Consolidated Financial Statements

(Translation)

Egger Holzwerkstoffe GmbH,
St. Johann in Tirol

Consolidated Financial Statements as of April 30, 2012
Management Report for the Group and Auditor's Report

We draw attention to the fact that the English translation of these consolidated financial statements, this management report for the Group and this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

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St. Johann in Tirol

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MANAGEMENT REPORT

on the Consolidated Financial Statements of

EGGER HOLZWERKSTOFFE GMBH,

St. Johann in Tirol,

for the 2011/12 Financial Year

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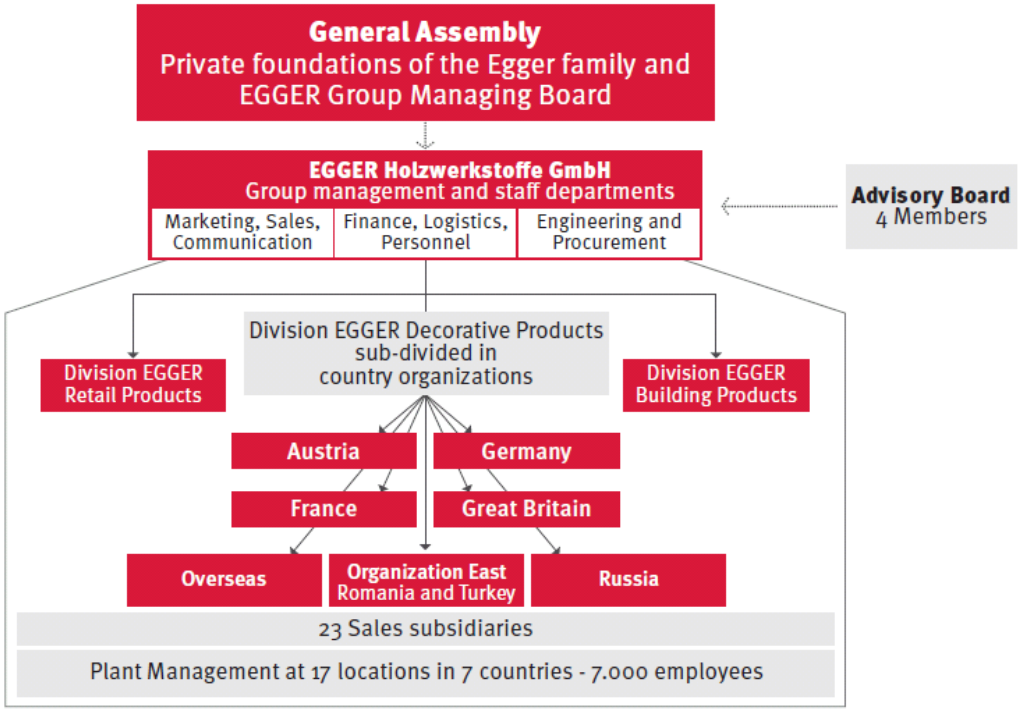
GROUP STRUCTURE AND BUSINESS ACTIVITIES

1.1.1 Organizational and Management Structure of the EGGER Group

EGGER was founded in 1961 as a family company with headquarters in St. Johann in Tirol. With approx. 7.000 employees at 17 locations throughout Europe, including Russia and Turkey, the Group produces over 6,5 million m³ of wood materials and is one of the leading companies in the European wood industry. Its international customer base includes firms from the furniture and construction industries, the retail trade, home improvement markets and DIY (do-it-yourself) stores.

EGGER Holzwerkstoffe GmbH is the parent company of the Group, which includes companies in Austria, Germany, France, England, Ireland, Russia, Romania and Turkey (Organization East) as well as sales companies in Eastern Europe, Benelux, Scandinavia, Switzerland and Overseas (Asia, Australia and South America) that report directly to the respective country organizations.



Organizational structure of the EGGER Group (simplified)

The members of the Managing Board of the parent company, EGGER Holzwerkstoffe GmbH, are Thomas Leissing (Corporate Speaker, CFO, Finance, Logistics and Personnel), Walter Schiegl (CTO, Production, Engineering and Procurement) and Ulrich Bühler (CSO, Marketing, Sales and Communication).

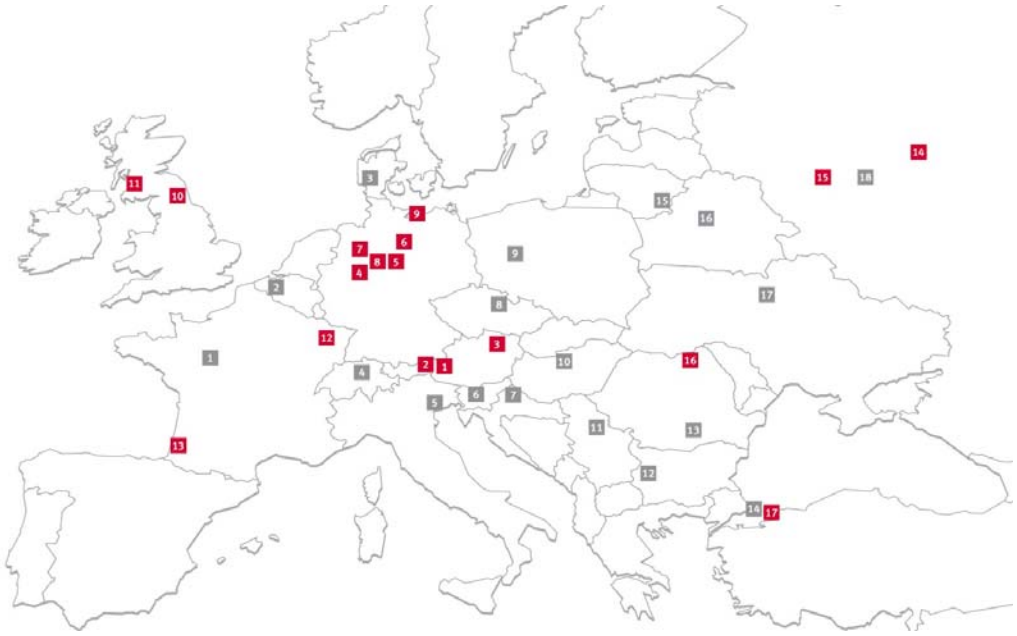
The Advisory Board serves as a consultative committee that supports the Managing Board on strategic issues. The members of the Advisory Board are Fritz Egger (Chairman) and Michael Egger as well as Robert Briem and Michael Pollak.

EGGER relies on teams for the management of its organizational units, whereby the individual responsibilities cover production and engineering, sales and marketing as well as logistics, finance and administration. This structure has been implemented for the Group's management, for divisional and country management and for the regional organizations. In addition, staff managers are responsible for the following areas: engineering / production / procurement, marketing / communications and sales controlling as well as IT / logistics / human resources / accounting / treasury / legal & tax.

1.1.2 Operating segments and market structure

EGGER's products are used for numerous private and public sector applications: in kitchens, bathrooms, offices, living rooms and bedrooms. EGGER views itself as a complete supplier for the decorative furniture industry and interior construction, for wood construction and for laminated flooring. Its direct and indirect customers include the furniture and wood industry, wood and building material retailers, home improvement markets, architects and fabricators.

Markets and production facilities
EGGER operates 17 production facilities in seven European countries and markets its products throughout the world. The Group's products are also sold in strategic export markets outside Europe. An extensive sales organization, efficient logistics, 23 company-operated sales offices and an international network of retail partners in more than 90 countries ensure the systematic development of markets.



PRODUKTIONSSTANDORTE / *PRODUCTION SITES*

1 ST. JOHANN IN TIROL **AT**
2 WÖRGL **AT**
3 UNTERRADLBERG **AT**
4 BRILON **DE**
5 BEVERN **DE**
6 GIFHORN **DE**
7 BÜNDE **DE**
8 MARIENMÜNSTER **DE**
9 WISMAR **DE**
10 HEXHAM **UK**
11 BARONY **UK**
12 RAMBERVILLERS **FR**
13 RION DES LANDES **FR**
14 SHUYA **RU**
15 GAGARIN **RU**
16 RĂDĂUȚI **RO**
17 GEBZE **TR**

VERTRIEBSBÜROS / *SALES OFFICES*

1 TOURS **FR**
2 ZULTE **BE**
3 TISTRUP **DK**
4 KRIENS **CH**
5 TREVISO **IT**
6 ŠENČUR **SI**
7 VARAŽDIN **HR**
8 HRADEC KRÁLOVÉ **CZ**
9 POZNAŃ **PL**
10 BUDAPEST **HU**
11 SMEDEREVO **RS**
12 SOFIA **BG**
13 BUCUREŞTI **RO**
14 İSTANBUL **TR**
15 VILNIUS **LT**
16 MINSK **BY**
17 KIEV **UA**
18 MOSCOW **RU**
19 SHANGHAI **CN**
20 TOKYO **JP**
21 NEW DELHI **IN**
22 SANTIAGO DE CHILE **CL**
23 CARLTON SOUTH **AU**

In order to ensure optimal market development and close proximity to its customers, EGGER's organizational structure is based on divisions and markets. The largest organizational area is formed by the EGGER Decorative Products Division, which produces and sells wood materials and accessories for decorative furniture and interior construction. The Group also has two other divisions: EGGER Retail Products, which concentrates primarily on the production and marketing of laminated flooring, and EGGER Building Products for construction materials like OSB boards and sawn wood products.

The EGGER Decorative Products Division is also classified into regional organizations (markets) because of its size:

- Central-South Europe – Austria, Switzerland, Italy
- North-West Europe – Germany, Benelux, Scandinavia
- South-West-Europe (SWE) – France, Spain, Portugal
- UK and Ireland
- Central and Eastern Europe – all East European countries excluding Russia, but including Turkey and the Near East as well as the Baltic States and the former CIS countries
- Russia
- Overseas – all markets without their own plants and outside the above regions or countries

EGGER also classifies its customer groups by market into the following sales channels / branches:

- Retail: comprises specialized retailers that sell to fabricators and smaller to medium-sized industrial companies
- Industry: covers large customers from the furniture industry and industrial customers involved in wood construction
- DIY: includes building material retailers and DIY stores that sell directly to consumers

Products and services

The EGGER product line includes carrier materials made of wood (chipboard, MDF, compact and lightweight boards) for furniture construction, interior construction and laminated flooring as well as OSB boards and sawn timber for wood construction and packaging. Most of the raw boards produced by the Group are processed further with fashionable decors and surfaces. Complementary products such as laminated materials and thermoplastic edgings are also produced.

EGGER connects the participants in the value added chain – downstream to the consumer and upstream to its suppliers. The Group focuses on integrated locations (clusters) that provide maximum coverage for the various stages of wood processing and also utilize this raw material internally in biomass plants. In this way, the EGGER Group works to reduce the use of fossil fuels.

EGGER offers its customers a wide range of services that significantly facilitates cooperation and creates added value and solutions. In addition to regular individualized advising, all processes - from planning to product delivery are supported by innovative solutions. ZOOM®, an international wood materials collection developed by EGGER that includes decors, products and services, allows for the direct expansion of partnerships with the retail trade, architects, planners and fabricators to make their processes easier and more efficient. Electronic links to customers via EDI (Electronic Data Interchange) and online portals are standard in many cases, and product samples can be ordered directly from an online sample shop. With its Virtual Design Studio (VDS), EGGER facilitates decor selection, design and planning for fabricators and architects. The ROOMDESIGNER® planning software for carpenters and cabinetmakers makes it possible to visualize decors in the proposed room, to plan furniture and to order and arrange for the production and delivery of all components for the designed items.

An overview of the EGGER product lines is presented below:

The following major products are produced at the locations listed below:

- Austria	St. Johann / Tirol:	Chipboard (raw and laminated), furniture elements, worktops, lightweight boards
	Unterradlberg:	Chipboard (raw and laminated)
	Wörgl:	Thin chipboard (raw and laminated)
- Germany	Brilon:	Chipboard (raw and laminated), MDF, flooring, sawn timber, timber products
	Wismar:	MDF, OSB, flooring, adhesives
	Gifhorn:	Laminates, edgings
	Bevern:	Thin MDF
	Marienmünster:	Lacquering, prefabricated elements
	Bünde:	Furniture elements
- France	Rion des Landes:	Chipboard (raw and laminated)
	Rambervillers:	Chipboard (raw and laminated)
- Great Britain	Hexham:	Chipboard (raw and laminated), adhesives
	Barony:	Chipboard (raw)
- Russia	Shuya:	Chipboard and thin chipboard (raw and laminated)
	Gagarin	Chipboard (raw and laminated)
- Romania	Radauti:	Chipboard (raw and laminated) OSB, adhesives
- Turkey	Gebze:	Thermoplastic edgings

CORPORATE MANAGEMENT, GOALS AND STRATEGY

1.1.3 Strategic focus

The family-owned EGGER company celebrated its 50th anniversary last year. Since its founding in 1961, it has grown from a Tyrolean chipboard producer to become one of the leading wood materials producers in Europe. The corporate vision reflects the company's claim: "**To be Europe's leading brand for wood-based solutions.**" The EGGER Group follows a long-term, profitable international growth strategy. Only adequate and sustainable margins and earnings as well as a leading market position can create the foundation for investments and further growth. The short- and medium-term objectives in all areas are always focused on overriding strategic goals and adjusted to reflect the company's changing environment. In order to safeguard the realization of its strategic goals, the company has defined clear financial targets that form the framework for the financial viability and profitability of investments and management decisions. The EGGER mission is: "**We make more out of wood**".

Strategic medium-term forecasts are prepared annually and include the definition and planning of specific Group-wide goals and measures as well as investment focal points for the next five financial years.

The strategic focus of the EGGER Group is derived from the mission statement, which serves as an orientation and guideline for everyday work. The five central principles of the EGGER mission statement contain both strategic and financial goals:

Internationality
EGGER produces and sells its products in Europe, including Russia and Turkey. Outside Europe, EGGER is active in strategic export markets. In Southern and Western Europe the company is expanding its market positions by investing in existing plants and by acquiring additional locations. Investments in new plants are also planned for Eastern Europe, Russia and Turkey.

Innovation
The development and continuous improvement of products, processes and services are based primarily on the creation of added value for customers. This forms the starting point for increasing productivity and, in turn, for strengthening long-term profitability. EGGER relies on a systematic process to increase the pace of innovation for products, processes and services.

Integration
EGGER integrates its value chain stakeholders – from end customers to suppliers. The objective is to establish integrated locations (clusters) for raw materials, energy and the strategic product groups and thereby optimize investments and create synergies in raw material utilization, logistics and organization. A focused procurement strategy and selective backwards integration safeguard supplies of raw materials, energy and working capital. In order to ensure the availability of sufficient wood volumes at all times, the EGGER Group has invested in a sawmill and is also involved in active forestry management and recycling activities.

Identification
EGGER has set a goal to be the best employer in each of its respective labor markets. A focal point of the Group's activities is to protect the culture and values of this family company. Actions are governed by consideration, trust, mutual respect and loyalty. In addition, EGGER relies on effective management instruments, the creation of strong ties with valuable employees, long-term personnel development and proactive recruitment.

Financing
Sustainable profitable growth is a focal point of the EGGER strategy. A wide-ranging investment program was implemented to upgrade existing plants in line with the latest technological standards. Acquisitions were also made to create an industrial basis for the further expansion of an innovative range of high-quality products. Key goals for the Group's financing include the protection of liquidity and the diversification of capital sources and financing instruments. In order to safeguard the realization of its strategic goals, the company has defined clear financial targets that form the framework for the financial viability and profitability of investments and management decisions. The following indicators are used to evaluate the implementation and measurement of goal achievement over the medium-term:

- Net debt / EBITDA < 3 years (at the Group level)
- Equity ratio > 30% (at the Group level)

1.1.4 EGGER value management

The goal of the EGGER Group is to achieve and maintain sustainable growth. Only a leading market position makes it possible to generate acceptable margins and profits which, in turn, create the foundation for investments and further growth. This belief is supported by EGGER value management with its central focus on a sustainable increase in the value of the company. The principles of value management are derived from the EGGER strategy and corporate goals.

Within the framework of value management, EGGER is committed to realizing a sustainable increase in the value of the company over the medium- to long-term. This goal is linked to establishing a balance between the interests of owners, customers, suppliers and employees. Increasing the value of the company requires consequent actions that are based on EGGER value management. Specific drivers are identified to create value through optimization and growth, and their progress is supported at all levels in daily business operations. Training courses and workshops are held for managers at regular intervals to provide coaching in value-oriented thinking, calculations, actions and management and thereby help these men and women to focus their decisions accordingly.

The most important indicator for value-oriented management at EGGER is CFROI (cash flow return on investment). As a sustainable, medium-term target, EGGER has defined a minimum return of 12% (target rate) for all areas of the company.

THE DEVELOPMENT OF BUSINESS

1.1.5 The economic environment and influencing factors

The development of business in the EGGER Group is influenced by the following key factors:

- In all countries where EGGER is present, its business activities are closely linked to the **development of the economy** and the gross domestic product (GDP). GDP growth influences the purchasing power and investment behavior of private households and business customers and, in this way, has an impact on the Group's customers and their business with EGGER.

- The **development of the construction industry** has a significant influence on the demand for wood materials. It has a direct effect on the EGGER Building Products Division because OSB and sawn wood are used primarily in new construction. Business in the EGGER Retail Products Division, with its flooring products, is also shaped by the volume of new construction and, in particular, by renovation. Key customers for decorative wood material products include the kitchen and office furniture industries, which are the most heavily influenced by new residential and commercial construction. However, sales by other furniture producers, such as the bathroom, living room and bedroom furniture industries, also increase when residential construction is stronger. The major drivers for new residential construction include widely differing demographic developments, bank lending policies, interest rate trends and consumer confidence. Increasing consumer confidence is seen as a sign of higher consumer spending.

- Each new construction project triggers up to four relocations, which generally involve the renovation of the old apartment(s). These **renovation activities** have an impact on the flooring, kitchen and furniture businesses and can vary significantly depending on the region and previous level of construction (renovation cycles).

- The EGGER Decorative Products Division is heavily influenced, above all, by **developments in the furniture industry**, which is the most important customer for laminated wood materials.

- The **development of competition** in the wood materials industry also has a significant impact on business in the EGGER Group. Newly constructed capacity or the shutdown of production facilities or equipment can lead to major shifts in market shares and/or to a surplus or shortfall of market capacity and have a substantial influence on market prices.

- As an industrial company that uses substantial quantities of raw materials, EGGER is heavily dependent on the **availability and price levels of key raw materials**.

Economic developments in Europe and the world

The strong growth recorded by the worldwide economy in 2010 continued throughout the first half of 2011, but was followed by significantly weaker growth in all regions during the second half-year. Global GDP rose by 3,7% in 2011, or at a substantially lower pace than the 5,0% generated in the prior year. The sound momentum at the beginning of 2011 was driven by the upturn in 2010 as well as strong development in the emerging countries. This was followed by increasing negative impulses during the course of the year, above all from the

industrial countries. In spite of good order levels, expectations for growth were subdued by the earthquake, flood and subsequent nuclear disaster in Japan, by the growing sovereign debt crisis in the Euro zone and the USA and by government austerity measures. These uncertainties, combined with more restrictive lending policies and the resulting decline in the availability of financing, triggered a sharp drop in the readiness of many companies to invest and a decline in consumer confidence.

