Consolidated Interim Financial Statements
in accordance with International Financial Reporting Standards (IFRS)
as of October 31, 2009
of

EGGER HOLZWERKSTOFFE GMBH

St. Johann in Tirol

A.) Consolidated Interim Financial Statements

CONSOLIDATED BALANCE SHEET

	31.10.2009 TEUR	30.4.2009 TEUR
ASSETS		
Non-current assets		
Property, plant and equipment	984,181	1,007,803
Intangible assets	3,920	4,024
Financial assets	29,679	29,620
Investments in associates	3,085	3,843
Other assets	868	750
Deferred tax assets	37,025	41,440
	1,058,757	***1,087,481***
Current assets		
Inventories	189,337	203,828
Trade receivables	58,296	42,129
Other assets	37,780	36,554
Current tax assets	840	1,672
Securities and financial assets	262	276
Cash and cash equivalents	90,587	125,106
	377,102	***409,565***
Total Assets	**1,435,858**	**1,497,046**
EQUITY AND LIABILITIES		
Equity		
Issued capital, participation rights, perpetual bond and reserves	487,233	445,319
Minority interest	26,429	24,687
	513,662	***470,006***
Non-current liabilities		
Bonds	164,811	164,779
Financial liabilities	341,995	456,616
Other liabilities	2,411	2,050
Investment subsidies	34,694	38,089
Provisions	50,360	51,061
Deferred tax liabilities	9,595	11,251
	603,866	***723,846***
Current liabilities		
Financial liabilities	71,771	70,885
Trade payables	144,525	136,480
Other liabilities	88,853	82,876
Current tax liabilities	11,762	11,534
Provisions	1,420	1,420
	318,330	***303,194***
Total Equity and Liabilities	**1,435,858**	**1,497,046**

CONSOLIDATED INCOME STATEMENT

	5-10/2009 TEUR	5-10/2008 TEUR
Revenues	**740,560**	**824,072**
Other operating income	13,389	15,446
Increase/decrease in inventories	-8,007	5,306
Own work capitalized	2,215	3,629
Cost of materials	-383,804	-479,406
Personnel expenses	-121,548	-129,852
Depreciation and amortization	-67,977	-61,430
Other operating expenses	-115,075	-138,946
Operating profit	**59,753**	**38,820**
Financial results	-4,099	-26,813
Income from financial investments	31	-53
Income from associates	-884	380
Profit before tax	**54,802**	**12,334**
Income taxes	-8,355	-247
Profit after tax	**46,447**	**12,087**
Attributable to minority shareholders	1,743	1,370
Attributable to the parent company	44,703	10,717
	46,447	**12,087**

STATEMENT OF COMPREHENSIVE INCOME

	5-10/2009 TEUR	5-10/2008 TEUR
Currency translation adjustments	-3,629	4,349
Hedging reserve	-377	0
Profit after tax recognized directly in equity	**-4,006**	**4,349**
Profit after tax	46,447	12,087
Total comprehensive income for the period	**42,440**	**16,436**
Attributable to minority shareholders	1,743	1,370
Attributable to the parent company	40,697	15,066
	42,440	**16,436**

