Consolidated Interim Financial Statements
in accordance with International Financial Reporting Standards (IFRS)
as of October 31, 2010
of

EGGER HOLZWERKSTOFFE GMBH
St. Johann in Tirol

A.) Consolidated Interim Financial Statements

CONSOLIDATED BALANCE SHEET

	31.10.2010 TEUR	30.4.2010 TEUR
ASSETS		
Non-current assets		
Property, plant and equipment	970,448	971,774
Intangible assets	83,765	3,927
Financial assets	35,534	33,026
Investments in associates	2,888	2,362
Other assets	13	30
Deferred tax assets	49,887	45,815
	1,142,536	***1,056,933***
Current assets		
Inventories	231,920	189,768
Trade receivables	73,581	47,129
Other assets	38,689	31,672
Current tax assets	107	94
Securities and financial assets	134	148
Cash and cash equivalents	116,148	302,111
	460,580	***570,923***
Total Assets	**1,603,116**	**1,627,856**
EQUITY AND LIABILITIES		
Equity		
Issued capital, participation rights, perpetual bond and reserves	534,403	520,137
Non-controlling interests	27,324	26,630
	561,727	***546,767***
Non-current liabilities		
Bonds	284,124	284,032
Financial liabilities	228,225	350,322
Other liabilities	37,474	2,434
Investment subsidies	29,295	31,497
Provisions	47,514	46,786
Deferred tax liabilities	15,757	12,748
	642,389	***727,819***
Current liabilities		
Financial liabilities	108,630	91,993
Trade payables	174,622	159,265
Other liabilities	90,124	78,888
Current tax liabilities	19,561	16,611
Provisions	6,063	6,512
	399,000	***353,269***
Total Equity and Liabilities	**1,603,116**	**1,627,856**

CONSOLIDATED INCOME STATEMENT

	5-10/2010 TEUR	5-10/2009 TEUR
Revenues	**871,333**	**740,560**
Other operating income	16,929	13,389
Increase/decrease in inventories	17,088	-8,007
Own work capitalized	2,214	2,215
Cost of materials	-505,952	-383,804
Personnel expenses	-131,574	-121,548
Depreciation and amortization	-69,026	-67,977
Other operating expenses	-148,764	-115,075
Operating profit	**52,248**	**59,753**
Financial results	-24,148	-4,099
Income from financial investments	5	31
Income from associates	190	-884
Profit before tax	**28,294**	**54,802**
Income taxes	-970	-8,355
Profit after tax	**27,323**	**46,447**
Attributable to non-controlling interests	693	1,743
Attributable to the parent company	26,630	44,703
	27,323	**46,447**

STATEMENT OF COMPREHENSIVE INCOME

	5-10/2010 TEUR	5-10/2009 TEUR
Currency translation adjustments	-10,787	-3,629
Change in hedging reserve	214	-377
Profit after tax recognized directly in equity	**-10,573**	**-4,006**
Profit after tax	27,323	46,447
Total comprehensive income for the period	**16,750**	**42,440**
Attributable to non-controlling interests	693	1,743
Attributable to the parent company	16,057	40,697
	16,750	**42,440**