Growth rate real GDP (Gross Domestic Product)

in %

	2008	2009	2010	2011	FC 2012
World	2,8	-0,6	5,0	3,7	3,5
EU 27	0,3	-4,3	2,0	1,5	0,0
Belgium	1,0	-2,8	2,3	1,9	-0,1
China	9,6	9,1	10,3	9,2	8,2
Germany	1,1	-5,1	3,7	3,0	0,6
France	-0,1	-2,7	1,5	1,7	0,4
Italy	-1,2	-5,5	1,8	0,4	-1,3
Japan	-1,0	-5,5	4,4	-0,7	1,8
Netherlands	1,8	-3,5	1,7	1,2	-0,9
Norway	0,0	-1,7	0,7	1,6	2,7
Austria	1,4	-3,8	2,3	3,1	0,7
Poland	5,1	1,6	3,9	4,3	2,5
Romania	7,3	-6,6	-1,6	2,5	1,6
Russia	5,2	-7,8	4,0	4,3	3,8
Sweden	-0,6	-5,0	6,1	3,9	0,7
Switzerland	2,1	-1,9	2,7	1,9	1,9
Slovakia	5,8	-4,9	4,2	3,3	1,2
Spain	0,9	-3,7	-0,1	0,7	-1,0
Czech Republic	3,1	-4,7	2,7	1,7	0,0
Turkey	0,7	-4,8	9,0	7,5	3,0
United Kingdom	-1,1	-4,4	2,1	0,7	0,6
USA	-0,3	-3,5	3,0	1,7	1,5

Source: Eurostat

The European Union (EU-27) recorded strong GDP growth during the first half of 2011, but was faced with increasing weakness during the following six months. In particular, private consumption lost momentum. The high sovereign debt in a number of European countries was reflected in widely differing growth rates. The GDP for the EU-27 rose by 1,5%, which is slightly lower than the 2,0% increase recorded in 2010 (Source: Eurostat).

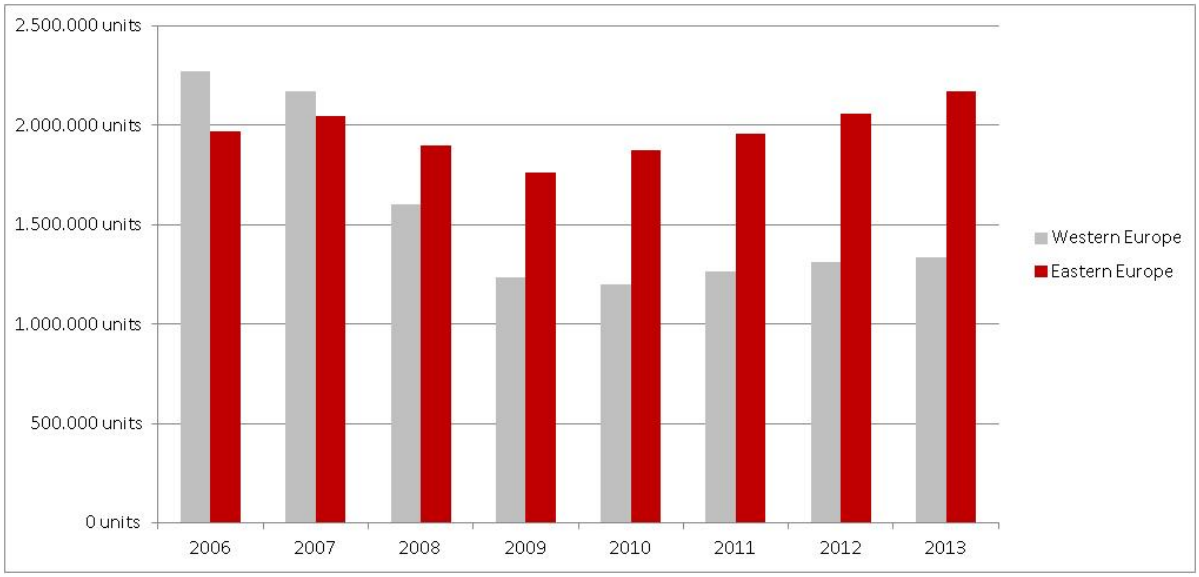
Germany generated the highest GDP growth in Western Europe with a plus of 3,0% for 2011 (2010: +3,7%) which was, however, also followed by a sharp decline in the second six months. In France, economic growth reflected the prior year with a plus of 1,7% in 2011. The highest decline was recorded in Great Britain, where strict austerity measures reduced growth from 2,1% in 2010 to 0,7% in 2011. The Southern European countries of Italy and Spain produced modest growth of 0,4% and 0,7%, respectively, but both countries remain in a deep structural and financial crisis. Greece and Portugal fell into a severe recession with declines of 5,5% and 1,6%. The growth rates in Central and Eastern Europe were clearly positive with an average of 3,4%, whereby Poland was particularly strong at 4,3%. Russia recorded robust economic growth of 4,3% in 2011, which was supported above all by higher prices for raw materials, oil and gas.

The notable economic slowdown in nearly all regions had only a limited effect on the development of business in the EGGER Group during 2011. All production facilities reported high capacity utilization, and Group revenues rose by a sound 11% to EUR 1,96 billion for the reporting year (2010/11: EUR 1,77 billion).

The construction industry in Europe

In summer 2011 most European countries were again forced to reduce their forecasts for the construction industry, primarily due to the return of unfavorable macroeconomic conditions in the wake of the European debt crisis. Portugal, Spain, Great Britain and Ireland were particularly hard hit by these developments. A return to growth is not expected before 2012 (Source: Euroconstruct in EUWID Holz No. 51/52, 12.12.2011).

Development of residential units in Western and Eastern Europe from 2006 to 2013



Source: B&L Marktdaten 04.2012

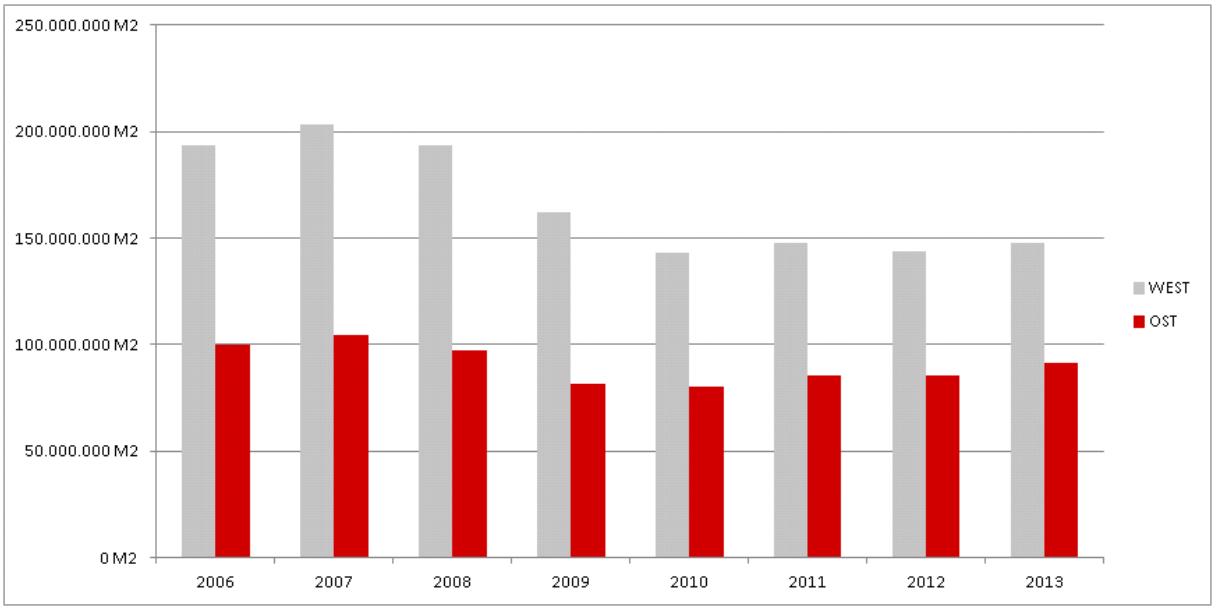
The number of building permits granted for residential projects in Germany started to rise in mid-2009 and gained substantial momentum during 2011. According to information provided by the statistical office in Wiesbaden ("Statistisches Bundesamt, Wiesbaden"), building permits rose by nearly 22% year-on-year to 167.701 in the first nine months of 2011 (Jan. - Sept. 2010: 137.869). Over 220.000 applications for apartment construction were approved in 2011 alone. In comparison: less than 190.000 building permits were issued annually from 2007 to 2010, but the trend has pointed upward since that time.

In Russia, the government tends to support new construction. The renovation of older prefabricated buildings is therefore of limited interest and can be neglected in 2011. (Source: EUWID Holz No. 51/52, 12.12.2011) Construction activity in Russia increased slightly during 2011, with moderate impulses provided by various large projects connected with the 2014 Olympic Winter Games in Sochi and the 2018 FIFA World Cup.

The construction industry in Eastern Europe recorded moderate growth, with only Poland showing strong momentum.

Non-residential construction was brought to a halt by the crisis, but has since stabilized in Western Europe and increased slightly in Eastern Europe.

Development of non-residential construction in Western and Eastern Europe
from 2006 to 2013



Source: B&L Marktdaten 04.2012

Consumer confidence / private consumption

The global consumer confidence index rose by one point to 89 during the fourth quarter of 2011, driven by countries like the USA and China. In contrast, Europe was more subdued with a three point decline below the fourth quarter of the previous year to 71. Confidence in the economy improved in only 12 of the surveyed countries, but declined in 35 countries and remained constant in nine countries. This improvement was supported chiefly by countries with a substantial rise in consumer confidence, such as Romania (+10 points), the USA (+6) and Columbia, Venezuela and the Philippines (each +5) that was offset in part by the downward trend in Europe. (Source: http://nielsen.com/de/de.html, Study: Nielson Global Survey (Dec. 2011))

Renovation

Renovation activity fluctuates, above all, with the number of housing completions because each completed apartment generally leads to new occupancy in the previous dwelling. A new housing unit therefore triggers a number of relocations, which means every completed apartment also contributes to the renovation rate. Consequently, the demand for furniture rises together with the volume of newly completed apartments in each country.

Another factor is renovation in connection with the service life of the respective products. For example, a kitchen is replaced after roughly15-20 years. The post-reunification construction boom in Germany from 1995 to 2000 will lead to a higher demand for the renovation of kitchens between 2010 and 2020.

The furniture industry

The furniture industry can be generally classified into two segments: residential furniture and commercial furniture. Business in the residential furniture segment is linked to the demand from private households, while the commercial furniture segment is driven by demand from

the commercial and public sectors. The residential furniture segment can be further classified into the kitchen, living room, bathroom and bedroom furniture segments.

According to the "Europa Konsumbarometer 2011″, the market volumes for furniture in Europe were characterized by different developments: in five of the eight countries surveyed, the market volume was lower than the previous year. Furniture store revenues were only higher in Germany, Slovakia and France, while Spain again recorded a substantial revenue decline (-25,4%). The market volume (including imports) for furniture and furnishings in Germany led the European ranking with EUR 30,4 billion, followed by Italy (EUR 15,9 billion) and France (EUR 9,8 billion). (Source: Press release by Europa Konsumbarometer 2012, study by Commerz Finanz GmbH)

Germany is one of the most important countries for furniture production. It is also a focus market for EGGER and is therefore addressed more closely in the following analysis. Over two-thirds of all furniture exports from Germany were designated for countries in the EU. Exports rose by 11,1% in 2011, with an above-average increase in the demand from Asia. Domestic volumes increased 5,7%. The German furniture industry generated revenues of EUR 16,7 billion in 2011 (+6,3 %). (Source: Verband Deutscher Möbelindustrie, Focus Online, article: Möbelhersteller lassen Krisenjahre hinter sich). Furniture production rose by 6,3% year-on-year. The branch recorded an unusually sharp drop during the crisis year in 2009, but production has since returned to nearly 95% of the pre-crisis level.

Sales of office and shop furniture reached 97% of the pre-crisis level in 2011. Of the furniture produced in Germany during that year, 29,3% represent seating furniture, 28,2% other furniture, 22,0% kitchen furniture, 15,5% office and shop furniture and 4,9% mattresses. (Source: Wirtschaftsforum; article: Erfolgreiches Jahr für die Möbelindustrie)

US imports of residential, commercial and kitchen furniture rose by only 1,3% in 2011. Furniture imports from China, by far the most important supplier country, increased 6,1% to USD 3,09 billion in the first quarter of 2012, after stable development in the previous year. (Source: EUWID Möbel)

EGGER's competitive environment

The EGGER Group is one of the leading companies in the European wood materials industry. Its objective is to develop and maintain a strong position with its core products on all relevant markets. A wide-ranging product portfolio makes EGGER a complete supplier for decorative wood materials, wood construction and laminated flooring. These three areas of business have a highly differentiated competitive landscape.

In 2010 the wood materials and surface markets remained on an upward trend that was, in many cases, unexpected in both scope and duration. This trend flattened during 2011 with growing weakness during the first quarter in order levels that had remained relatively high over a longer time period. The supply problems that affected individual areas, above all during the second half of 2010 and into the beginning of 2011, have been resolved for the most part. The growing weakness on the labor market has started to influence price developments; the steady price increases for many products in recent quarters have slowed steadily since the beginning of 2012.

The competitive situation for the EGGER Decorative Products Division

According to data provided by B&L Marktdaten and internal estimates by EGGER, the European market for laminated chipboard, which is the primary source of revenues in the decorative wood materials business, totaled approx. 23,7 million m^3 in 2011 (2010: approx. 22,4 million m^3). Competition among the European companies is characterized by consolidation in Western Europe and by growth investments in Central and Eastern Europe and Russia. In addition, smaller groups are active in various local markets. EGGER has

significantly strengthened its position with respect to the competition on the decorative wood materials markets in Eastern and Western Europe through the further expansion of capacity, high utilization of existing capacity and the development of market opportunities. In Russia, EGGER substantially increased its market position with the acquisition and expansion of the new production facility in Gagarin.

Divestments have shifted to Southern and Northern Europe. The second half of 2011 brought the further mothballing of production facilities and equipment shutdowns in the European wood materials industry. Central Europe was the main focal point of divestments in the fourth quarter of 2010 and the first half of 2011, but capacity adjustments are now found more in the Southern and North European markets. Additional chipboard and MDF/HDF lines will be shut down for the longer term or permanently in Spain, Portugal and Italy during the course of 2012.

The competitive situation for the EGGER Retail Products Division
The laminated flooring market grew rapidly up to and including 2007 because this product represents a low-cost, high-quality alternative to carpeting and increasingly also to full wood floors. However, production in Europe has declined in recent years. Estimates by B&L Marktdaten place consumption in Europe at approx. 407 million m^2 in 2011 (2010: approx. 389 million m^2). The flooring industry is characterized by excess capacity and high market pressure on prices.

The competitive situation for the EGGER Building Products Division
OSB production capacity has risen considerably, above all in Eastern Europe, following the opening of new plants. According to B&L Marktdaten, the European market (incl. Russia and Turkey) has also increased by roughly 6%.

EGGER's share of the sawn wood market in Europe is of lesser importance. In this segment, the Group operates only one plant in Brilon, Germany.

Raw material supplies and prices

Expenditures for raw materials and energy represent a major component of total costs for the EGGER Group. Accordingly, top priority is given to the protection and continuous improvement of supply availability and the monitoring of price trends for key raw materials on the increasingly volatile procurement markets. The most important raw materials, e.g. wood, chemicals and paper, are managed by a central department, which supports the local plants in their purchasing activities and also identifies and optimizes synergies for the Group. EGGER purchases most of its raw material supplies from partners with which it has long-standing business relationships.

Developments on the raw material markets differed during the reporting year. The price of oil rose sharply at the beginning of 2011 because of the unrest in North Africa and the Near East, but weakened slightly during the second six months due to the slowdown in economic growth. In spite of these developments, the price remained at a very high level of approx. USD 110 per barrel (Brent). The prices for wood and chemicals tend to follow the development of the oil price, but with a delay.

Securing adequate supplies of timber represents the most important aspect of raw material procurement in the EGGER Group. In particular, the growing use of this product for energy generation (bio-mass power plants, pellets, bio-fuels) has led to an increase in the purchase price for timber. All major types of wood were affected by this development, whereby a particularly strong increase was noted in the price of wood chips and soft timber. In order to safeguard and improve timber supplies, EGGER relies mainly on long-term partnerships and contracts with suppliers and has also developed a backwards integration strategy. This

includes investments by the Group in a sawmill and forestry management and wood recycling company as well as short rotation plantations, harvesting and logistics systems.

The price curve for chemicals pointed clearly upward in 2011/12. For urea, which is used primarily in the company's adhesives production, the purchase price was substantially higher than the previous financial year. The development of prices for purchased adhesives was similar. A substantial part of the Group's adhesive and impregnating resin requirements are covered by the adhesive plants in Wismar (DE), Hexham (UK) and, since autumn 2011, also by the newly built adhesive plant in Radauti (RO).

In addition to wood and chemicals, raw paper for the production of laminating materials is the third major element of raw material supplies. The average year-on-year price increase remained within the single-digit range during 2011/12. The purchase of paper in the EGGER Group is based on medium-term contracts with leading suppliers and a central procurement structure.

Energy procurement was characterized by a slight decline in electricity prices and higher natural gas prices. At all major locations the generation of energy through biomass power plants holds gas consumption at a low level. EGGER is working to minimize the use of fossil fuels, but avoids the thermal utilization of raw materials that can be used in production as part of the wood lifecycle. EGGER is opposed to the one-sided subsidy of wood burning for thermal energy generation and supports the cascading use of wood. Under this second approach, wood is used as an input material as long as possible before final thermal utilization. The plants in Unterradlberg (AT), Wismar and Brilon (DE) produce electricity with their own combined power and heat generation equipment, and thereby work to maximize the efficiency of energy generation.

1.1.6 Business development in the EGGER Group

The EGGER Group recorded a strong increase of approx. 11% in revenues to EUR 1,96 billion for the 2011/12 financial year (2010/11: EUR 1,77 billion). These results represent the highest revenues in the company's history. The economic environment improved in nearly all major markets. The year-on-year revenue growth was supported, above all, by the acquisition of the Russian chipboard producer OOO Gagarinskiy Fanerniy Zavos, Gagarin, as well as the positive development of the Decorative Products Division.