CONSOLIDATED CASH FLOW STATEMENT

	5-10/2009 TEUR	5-10/2008 TEUR
Profit before tax	54,802	12,334
Depreciation and amortization	67,977	61,430
Impairment charges to and valuation of financial assets	23	97
Use of investment subsidies	-3,615	-5,342
Income/loss from the disposal of fixed assets	987	356
Income from associates	884	-380
Increase/decrease in long-term provisions	-701	20
Income taxes paid	-1,182	-9,173
Gross cash flow	**119,175**	**59,342**
Increase/decrease in inventories	14,491	-5,681
Increase/decrease in trade receivables	-16,167	-33,269
Increase/decrease in other assets	-510	-147
Increase/decrease in trade payables	8,045	-6,679
Increase/decrease in other liabilities	3,714	19,259
Increase/decrease in current provisions	0	-185
Currency translation adjustments	-831	-320
Cash flow from changes in net current assets	**8,742**	**-27,022**
Cash flow from operating activities	***127,917***	***32,320***
Purchase of property, plant and equipment and intangible assets	-49,012	-111,372
Purchase of non-current financial assets	-406	-942
Increase/decrease in securities and current financial assets	14	-8
Proceeds from the disposal of non-current assets	726	373
Cash flow from investing activities	***-48,678***	***-111,949***
Increase/decrease in current financial liabilities	886	12,696
Increase/decrease in non-current financial liabilities	-114,589	18,118
Cash flow from financing activities	***-113,703***	***30,814***
Net change in cash and cash equivalents	**-34,464**	**-48,815**
Effects of exchange rate fluctuations on cash held	-55	309
Cash and cash equivalents at the beginning of the financial year	125,106	207,768
Cash and cash equivalents at the end of the reporting period	**90,587**	**159,262**

STATEMENT OF CHANGES IN EQUITY

	Equity before minority interest TEUR	Minority interest TEUR	Total TEUR
Balance on May 1, 2008	**497,942**	**23,999**	**521,941**
Total comprehensive income 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**
Balance on May 1, 2009	**445,319**	**24,687**	**470,006**
Total comprehensive income for the period	40,697	1,743	42,440
(Deferred) taxes on items recognized directly in equity	1,215	0	1,215
Balance on October 31, 2009	**487,233**	**26,429**	**513,662**

B.) Selected Explanatory Notes

Notes to the Consolidated Interim Financial Statements
as of October 31, 2009

1. Accounting and Valuation Methods

The consolidated interim financial statements as of October 31, 2009 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, 2009 remain unchanged, with the exception of the application of the changes to IAS 1 and IAS 23. In accordance with the requirements of IAS 1, a statement of comprehensive income with two separate sections is presented for the period beginning on May 1, 2009. The comparable prior year data were adjusted accordingly. The revised IAS 23 requires the capitalization of borrowing costs on qualified assets acquired or produced after May 1, 2009. No borrowing costs were capitalized for this interim financial report. Additional information on the accounting and valuation methods is provided in the annual financial statements as of April 30, 2009, 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.

Silvarec S.R.L. was founded in Romania during the reporting period. Egger Osteuropa Beteiligungsverwaltung GmbH, St. Johann in Tirol, holds 50% of the share capital of Silvarec S.R.L. This company is included in the consolidation at equity.

In Romania, 100% of the shares in HL Hunley Consulting S.R.L. were acquired and the name of the company was subsequently changed to Egger Technologia S.R.L. This company is included in the financial statements through full consolidation.

Egger Ireland Ltd, Dublin, was merged into Egger Holzwerkstoffe GmbH, St. Johann in Tirol. This merger should be recorded in the company register during December 2009. Another transaction involved the merger of Northumbria Ltd, Dublin, into Egger Holzwerkstoffe GmbH, St. Johann in Tirol. This merger should be recorded in the company register by the end of February 2010.

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 30 April 2009.

Maintenance capex and growth investments totaled TEUR 49,012 for the first half of the 2009/10 financial year (1-6 2008/09: TEUR 111,372).

Net debt totaled TEUR 487,990 as of October 31, 2009 (TEUR 567,174 as of April 30, 2009), for a decline of TEUR 79,184 during the reporting period. The negative change in currency translation adjustments that were not recognized to profit and loss equaled TEUR 3,629 for the first six months of 2009/10 (1-6 2008/09: positive change of TEUR 4,349) and were recorded in England, Romania and Russia.

The currency-based translation risk associated with the Egger subsidiaries in England is limited by a forward exchange contract. This led to a positive change of TEUR 50 in reserves for the first half of the reporting year (1-6 2008/09: TEUR 0).

4. Notes to the Income Statement

Consolidated revenues totaled TEUR 740,560 (1-6 2008/09: TEUR 824,072). Operating profit before depreciation (EBITDA) equaled TEUR 127,730 (1-6 2008/09: TEUR 100,250).

