverwaltung GmbH.

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 issued capital of Egger Holzwerkstoffe GmbH totals TEUR 10,000 and has remained unchanged since the prior year.

Maintenance capex and growth investments totaled TEUR 111,372 for the first half of the 2008/09 financial year (2007/08: TEUR 161,463).

Net debt rose by TEUR 79,312 (2007/08: TEUR 135,674) to TEUR 570,925 (2007/08: TEUR 491,613), primarily as a result of capital expenditure. Currency translation adjustments that were not recognized to profit and loss equaled TEUR 4,349 for the first six months of the 2008/09 financial year (2007/08: TEUR -3,614) and were recorded in England, Romania and Russia. Consolidated net profit for the period increased equity by TEUR 12,087 (2007/08: TEUR 62,049).

4. Notes to the Income Statement

Consolidated revenues totaled TEUR 824,072 (2007/08: TEUR 829,058). Operating profit before depreciation (EBITDA) equaled TEUR 100,250 (2007/08: TEUR 155,339).

Prior year non-recurring income of TEUR 8,745 represents the results 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, 2008			
	Decorative TEUR	Retail TEUR	Consolidation TEUR	Total TEUR
Revenues	652,463	213,996	-42,387	824,072
Depreciation	44,416	17,014	0	61,430
Segment results (EBIT)	39,098	5,199	-5,477	38,820
Segment assets	5,654,498	322,795	-4,272,959	1,704,334
Segment liabilities	1,124,697	259,801	-219,271	1,165,227
Investments	109,439	1,934	0	111,372

	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

We hereby confirm to the best of our knowledge that the consolidated interim financial statements, which were prepared in accordance with the applicable accounting standards, provide a true and fair view of the asset, financial and earnings position of the group. Additionally, we confirm to the best of our knowledge that the group management report provides a true and fair view of the group's asset, financial and earnings position with respect to important events that occurred during the first six months of the financial year and their impact on the consolidated interim financial statements, and also describes the principal risks and uncertainties for the remaining six months of the financial year.

St. Johann in Tirol, December 2008

The Managing Directors

Michael Egger Walter Schiegl Thomas Leissing Ulrich Bühler

C.) Management Report

1. Development of Business

1.1. Current developments

The entire wood materials branch is currently facing a difficult operating environment. October saw the spread of the financial and bank crisis to all sectors and regions of the real economy. Egger was unable to meet its growth targets for the first half of the 2008/09 financial year. Revenues recorded by the Egger Group for the period from May to October 2008 totaled EUR 824.1 million, and nearly matched (-0.6%) the comparable prior year level of EUR 829.1 million. However, EBITDA fell by 35.4% from EUR 155.3 million to EUR 100.3 million during this same period. The first six months of 2008/09 were characterized above all by further massive increases in the price of raw materials, especially chemicals. Most of these additional costs could not be passed on through price increases because of the significant deterioration in market conditions. The second half-year is expected to bring a slight easing of chemical prices. The most important objectives are to adjust the group's strategy to reflect the unfavorable market conditions, to quickly adjust fixed costs to meet the current sales situation, to optimize costs and processes in all areas and to maintain a strong financial basis.

Egger restructured its sales organization at the start of the 2008/09 financial year to bundle activities on a regional basis. The development of business during the first half-year differed widely by sales region, and is presented in the following section:

1.2. Developments in the Decorative Segment

Central-South Europe *(Austria / Switzerland / Italy)*

All markets are characterized by weakening demand and related negative development. The sharp rise in the cost of chemicals during the first half-year could only be passed on in part to the market through price adjustments. Results recorded by the plants in Austria were influenced by shutdowns related to the renovation of the facilities.

North-West Europe *(Germany / Benelux / Scandinavia)*

The development of business in the North-West Europe region remained positive during the first six months of 2008/09. Higher sales volumes and revenues were recorded especially in the decorative and laminate area. The new sawmill in Brilon successfully started operations in spite of extremely adverse market conditions and has reached a good level of utilization.

Great Britain and Ireland

Great Britain has been affected by a massive economic downturn in the construction and furniture sectors, which was triggered by a slump in British new residential construction and the credit crisis. The higher cost of energy was offset in part by the construction of a bio-mass power plant. There are no signs of any improvement on the British market over the short-term, and measures have been introduced to further optimize costs and control inventory levels.