CONSOLIDATED CASH FLOW STATEMENT

	5-10/2010 TEUR	5-10/2009 TEUR
Profit before tax	28,294	54,802
Depreciation and amortization	69,026	67,977
Impairment charges to and valuation of financial assets	44	23
Use of investment subsidies	-2,014	-3,615
Income/loss from the disposal of fixed assets	410	987
Income/loss from associates	-190	884
Increase/decrease in long-term provisions	345	-701
Income taxes paid	-3,692	-1,182
Gross cash flow	**92,223**	**119,175**
Increase/decrease in inventories	-36,816	14,491
Increase/decrease in trade receivables	-8,804	-16,167
Increase/decrease in other assets	-6,663	-510
Increase/decrease in trade payables	13,098	8,045
Increase/decrease in other liabilities	10,783	3,714
Increase/decrease in current provisions	-449	0
Currency translation adjustments	-582	-831
Cash flow from changes in net current assets	**-29,432**	**8,742**
Cash flow from operating activities	**62,791**	**127,917**
Purchase of property, plant and equipment and intangible assets	-64,924	-49,012
Purchase of non-current financial assets	-5,671	-406
Payments made for the acquisition of subsidiaries	-60,166	0
Increase/decrease in securities and current financial assets	14	14
Proceeds from the disposal of non-current assets	3,618	726
Cash flow from investing activities	**-127,129**	**-48,678**
Increase/decrease in current financial liabilities	12,466	886
Increase/decrease in non-current financial liabilities	-130,607	-114,589
Distribution	-3,006	0
Cash flow from financing activities	**-121,147**	**-113,703**
Net change in cash and cash equivalents	**-185,485**	**-34,464**
Effects of exchange rate fluctuations on cash held	-478	-55
Cash and cash equivalents at the beginning of the financial year	302,111	125,106
Cash and cash equivalents at the end of the reporting period	**116,148**	**90,587**

STATEMENT OF CHANGES IN EQUITY

	Equity before non-controlling interests TEUR	Non-controlling interests TEUR	Total TEUR
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**
Balance on May 1, 2010	**520,137**	**26,630**	**546,767**
Total comprehensive income for the period	16,057	693	16,750
(Deferred) taxes on items recognized directly in equity	1,215	0	1,215
Distribution	-3,006	0	-3,006
Balance on October 31, 2010	**534,403**	**27,324**	**561,727**

B.) Selected Explanatory Notes

Notes to the Consolidated Interim Financial Statements
as of October 31, 2010

1. Accounting and Valuation Methods

The consolidated interim financial statements as of October 31, 2010 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, 2010 remain unchanged, with the exception of the changes to IFRS 3 (revised) "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements". The revised IFRS 3 and IAS 27 include the most important regulations governing the accounting treatment of business combinations, consolidated financial statements and transactions with non-controlling interests. The application of these new standards had no major effects on the consolidated interim financial statements.

Additional information on the accounting and valuation methods is provided in the annual financial statements as of April 30, 2010, 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.

During the first six months of the 2010/11 financial year, the Egger Group founded Egger Retail Products SRL in Radauti, Romania, and acquired 100% of the shares in F.E. Agrar SRL, Radauti, a property company for plantation timber. Both companies were included in the interim financial statements through full consolidation.

In Austria, Fritz Egger GmbH & Co.OG, St. Johann in Tirol, acquired 100% of the shares in Common Sense IT-Consulting GmbH. This investment was included in the consolidated financial statements at cost.

Elm Builders Ltd., a recycling company in Washington, Great Britain, was acquired by Timberpak Limited, Leeds. This transaction gave Timberpak Limited a new location for recycling products.

Romainvest Yatirim ve Ticaret A.S in Gebze, Turkey, was founded by EHWS Beteiligungs GmbH, St. Johann in Tirol. EHWS Beteiligungs GmbH holds a 71.5% stake in Romainvest Yatirim ve Ticaret A.S. as well as an option to purchase the remaining non-controlling interest. Accordingly, Romainvest Yatirim ve Ticaret A.S. was included through full consolidation.

Romainvest Yatirim ve Ticaret A.S. subsequently acquired 100% of the shares in the edging producer Roma Plastik Sanayi Ve Ticaret A.S., Gebze, and was therefore also included through full consolidation. In accordance with IFRS 3, the initial consolidation as of May 1, 2010 included the recognition of TEUR 21,100 for customer relationships and TEUR 58,545 of goodwill. These items were included under intangible assets.

In Germany, Roma Plastik Deutschland GmbH in Rheda-Wiedenbrück was acquired by Egger Holzwerkstoffe Brilon GmbH & Co.KG, Brilon. This company was included in the consolidated financial statements at cost.

EHWS Beteiligungs GmbH, St. Johann in Tirol, founded Egger Orman Ürünleri A.S., a sales company in Istanbul, during the reporting year. This company was included in the consolidation at equity.

Egger Belgien Beteiligungsverwaltung GmbH, St. Johann in Tirol, acquired Europrisma NV, which maintains its registered headquarters in Zulte. The difference arising from the consolidation was recognized as goodwill.