Business development by division

The EGGER Decorative Products Division (interior design and furniture) generated the highest share of Group revenues for 2012/12 at 80% and grew 16% over the previous year. The EGGER Retail Products Division (flooring) was responsible for 18% of EGGER's revenues and grew 6% in comparison with 2010/11. The EGGER Building Products Division (OSB and sawn timber) was responsible for 9% of Group revenues in 2011/12; this represents a decline of 10% and reflected a market-related reduction in the volume of timber processed at the Brilon sawmill.

Revenues by Segment / Division		2011/12	2010/11	Dev. in % 12 - 11
Decorative Products	EUR mill.	1.575	1.363	16%
Retail Products	EUR mill.	348	329	6%
Building Products	EUR mill.	167	186	-10%
Consolidation	EUR mill.	-127	-107	19%
Total	**EUR mill.**	**1.963**	**1.771**	**11%**

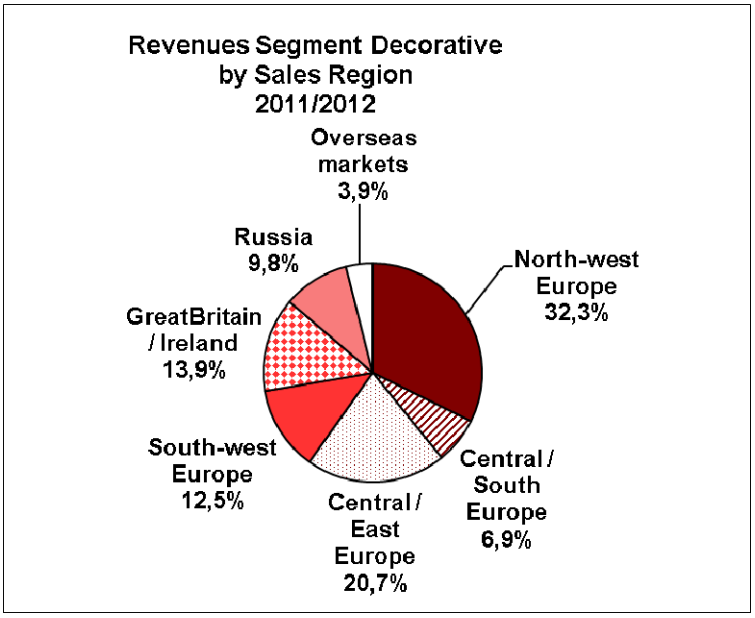
Share Segments / Divisions % of total revenues		2011/12	2010/11
Decorative Products	in %	80%	77%
Retail Products	in %	18%	19%
Building Products	in %	9%	10%
Consolidation	in %	-7%	-6%
Total	**in %**	**100%**	**100%**

Industry and retail were the most important customer groups for EGGER in 2011/12 with 46% and 45% of Group revenues, respectively (2010/11: 45% and 46%). The share of revenues generated by the DIY customer group reflected the prior year at approx. 9%.

Market and branch developments in the EGGER Decorative Products Division

The EGGER Decorative Products division covers all decorative products sold through the industry and retail channels. This division is classified geographically by markets into North-West Europe (NWE), South-West Europe (SWE), Central-South Europe (MSE), UK and Ireland (UK, IR), Central and Eastern Europe (CEE), Russia (RU) and Overseas.

EGGER is active, above all, on the European wood materials market. The Decorative Products Division recorded revenues of EUR 1.575 million in 2011/12 (2010/11: EUR 1.362 million). The following graph shows the classification of these revenues by region, based on the location of the customer:



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1) North-West Europe comprises Germany, Belgium, the Netherlands, Luxembourg and Scandinavia.
2) South-West Europe covers France, Spain and Portugal.
3) Central-South Europe comprises Austria, Switzerland and Italy.
4) Central and Eastern Europe includes, above all, Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Serbia, Croatia, Slovenia, Ukraine, Belarus, Latvia, Estonia, Lithuania, Turkey and Greece.
5) The Overseas region covers all countries outside Europe.

The most important geographic market for EGGER is Western Europe (i.e. the sales regions of North-West Europe, Great Britain and Ireland, South-West Europe and Central-South Europe) with revenues of approx. EUR 1.033 million in 2011/12 (approx. 66% of Decorative Products Division revenues). The significance of Germany for the wood materials market is based mainly on the furniture industry, which is heavily represented in this country. German furniture manufacturers export their products to many other regions and have a high demand for wood materials.

Another important market is Central and Eastern Europe, including Russia, which generated revenues of approx. EUR 480 million in 2011/12 (approx. 30% of Decorative Products Division revenues). The countries outside Europe (the Overseas region) play only a secondary role. In this region EGGER recorded revenues of approx. EUR 62 million for the reporting year (approx. 4% of Decorative Products Division revenues).

Developments in North-West Europe

Revenues rose by 14% year-on-year as a result of higher sales to the furniture industry and the retail trade. The German market alone was responsible for approx. 25% of revenues in the Decorative Products Division. This development was supported by strong economic

momentum (see GDP development) as well as a positive mood in the furniture branch. A substantial increase in revenues was also recorded in the Benelux countries. In contrast, revenues in Scandinavia remained at the prior year level.

Developments in Central-South Europe

Revenues in Central-South Europe were stable in year-on-year comparison, with an increase recorded particularly in the retail segment. The Italian market declined 11%, but Switzerland and Austria produced growth of 4% and 5%, respectively.

Developments in Great Britain & Ireland

Despite the absence of significant growth in the GDP or residential construction, revenues rose by a further 12% over the prior year. This development resulted was supported by an increase in market shares.

Developments in South-West Europe

Revenues in South-West Europe remained stable during the reporting year. The weak economic climate in the industrial sector led to a 19% decline in revenues on the Spanish market. In contrast, revenues in France rose by 3%.

Developments in Central-East Europe

Revenues in Eastern Europe rose by 12% year-on-year. Substantial revenue growth was recorded, above all, in Ukraine (+44%), Baltic/Belarus (+34%), Turkey/Caucasus (+30%) and the CIS (Commonwealth of Independent States). These increases were based on both market expansion and higher market shares.

Developments in Russia

The takeover of the Gagarin plant led to a more than twofold increase in revenues on the Russian market. An above-average increase in revenues was recorded, above all, in the retail segment.

Developments in overseas markets

Revenues in the EGGER overseas business were 16% higher than the prior year, primarily due to an increase of 46% in sales to industrial customers in Japan and Korea.

Market and branch developments in the EGGER Retail Products Division

Flooring sales are managed by a separate Retail Division, which services the retail trade and DIY outlets. Revenues on flooring sales rose by 6% in 2011/12, with the markets in Germany, Benelux, Turkey and Russia acting as the main drivers for this growth.

Market and branch developments in the EGGER Building Products Division

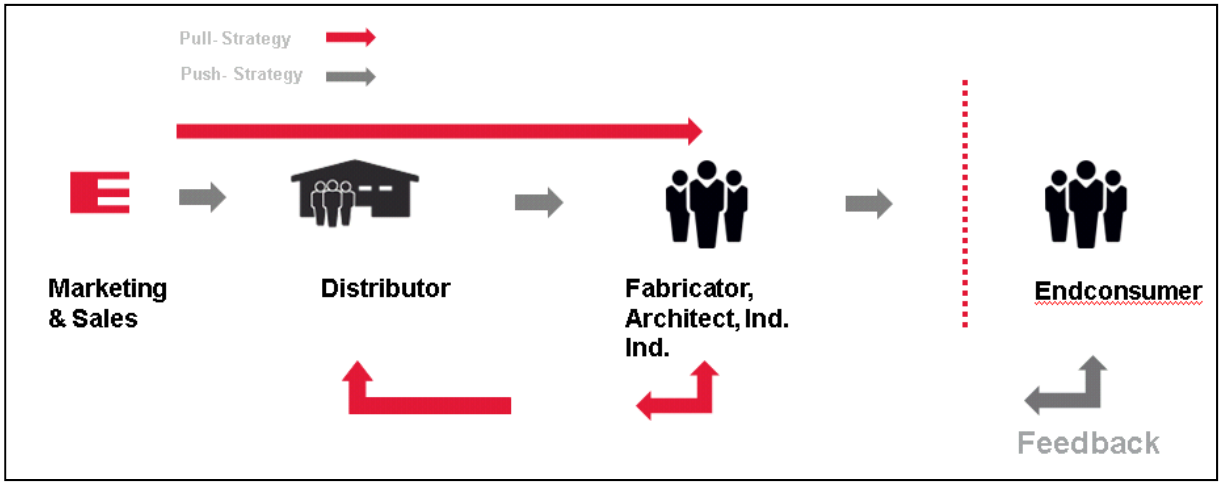
The EGGER Building Products Division (EBP) was founded at the beginning of the reporting year. This new division gained greater importance with the start-up of the OSB plant in Romania, the second OSB location for the EGGER Group, at the beginning of 2012. Industry and the retail trade are the sales channels for this division.

Revenues fell sharply in comparison with the previous year due to a decline in sales volumes of sawmill products (-32% vs. 2010/11). High timber costs led to a reduction in timber

purchases and, consequently, to a drop in sawmill output and revenues. Revenues recorded by the OSB plant in Wismar remained stable at the prior year level. In the first four months of the 2012 calendar year, the OSB plant in Romania was able to place substantial volumes on the market during the start-up phase. Romania is responsible for deliveries, above all, to the neighboring East European countries and Russia.

1.1.7 Marketing and sales

EGGER's marketing organization is based primarily on a professional, multi-stage sales channel, i.e. the distributor, fabricator (carpenters, floor layers, wood constructors) and architect target groups.



The pull marketing approach is gaining greater importance for the Group as a whole, whereby retailers' customers and other decision-makers (architects, craftsmen, etc.) are becoming more involved in EGGER's marketing activities. Implementation included the following activities in 2011/12:

- The VDS (virtual design studio) was expanded to include a VDS PROFI option for craftsmen that allows for the visualization of various EGGER decors on a PC or laptop. In this way, EGGER supports fabricators and planners in sales discussions with their customers and creates a greater incentive to choose wood materials or flooring decors.

- The EGGER portal www.egger.com/myegger can be used to upload advertising media such as sample collections. Customers then receive collection updates directly from EGGER and can also register for additional services, e.g. the EGGER Trend News. This offering helps EGGER to expand its CRM-integrated database of customers and other interested parties and supports a continuous dialogue with target groups.

- A web shop was also created to facilitate orders for samples, brochures and advertising media.

- The EGGER truck (mobile EGGER showroom) is continuing its roadshow in Eastern and Western Europe. In cooperation with specialized regional firms, fabricators are introduced to the company, its production technology and its extensive product line with the latest media.

The focal point for the Decorative Products Division was the relaunch of the ZOOM retail collection. Together with numerous services, the collection is marketed under the motto “The everyday resource“. This new collection was presented to over 9.000 retailers and fabricators from Paris to Peking at 92 ZOOM Events.

In the flooring area, the latest Floorline collection was introduced in the professional sales channel. Cork+ Technology, a quieter, warmer and softer flooring product, was also launched during 2011/12. The focus for both products is pull marketing with supporting campaigns.

1.1.8 Production

Capacity utilization in the primary production facilities increased year-on-year in 2011/12:

Production Development		2011/12	2010/11	2009/10	Dev. in % 12 - 11
Rawboard incl. timber	m³ mill.	6,7	6,3	5,8	6%
Impregnated paper	m² mill.	710,9	680,3	608,2	5%
Laminates	m² mill.	23,0	22,3	19,8	3%
Glue	TO thsd.	402,7	351,0	317,9	15%

The production of raw chipboard (chipboard, MDF and OSB), including sawn timber, increased from 6,3 million m^3 in 2010/11 to 6,7 million m^3 in 2011/12. The acquisition of the Russian chipboard plant in Gagarin, which has a production capacity of approx. 500.000 m³, played an important role in this growth. The production of impregnates rose to 710,9 million m^2 (2010/11: 680,3 million m^2). Laminate production amounted to 23,0 million m^2 (2010/11: 22,3 million m^2). The in-house manufacture of adhesives increased 15% year-on-year to 402,7 tons following the start-up of the new adhesives plant in Radauti (RO). The lightweight board aggregate at the plant in St. Johann i.T. (AT) has an annual capacity of over 300.000 m^3.

The chipboard produced in 2011/12 was processed as follows:
- 232 million m^2 were laminated (2010/11: 214 million m^2),
- 62 million m^2 were converted into flooring (2010/11: 62 million m^2)
- 33 million m^2 were processed into furniture components (2010/11: 33 million m^2)

2 EARNINGS, FINANCIAL AND ASSET POSITION

Earnings position

2.1.1 Revenues

The EGGER Group recorded consolidated revenues of EUR 1.963 million for the 2011/12 financial year (2010/11: EUR 1.771 million). This represents a sound increase of 11% over the previous year, whereby approx. 4% resulted from the acquisition of a chipboard plant in Gagarin (RU) and 7% were positive price variances (a detailed description of the development of business in the individual divisions during the reporting year is provided in section 1.1.6).

2.1.2 Earnings

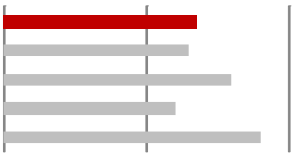
Earnings Indicators		2011/12	2010/11	2009/10	Dev. in % 12 - 11
Revenues	EUR mill.	1.963	1.771	1.478	11%
EBITDA	EUR mill.	262	229	236	15%
EBITDA margin	in %	13,4%	12,9%	16,0%	
EBIT	EUR mill.	122	96	100	27%
Financial results	EUR mill.	-50	-54	-30	-7%
Profit before tax (PBT)	EUR mill.	72	42	68	71%
Profit after tax (PAT)	EUR mill.	49	46	60	7%

EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to EUR 262 million in 2011/12, which represents an increase of EUR 33 million (+15%) over the prior year level of EUR 229 million. The newly acquired chipboard plant in Gagarin (RU) made a substantial contribution to this EBITDA increase. Prices on the raw materials markets relevant for EGGER, especially chemicals and paper, rose in part significantly year-on-year, whereby a slight easing was only noted during the final months of the reporting year.

The EBITDA margin remained stable at approx. 13% for the reporting year.

EBITDA margin (5-year overview)

2011/12	13,4%
2010/11	12,9%
2009/10	16,0%
2008/09	12,0%
2007/08	18,0%



EBIT (earnings before interest and taxes) increased 27% from EUR 96 million in 2010/11 to EUR 122 million for the reporting year as a result of acquisitions, the development of business and the above-mentioned effects.

Development of earnings in the EGGER Decorative Products Division
All country organizations in the EGGER Decorative Products Division reported an improvement in earnings for 2011/12. EGGER was able to generate positive effects through an optimization of the product mix with a shift to high-value products. The increase in material and energy costs was offset in part by continuous cost optimization and investments in production. The sound capacity utilization in 2011/12 allowed for the optimal coverage of fixed costs and thereby supported an improvement in earnings. Operating results for 2011/12 include non-recurring expenditures for the launch of the new ZOOM collection as well as start-up costs for new production lines and the new adhesives plant in Radauti (RO).

Development of earnings in the EGGER Retail Products and EGGER Building Products Divisions
Earnings in the EGGER Retail Products Division were influenced by high surplus production capacity and the resulting very high pressure on prices in 2011/12. In this difficult market environment, the development of earnings remained below expectations. Price adjustments were unable to fully offset past increases in raw material costs.

In the EGGER Building Products Division, which was founded on May 1, 2011, OSB earnings fell slightly below the prior year due to an increase in production capacity and the resulting higher pressure on prices. Earnings in this division were also negatively affected by start-up costs for the new OSB plant in Radauti (RO), which came on line during January 2012.

Earnings in the sawn timber business deteriorated in comparison with the prior year and remain at a disappointing level. Strong price competition and the limited availability of round timber led to unsatisfactory margins.

2.1.3 Net financing costs

Net financing costs (financial results excl. income from financial investments and income from associates) improved to EUR -49,8 million in 2011/12 (2010/11: EUR -53,7 million). Additional borrowings led to an increase in interest expense, but an improvement was recorded in currency translation results and results from financial derivatives.

2.1.4 Taxes

Income tax expense amounted to EUR 22 million in 2011/12 (2010/11: tax income of EUR 4 million). The increase in tax expense resulted primarily from the higher profit before tax as well as higher tax expense from prior periods. The effective tax rate equaled 31% in 2011/12 (2010/11 -10%). A detailed overview of the calculation of income taxes is provided in the notes under section (15) Income taxes.

Financial position

2.1.5 Principles and goals of financial management / treasury

The primary goals of financial management/treasury in the EGGER Group are to limit the financial risks that may impair the company's continuing existence (liquidity and default risks) and earning power (foreign exchange, interest rate, market and price risks), while also protecting the ability to meet payment obligations at any time.

The limitation of risk does not mean complete exclusion, but rather the economically reasonable management of financial risks within a framework that is defined by the Group's comprehensive financial management guideline and supplementary operating rules.

In addition to the management of financial risks, another important goal is to protect and expand the circle of external financing sources and thereby safeguard the further development of the EGGER Group through organic growth and/or acquisitions.

The most important treasury indicators for the EGGER Group are the debt repayment period (net debt / EBITDA) and the equity ratio (equity/ balance sheet total), which are monitored on a regular basis. EGGER has set the following targets for its internal strategic goals, which are also used to measure results at the Group level: an equity ratio of at least 30% and net debt / EBITDA of less than three years over the long-term.

Treasury Indicators		30.04.12	30.04.11	30.04.10
Equity ratio	in %	34%	36%	36%
Net debt / EBITDA	years	2,8	2,5	1,8

2.1.6 Financing analysis

The foremost strategic goals of EGGER's corporate financing are the protection of liquidity and the diversification of capital sources and financing instruments

A key element of the financing strategy is the use of free cash flow for investments, which safeguards internally generated growth.

External financing in the EGGER Group follows a three-component model:

The first component is formed by bank financing. The main building blocks of this financing are syndicated bank loans and committed credit lines (for strategic liquidity protection), which are concluded with a selected circle of core banks. In 2011/12 the EGGER Group concluded a new syndicated loan (with OeKB refinancing).

The second component comprises capital market financing. The EGGER Group has successfully used the Austrian bond market as a financing source for many years.

The EGGER Group now has three corporate bonds with a total volume of EUR 485 million on the market.

The third component of external financing is a factoring program, under which receivables are sold on the basis of actual sales.

Maturity profile - Financial liabilities and bonds		30.04.12	30.04.11	30.04.10
Remaining term over 5 years	EUR mill.	274	316	122
Remaining term 1 - 5 years	EUR mill.	325	337	512
Remaining term under 1 year	EUR mill.	284	101	92
Total	**EUR mill.**	**883**	**754**	**726**

Derivative financial instruments are used to hedge risk positions in underlying transactions.

Detailed information on derivatives, the Egger bonds, perpetual bond and participation rights is provided in the notes.

2.1.7 Cash flow

Based on EBITDA and after the inclusion of changes in net working capital, cash flow from operating activities totaled EUR 230 million (2010/11: EUR 132 million EUR). This significant increase of EUR 98 million resulted primarily from the improvement in profit before tax and the reduction in net working capital.