5. Segment Reporting

Segment reporting is based on the Decorative and Retail segments of business.

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, 2009			
	Decorative TEUR	Retail TEUR	Consolidation TEUR	Total TEUR
Revenues	590,724	184,944	-35,108	740,560
Depreciation	50,776	17,201	0	67,977
Segment results (EBIT)	50,752	9,001	0	59,753
Segment assets	6,024,438	283,188	-4,871,768	1,435,858
Segment liabilities	924,138	224,945	-226,887	922,196
Investments	46,569	2,443	0	49,012

Note: The consolidation of inter-segment transactions involving assets and liabilities is included under the column “consolidation“.

	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

Note: The consolidation of inter-segment transactions involving assets and liabilities is included under the column “consolidation“.

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

These 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 2009

The Managing Directors

Walter Schiegl　　Dr. Thomas Leissing　　Ulrich Bühler

C.) Management Report

A. Development of Business

Current developments

The wood materials branch continues to be faced with a difficult operating environment that is characterized by excess capacity. Demand nevertheless exceeded the second half of 2008/2009, a period which was particularly hard hit by the economic crisis. The Egger Group recorded revenues of EUR 740.6 million from May to October 2009, for a decline of 10.1% below the comparable prior year level of EUR 824.1 million. This decrease was caused by a market-related drop in volumes and above all by lower prices. EBITDA rose by 27% from EUR 100.3 million to EUR 127.7 million during the first half of 2009/10. The development of business during the first six months was favorably influenced by moderate raw material prices, especially for chemicals, which had a positive effect on earnings. Various measures implemented to counter the economic crisis will remain intact, including a clear market focus as well as the optimization of variable and fixed costs.

The development of business during the first half of 2009/10 differed by sales region, and is presented in the following section:

Central-South Europe *(AT / CH / I)*

The retail business in Austria and Switzerland stabilized at a good level. However, lower sales volumes were recorded with the industrial sector – in particular Austrian furniture producers. The Italian market was heavily affected by a sharp drop in demand, which Egger counteracted with the development of a retail network.
Production capacity was reduced through the shutdown of the Leoben plant. The other Austrian Egger plants reported good capacity utilization.

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

The development of business in the North-West Europe region was satisfactory during the first half of 2009/10, with stable market growth above all in the decorative and laminates areas. Demand was positive in the retail and kitchen furniture sectors of Germany and the Benelux countries. Scandinavia was particularly hard hit by the real estate crisis, which triggered a substantial drop in demand.

The sawmill in Brilon was able to increase market share despite a difficult operating environment.

Great Britain and Ireland

Great Britain was one of the first countries in Europe to be affected by the financial and economic crisis, but initial signs of recovery have started to appear and the Egger plants in the UK are reporting good capacity utilization. New customers were acquired, especially in the decorative area. The weak Pound has limited imports from competitors in the Euro zone and provided support for the export business.

South-West Europe *(FR / ES / PT)*

The market in South-West Europe was characterized by stability in the retail business and a price war in the industrial sector. In Spain and Portugal, substantially lower demand was noted from customers in both the retail and industrial markets. Successful completion of the plant modernization in Rion des Landes led to an improvement in the competitive position through an optimized cost structure.

Russia

Sales volumes and demand recovered slowly during the first half-year. Overheating in the real estate sector led to a decline in demand, but the newly installed laminating equipment at the Shuya plant expanded supply capacity. In addition, the start of operations at a warehouse in St. Petersburg created an added channel for flooring sales in Russia.

Central and Eastern Europe *(CEE, SEE, ME)*

The successful start-up of the plant in Romania and intensified marketing activities were responsible for higher sales volumes in Central and Eastern Europe. An increased focus on the ZOOM collection for Eastern Europe also had a favorable effect on the development of business. Currency-related and logistics barriers had a negative impact on sales volumes in Poland and the Baltic States. A challenge was also posed by credit problems from customers, above all in Ukraine.