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 April 30, 2010.

Maintenance capex and growth investments totaled TEUR 64,924 for the first half of the 2010/11 financial year (1-6 2009/10: TEUR 49,012).

Net debt amounted to TEUR 504,831 as of October 31, 2010 (TEUR 424,236 as of April 30, 2010), which reflects an increase of TEUR 80,595 during the reporting period. The negative change in currency translation adjustments that were not recognized to profit and loss equaled TEUR 10,787 for the first six months of 2010/11 (1-6 2009/10: negative change of TEUR 3,629). These currency translation adjustments were recorded primarily in Romania and Russia.

4. Notes to the Income Statement

Consolidated revenues totaled TEUR 871,333 (1-6 2009/10: TEUR 740,560). Operating profit before depreciation (EBITDA) equaled TEUR 121,274 (1-6 2009/10: TEUR 127,730).

5. Segment Reporting

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

Decorative: Production and sale of boards made of wood products (chipboard, MDF, HDF, compact and lightweight boards) as well as sawn timber and edgings.

Retail: Production and sale of laminated flooring and OSB boards.

	October 31, 2010			
	Decorative TEUR	Retail TEUR	Consolidation TEUR	Total TEUR
Revenues	707,158	204,285	-40,110	871,333
Depreciation	56,409	12,617	0	69,026
Segment results (EBIT)	53,537	-1,290	0	52,248
Segment assets	1,612,445	277,325	-286,655	1,603,116
Segment liabilities	1,068,969	256,046	-283,627	1,041,389
Investments	60,529	4,394	0	64,924

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

	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	1,400,971	263,771	-228,884	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“.

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, Dezember 2010

The Managing Directors

Walter Schiegl Dr. Thomas Leissing Ulrich Bühler

C.) Management Report

A. Development of Business

Current developments

The operating environment for the wood materials branch remains difficult. EGGER was able to record a year-on-year increase in sales volumes for the reporting period due to the expansion of market shares. However, the development of selling prices was not sufficient to offset the sharp rise in the cost of wood, chemical and paper raw materials. Revenues recorded by the Egger Holzwerkstoffe Group amounted to EUR 871.3 million for May to October 2010, or 18% higher than the comparable prior year level of EUR 740.6 million. This increase was supported primarily by higher sales volumes. EBITDA for the first half of the 2010/11 financial year equaled EUR 121.3 million, which is 5% lower than the EUR 127.7 million recorded in the first half of the previous year. This decline was influenced above all by higher raw material prices, in particular for chemicals.

The acquisition of a 71.5% stake in the Turkish edging producer Roma Plastik will allow the EGGER Group to expand its edging business and also create a good base for developing the strategically important market in Turkey.

The development of business during the first half of 2010/11 differed by sales region, and is presented in the following section:

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

Revenues generated by the retail business in Austria and Switzerland were stable, but sales to the Austrian furniture industry remained difficult. The Italian market is still negatively affected by weak demand. Capacity utilization in the Austrian EGGER plants continued at a constant level.

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

Demand in North-West Europe was positive during the first half of the 2010/11 financial year. The development of sales volumes was sound, above all in the retail, kitchen furniture and laminates sectors and here especially in Germany and the Benelux countries. In Scandinavia, demand again failed to meet expectations.

The Brilon sawmill reported a year-on-year improvement in capacity utilization.

Great Britain and Ireland

The pace of economic growth in Great Britain has fallen substantially behind other countries, in particular Germany. Sales volumes at the British EGGER locations are satisfactory, but the drastic government austerity program provides grounds for uncertainty. The development of business in Ireland remains below expectations because of the weak state of the economy.

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

The French market was characterized by steady sales to the retail sector and sound demand by industrial companies, but at low selling prices. A significant decline in demand was noted in Spain and Portugal.

Russia

The development of sales volumes and demand was positive during the first half of the 2010/11 financial year. The Shuya plant reported good capacity utilization, with a further increase in the share of laminates.

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

The negative effects of the financial crisis on private consumption and construction are still noticeable in Central and Eastern Europe. In addition, problems with the credit standing of customers have had a negative impact on business.