	Free Cash Flow Statement		2011/12	2010/11	2009/10	Dev. in % 12 - 11
	Cash flow from operating activities	EUR mill.	230	132	234	74%
	Cash flow from investing activities	EUR mill.	-403	-236	-91	71%
+	Growth Investment	EUR mill.	356	192	69	85%
	Free Cash-flow	**EUR mill.**	**183**	**88**	**212**	**108%**

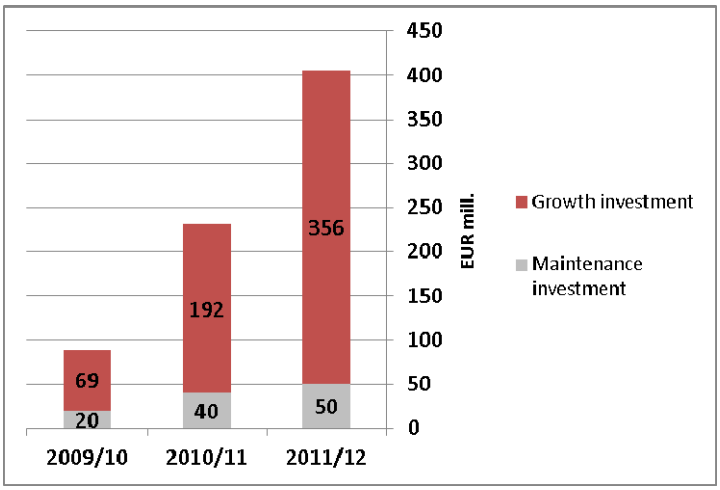
Cash outflows for investing activities, which includes capital expenditure and acquisitions, amounted to EUR 403 million in 2011/12 and exceeded the comparable prior year amount of EUR 236 million by a substantial margin.

The above-mentioned developments in cash flow from operating and investing activities led to an increase in free cash flow (cash flow from operating activities less cash flow from investing activities plus growth investments) from EUR 88 million to EUR 183 million.

Cash flow from financing activities led to cash inflows of EUR 130 million in 2011/12, which resulted chiefly from an increase in financial liabilities (2010/11: cash outflows of EUR 5 million).

2.1.8 Investments

Investments in intangible assets, property, plant and equipment and acquisitions totaled EUR 406 million for the reporting year (2010/11: EUR 232 million). This amount includes EUR 50 million (2010/11: EUR 40 million) of maintenance investments, which represents 35% (2010/11: 30%) of scheduled depreciation for the year.



A total of EUR 212 million was spent on growth investments (excluding acquisitions) in 2011/12 (2010/11: EUR 127 million). The major growth projects for the reporting year included the completion of the new OSB production and the new adhesives plant in Radauti (RO). Other growth investments involved the expansion of warehouse and laminating capacity in Rambervillers (FR), the expansion of laminating and impregnating capacity in Hexham (UK) and the construction of a production line for thin chipboard in Shuya (RU).

In addition to direct investments in property, plant and equipment and intangible assets, cash flow from investing activities includes an outflow of EUR 144 million. This amount represents the purchase price for the acquisition of the Russian chipboard producer OOO Gagarinskiy Fanerniy Zavos, Gagarin.

The following table shows the geographical distribution of investments:

Investments (incl. acquisitions)		2011/12	2010/11	2009/10
Western and Central Europe	EUR mill.	99	80	78
Southern and Eastern Europe	EUR mill.	307	152	11
Total investments	**EUR mill.**	**406**	**232**	**89**

2.1.9 Cost of capital

The cost of capital (WACC = weighted average cost of capital) used in Egger value management represents the return expected on equity and debt financing. It is calculated as a weighted average of the cost of equity and debt for the Group. The after-tax WACC remained nearly constant in prior year comparison at 6,97% for 2011/12 (2010/11: 7,00%).

2.1.10 EGGER value management

The financial aspect of EGGER value management is based on a simple and transparent, but strong analytical method that is intended to realize a sustainable increase in cash flow (EBITDA) in relation to historical capital employed, i.e. CFROI (cash flow return on investment; the return on capital employed in relation to acquisition costs).

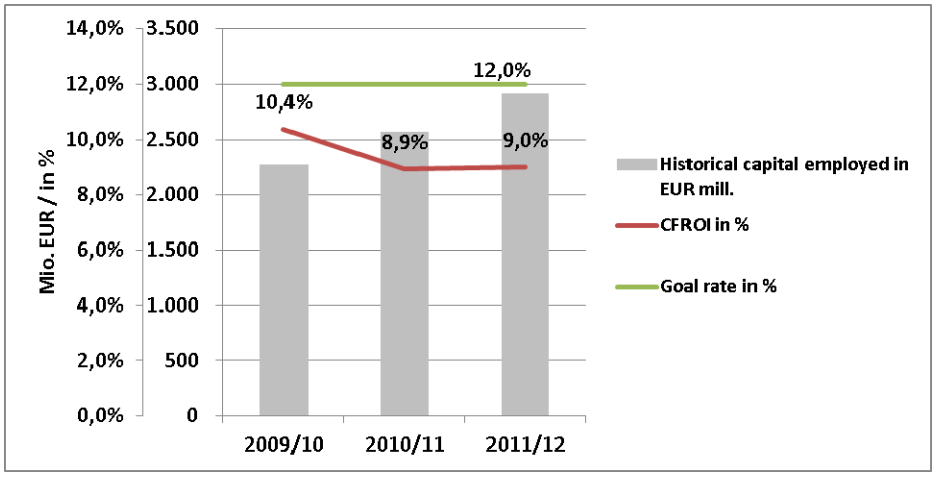
$$\text{CFROI} = \frac{\text{EBITDA}}{\text{Hist. capital employed}}$$

Goal: CFROI >= 12 %

CFROI, which is one of the most important performance indicators for capital-intensive companies, measures the profitability of capital employed. EGGER has defined a minimum return of 12% (target) for all areas of the company.

Calculation of Group CFROI:

Value Management		30.04.12	30.04.11	30.04.10	Dev. in % 12 - 11
Operating EBITDA	EUR mill.	262	229	236	14%
Historical capital employed	EUR mill.	2.914	2.570	2.272	13%
CFROI	**in %**	**9,0%**	**8,9%**	**10,4%**	**1%**



Group CFROI equaled 9,0% as of April 30, 2012 (2010/11 8,9%). This level is below the defined target rate of 12%, but constant in comparison with the previous year. CFROI for the reporting year reflects the parallel increase of 14% and 13%, respectively, in EBITDA and historical capital employed. The change in historical capital employed resulted from the higher expenditures for growth investments and acquisitions as well as a reduction in working capital. An improvement in CFROI toward the target rate of 12% is expected over the medium-term.

Asset position

2.1.11 Analysis of the balance sheet structure

The balance sheet total rose by 15% from EUR 1.740 million in the prior year to EUR 2.001 million as of April 30, 2012. This growth was supported by acquisitions and higher capital expenditure as well as an increase in the volume of business.

Balance Sheet		30.04.12	30.04.11	30.04.10	Dev. in % 12 - 11
Non-current assets	EUR mill.	1.459	1.191	1.057	23%
Inventories	EUR mill.	273	243	190	12%
Receivables	EUR mill.	61	66	47	-8%
Cash and cash equivalents	EUR mill.	151	193	302	-22%
Other current assets	EUR mill.	57	47	32	21%
Balance sheet total	**EUR mill.**	**2.001**	**1.740**	**1.628**	**15%**
Equity (including subsidies)	EUR mill.	674	628	578	7%
Provisions	EUR mill.	51	48	53	7%
Financial liabilities / bonds	EUR mill.	883	754	726	17%
Other liabilities	EUR mill.	393	310	270	27%

Non-current assets increased 23% to EUR 1.459 million and comprised 73% of the balance sheet total as of April 30, 2012 (2010/11: 68%). This reflects the high capital intensity of the Group's production and is typical for the branch.

2.1.12 Working capital

Working capital (inventories plus trade receivables less trade payables) declined from EUR 129 million in 2010/11 to EUR 100 million as of April 30, 2012.

	Working Capital		30.04.12	30.04.11	30.04.10	Dev. in % 12 - 11
	Inventories	EUR mill.	273	243	190	12%
+	Receivables	EUR mill.	61	66	47	-8%
-	Trade payables	EUR mill.	234	180	159	30%
	Working Capital	**EUR mill.**	**100**	**129**	**78**	**-22%**
	Revenues	EUR mill.	1.963	1.771	1.478	11%
	Working Capital in % of revenues	in %	5%	7%	5%	

Inventories rose by EUR 30 million to EUR 273 million as of April 30, 2012 (2010/11: EUR 243 million). This increase resulted, above all, from stronger demand and higher production volumes as well as from acquisitions.

Trade receivables decreased slightly from EUR 66 million in 2010/11 to EUR 61 million. The average receivables turnover declined from 40 to 39 days.

Trade payables rose substantially from EUR180 million in 2010/11 to EUR 234 million as of April 30, 2012. This shift reflected a higher balance of investment-related payables and an increase in procurement volumes following the start-up of new production facilities.

2.1.13 Liquidity / net debt

Interest-bearing liabilities (financial liabilities and bonds) rose to EUR 883 million (2010/11: EUR 754 million) and included a long-term financing component of 68% (2010/11: 87%). The major part of financing was concluded in Euros.

Net debt rose by EUR 171 million or 30,5% to EUR 732 million as of April 30, 2012 (2010/11: EUR 561 million). This increase is explained primarily by the Group's investment and acquisition activities during the reporting year.

Net Debt		30.04.12	30.04.11	30.04.10	Dev. in % 12 - 11
Financial liabilities and bonds	EUR mill.	883	754	726	17%
Less liquid funds and securities	EUR mill.	151	193	302	-22%
Net Debt	**EUR mill.**	**732**	**561**	**424**	**30%**

2.1.14 Equity

Equity, including government grants, increased 7% to EUR 674 million in 2011/12 (2010/11: EUR 628 million). The equity ratio, after the inclusion of government grants, equaled 33,7% compared with 36,1% in the prior year.

2.1.15 Provisions and other liabilities

Provisions increased slightly from EUR 48 million to EUR 51 million in 2011/12, or by a total of EUR 3 million. As a percentage of the balance sheet total, provisions equaled only 2,6% as of April 30, 2012 (2010/11 2,8%).

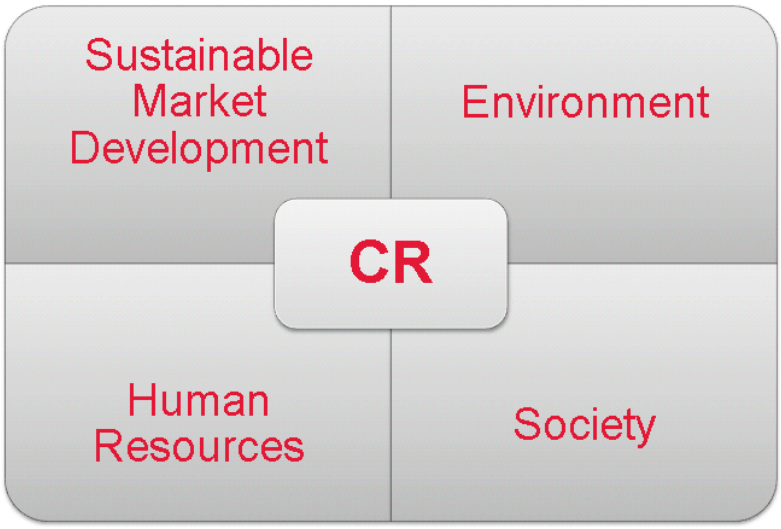
Other liabilities rose by 27% from EUR 310 million in the prior year to EUR 393 million as of April 30, 2012. This development resulted chiefly from a higher balance of trade payables as well as an increase in deferred tax liabilities, income taxes payable and derivative financial liabilities.

3 CORPORATE RESPONSIBILITY (CR)

Corporate Responsibility (CR)

"We make more out of wood" is EGGER's mission. As one of the leading wood processing companies in Europe, EGGER strives to act responsibly and, in this way, documents its position as an employer and market participant to society and the environment. Sustainable development and sustainable growth are key elements of EGGER's corporate strategy. The goals of corporate responsibility are designed not only to ensure compliance with legal regulations, but to also meet higher standards that are based on clear ethical values and respect toward fellow human beings, communities, the environment and all other stakeholders of the EGGER Group.

The following diagram shows the four dimensions of corporate responsibility at EGGER:

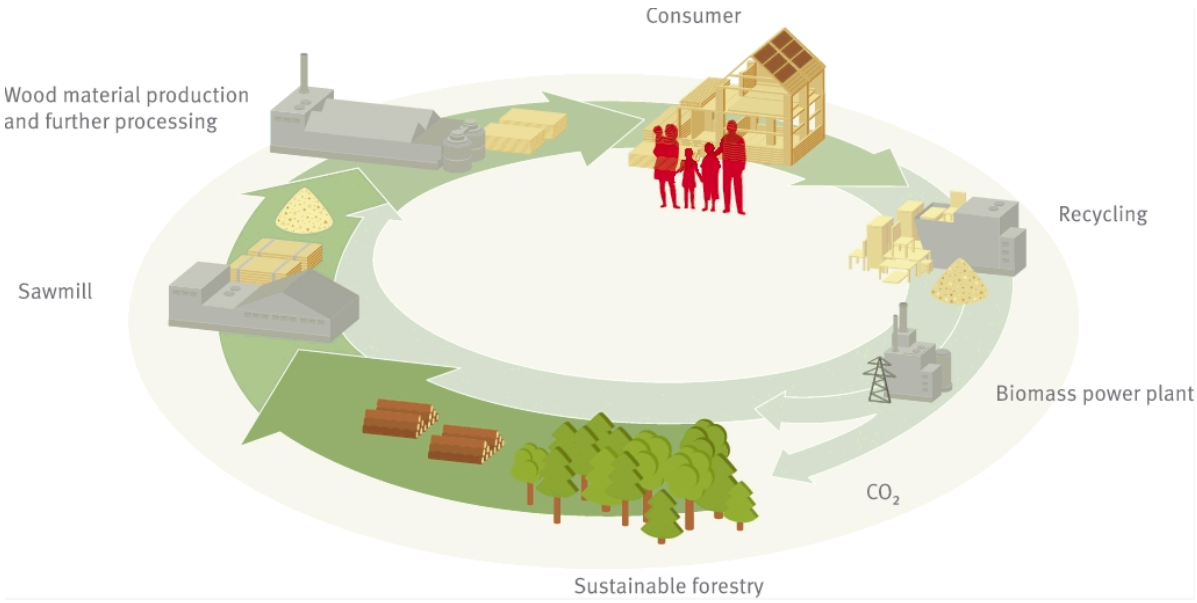


Sustainable Market Development

EGGER is well aware that today's entrepreneurial actions will influence the quality of the environment in the future. This wood materials producer therefore operates with the latest equipment that is based on state-of-the-art technology. From the living tree to the finished product, EGGER can rely on integrated locations that fully utilize the key raw material wood in a closed cycle. Sustainability represents an important aspect in the development and improvement of products, services and production equipment and plays a major role in the success of the company.

Integrated locations
At EGGER's integrated locations, wood initially represents a raw material. The various uses range from the production of sawn wood in the sawmill to the manufacture of wood materials. Residual wood and recycling wood that cannot be used in production are utilized thermally in the company's own biomass power plants and converted into energy for the production process. Fresh wood supplies come from sustainable forestry operations. Accordingly, the EGGER plants are certified according to PEFC and/or FSC.

EGGER's environmental cycle



Product responsibility
The reduction of emissions and greenhouse gases in the earth's atmosphere are critical for an intact environment. Wood materials have an important climate-related advantage, which EGGER uses: wood is a natural CO_2 storage medium and therefore carbon-neutral. In this way, EGGER creates a positive ecobalance.

The processing of wood into EGGER's products during the reporting year represents the binding of 4,05 million tons of CO_2*. That corresponds to the CO_2 emissions of 710.000 households**. The use of recycling wood in the EGGER production facilities saves 1,46 million tons of CO_2 per year. The EGGER biomass power plants saved 693.204 tons of CO_2 compared with the burning of natural gas.

1m³ of spruce wood binds 825 kg (1,819 pounds) CO_2

1m³ of OSB board binds 864 kg (1,905 pounds) of CO_2

1m³ of raw chipboard binds 745 kg (1,642 pounds) of CO_2

1m³ of MDF board binds 505 kg (1,113 pounds) of CO_2

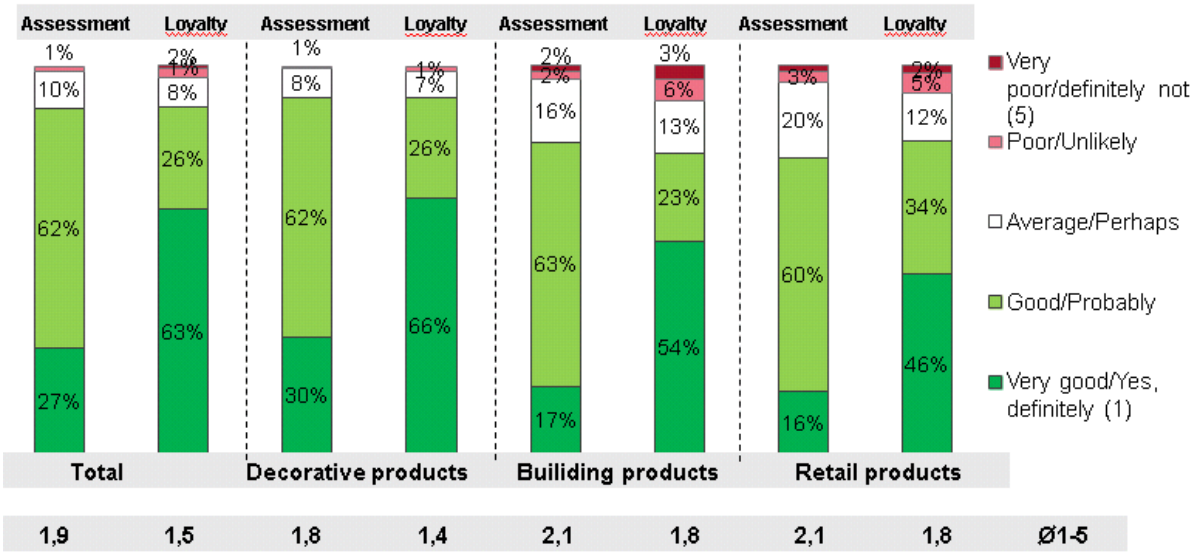
*Calculated based on the greenhouse gas potential of EGGER EPDs (in kg CO_2 equivalent, based on production data for 2011/2012)
**An average European household with four persons produces approx. 5,7 tons of CO_2 per year; source: EUROSTAT 22/2011

The sustainability and environmental compatibility of all products have been confirmed by independent audits and are disclosed in environmental product declarations (EPDs) based on the international ISO Standard 14025. These EPDs are used to certify the sustainability of buildings and are available for all EGGER product groups.