South-West Europe *(France / Spain / Portugal)*

Activities at the plant in Rion des Landes included the start of operations with a new ContiRoll aggregate in November 2008 as well as the scheduled start-up of a new bio-mass power plant in September 2008 to optimize the energy situation. The decline in new residential construction on the French market was accelerated by the consequences of the financial crisis. The Spanish market has been negatively influenced above all by the real estate crisis. The economy contracted in summer 2008 for the first time in 15 years, with forecasts predicting a more severe recession in sight. Over recent months the unemployment rate in Spain has risen faster than in any other European country.

Russia

Sales volumes and demand remained stable throughout the reporting period, while revenues fell slightly below the prior year level. A further coating lamination line for raw chipboard was placed into operation at the Shuya plant during the first half-year.

Central and Eastern Europe *(CEE: Central Eastern Europe, SEE: South Eastern Europe, ME: Middle East)*

The recently opened plant in Radauti was able to meet its targets for the first six months. Activities are focused on the development of the Romanian market, on increasing the share of laminates (a new tandem coating lamination line started operations at the beginning of November) and on the further optimization of production and logistics.

Export

The strong growth in export revenues (revenues generated outside Europe) during recent years was followed by stagnation during the first six months of 2008/09. Lower revenues were reported especially in the sales territories of Asia, Africa and the USA. The strength of the Euro in relation to the Dollar had a significant negative effect on exports to Asia, in particular Japan, during the reporting period.

1.3. Developments in the Retail Segment

The operating environment for the Retail Segment remains difficult and is characterized by the continuing negative impact of the real estate crisis on the construction sector as well as substantial excess capacity in the wake of a drop in exports to North America and Asia, and aggressive price competition. In contrast, revenues in the OSB area reached the comparable prior year level.

2. Asset, Financial and Earnings Position

2.1. Asset and financial position

- The balance sheet total rose by 4% from EUR 1,642 million on April 30, 2008 to EUR 1,704 million. This development was supported primarily by growth investments and a related increase in non-current assets as well as higher inventories and receivables.

- Non-current assets increased 7% to EUR 1,119 million. This figure represents 66% of the balance sheet total (30.04.2008: 64%) and reflects the high capital intensity of production in this branch.

- Inventories rose by EUR 6 million to EUR 264 million (2007/08: EUR 258 million). This increase is related above all to the sharp rise in raw material prices as well as higher stocks of work in process and finished goods.

- Receivables increased from EUR 87 million as of April 30, 2008 to EUR 120 million. The main reasons for this development were a reduction in factoring and the further expansion of business (new plants in Romania and the sawmill in Brilon). The turnover of trade receivables equaled 39 days, and is significantly less than the comparable value of 43 days reported as of April 30, 2008.

- Equity, including subsidies, rose by 2% to EUR 583 million as of April 30, 2008 (30.04.2008: EUR 571 million). The equity ratio equaled 34% after the inclusion of subsidies, compared with 35% in 2007/08.

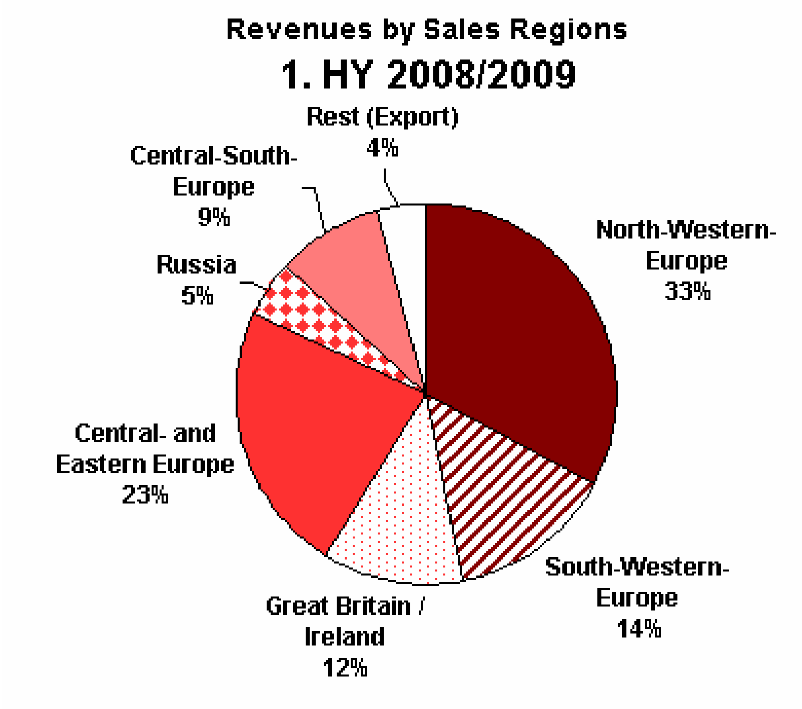
- Interest-bearing liabilities (financial liabilities and bonds) rose by EUR 31 million to EUR 731 million as of October 31, 2008 (30.04.2008: EUR 700 million).