The acquisition of Roma Plastik will also be followed by an increased focus on sales of wood materials.

Export

The Egger Group concluded export transactions with selected strategic customers in overseas regions. Export markets were also used for individual spot transactions.

Retail

There is still significant excess capacity on the European laminated flooring market. EGGER was able to substantially increase the utilization of flooring capacity over the comparable prior year period, but selling prices remain at an unsatisfactory level. The OSB business developed well during the first half of the 2010/11 financial year, with sound demand leading in part to production bottlenecks.

B. Asset, Financial and Earnings Position

1. Asset and financial position

Balance Sheet		31.10.10	30.04.10	Chg. in %
Non-current assets	EUR mill.	1,143	1,057	8%
Inventories	EUR mill.	232	190	22%
Receivables	EUR mill.	74	47	56%
Cash and cash equivalents	EUR mill.	116	302	-62%
Other current assets	EUR mill.	39	32	22%
Balance sheet total	**EUR mill.**	**1,603**	**1,628**	**-2%**
Equity (including subsidies)	EUR mill.	591	578	2%
Provisions	EUR mill.	54	53	1%
Financial liabilities / bonds	EUR mill.	621	726	-15%
Other liabilities	EUR mill.	338	270	25%

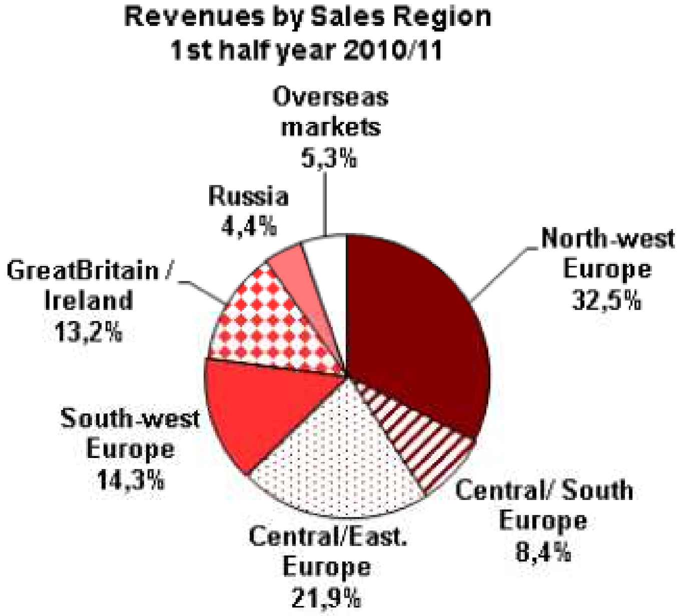
- The balance sheet total fell by 2% from EUR 1,628 million on April 30, 2010 to EUR 1,603 million, primarily due to a decline in cash and cash equivalents.
- Non-current assets increased 8% to EUR 1,143 million, above all due to the acquisition of Roma Plastik. This figure represents 71% of the balance sheet total (April 30, 2010: 65%) and reflects the high capital intensity of production in this branch.
- Inventories rose by EUR 42 million over the level on April 30, 2009 to EUR 232 million. This increase resulted mainly from higher supplies of work in process and finished goods as well as higher raw material prices.
- Receivables rose from EUR 47 million in the previous financial year to EUR 74 million. This development reflected the seasonal increase in business during September and October as well as the takeover of receivables from Roma Plastik.
- Equity, including investment subsidies, increased 2% to EUR 591 million (prior year: EUR 578 million). The equity ratio equaled 37% after the inclusion of subsidies, compared with 36% as of April 30, 2010.
- Interest-bearing liabilities (financial liabilities and bonds) were reduced by 15% to EUR 621 million (April 30, 2010: EUR 726 million).
- Net debt amounted to EUR 505 million as of October 31, 2010 (prior year: EUR 424 million). This increase of 19%, or EUR 81 million, resulted above all from the acquisition of Roma Plastik.
- In addition to the equity ratio, which rose to 37% from the level on October 30, 2010, the debt repayment period represents a key treasury indicator. Net debt in relation to rolling 12-month EBITDA improved slightly from 1.8 to 2.2 years.