Ensuring the quality of its products is a key objective for every company. EGGER's Group-wide quality management is certified under ISO 9001. That guarantees customer satisfaction and a long service life for the company's products. Quality management is reviewed annually in internal audits and every three years through an external audit.

Relations with customers and suppliers
EGGER strives to establish reliable, trusting and long-term relations with its customers and suppliers. The development and continuous improvement of these long-term cooperations are the basis for the Group's success. The foundation for this work is formed by consistent quality, qualified advising and expertise in design and applications technology.

Regular customer satisfaction surveys are also part of these efforts. Responses are used by the Group to further develop its offering of products and services. A customer satisfaction analysis was prepared during the reporting year, which covered nearly 37.000 direct and indirect EGGER customers from the furniture production, interior design, flooring and wood construction sectors in 18 European countries (including Russia). The survey was designed to identify and measure the following factors: brand recognition, corporate values, strengths and weaknesses of products, services and business relations; price positioning in the competitive environment and the relevance of price in relation to quality for purchase decisions; and loyalty to EGGER. The results of the survey give EGGER above-average ratings, in particular for product quality, decor expertise, product selection and customer service. In contrast, opportunities for improvement were noted in the area of product availability. The results for EGGER equaled 1,9 on a scale of 1 (very good) to 5 (very poor), while loyalty was rated 1,5 on the same scale.



Environment

EGGER takes its responsibility for society and the environment seriously. Environmental protection has a high standing in the Egger Group and is firmly anchored in the Egger

corporate philosophy. The careful use of raw materials is given the highest priority. This goal is met with processing technologies that conserve resources, the generation of energy in company-owned biomass power plants and eco-friendly logistics systems which, for example, use rail traffic for transport. All Group plants are equipped with state-of-the-art waste water, noise protection and air purification systems.

Environmental management systems form a sound basis for the systematic and consequent pursuit of environmental goals to use resources and energy responsibly and to minimize the effects on the environment. The plants in Unterradlberg (AT) and Radauti (RO) are certified under ISO 14001. Unterradlberg is also certified under EMAS, whereby this certification is renewed each year.

One of the major strategic challenges is to safeguard wood supplies for the EGGER plants. This goal must be met against the backdrop of intense competition for wood that not only drives the price, but also affects the availability. EGGER therefore relies increasingly on the use of recycling wood. Approximately 20% of the wood used by EGGER represents recycled residual wood.

All major locations in the EGGER Group operate with biomass power plants (Brilon, Wismar and Unterradlberg) or biomass heating plants (St. Johann, Rion and Hexham). Biomass power plants generate electrical energy through the firing of biomass. In contrast, biomass heating plants only generate heat for oil heating and the generation of hot gas.

The EGGER biomass power plants save approx. 693.204 tons of CO_2 each year compared with the burning of natural gas, which represents the heating requirements of nearly 140.000 households. Moreover, approx. 290.000 MWh of electricity, which equals the requirements of roughly 44.000 households, is fed into public grids.

All documents relating to the environment and sustainability at EGGER are also available for review in the Internet under http://www.egger.com/AT_de/umwelt-und-nachhaltigkeit.htm.

Human Resources

EGGER wants to be the best employer in all relevant labor markets. In order to reach this goal, the Group implements extensive measures to support the corporate culture and also promote training, the protection of employees' health and the recruitment of new personnel.

In April 2012 EGGER received the "Great Place to Work Award" in Austria. This survey rates companies according to the following criteria: team spirit, fairness, respect, pride and credibility. That makes EGGER one of the 10 best employers in this country.

A Group-wide survey, which was last conducted at the beginning of 2011 (participation: 85%), gives employees regular opportunities to express their satisfaction and to identify possible improvements. These surveys are followed by the development of measures that are subsequently implemented in the form of local and/or Group-wide projects.

Following is a selection of projects recently completed or in progress:

- Improvement in management behavior through target group-oriented training
- Optimization of information and communications in production (e.g. through the installation of info-screens or regular newsletters from Group management)
- Improvement in working conditions (e.g. through air conditioning, ergonomics, safety, expansion and renovation of break rooms and training rooms, child care…)

Personnel marketing and recruitment

Additional resources were directed to optimizing the recruiting process and personnel marketing during 2011/12. In particular, contacts with universities and schools were intensified and the EGGER Group was represented at numerous career trade fairs. EGGER also gave 96 students and 153 schoolchildren an opportunity to learn about the company during an internship or vacation job. These programs represent an important part of EGGER's personnel marketing strategy.

Training

EGGER works to train specialized personnel and managers from its own ranks, and regularly trains apprentices for a wide variety of professions. These programs lead to certification as a wood technician, electrical technician, mechanical engineering technician or office administrator. In 2011/12 a total of 167 apprentices were in training programs at EGGER.

Sustainable personnel marketing at EGGER is designed to strengthen employees' ties to the company and to identify opportunities for their development. This process also supports succession planning, especially for key positions. In this connection, EGGER operates various target group-specific training programs that include the "Startklar" management trainee program and the "Start Up Sales" program for district sales managers. The Group programs are currently training roughly 50 employees from all EGGER locations to prepare them for their next career steps. EGGER also supports specialized internal careers with related concepts for IT and logistics. EGGER invested approx. EUR 4,8 million in employee training during the reporting year.

Health management

EGGER health management offers numerous services to promote healthy nutrition, exercise and advising at the various Group locations.

Health days for the entire family will again be held at the EGGER plants during the 2012/13 financial year and will combine issues related to health, fitness and medical services with popular social get-togethers. This active health management is also reflected in an illness rate of only 2,4% for the entire Group (2010/11: 2,7%). The accident rate (incl. accidents during travel to and from work) equals 0,3% (2010/11: 0,3%) and is regularly monitored and actively optimized by an occupational safety committee.

Employees

The Egger Group employed an average workforce of 6.788 in 2011/12 (2010/11: 6.012), which is classified by country as follows:

Number of own personnel	Status 30.04.12 2011/12	yearly average 2011/12	yearly average 2010/11	yearly average 2009/10
Austria	1.322	1.327	1.313	1.308
Germany	2.200	2.179	2.136	2.133
France	721	716	713	693
Great Britain	630	612	589	556
Russia	839	757	296	287
Romania	699	644	444	413
Turkey	591	553	521	0
EGGER Total	**7.002**	**6.788**	**6.012**	**5.390**

The year-on-year increase in the workforce is attributable primarily to the acquisition of the Gagarin plant in Russia as well as the expansion of the Radauti plant in Romania and additional hiring in Turkey. As of April 30, 2012 the EGGER Group had 7.002 employees.

Employee turnover amounted to 3,6% in 2011/12 (2010/11: 2,0%). This increase reflects the general recovery of the labor market, but still remains at a satisfactory level. The average age of the workforce is 39,1 years for the Group as a whole, 35,1 years in Eastern Europe and 40,2 years in Western Europe. Various project groups are working in the West European plants to address the challenges of the aging workforce (higher retirement age, lower number of young skilled employees). The focal points of these project groups include, among others, the revision of work time and shift models, further training/qualifications in production and the age-appropriate design of production jobs. The average length of employment with EGGER is eight years. The EGGER workforce comes from 48 different countries. Women represent 13% of the total workforce and hold 11% of management positions. This low percentage is branch-related because 83% of EGGER's employees work in engineering/production and logistics. Distribution/marketing, sales, IT and finance/administration represent the other 17% of the workforce. In these traditional salaried employee areas, 52% of the employees are women.

Society

In agreement with our fundamental values, EGGER respects the customs and traditions of the countries in which it operates. EGGER works to establish a position as an integral part of the respective environment and supports the use of qualified employees and managers from the regions near the Group's plants.

EGGER is committed to supporting the society, education, environment and culture in the areas where it is present and has donated a total of EUR 315.000 for such purposes. These funds were concentrated on social and educational projects. Roughly 50% of the donations were directed to Russia and Romania.

One activity that promotes team spirit at EGGER and also creates a bridge between health management and social commitment is the "Run with Egger" program. It was successfully continued at all locations during the reporting year. For each completed kilometer, Egger

donates EUR 5 to a social institution. These funds are distributed to various aid organizations in the regions surrounding the Group's plants.

A total of 672 employees participated in 2011 - or 72 more than the previous year (+12%) - who covered 20.883 km in fun runs, charity runs or plant-organized events (2010/11: 13.228 km). The total donation amounted to EUR 104.000. "Run with Egger" will also be continued in 2012.

4 INNOVATION, RESEARCH AND DEVELOPMENT

Innovation management as a key element of the corporate strategy

"The development and continuous improvement of products, processes and services are based primarily on the creation of added value for customers. This forms the starting point for increasing productivity and, in turn, for strengthening long-term earning power." With this declaration, the EGGER mission statement underscores the importance of innovation for the realization of the corporate vision. Accordingly, the innovation process is an important part of the EGGER strategy.

The development and documentation of ideas as well as the organization of innovation projects up to market introduction follow a clearly defined process at Egger, which is firmly anchored in the Group. The central competence center focuses on process development, productivity improvement and the optimization of production equipment with respect to costs, energy and raw material consumption. Product management, which operates through central staff departments, serves as an interface between the sales department and customers. As part of the innovation process, product management defines the most important product requirements and supports the sales force in market introduction. This department accompanies products throughout the development stage up to the determination of a recommended selling price, training for the sales force and the design of the marketing package together with local specialists and is also responsible for discontinuing the item at the end of the product life cycle.

The continuous improvement of the competence center and product management plays an important role in mastering the increasing challenges facing the EGGER Group. For example, new laboratories and engineering facilities were created for key functional areas at the TechCenter in Unterradlberg during 2011/12. The modular construction method that proved successful in Radauti was also used for this building. In keeping with EGGER'S philosophy of responsible interaction with the environment and resources, the air in the building is heated and cooled with a ground water pump that includes integrated energy recovery.

Product, process and service innovations

The innovation process at EGGER is concentrated, above all, on defined fields for products, processes and services.

Products
- Decors, structures and surfaces
- Emission-reduced products
- Lightweight construction
- Functional materials (acoustics, fire behavior,…)

Processes
- Formaldehyde-reduced bonding agents
- Improve use of raw materials and resource optimization
- New production processes

Services
- Digitalization (data management, visualization and printing)
- Internet (interactive offering)

All innovation projects are monitored continuously by the client as well as a special controlling process that measures progress, applicability, probability of implementation, opportunities for return and potential subsidies.

Fifteen priority patent registrations were filed during the reporting year. The EGGER Group currently holds almost 800 patents (granted and registered) and roughly 900 trademarks worldwide. The administration and management of these trademarks was integrated in the EGGER patent management system and is now handled centrally by the patent department. The use of existing tools and experience from the patent area support the realization of synergies, which has improved the synchronization of a uniform patent and trademark strategy.

An investment of approx. EUR 4 million in a new technology center at Unterradlberg created new laboratories and engineering facilities and thereby improved the conditions for product and process development. This TechCenter provides space for more than 20 employees in engineering and development laboratories as well as offices. The installation of this center at an established location creates synergies through the use of existing structures. Ecological aspects were incorporated not only in the selection of building materials, but also in the air conditioning system. This is reflected in low energy consumption for both heating and cooling (low energy standard). In 2011 the TechCenter building concept was awarded the wood construction prize from the province of Lower Austria in the category for commercial construction.

Cooperation with external research partners was further intensified during the reporting year. The focal points of these activities are raw materials processing, the optimization of EGGER's laminating systems, new bonding agent technologies and improved production processes. A number of these development projects were co-financed with public funds.

The exchange of information with selected suppliers and customers is supported by workshops on special topics. They are used to present and evaluate product and technology trends for their possible effects on our products, production processes and services.

Focal points of research and development

The introduction of the new ZOOM retail collection added two new structures - the ST18 und ST88 - to this product line:

- The **Structure 18 Waveline** runs at right angles to the board surface, in contrast to most of the other structures. Its wave-like pattern is similar to a milled and lacquered MDF board. This distinctive structure is especially well-suited for furniture fronts or special accents in shop fitting, for example in the form of wall elements.
- The **Structure 88 Velvet** consists of small, irregular elements that together resemble a mosaic. Due to their matt-glossy appearance and irregular arrangement, the elements create a variable shade pattern with solid colors.

The new ZOOM retail collection also included the updating of nearly 50% of the décor offering.

The new VDS Profi provides customers with an option for **template-based digital printing.** Color and sizing can be changed on four templates (patterns), which the customer can then order as individual decors.

Pro Akustik represents the development of an individual perforation in cooperation with akustik+. It is now possible to utilize standard picture files like jpgs to transfer pictures via

perforation. The digital data are converted into readable machine data, and the perforation raster and hole diameter determine the image resolution. That means: the finer the perforation, the higher the image definition or contrast. Different perforations can also be staggered and overlapped.

The successful launch of the LANEO collection in 2011 was followed in 2012 by the introduction of **flooring with cork+** technology for the DIY sales channel and international DIY chains. The market demand for products with quiet, warm and comfortable properties create a positive outlook for the future of this new flooring category.

In 2012 EGGER became the first laminated flooring producer in the world to present **laminated flooring with an extremely deep surface structure** at the Domotex in Hannover, the most important international floor covering trade fair. The “Grand Canyon“ surface resembles a naturally aged and weathered wood floor. At the same time, it is also equipped with a slip-resistant treatment. Laminated flooring with the Grand Canyon surface structure represents an ecological alternative to most LVT floors with very deep surfaces.

Wood harvested from **short rotation areas** represents an alternative to wood from forestry operations. A pilot project in Romania is current in progress to determine the technical and economic feasibility. More than 100 ha of short rotation areas have already been planted, and tests to process the timber into wood materials have produced positive results. Alternative planting and cultivation methods are currently under evaluation on a 12 ha area in keeping with local climate and soil conditions.

Wood processing is an energy-intensive process. Newly patented cutting methods were evaluated for individual applications in the production environment, and industrial-sized pilot projects were started. These projects are designed not only to improve energy efficiency, but also to minimize waste and reduce costs. The new cutting technology is used to process wood and alternative raw materials into wood materials and to also process biogenic fuels.

5 RISK MANAGEMENT

The Egger risk management system

Entrepreneurial activities are always connected with opportunities and risks. The major goals of the risk management system are to protect the continued existence of the company and to safeguard a sustainable increase in its value. The EGGER risk management system therefore represents an integral part of the EGGER corporate strategy and the EGGER value management system. The central elements of the risk management system are systematic risk controlling and the internal control system (ICS), with Group-wide guidelines and standards, internal audit and reporting, planning and controlling processes as the main components.

5.1.1 Financial risks and general operating risks

Information on the corporate risk policy and a detailed description of the specific risks – e.g. financial, market, procurement, production and investment risks – that are monitored within the context of risk controlling can be found in the risk report in section 3 of the notes.

5.1.2 Internal control system (ICS)

Egger views the internal control system (ICS) as an integral part of the risk management system. It supports the profitability of business processes, ensures the reliability of financial reporting and guarantees compliance with applicable legal regulations in order to prevent or reduce damage to the Group.

Key features of the internal control systems with respect to accounting processes

Group-wide uniform and mandatory guidelines
The internal control system (ICS) at EGGER is based on Group guidelines and process standards. In accordance with the decentralized structure of the EGGER Group, local management is responsible for the implementation of and compliance with these guidelines and standards. The Group guidelines are reviewed regularly by the responsible process manager and updated whenever necessary. Relations and dealings between the EGGER procurement organizations and their suppliers and service providers are based on the Group‘s Code of Conduct, which was issued in 2009.

External examination by auditor
The annual financial statements of all Group companies that are subject to mandatory audits as well as the consolidated financial statements are audited by independent accounting firms. These firms guarantee the application of uniform auditing standards through their international network and ensure the complete and efficient examination of the annual financial statements. In 2011/12 the Group changed its audit mandate to PwC (PriceWaterhouseCoopers).

ICS focal point audits
In connection with the audit of the financial statements, a different Group function is evaluated each year by the auditor for compliance with the ICS. The focal points for 2011/12 were fixed asset management and investment processes. The following internal control areas were analyzed in recent years:

- Inventory and warehouse management / physical inventory count
- Accounts receivable management, customer credit management
- Procurement, IT general controls
- Treasury, selected IT processes
- Personnel / payroll accounting

EGGER internal audit
Another element of the internal control system is the annual internal audit, where Group experts from the staff departments analyze processes along the value chain together with local specialists. This procedure supports the optimization of processes and ensures compliance with Group standards and guidelines as well as the correct performance of duties and the economic feasibility of processes.

Monitoring, reporting, planning and controlling processes
EGGER uses a standardized Enterprise Resource Planning (ERP) system (SAP) that facilitates the application of uniform standards and processes for accounting. This system also permits efficient reviews by the Group's central IT department and external process reviews, e.g. by the auditor.

The Group's monitoring activities include automated IT process controls, authorization and role concepts, and organizational procedures such as dual controls and the separation of administrative, execution, settlement and approval functions.

Central elements of the internal control system involve Group-wide standardized reporting and integrated planning and controlling processes. The development of the company and risk environment are documented and analyzed at the plant, country and Group levels at regular intervals and integrated in operational and strategic decision-making processes. The full harmonization of internal and external accounting allows for the monthly reconciliation of reporting and creates a common database for all types of internal decisions at every level.

The preparation of the consolidated financial statements is based on a corporate accounting guideline that is updated regularly and requires mandatory application for all companies included in the consolidation. This guideline defines the most important accounting and valuation methods based on IFRS.

In 2010/11 the operational planning process was converted from an annual basis to a quarterly rolling forecast to better reflect the increasing fluctuations on sales and procurement markets and to allow for more timely counteractions. This rolling planning process is based on sales volumes that are continually updated and adjusted to reflect available capacity and also includes the latest developments in selling and procurement prices. It allows EGGER to forecast earnings for five quarters in advance and thereby react quickly to changes in the market environment.