Export

Exports to overseas regions were negatively affected by the strength of the Euro. Export markets are used increasingly for spot transactions and generate only a small share of revenues.

Retail

The flooring market is characterized by significant excess capacity. Price reductions and promotions were required to hold sales volumes at the targeted levels. The OSB business developed well during the first half of 2009/10, allowing for the good utilization of production capacity.

B. Asset, Financial and Earnings Position

1. Asset and financial position

Balance Sheet		31.10.09	30.04.09
Non-current assets	EUR mill.	1,059	1,087
Inventories	EUR mill.	189	204
Receivables	EUR mill.	58	42
Cash and cash equivalents	EUR mill.	91	125
Other current assets	EUR mill.	39	39
Balance sheet total	**EUR mill.**	**1,436**	**1,497**
Equity (incl. subsidies)	EUR mill.	548	508
Provisions	EUR mill.	52	52
Financial liabilities / bonds	EUR mill.	579	692
Other liabilities	EUR mill.	257	245

- The balance sheet total fell by 4% from EUR 1,497 million on April 30, 2009 to EUR 1,436 million. This decline reflected a lower level of investment and successful working capital management.

- Non-current assets decreased 3% to EUR 1,059 million. This figure represents 74% of the balance sheet total (April 30, 2009: 73%) and reflects the high capital intensity of production in this branch.

- Inventories declined by EUR 15 million from the level on April 30, 2009 to EUR 189 million, primarily due to a reduction in stocks of semi-finished and finished goods.

- Receivables rose from EUR 42 million in the previous financial year to EUR 58 million, above all due to a seasonal increase in business during September and October. This development also led to an increase in the turnover of trade receivables from 41 days as of April 30, 2009 to 45 days. Receivables totaling EUR 154.9 million had been sold as of October 31, 2009 (as of April 30, 2009: EUR 153.1 million).

- Equity, including investment subsidies, increased 8% to EUR 548 million during the first half of 2009/10 (April 30, 2009: EUR 508 million). The equity ratio equaled 38% after the inclusion of subsidies, compared with 34% in 2008/09.

- Interest-bearing liabilities (financial liabilities and bonds) were reduced by 16% to EUR 579 million (April 30, 2009: EUR 692 million).

- Net debt totaled EUR 488 million as of October 31, 2009 (April 30, 2009: EUR 567 million), which represents a decrease of 14% or EUR 79 million. The reduction in net debt resulted primarily from an increase in cash flow from operating activities and a decrease in investments.

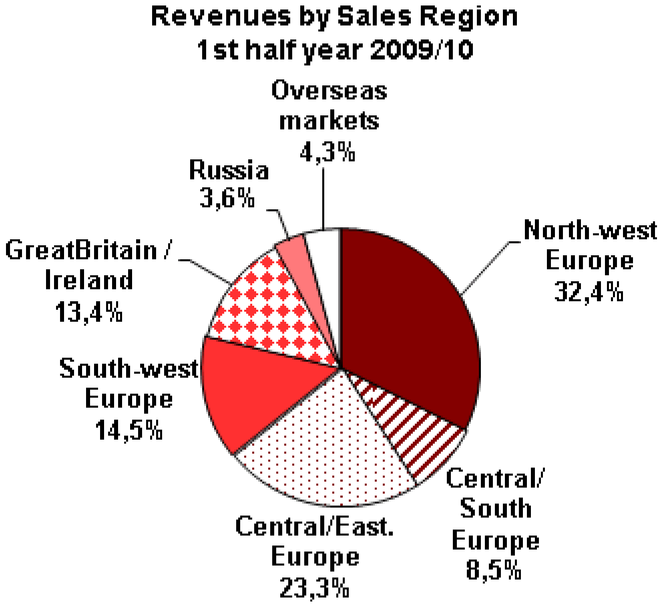
- In addition to the equity ratio, which rose to 38% from the level on October 30, 2009, the debt repayment period represents a key treasury indicator. Net debt in relation to rolling 12-month EBITDA improved from 3.2 to 2.4.