- Net debt totaled EUR 571 million as of October 31, 2008 (30.04.2008: EUR 492 million), and reflects an increase of 16% or EUR 79 million. The increase in net debt is related chiefly to investments and higher working capital.

2.2. Earnings

Consolidated revenues totaled EUR 824.1 million for the first half of the 2008/09 financial year (1st half-year 2007/08: EUR 829.1 million), and reflect a decrease of 0.6% in relation to the comparable prior year period. Revenues matched the prior year level despite the steady deterioration of the economic environment.

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



The development of revenues differed widely by region during the first half of the reporting year. As in 2007/08, the highest growth rates were recorded in Central and Eastern Europe (excluding Russia) with a plus of 33% over the prior year. Revenue declines for the first half of 2008/09 were reported by Great Britain/Ireland (-18%) and the export area (-14%).

EBITDA (earnings before interest, tax, depreciation and amortization) for the first six months fell from EUR 155.3 million in 2007/08 to EUR 100.3 million, or by 35.4%. The main factors responsible for this decline are as follows: the difficult market environment; a sharp rise in raw material costs (adhesives) that could only be passed on in part to the market; the operation of selected aggregates at less than full capacity; temporary standstills in production aggregates in connection with plant renovation; and strong pressure on prices for individual product groups as the result of excess capacity on the market. The EBITDA margin declined from the previous level of 18.7% to 12.2%.

- Financial results were 58% lower at EUR -26.8 million EUR (2007/08: EUR -17.0 million).
- Income tax expense fell from EUR 27.6 million to EUR 0.2 million due to the development of earnings.

2.3. Investments

- The Egger Group invested EUR 111 million during the first half of the 2008/09 financial year (2007/08: EUR 161 million). This amount includes EUR 16 million (2007/08: EUR 18 million) of maintenance investments, and represent 26% (2007/08: 31%) of scheduled depreciation for the year.
  Growth investments equaled EUR 95 million (2007/08: EUR 143 million). The most important growth projects during the first half of 2008/09 were the completion of modernization at the plant in Rion des Landes (FR), the further expansion of Radauti (RO), the completion of the new sawmill in Brilon (DE) and preparatory work for a new energy and environmental project in St. Johann (AT).

Total Investments	First half-year 2008/09	First half-year 2007/08
	EUR million	EUR million
Decorative:		
West – Central Europe	89	73
South – East Europe	20	82
Retail:	2	6
Total Investments	**111**	**161**

3. 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 conditions and an adverse shift in the competitive situation.

4. Subsequent Events

4.1. Significant events after October 31, 2008

- No significant events occurred after the balance sheet date.

4.2. Expected development / outlook

Growth and investments

- Growth investments of approx. EUR 180 million are planned for the 2008/09 financial year. Of this total, roughly EUR 95 million were realized during the first six months. These activities generally represent the completion of growth investments that were started during 2007/08 and the first half of 2008/09.

Outlook on revenues and earnings

- Recent months have seen the spread of the financial and real estate crisis to the real economy, and the second half of 2008/09 is expected to bring a further deterioration in the economic environment. Therefore, a substantial decline in revenues and operating EBITDA must be expected for the full 12 months of 2008/09.
  The overriding goals of the Egger Group in this current economic environment are to safeguard liquidity, to sustain capacity utilization and maintain the level of employment in our plants and to adjust our strategy to meet the changing market conditions.
  The group has already approved an extensive program, which includes clearly defined cost reduction measures for all areas and will make it possible to adjust fixed costs to reflect the current development of the market and sales volumes.
- This outlook represents forecasts that are based on current expectations of future developments. Uncertainty or risks in the market environment could influence these future developments and lead to variances from estimates made at the present time.

St. Johann in Tirol, December 2008