6 SUBSEQUENT EVENTS, OPPORTUNITIES AND OUTLOOK

Significant events after the balance sheet date

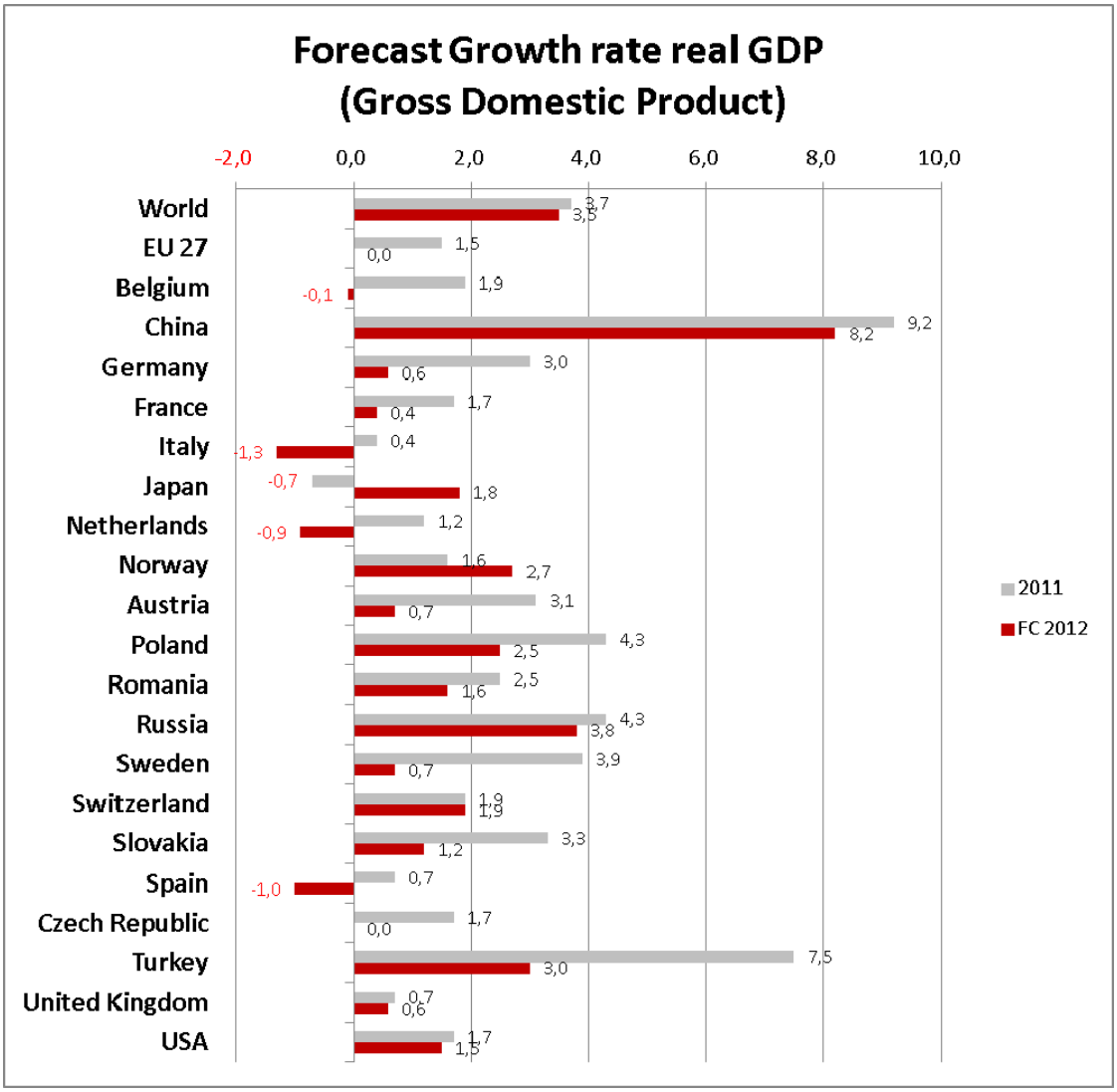
No material reportable events occurred after the end of the 2011/12 financial year.

Expected development / outlook

Forecasts by the World Bank call for an increase of 3,5% in global GDP and stagnation with zero growth for the European Union (EU-27) in 2012. In Europe/Central Asia the GDP is expected to rise by 3,2%. China should continue to generate GDP growth, with a plus of 8,2% expected for 2012. (Source: Eurostat).

The GDP in the Euro zone and the EU-27 remained stable quarter-on-quarter during the first quarter of 2012 as indicated in recent forecasts published by Eurostat, the statistical office of the European Union.

According to estimates by DIW, the GDP in Germany should show an increase of 0,3% quarter-on-quarter in the second quarter of 2012. The negative forecast for the European Union is based, above all, on the difficult situation in Europe and the strict austerity measures implemented by the EU countries. Another factor is the substantial uncertainty that has taken hold of European markets.



Source: Eurostat and WEO World Economic Outlook IMF

Following a positive start into the 2012 construction year, the construction industry in Germany has good prospects to match the successful prior year. A nominal increase of 4% in revenues is expected for this industry on the German market, which would represent a real production plus of roughly 2%. In contrast, the development of public sector construction is more difficult to estimate.

A statistical comparison of May 2012 and May 2011 shows that construction industry production fell in nine of the member states for which data is available and rose in five member states of the EU-27. The strongest declines were recorded in Portugal (-16,4%), Slovakia (-11,0%), Spain (-10,9%) and Slovenia (-10,7%), while the highest growth rates were registered in Sweden (+7,9%), Germany (+6,3%) and Poland (+2,4%).

Building construction increased 3,4% in the Euro zone and 3,1% in the EU-27, compared with -14,6% and -10,2%, respectively, during February 2012. Civil engineering fell by 4,9% in the Euro zone and by 8,0% in the EU-27, compared with -23,1% and -18,6%, respectively, in the same month of the previous year. (Source: Eurostat)

Expected earnings, financial and asset situation

The EGGER Group expects a significant improvement in revenues during the 2012/13 financial year, despite the slight weakness in the economy and continuing uncertainty on financial markets. This growth will be supported by the full utilization of existing and new capacity. Greater uncertainty could come from the raw material markets and the increasing scarcity of wood. The development of the construction industry, a key branch for EGGER, will differ widely by region in 2012 with moderate growth expected for Western Europe and Germany. Slight growth is also forecasted for the construction industry in Eastern and Central Europe, while a decline is anticipated in Southern Europe.

EGGER is looking toward generally full capacity utilization in all production facilities during 2012/13 due to the current sound level of orders in all product groups. Moreover, the start-up of the OSB plant in Radauti (RO) has significantly increased OSB capacity. The construction of an adhesives plant in Radauti, the further expansion of impregnating and laminating capacity and continuous optimization of the cost structure should also support an improvement in earnings.

In order to further strengthen its market position, EGGER is continuing to concentrate on product diversity, market diversification and continuous innovation in products, processes and services. A solid financial basis supports long-term supply relations with our customers and further stable, internally generated growth. EGGER works to counter the increasing market volatility with continuous monitoring and quarterly rolling forecasts as well as fast decisions and measures to react to fluctuations in orders or other changes in the operating environment.

This outlook includes forecasts that are based on current estimates for future developments in the EGGER Group. Uncertainty or risks in the market environment could influence these future developments and lead to variances from the current estimates.

St. Johann i.T., July 17, 2012

Walter Schiegl	Thomas Leissing	Ulrich Bühler
CTO, Production, Engineering and Procurement	Speaker of the Managing Board, CFO, Finance, Logistics and Human Resources	CSO, Marketing and Sales

The Managing Board

Consolidated Financial Statements
according to International Financial Reporting Standards (IFRS)
as of April 30, 2012
of

EGGER HOLZWERKSTOFFE GMBH,

St. Johann in Tirol

Egger Holzwerkstoffe GmbH, St. Johann i.T.

Consolidated Balance Sheet
as of April 30, 2012

ASSETS	Notes	30.4.2012 TEUR	30.4.2011 TEUR
Property, plant and equipment	(1)	1.245.565	1.018.923
Intangible assets	(1)	114.073	82.225
Financial assets	(2)	39.097	36.242
Investments in associates	(3)	21	3.845
Other assets	(4)	16.209	0
Deferred tax assets	(15)	44.196	49.851
Non-current assets		**1.459.161**	**1.191.086**
Inventories	(5)	272.735	242.747
Trade receivables	(6)	61.295	65.539
Other assets	(4)	56.524	46.073
Current tax assets		693	766
Securities and financial assets	(2)	108	647
Cash and cash equivalents	(7)	150.633	192.670
Current assets		**541.987**	**548.442**
Total Assets		**2.001.148**	**1.739.528**
EQUITY AND LIABILITIES			
Issued capital, participation rights, perpetual bond and reserves	(8,9)	581.492	539.855
Non-controlling interests		66.697	61.522
Equity		**648.189**	**601.377**
Bonds	(10)	301.612	392.890
Financial liabilities	(11)	297.850	260.069
Other liabilities	(12)	780	773
Government grants	(13)	25.760	27.044
Provisions	(14)	46.314	45.532
Deferred tax liabilities	(15)	18.620	17.202
Non-current liabilities		**690.936**	**743.509**
Bonds	(10)	118.771	0
Financial liabilities	(11)	164.837	100.867
Trade payables	(16)	234.148	180.151
Other liabilities	(12)	110.589	89.617
Liabilities from income taxes		28.749	21.786
Provisions	(17)	4.929	2.220
Current liabilities		**662.023**	**394.641**
Total Equity and Liabilities		**2.001.148**	**1.739.528**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Consolidated Income Statement
for the 2011/12 Financial Year

	Notes	2011/12 TEUR	2010/11 TEUR
Revenues	(18)	**1.962.776**	**1.770.937**
Other operating income	(19)	43.625	24.568
Increase/decrease in inventories		13.859	21.640
Own work capitalized		5.709	5.318
Cost of materials	(20)	-1.155.220	-1.035.663
Personnel expenses	(21)	-291.834	-262.256
Depreciation and amortization		-140.939	-133.318
Other operating expenses	(22)	-316.462	-295.660
Operating profit		**121.514**	**95.566**
Financial results	(23)	-49.789	-53.675
Income from financial investments	(24)	-6	-245
Income from associates		-5	547
Profit before tax		**71.715**	**42.193**
Income taxes	(15)	-22.414	4.164
Profit after tax		**49.301**	**46.357**
Thereof attributable to non-controlling interests		4.831	3.469
Thereof attributable to equity holders of the parent company		44.469	42.888
		49.301	**46.357**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Consolidated Statement of Comprehensive Income for the 2011/12 Financial Year

	Notes	2011/12 TEUR	2010/11 TEUR
Currency translation adjustments		-791	-236
Change in hedging reserve		-2.461	1.941
Profit after tax recognized directly in equity	(25)	**-3.252**	**1.705**
Profit after tax		49.301	46.357
Total comprehensive income for the period		**46.048**	**48.062**
Thereof attributable to non-controlling interests		4.834	3.468
Thereof attributable to equity holders of the parent company		41.214	44.594
		46.048	**48.062**

Egger Holzwerkstoffe GmbH, St. Johann i.T.

Consolidated Cash Flow Statement for the 2011/12 Financial Year

	Notes	2011/12 TEUR	2010/11 TEUR
Profit before tax		71.715	42.193
Depreciation and amortization	(1)	140.939	133.318
Impairment charges to and valuation of financial assets		402	355
Use of government grants	(19)	-5.064	-4.009
Income/loss from the disposal of fixed assets		1.369	1.977
Income from associates		5	-547
Increase/decrease in long-term provisions		782	-1.637
Income taxes paid (net)		-8.058	-7.674
Gross cash flow		**202.090**	**163.976**
Increase/decrease in inventories		-21.729	-47.643
Increase/decrease in trade receivables		8.052	-762
Increase/decrease in other assets		-26.307	-10.952
Increase/decrease in trade payables		50.989	18.585
Increase/decrease in other liabilities		19.910	9.248
Increase/decrease in current provisions		2.709	-4.292
Currency translation adjustments		-6.060	4.021
Cash flow from changes in net current assets		**27.564**	**-31.794**
Cash flow from operating activities	(26)	**229.654**	**132.182**
Purchase of property, plant and equipment and intangible assets	(1)	-262.015	-166.691
Purchase of non-current financial assets		-1.476	-6.499
Payments made for the purchase of shares in associates		0	-936
Payments made for the acquisition of subsidiaries		-143.811	-64.518
Increase/decrease in securities and current financial assets		539	-499
Proceeds from the disposal of non-current assets		3.763	3.344
Cash flow from investing activities		**-403.000**	**-235.799**
Issue of EGGER bond		0	198.636
Repurchase of bonds		27.923	-92.931
Issue of perpetual bond	(8)	10.000	16.500
Repurchase of participation rights		0	-2.873
Increase in financial liabilities		175.370	75.400
Repayment of financial liabilities		-73.643	-167.838
Capital contributions		0	37.559
Distributions and interest payment on perpetual bond		-9.643	-69.928
Cash flow from financing activities		**130.007**	**-5.475**
Net change in cash and cash equivalents		**-43.339**	**-109.092**
Effects of exchange rate fluctuations on cash held		845	-349
Change in cash and cash equivalents from changes in the consolidation range		457	0
Cash and cash equivalents at the beginning of the financial year		192.670	302.111
Cash and cash equivalents at the end of the financial year	(26)	**150.633**	**192.670**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Statement of Changes in Equity
as of April 30, 2012

	Share capital	Participa-tion rights	Perpetual bond	Reserves	Reserve for cash flow hedges	Transla-tion reserve	Control-ling interests	Non-controlling interests	Total equity
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance on 30. April 2010	**10.000**	**356.637**	**132.536**	**97.872**	**-1.060**	**-75.848**	**520.137**	**26.630**	**546.767**
Total comprehensive income for the period	0	0	0	42.888	1.941	-236	44.594	3.468	48.062
(Deferred) taxes not recognized through profit or loss	0	0	0	-9.576	0	0	-9.576	0	-9.576
Perpetual bond	0	0	16.500	0	0	0	16.500	0	16.500
Capital increase	1.509	0	0	36.051	0	0	37.559	0	37.559
Increase / decrease in non-controlling interests	0	0	0	570	0	0	570	31.424	31.994
Distribution and interest payment on perpetual bond	0	0	0	-69.928	0	0	-69.928	0	-69.928
Balance on 30. April 2011	**11.509**	**356.637**	**149.036**	**97.876**	**881**	**-76.083**	**539.855**	**61.522**	**601.377**
Total comprehensive income for the period	0	0	0	44.469	-2.461	-794	41.214	4.834	46.048
Conversion of hybrid capital	0	-356.637	-132.536	489.660	0	0	487	0	487
Perpetual bond	0	0	10.000	0	0	0	10.000	0	10.000
Transfer of shares without recognition through profit or loss	0	0	0	-352	0	0	-352	352	0
Increase / decrease in non-controlling interests	0	0	0	-71	0	0	-71	-11	-82
Interest payment on perpetual bond	0	0	0	-9.643	0	0	-9.643	0	-9.643
Balance on 30. April 2012	**11.509**	**0**	**26.500**	**621.939**	**-1.580**	**-76.877**	**581.492**	**66.697**	**648.189**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Notes to the Consolidated Financial Statements
as of April 30, 2012

1. Accounting and Valuation Methods

1.1. The Company

Egger Holzwerkstoffe GmbH, together with its subsidiaries, is one of the leading producers and suppliers of wood materials in Europe. The business activities of the 17 production facilities are concentrated primarily on the following:

– Production and sale of boards made of wood materials (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
– Production and sale of laminated flooring.
– Production and sale of OSB boards and sawn timber.

The headquarters of the company are located in St. Johann in Tirol, Austria.

The consolidated financial statements include the parent company, Egger Holzwerkstoffe GmbH, St. Johann i.T., as well as the subsidiaries under its control.

1.2. Basis of Preparation

In accordance with the provisions of § 245a of the Austrian Commercial Code, the consolidated financial statements as of 30. April 2012 were prepared in agreement with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC) that were formulated by the International Accounting Standards Board (IASB), adopted by the European Union and called for mandatory application as of the balance sheet date.

The standards, revisions and interpretations that required mandatory application in 2011/12 had no material effect on the consolidated financial statements.

The following standards and interpretations were announced by the IASB, but did not require application in the financial year ending on 30. April 2012. Egger did not elect to utilize the option that permits earlier application and is currently evaluating the effects of these standards and interpretations on the consolidated financial statements. The future effect of the change to IAS 19 “Employee Benefits“ would have reduced equity by the amount of the accumulated actuarial loss, i.e. by TEUR 12.022, as of 30. April 2012.

IAS 1	Changes: presentation of items of other comprehensive income
IAS 12	Changes: realization of underlying assets
IAS 19	Changes: employee benefits
IAS 27	Separate financial statements
IAS 28	Investments in associates and joint ventures
IAS 32	Changes: offsetting of financial assets and liabilities
IFRIC 20	Stripping costs in the production phase of a surface mine
IFRS 1	Changes: severe hyperinflation, removal of fixed dates for first-time adopters and below-market interest rate government loans
IFRS 7	Changes to financial instruments: disclosures
IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement

The consolidated financial statements are 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.

1.3. Consolidation Range

The consolidated financial statements include 21 Austrian (30.4.2011: 20) and 47 foreign (30.4.2011: 47) fully consolidated subsidiaries over which Egger Holzwerkstoffe GmbH has management control and directly or indirectly owns more than 50% of the shares. One Austrian company (30.4.2011: one) and one foreign company (30.4.2011: ten) are consolidated at equity.

A list of all companies included in the consolidated financial statements of Egger Holzwerkstoffe GmbH is provided at the end of the notes in Appendix 1.

The following companies were included in the consolidation for the first time in 2011/12:

Company	Head-quarters	Stake owned	Consolida-tion date	Type of consolidation
Egger Konstruktiv Beteiligungs GmbH	St. Johann iT	100,00	01.07.2011	Full consolidation
Beteiligung “FM International“ GmbH	St. Johann iT	94,90	01.07.2011	Full consolidation
Gagarin Plywood Mill LLC	Gagarin	100,00	01.07.2011	Full consolidation
Timberpak GmbH	Lehrte	94,86	01.01.2012	Full consolidation

The newly founded Egger Konstruktiv Beteiligungs GmbH acquired the shares in the renamed Egger Building Products GmbH (formerly Egger Holzprodukte Management GmbH) from Fritz Egger Gesellschaft m.b.H. These companies are located in St. Johann in Tirol.

Egger Holzprodukte Vertriebs GmbH acquired the investment in “FM International“ GmbH, St. Johann in Tirol, for TEUR 50.

In Russia, Egger acquired 100% of the shares in Gagarin Plywood Mill LLC, Gagarin. This company was initially consolidated as of July 1, 2011, whereby the related accounting entries included the recognition of TEUR 26.430 in goodwill under intangible assets in accordance with IFRS 3.

The purchase price for this acquisition comprises the following:

	TEUR
Assumption of liabilities	140.553
Purchase price paid in cash	7.355
Total purchase price	**147.908**

The following table shows the fair value of assets and liabilities as of the acquisition date based on the exchange rate in effect on the date of the transaction. These fair values were determined by allocating the purchase price for the business combination to the acquired assets and assumed liabilities. Since the purchase price allocation has not yet been finalized, the following amounts are preliminary.

	Group values TEUR
Property, plant and equipment and intangible assets	110.133
Inventories	8.259
Receivables and other assets	4.965
Cash and cash equivalents	4.097
Deferred tax liabilities	-134
Liabilities	-5.842
Net total of acquired assets	**121.478**
Goodwill	26.430
Acquisition price	**147.908**
Cash and cash equivalents acquired	-4.097
Net payment for Gagarin Plywood Mill LLC	**143.811**

The acquisition of Gagarin Plywood Mill LLC increased Group revenues by TEUR 79.623 and operating profit by TEUR 7.388.