Treasury Indicators		31.10.10	30.04.10
Equity ratio	in %	37%	36%
Net debt / EBITDA	years	2.2	1.8

2. Earnings

Consolidated revenues amounted to EUR 871 million for the first half of 2010/11 (1-6 2009/10: EUR 741 million), which reflects a year-on-year increase of 18%. This growth was supported by an improvement in demand and a resulting strong rise in sales volumes.

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



All EGGER sales regions reported revenue growth in comparison with the first half of 2009/10. This development was particularly strong in Russia (+39%), where a considerable decline was recorded in the previous year. Capacity utilization in the production facilities was generally satisfactory, in part due to a significant rise in sales volumes over the previous year.

Earnings margins are lower than the comparable prior year period because the increase in selling prices was unable to completely offset higher raw material costs. Increased maintenance activities also had a negative effect on earnings. EBITDA (earnings before interest, tax, depreciation and amortization) for the first six months fell by 5% from EUR 128 million in the first half of 2009/10 to EUR 121 million. Despite an improvement in capacity utilization, the EBITDA margin declined from 17.2% to 13.9%.

Earnings Indicators		HY 10/11	HY 09/10	Chg. in %
Revenues	EUR mill.	871	741	18%
EBITDA	EUR mill.	121	128	-5%
EBITDA margin	in %	13.9%	17.2%	
EBIT	EUR mill.	52	60	-13%
Financial results	EUR mill.	-24	-4	
Profit before tax (PBT)	EUR mill.	28	55	
Profit after tax (PAT)	EUR mill.	27	46	

- Financial results totaled EUR -24 million (prior year: EUR -4 million).
- The tax rate declined to 3% in the first half of 2010/11.

3. Investments

The Egger Group invested EUR 65 million in property, plant and equipment and intangible assets during the first half of the 2010/11 financial year (prior year: EUR 49 million). This amount includes EUR 24 million (prior year: EUR 12 million) of maintenance investments, which represents 35% (prior year: 17%) of scheduled depreciation for the year.

A total of EUR 41 million (prior year: EUR 37 million) was spent on growth investments. The most important growth projects during the first half of 2010/11 were the expansion of the Romanian plant in Radauti (start of construction on an adhesives plant, administrative building and start of construction for OSB) and the construction of a recycling plant at Barony (UK).

C. Major Risks and Uncertainties

No risks can be indentified at the present time that could endanger the continued existence of the Egger Group. Major risks that could have a negative influence on earnings include the development of raw material and energy prices as well as the deterioration of market prices.

D. Subsequent Events

1. Significant events after October 31, 2010

- A resolution passed by the shareholders of Egger Holzwerkstoffe GmbH on November 26, 2010 approved a dividend of EUR 41,000,000 for the 2009/10 financial year; this dividend was paid during November 2010. The annual general meeting on December 11, 2010 passed a resolution to increase the company’s share capital from EUR 10,000,444 to EUR 11,509,032. A total of EUR 37,559,139 was paid into the company as of December 13, 2010 in connection with this capital increase.

- No other significant events occurred after October 31, 2010.

2. Expected development / outlook

Growth and investments

The following growth projects are scheduled for the second half of 2010/11:

- Adhesives plant in Radauti (RO)
- Finalization of recycling in Barony (UK)
- Start of construction for OSB in Radauti (RO)

Outlook on revenues and earnings

- The wood materials branch still faces a market that is characterized by excess capacity. The opportunities open to EGGER involve the expansion of market shares based on the Group's solid financial foundation. The current rise in demand points toward a temporary market recovery. However, this recovery is connected with uncertainty in the form of raw material shortages, subdued construction activity and the implementation of austerity programs by many governments. The strategy pursued by the EGGER Group is based on a clear market focus as well as a lean cost structure that is designed to optimize the contribution margin.

- A further increase in raw material and energy prices is expected during the second half-year.

- This outlook reflects 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 2010

The Managing Directors

Walter Schiegl Dr. Thomas Leissing Ulrich Bühler