Treasury Indicators		31.10.09	30.04.09
Equity ratio	in %	38%	34%
Net debt / EBITDA	years	2.4	3.2

2. Earnings

Consolidated revenues amounted to EUR 10,741 million for the first half of 2009/10 (1-6 2008/09: EUR 824 million), which reflects a year-on-year decline of 10%. This development resulted from the deterioration of the business climate in the wake of the economic crisis.

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



The development of revenues in the individual sales regions was influenced by weaker demand during the first half of 2009/10. Nearly all regions reported lower revenues compared with the first half of 2008/09. The decline was particularly sharp in Russia (-31%), with the devaluation of the Ruble responsible for a minus of 18%. Only Great Britain and Ireland were able to match the prior year level. Export revenues rose by 13%, above all as a result of spot transactions.

In the first half of 2009/10 the Egger Group was able to exceed the targets that were defined against the backdrop of the current market environment. The newly built locations, such as Radauti (Romania) and the sawmill in Brilon (Germany), were successful in increasing their market shares.

EBITDA (earnings before interest, tax, depreciation and amortization) for the first six months rose by 27% from EUR 100.3 million in the prior year to EUR 127.7 million for the reporting period. This improvement was supported primarily by a decline in raw material costs, especially for chemicals, as well as the optimization of the variable and fixed cost structure. Despite lower selling prices and reduced capacity utilization on some equipment, the EBITDA margin equaled 17.2% for the first six half of 2009/10 (1-6 2008/09: 12.2%).

Earnings Indicators		HY 09/10	HY 08/09
Revenues	EUR mill.	741	824
EBITDA	EUR mill.	128	100
EBITDA margin	in %	17.2%	12.2%
EBIT	EUR mill.	60	39
Financial results	EUR mill.	-4	-27
Profit before tax (PBT)	EUR mill.	55	12
Profit after tax (PAT)	EUR mill.	46	12

- Financial results improved to EUR -4 million (2008/09: EUR -27.0 million). Interest cover (ratio of EBIT to financial results) reached 14.6 (2008/09: 1.4).
- The tax rate rose to 15% for the first half of 2009/10.

3. Investments

- The Egger Group invested EUR 49 million in property, plant and equipment and intangible assets during the first half of the 2009/10 financial year (2008/09: EUR 111 million). This amount includes EUR 12 million (2008/09: EUR 16 million) of maintenance investments, and represents 17% (2008/09: 26%) of scheduled depreciation for the year.
  Growth investments equaled EUR 37 million (2008/09: EUR 95 million). The two most important growth projects during the first half of 2009/10 were the modernization of the plant in Rion des Landes (FR) and the award-winning energy and environmental project in St. Johann (AT).

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, 2009

- No significant events occurred after the balance sheet date.

2. Expected development / outlook

Growth and investments

- Growth investments of approx. EUR 60 million are planned for the 2009/10 financial year, whereby EUR 37 million of this total were realized during the first six months.

The following growth projects are scheduled for the second half-year:

- Preparations for the adhesives plant in Romania
- Extension of the raw chipboard press in Brilon
- Administrative building in Romania

Outlook on revenues and earnings

- The financial and economic crisis does not appear to be completely over, even if many factors point to a recovery in the global economy. The Egger Group will continue to follow a strategy that reflects the current weak state of the market. This strategy includes a clear focus on the market and a lean cost structure as well as any capacity adjustments that may become necessary.

- The second half year is expected to bring an increase in raw material and energy prices.

- A sustainable improvement in demand is not expected over the coming months. After a recent seasonal increase in market activity, demand will most likely weaken during the remainder of this winter.

- This outlook represents forecasts that are based on current expectations for 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 2009

The Managing Directors

Walter Schiegl   Dr. Thomas Leissing   Ulrich Bühler