Egger Holzwerkstoffe Brilon GmbH & Co. KG, Brilon, acquired the investment in Jade 1351. GmbH, Berlin, for TEUR 28 and subsequently renamed the company Timberpak GmbH, Lehrte.

Fritz Egger Gesellschaft m.b.H, St. Johann in Tirol, purchased 39% of the shares in Hackgut Logistik & Handel GmbH, Großschönau, for TEUR 70 and now holds a total investment of 90%.

Egger ADLB Management GmbH was renamed Egger Ost Management GmbH, St. Johann in Tirol, and Egger Sägewerk Brilon Beteiligungs GmbH was renamed Egger Forst GmbH, Brilon.

Trans Lignum Transport GmbH was merged into Fritz Egger Beteiligungs GmbH & Co. KG, Brilon, and the Belgian Europrisma NV was merged into Egger Benelux GCV, Zulte. Both companies therefore ceased to exist as independent consolidated entities.

Fritz Egger Beteiligungsverwaltung GmbH, St. Johann in Tirol, was deconsolidated for reasons of immateriality.

The newly founded sales company Egger Australasia Pty Ltd, Sydney, was included in the consolidated financial statements at cost for reasons of immateriality.

1.4. Basis of Consolidation

In accordance with IFRS 3, subsidiaries included for the first time are consolidated as of the acquisition date by allocating the acquisition cost to the revalued assets acquired and the revalued liabilities and contingent liabilities assumed (purchase method). Acquisition-related costs are expensed as incurred.

Egger decides on an individual basis for each business combination whether the non-controlling interests in the acquired company will be accounted for at fair value or based on the proportional share of net assets in the acquired company.

Non-controlling interests in the equity of consolidated companies are reported as a separate position under equity. The share of annual profit after tax attributable to non-controlling interests is shown separately on the income statement.

The acquisition of additional shares in companies under joint control is accounted for as a transaction within equity, and the resulting differences are therefore offset against reserves.

All receivables, liabilities, revenues and expenses arising from transactions between consolidated companies are eliminated. The consolidation process also includes the elimination of gains and losses on the sale of fixed or current assets and the provision of services between Group companies, unless these items are immaterial.

In accordance with the equity method, shares in associates are initially recognized at acquisition cost as of the purchase date. In subsequent periods, this value is adjusted to reflect the proportional share of profit or loss generated by the associated company. The consolidation method applied to a number of sales companies was changed during the reporting year for materiality reasons, whereby the equity method was replaced by acquisition cost less any applicable impairment charges.

1.5. Foreign Exchange Translation

Transactions in a foreign currency

The individual Group companies record foreign currency transactions using the average exchange rate in effect on the date of the transaction. Monetary assets and liabilities are translated into Euros at the closing rate in effect on the balance sheet date. Any resulting translation gains and losses are recognized to profit or loss in the respective financial year.

Translation of foreign currency financial statements

The annual financial statements of Egger Holzwerkstoffe GmbH are prepared in Euros. The respective local currency represents the functional currency for subsidiaries located outside the Euro zone. The assets and liabilities included in the financial statements of these companies, including goodwill and valuation adjustments resulting from initial consolidations, are translated at the average rate in effect on the balance sheet date. The income statement items are translated at the weighted average exchange rate for the financial year. Any resulting translation gains and losses are recorded to a separate item under equity without recognition through profit or loss, and recognized to the income statement when the company is deconsolidated.

Unrealized foreign exchange translation differences arising from long-term shareholder loans (net investments) are recorded under the translation reserve without recognition through profit or loss. These differences are recognized to the income statement when the loan is repaid or the company is sold.

The exchange rates used for foreign currency translation developed as follows during the reporting year:

		Closing rate on		**Average rate for the year**	
		30.4.2012 EUR	30.4.2011 EUR	2011/12 EUR	2010/11 EUR
1	British Pound	1,23010	1,12147	1,16697	1,17242
100	Russian Rubles	2,56900	2,45100	2,46175	2,49408
1	New Romanian Leu	0,22743	0,24544	0,23254	0,23645

1.6. Significant Accounting Policies

The accounting and valuation methods applied by the Group remained unchanged from the previous year, with the exception of the initial application of new accounting rules that required mandatory application.

1.6.1. Property, plant and equipment and intangible assets

Purchased intangible assets are recorded on the balance sheet at acquisition cost, less accumulated straight-line amortization and any necessary impairment charges.

In accordance with IAS 38, allocated certificates for greenhouse gas emissions are recorded under intangible assets at acquisition cost – which in this case equals zero because of the free allocation – and the use of the certificates is also recorded at this same value. Any additional certificates required to cover excess emissions are recorded under a provision at the market value of the certificates purchased. The sale of surplus certificates is reported under other operating income.

Customer relations obtained through a business combination are stated at their fair value as of the acquisition date. These customer relations have a limited useful life.

For **internally generated intangible assets**, the production period is divided into a research phase and a development phase. Costs incurred during the research phase are expensed immediately. All costs previously incurred during the development phase of intangible assets were also expensed because the recognition criteria defined by IAS 38 were not met or the relevant amounts were immaterial.

Intangible assets have a finite or an indefinite useful life. All intangible assets recorded on the balance sheet have a finite useful life.

Property, plant and equipment are recorded at acquisition or production cost, less accumulated depreciation and any necessary impairment charges.

The production cost of self-constructed property, plant and equipment comprises direct costs and an appropriate component of overhead. Costs incurred for an asset in subsequent periods are only capitalized if they lead to a significant increase in the opportunities to use

the asset in the future, e.g. through expanded service potential or a significant extension of the asset's useful life.

If major components of property, plant or equipment have significantly different patterns of use, they are recognized separately in accordance with the component approach and depreciated separately based on their relevant useful life.

Borrowing costs, including related transaction costs, are capitalized for qualifying assets.

Systematic amortization for intangible assets with finite useful lives and depreciation for tangible assets is calculated by applying the straight-line method over the expected useful life of the asset. The depreciation and amortization rates used by Group companies are based on the following standard useful lives:

	Useful life in years
Property, plant and equipment	
Factory buildings	25
Residential and commercial buildings	50
Facilities installed on property	10
Machinery	10
Tools	4
Other equipment	5 - 10
Furniture, fixtures and office equipment	3 - 5
Motor vehicles and other means of transportation	4 - 10
Intangible assets	
Patents, licenses and software	5
Lease and rental rights	10
Customer relationships	4 - 7

Government grants are recorded to a separate position under liabilities and released to the income statement as other income over the useful life of the relevant asset.

1.6.2. Goodwill

Goodwill reported on the balance sheet results from the use of the purchase method to account for business combinations. Goodwill is recognized at acquisition cost.

In accordance with IFRS 3, goodwill is no longer amortized on a systematic basis. Goodwill acquired before May 1, 2004 was recorded at the carrying amount as of April 30, 2004 and –

similar to goodwill acquired after this date – is tested each year for impairment by comparing the carrying amount with the recoverable amount as of the balance sheet date.

Any goodwill arising from the acquisition of investments in associates is included in the carrying amount of the respective item.

1.6.3. Assets acquired through leases

If a lease contract substantially transfers all risks and rewards incidental to the ownership of an asset to the lessee (finance lease), the asset is recognized as a component of property, plant and equipment or as an intangible asset and depreciated or amortized on a systematic basis over its useful life. At the start of the lease term, the asset is recognized at the lower of fair value or the present value of future minimum lease payments. As a corresponding entry, the present value of the future minimum lease payments arising from the lease is recognized as a financial liability.

Assets obtained through operating leases are attributed to the lessor. The related lease payments are expensed by the lessee on a straight-line basis over the lease term.

1.6.4. Financial assets

All securities held by the Group are classified at fair value through profit or loss because reporting to management is based on fair value. These items are recognized at acquisition cost as of the purchase date and measured at fair value in subsequent periods. Any changes in this value are recognized to the income statement. The fair value of securities reflects market value as of the balance sheet date.

Securities held for the short-term investment of funds are reported under current assets on the balance sheet and are recognized as of the value date.

Investment property is measured at acquisition or production cost less accumulated depreciation and any necessary impairment charges in line with the useful life of the asset.

Loans are carried at amortized cost.

Investments in other companies are carried at cost if fair value cannot be determined without substantial expense.

1.6.5. Impairment

In addition to measurement at amortized or depreciated cost, assets are tested for signs of impairment as of each balance sheet date. The higher of the value in use and the net selling price of an asset is determined on an annual basis for intangible assets with an indefinite life and for goodwill, and on an interim basis if any signs of impairment are identified. If this value is less than the carrying amount, an impairment charge is recorded to reduce the carrying amount of the asset to this lower value.

The value in use is defined as the present value of the estimated cash inflows and outflows expected to be derived from the use of the asset. If it is not possible to identify independent cash surpluses for a particular asset, the asset is included in the next larger unit (cash-generating unit) for which independent cash surpluses can be determined. The net realizable value represents the amount obtainable from the sale of an asset in an arm's length transaction, less any costs necessary to make the sale.

Impairment charges are recognized through profit or loss. If the circumstances responsible for the impairment have ceased to exist, the impairment loss is reversed and the carrying amount of the asset is increased up to amortized or depreciated cost. This procedure does not apply to impairment charges recognized to goodwill, to intangible assets with an indefinite useful life or to equity instruments held as financial instruments.

1.6.6. Inventories

Inventories are measured at the lower of cost or net realizable value as of the balance sheet date.

Acquisition cost includes all costs incurred to place the asset in the desired condition at the desired location. Production cost includes direct expenses as well as an appropriate share of production overheads based on normal capacity usage. Interest charges as well as selling

and administrative overheads are not included in production cost. The moving average method is used to determine the cost per unit. Risks related to the length of storage and reduced possibilities for use are reflected in appropriate write-downs to the net realizable value.

1.6.7. Trade receivables and other assets

Receivables are carried at cost less any necessary valuation adjustments. Interest-free and non-interest-bearing receivables with a term of more than one year are stated at their discounted present value. Other assets are valued at cost, less any necessary impairment charges.

1.6.8. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, time deposits with a term of less than three months from the date of acquisition and demand deposits with credit institutions. This position also includes cash pooling receivables invested with associates, which are available on demand.

1.6.9. Employee benefits

Pension obligations

Certain subsidiaries of Egger Holzwerkstoffe GmbH are required by individual commitments to make pension payments to employees after their retirement. The Egger Group has both defined contribution and defined benefit pension plans. A provision has been created for defined benefit obligations that are not covered by sufficient pension plan assets.

This provision is determined in accordance with IAS 19, whereby calculations are based on the projected unit credit method. An actuarial procedure is used to determine the present value of future payments based on realistic assumptions for the periods in which benefit entitlements are earned. The required amount of the provision is calculated by an actuary as of each balance sheet date.

Actuarial gains or losses on pension obligations to external organizations are recognized according to the corridor rule defined by IAS 19.92. In keeping with this rule, gains or losses that exceed 10% of pension plan assets or the present value of the defined benefit obligation are distributed over the average remaining working lives of the participating employees.

Income and expenses related to the provision are included under personnel expenses, with the exception of the interest component. The interest component represents part of financial results.

The calculations are based on the following assumptions:

	April 30, 2012	April 30, 2011
Discount rate	4,66 – 5,25	5,25 – 5,3
Increase in salaries and wages	0,5 – 5,1	0,5 – 3,0
Increase in pensions	0 – 3,1	0 – 3,1
Expected income on pension plan assets	5,5 – 5,69	5,5 – 6,6
Retirement age for women (in years)	55 – 65	58,33 – 65
Retirement age for men (in years)	60 – 65	62,00 – 65
Biometric parameters		
Austria	AVÖ 2008-P	AVÖ 2008-P
Great Britain	170% PNA00 YOB LC 1%	170% PNA00 YOB LC 1%

Termination benefits

Legal regulations require companies in Austria to make one-time severance payments on termination or retirement to employees whose employment relationship started before January 1, 2003. The amount of the severance payment is dependent on the length of service and the salary/wage at the time of termination, and ranges from two to 12 monthly salary or wage installments. A provision was created for this obligation.

The provision is determined by applying the projected unit credit method, which uses financial procedures to determine the present value of future payments for the periods in which the maximum claims are earned (25 years). All actuarial gains and losses are recognized immediately to profit or loss.

The valuation of this provision is based on the same assumptions used to calculate pension obligations.

Other long-term employee benefits

Collective bargaining agreements require the payment of special bonuses to employees who have reached a specific number of years of service with the company (beginning at 10 years of service). A provision was created for this obligation.

The valuation of this provision is based on the same methods and assumptions used to calculate the provision for termination benefits.

1.6.10. Other provisions

Other provisions are recognized when the company has incurred a legal or constructive obligation to a third party based on a past event, and it is probable that the obligation will lead to an outflow of resources. A provision is created in accordance with the best possible estimate – at the time the financial statements are prepared – of the amount that will be required to meet the obligation. If a reliable estimate is not possible, the provision is not recognized.

If the nominal value of a non-current provision differs materially from its present value based on an ordinary market interest rate, the present value is used.

1.6.11. Taxes

Income taxes shown for the reporting year include income tax calculated on profit before tax for the individual companies based on the applicable tax rate in each country (actual income taxes) as well as the change in deferred taxes.

Deferred taxes are calculated in accordance with the balance sheet liability method defined by IAS 12 for all temporary differences arising between the separate financial statements prepared by the Group companies for tax purposes and the consolidated IFRS financial statements. Tax benefits that are expected to be realized on loss carryforwards in the future are also included in the calculation. Exceptions to the general rule for the creation of deferred taxes are differences arising from goodwill that is not deductible for tax purposes and temporary differences related to investments in other companies. Deferred tax assets are

only recognized if it is probable that the inherent tax benefit will be realized. The calculation of deferred taxes is based on the relevant tax rate defined by tax regulations in the reporting company's home country. A change in the tax rate is reflected in the calculation when this change has been enacted or substantively enacted as of the balance sheet date. The corporate income tax rate in Great Britain was reduced to 24% (previously 26%).

1.6.12. Bonds and financial liabilities

Bonds are carried at amortized cost. The initial recognition reflects the proceeds received from the issue. Any premium, discount or other difference between the amount received and the repayment amount is recognized to profit or loss over the term of the financing. Other financial liabilities are carried at the fair value of the consideration received.

1.6.13. Trade payables and other liabilities

Trade payables are recognized at the fair value of the goods or services received when the relevant liability is incurred. In subsequent periods, these liabilities are measured at amortized cost. Other liabilities that do not result from the provision of goods or services are carried at their repayment amount.

1.6.14. Derivative financial instruments

Hedges are concluded to reduce the risks arising from changes in foreign exchange rates and interest rates. The financial instruments used by the Egger Group consist primarily of forward exchange contracts, interest rate swaps and interest rate options.

Derivative financial instruments are recognized at cost as of the date the contract is concluded and measured at fair value in subsequent periods. Unrealized changes in value are recognized to profit or loss.

Hedge accounting as defined in IAS 39 is applied to cash flow hedges. Gains and losses resulting from changes in the value of derivative financial instruments are recognized directly in equity.

The fair value of forward exchange contracts is determined on the basis of foreign exchange spot rates and interest rates as of the balance sheet date. Interest rate swaps are measured at present value using current interest rates. The value of interest rate options is determined by applying standard calculation models and also incorporates current interest rates and related fluctuations.

1.6.15. Recognition and disposal of financial instruments

All financial instruments are recognized as of the settlement date.

Financial instruments are derecognized when the income, control and part of the risks are transferred to the buyer. Additional information on the sale of financial instruments is provided under note (6) to the consolidated financial statements.

1.6.16. Realization of revenue

Revenue is realized when all material risks and benefits from the delivered object are transferred to the buyer.

Rental income is realized on a straight-line basis over the term of the rental agreement. One-time payments or exemptions are distributed over the term of the agreement.

1.6.17. Finance costs and income from financial investments

Net financing costs comprise interest on borrowings, finance leases and provisions for long-term employee benefits as well as similar expenses and fees, interest income, exchange rate gains/losses and profit or loss on derivative financial instruments.

Income from financial investments includes recognized interest, dividends and similar income as well as gains and losses on the sale of financial assets and impairment charges to financial assets. Interest is accrued over the term of the contract. Dividends are recognized when the distribution is received.

1.6.18. Estimates

The preparation of the consolidated financial statements requires the estimation of certain amounts as well as the use of assumptions that influence the recording of assets and liabilities, the declaration of other obligations as of the balance sheet date and the recording of revenues and expenses during the reporting period. The actual figures that become known at a later date may differ from these estimates.

The following assumptions are coupled with a significant risk that they may lead to a material adjustment in the carrying amounts of assets and liabilities during the next financial year:

— The valuation of existing pension, severance compensation and long-service bonuses involves the use of assumptions for interest rates, retirement ages, life expectancy, employee turnover and the future development of salaries and wages.

— The recognition of deferred tax assets is based on the assumption that sufficient taxable income will be generated in the future to utilize existing loss carryforwards.

— The assessment of risks arising from pending legal proceedings also incorporates a best possible estimate of the potential payment outflows, which is based on the opinions of the involved experts.

— Judgments concerning the value of intangible assets and property, plant and equipment are based on forward-looking assumptions by management. These assumptions are related, above all, to the estimation of future cash surpluses based on the latest forecasts and to the estimation of the discount rate.

2. Notes to the Balance Sheet, Income Statement, Statement of Comprehensive Income and Cash Flow Statement

(1) Property, plant and equipment and intangible assets

PROPERTY, PLANT AND EQUIPMENT	Land and buildings	Machinery and equipment	Other equipment, furniture, fixtures and office equipment	Prepay-ments and assets under construc-tion	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
Acquisition or production cost as of 30.4.2010	**588.078**	**1.570.466**	**93.242**	**14.804**	**2.266.591**
Changes in the consolidation range	9.736	6.440	170	840	17.185
Foreign exchange increase/decrease	-2.701	-4.702	-364	21	-7.746
Additions	22.179	31.345	11.912	99.907	165.345
Disposals	-423	-6.491	-7.697	0	-14.611
Transfers	9.270	11.265	350	-20.939	-53
Acquisition or production cost as of 30.4.2011	**626.140**	**1.608.323**	**97.613**	**94.634**	**2.426.710**
Changes in the consolidation range	36.437	64.232	2.317	151	103.137
Foreign exchange increase/decrease	5.394	12.159	950	-4.291	14.213
Additions	70.440	126.905	18.103	45.125	260.575
Disposals	-1.816	-20.449	-7.416	-213	-29.894
Transfers	18.779	68.514	958	-88.325	-74
Acquisition or production cost as of 30.4.2012	**755.375**	**1.859.684**	**112.527**	**47.082**	**2.774.667**
Accumulated depreciation as of 30.4.2010	**-205.114**	**-1.021.339**	**-68.364**	**0**	**-1.294.817**
Foreign exchange increase/decrease	864	2.963	257	0	4.083
Ordinary depreciation	-24.180	-96.446	-8.760	0	-129.386
Disposals	298	6.087	5.948	0	12.333
Accumulated depreciation as of 30.4.2011	**-228.133**	**-1.108.735**	**-70.919**	**0**	**-1.407.787**
Foreign exchange increase/decrease	-2.432	-8.893	-624	0	-11.949
Ordinary depreciation	-30.364	-95.277	-10.961	0	-136.602
Disposals	835	19.877	6.525	0	27.237
Accumulated depreciation as of 30.4.2012	**-260.093**	**-1.193.029**	**-75.979**	**0**	**-1.529.102**
Carrying amount as of 30.4.2011	**398.007**	**499.587**	**26.694**	**94.634**	**1.018.923**
Carrying amount as of 30.4.2012	**495.281**	**666.655**	**36.548**	**47.082**	**1.245.565**

In accordance with IAS 17, property, plant and equipment obtained through leases are recorded under non-current assets it the lease agreement substantially transfers the risks and benefits of ownership to the lessee. The carrying amount of these assets includes TEUR 6.932 (30.4.2011: TEUR 7.451) for land and buildings, TEUR 924 (30.4.2011: TEUR 1.828) for machinery and equipment and TEUR 330 (30.4.2011: TEUR 286) for other equipment, furniture, fixtures and office equipment. At the end of the lease, ownership of the asset is transferred to the lessee. The liabilities arising from these leases are reported under financial liabilities.

Additions to property, plant and equipment include TEUR 3.340 (30.4.2011: TEUR 784) of capitalized interest. Borrowing costs averaged 4,6% for the reporting year.

Land and buildings include land with a carrying amount of TEUR 82.331 (30.4.2011: TEUR 62.889).

INTANGIBLE ASSETS	Licenses TEUR	Goodwill TEUR	Customer relationships TEUR	Other intangible assets TEUR	Total TEUR
Acquisition or production cost as of 30.4.2010	**12.829**	**1.522**	**0**	**0**	**14.352**
Changes in the consolidation range	4	59.742	21.100	0	80.846
Additions	981	0	364	0	1.345
Disposals	-526	0	0	0	-526
Transfers	53	0	0	0	53
Acquisition or production cost as of 30.4.2011	**13.342**	**61.264**	**21.464**	**0**	**96.070**
Changes in the consolidation range n	148	26.430	0	6.848	33.426
Foreign exchange differences	5	1.015	0	263	1.283
Additions	1.440	0	0	0	1.440
Disposals	-411	0	-14	0	-425
Transfers	74	0	0	0	74
Acquisition or production cost as of 30.4.2012	**14.597**	**88.710**	**21.450**	**7.111**	**131.868**
Accumulated amortization as of 30.4.2010	**-10.425**	**0**	**0**	**0**	**-10.425**
Ordinary amortization	-846	0	-3.085	0	-3.931
Disposals	511	0	0	0	511
Accumulated amortization as of 30.4.2011	**-10.760**	**0**	**-3.085**	**0**	**-13.845**
Foreign exchange differences	0	0	0	-12	-12
Ordinary amortization	-951	0	-3.102	-284	-4.336
Disposals	398	0	1	0	399
Accumulated amortization as of 30.4.2012	**-11.313**	**0**	**-6.186**	**-296**	**-17.795**
Carrying amount as of 30.4.2011	**2.582**	**61.264**	**18.379**	**0**	**82.225**
Carrying amount as of 30.4.2012	**3.284**	**88.710**	**15.264**	**6.815**	**114.073**

Goodwill comprises the following:

	Carrying amount on 30.4.2012 TEUR	Carrying amount on 30.4.2011 TEUR
Egger Beschichtungswerk Marienmünster GmbH & Co. KG	1.522	1.522
Benelux GCV (resulting from the merger of Europrisma NV)	1.197	1.197
Roma Plastik Sanayi Ve Ticaret A.S.	58.545	58.545
OOO Egger Drevprodukt Gagarin	27.445	0
	88.710	**61.264**

In accordance with IFRS 3, goodwill is not amortized on a scheduled basis but tested each year for signs of impairment. The Egger Group defines cash-generating units as plants that are aggregated according to regional criteria.

Impairment testing includes discounting the after-tax cash flows defined by medium-term planning for the next five years at an after-tax rate of von 6,97% (2010/11: 7,0%). It also includes the assumption of steady revenue growth during this five-year planning period and the application of a 0% to 1% growth rate to determine the perpetual yield.

Impairment testing in 2011/12 did not indicate a need for any impairment charges to goodwill. Realistic possible changes in key parameters that formed the basis for the determination of the recoverable amount by management would also not have led to the recognition of any impairment charges to goodwill.

(2) Securities and financial assets

Non-current financial assets

	Acquisition value 30.4.2012 TEUR	Accumulated incr./decr. in value 30.4.2012 TEUR	Carrying amount 30.4.2012 TEUR	Carrying amount 30.4.2011 TEUR
Shares in subsidiaries of other private foundations	16.263	0	16.263	16.263
Securities carried at fair value through profit or loss	3.548	-211	3.336	2.879
Investment property	3.581	-1.218	2.363	3.970
Other financial assets	16.839	-514	16.325	8.346
Loans due from				
Third parties	1.035	-355	679	3.400
Subsidiaries	130	0	130	1.286
Associates	0	0	0	98
	41.396	**-2.299**	**39.097**	**36.242**

Shares in subsidiaries of other private foundations represent a stake of approx. 18% in Egger Getränke Beteiligungsgesellschaft m.b.H, St. Pölten. It was not possible to determine a market value for this investment, which is therefore carried at amortized cost.

Securities consist primarily of shares in funds. The carrying amount of these items reflects fair value. During the 2011/12 financial year, net unrealized losses of TEUR 4 (2010/11: gains of TEUR 4) were included under income from financial investments.

Land and buildings that are not required for business operations (**investment property**) developed as follows:

	Investment Property TEUR
Acquisition or production cost as of 30.4.2010	**5.492**
Additions	0
Disposals	0
Acquisition or production cost as of 30.4.2011	**5.492**
Additions	0
Disposals	-1.910
Acquisition or production cost as of 30.4.2012	**3.581**
Accumulated depreciation as of 30.4.2010	**-1.437**
Ordinary depreciation	-85
Disposals	0
Accumulated depreciation as of 30.4.2011	**-1.522**
Ordinary depreciation	-80
Disposals	384
Accumulated depreciation as of 30.4.2012	**-1.218**
Carrying amount as of 30.4.2011	**3.970**
Carrying amount as of 30.4.2012	**2.363**

The fair value of TEUR 2.552 (30.4.2011: TEUR 5.053) was determined by applying an income approach. Expenses arising from investment property totaled TEUR 225 for the reporting year (2010/11: TEUR 157), and income amounted to TEUR 314 (2010/11: TEUR 312).

Securities and current financial assets

Current financial assets of TEUR 108 (30.4.2011: TEUR 647) represent loans with a remaining term of less than one year.

(3) Shares in associates

	Carrying amount 30.4.2011 TEUR	Additions TEUR	Results for the year TEUR	Distribu-tion TEUR	Reclassi-fications TEUR	Carrying amount 30.4.2012 TEUR
Shares in associates	3.845	0	-5	0	-3.819	21

Reclassifications comprise the valuation changes for numerous Egger sales companies, which are now reported at acquisition cost under other financial assets because the respective carrying amounts are immaterial.

(4) Other assets

	Total	Thereof remaining term		Total	Thereof remaining term	
	30.4.2012 TEUR	Over 1 year TEUR	Under 1 year TEUR	30.4.2011 TEUR	Over 1 year TEUR	Under 1 year TEUR
Other assets						
Due from third parties	32.767	15.915	16.852	15.395	0	15.395
Tax credits (non-income based taxes)	30.422	0	30.422	18.505	0	18.505
Suppliers with debit balances	5.638	0	5.638	4.332	0	4.332
Due from subsidiaries of other private foundations	476	0	476	333	0	333
Due from subsidiaries	81	0	81	67	0	67
Due from associates	2	0	2	85	0	85
Derivative financial assets	900	0	900	5.318	0	5.318
Prepaid expenses	2.447	294	2.153	2.038	0	2.038
	72.733	**16.209**	**56.524**	**46.073**	**0**	**46.073**

Other assets due from third parties consist chiefly of insurance claims, government grants that have been approved but not yet received, compensation for damages and prepayments on expenses. The disputed receivables written off in earlier accounting periods amounted to TEUR 5.604 and remained unchanged during the reporting year (30.4.2011: TEUR 5.604).

Information on derivative financial instruments is provided under point 4.1.

(5) Inventories

	30.4.2012 TEUR	30.4.2011 TEUR
Raw materials and supplies	127.739	119.876
Semi-finished goods	15.999	13.973
Finished goods and merchandise	128.997	108.898
	272.735	**242.747**

Write-downs of TEUR 25.515 were recorded to inventories during the reporting year (30.4.2011: TEUR 20.061).

Of the total inventories, TEUR 13.072 (30.4.2011: TEUR 13.574) are carried at net realizable (proceeds on sale less sales deductions and any future production or selling costs).

(6) Trade receivables

	30.4.2012 TEUR	30.4.2011 TEUR
Trade receivables		
Due from third parties	58.955	63.800
Due from subsidiaries	2.340	488
Due from associates	0	1.251
	61.295	**65.539**

Valuation adjustments of TEUR 8.040 (30.4.2011: TEUR 5.731) were recognized to trade receivables.

In 2011/12 trade receivables totaling TEUR 191.938 (30.4.2011: TEUR 170.883) were sold through factoring. In accordance with IAS 39, trade receivables are not recognized if income, control and part of the risk are transferred to the buyer.

(7) Cash and cash equivalents

	30.4.2012 TEUR	30.4.2011 TEUR
Cash on hand	221	101
Short-term deposits (time deposits)	13.447	23.545
Deposits with financial institutions	135.762	167.821
Cash pooling with associates	1.203	1.203
	150.633	**192.670**

(8) Issued capital, participation rights, perpetual bond, reserves and retained earnings

The primary objectives of **equity management** are to safeguard the continued existence of the company, to finance growth and to ensure an appropriate return on equity. In this

connection, the most important indicators are the debt repayment period (net debt / EBITDA) and the equity ratio (equity / balance sheet total).

The **issued capital** of Egger Holzwerkstoffe GmbH totals TEUR 11.509 and remains unchanged in comparison with the prior year.

Through a contract for contributions in kind dated June 10, 2011, MFE Vermögensverwaltung Privatstiftung, Vienna, transferred its 2006 perpetual bond certificates to Egger Industrieentwicklungs GmbH, Brilon, as a contribution in kind.

Egger Industrieentwicklungs GmbH, Brilon, as the transferring company, was merged with Egger Holzwerkstoffe GmbH, St. Johann iT, as the accepting company, in accordance with a merger plan dated October 13, 2011. In exchange for the shares in the transferring company that were subsequently extinguished, the sole shareholder of the transferring company, MFE Vermögensverwaltung Privatstiftung, Vienna, received shares in the accepting company that represent a fully paid capital contribution of TEUR 6.895.

The share-like participation rights of TEUR 356.637 and the 2006 perpetual bond with a total nominal value of EUR 133 million were extinguished with the recording of the prospective merger.

In January 2011 Egger Holzwerkstoffe GmbH issued a **perpetual bond** with a total nominal value of EUR 16,5 million. In accordance with IFRS, this perpetual bond is reported as equity. The bond has a perpetual term and a fixed coupon of 9%, and cannot be cancelled by the company for a period of ten years. If the bond is not cancelled after ten years, the coupon will change to variable interest at a rate equal to the six-month EURIBOR plus a step-up of 7%. The ordinary cancellation rights of bondholders have been excluded. The individual bond certificates represent subordinated liabilities of the issuer. Interest is payable in May of each year and must only be paid by the issuer if a distribution to shareholders has been approved.

A further **perpetual bond** with a total nominal value of EUR 10 million and a fixed coupon of 9,5% was issued in April 2012. If the bond is not cancelled by the company after ten years, the coupon will change to variable interest at a rate equal to the six-month EURIBOR plus a step-up of 7,0%.

(9) Foreign exchange translation

The position "foreign exchange increase/decrease" includes all exchange rate differences resulting from the translation of subsidiaries' annual financial statements that were prepared in foreign currencies.

Unrealized foreign exchange differences of TEUR -13.054 (30.4.2011: TEUR -22.367) from long-term shareholder loans (net investments) were recorded to the translation reserve under equity without recognition through profit or loss.

(10) Bonds

	Nominal value TEUR	Total term	Remain-ing term	Nominal interest rate	Effective interest rate	Fixed/ variable	Carrying amount 30.4.2012 TEUR	Carrying amount 30.4.2011 TEUR
Bond 2005-12	118.800	7 years	½ year	3,875 %	3,914 %	fixed	**118.771**	**105.107**
Bond 2010-17	120.000	7 years	5 years	5,750 %	5,849 %	fixed	**119.427**	**111.808**
Bond 2011-18	183.325	7 years	6 years	5,625 %	5,722 %	fixed	**182.185**	**175.975**

In October 2005 Egger Holzwerkstoffe GmbH issued a 3,875% fixed coupon bond with a volume of EUR 165 million. The bond has a term of seven years ending in October 2012. Interest payments are due each year in October. Egger Holzwerkstoffe GmbH held bonds with a nominal value of TEUR 46.200 as of April 30, 2012 (30.4.2011: TEUR 59.800) over which it has the right of disposal. The nominal value of the outstanding bonds totals TEUR 118.800 (30.4.2011: TEUR 105.200), which represents a fair value of TEUR 119.572 (30.4.2011: TEUR 106.147).

In February 2010 Egger Holzwerkstoffe GmbH issued a 5,75% fixed coupon bond with a volume of EUR 120 million. The bond has a seven-year term ending in February 2017. Interest payments are due each year in February. As of April 30, 2012 Egger Holzwerkstoffe GmbH held bonds with a nominal value of TEUR 7.500 (30.4.2011: TEUR 7.500) over which it had the right of disposal. The nominal value of the outstanding bonds totals TEUR 120.000 (30.4.2011: TEUR 112.500), which represents a fair value of TEUR 124.800 (30.4.2011: TEUR 113.906).

In March 2011 Egger Holzwerkstoffe GmbH issued another bond, which has a volume of EUR 200 million and a fixed coupon of 5,625 %. The bond has a seven-year term ending in March 2018. Interest payments are due each year in March. As of April 30, 2012 Egger Holzwerkstoffe GmbH held bonds with a nominal value of TEUR 16.675 (30.4.2011: TEUR 22.690), over which it has the right of disposal. The nominal value of the outstanding bonds totals TEUR 183.325 (30.4.2011: TEUR 177.310), which represents a fair value of TEUR 190.658 (30.4.2011: TEUR 175.094).

(11) Financial liabilities

	Total	Thereof remaining term		
	30.4.2012 TEUR	Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	450.406	91.333	204.111	154.962
Accrued interest	7.330	0	0	7.330
	457.736	**91.333**	**204.111**	**162.292**
Other financial liabilities				
Finance leases	371	0	187	184
Cash pooling liabilities / settlement liabilities due to				
Subsidiaries of other private foundations	2.218	0	2.218	0
Subsidiaries	2.361	0	0	2.361
	4.950	**0**	**2.405**	**2.545**
	462.686	**91.333**	**206.516**	**164.837**

	Total	Thereof remaining term		
	30.4.2011 TEUR	Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	346.725	28.000	229.797	88.928
Accrued interest	5.830	0	0	5.830
	352.555	**28.000**	**229.797**	**94.758**
Other financial liabilities				
Finance leases	822	0	348	473
Cash pooling liabilities / settlement liabilities due to				
Subsidiaries of other private foundations	2.131	0	0	2.131
Associates	3.505	0	0	3.505
Other	1.923	0	1.923	0
	8.380	**0**	**2.271**	**6.109**
	360.935	**28.000**	**232.068**	**100.867**

All bank loans were concluded in Euros.

Financial liabilities of TEUR 70.088 (30.4.2011: TEUR 86.782) are secured by the following collateral.

Collateral	Financial liabilities 30.4.2012 TEUR	Collateral 30.4.2012 TEUR	Financial liabilities 30.4.2011 TEUR	Collateral 30.4.2011 TEUR
Shareholder rights to consolidated subsidiaries	**70.088**	214.010	**86.782**	214.010

The key conditions of liabilities owed to credit institutions are listed below:

Type of financing	Carrying amount 30.4.2012 TEUR	Fair value 30.4.2012 TEUR	Effective interest rate 2011/12 %	Interest rate fixed/variable
Bank loans	254.418	259.662	4,20	fixed
	195.989	195.989	2,80	variable
	450.406	**455.651**		

Finance lease liabilities comprise the following:

	Total 30.4.2012 TEUR	Thereof remaining term Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Present value	371	0	187	184
Interest	30	0	15	15
Payment amount	**401**	**0**	**202**	**199**

(12) Other liabilities

	Total 30.4.2012 TEUR	Thereof remaining term Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Other liabilities				
Due to third parties	16.722	100	679	15.943
Due to employees	30.700	0	0	30.700
Outstanding customer bonuses	19.982	0	0	19.982
Due to subsidiaries of other private foundations	11	0	0	11
Due to subsidiaries	33	0	0	33
Taxes (non-income based taxes)	15.175	0	0	15.175
Social security	7.298	0	0	7.298
Derivative financial instruments (liabilities)	20.788	0	0	20.788
Deferred income	660	0	0	660
	111.368	**100**	**679**	**110.589**

	Total 30.4.2011 TEUR	Thereof remaining term Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Other liabilities				
Due to third parties	12.344	101	270	11.973
Due to employees	27.300	0	0	27.300
Outstanding customer bonuses	18.378	0	0	18.378
Due to subsidiaries of other private foundations	14	0	0	14
Due to subsidiaries	60	0	0	60
Due to associates	96	0	0	96
Taxes (non-income based taxes)	9.840	0	0	9.840
Social security	7.564	0	0	7.564
Derivative financial instruments (liabilities)	13.869	0	299	13.570
Deferred income	926	0	102	824
	90.390	**101**	**671**	**89.617**

Information on derivative financial liabilities is provided under point 4.1.

(13) Government grants

Government grants developed as follows during the 2011/12 financial year:

	Balance on 1.5.2011 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.4.2012 TEUR
Government grants	27.044	66	3.714	-5.064	0	25.760

The government grants are released to profit or loss over the useful life of the respective item of property, plant and equipment.

(14) Non-current provisions

	Balance on 1.5.2011 TEUR	Change in consolida-tion range TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.4.2012 TEUR
Provisions for termination benefits	16.429	0	0	1.543	-891	0	17.081
Provisions for pensions	12.236	0	705	215	-845	-235	12.076
Other provisions for employees	16.447	0	0	2.347	-1.865	0	16.929
Other non-current provisions	420	0	0	5	0	-197	228
	45.532	**0**	**705**	**4.111**	**-3.601**	**-433**	**46.314**

Provisions for termination benefits

	30.4.2012 TEUR	30.4.2011 TEUR
Present value (DBO) of obligation = provision recognized as of May 1	16.429	15.260
Change in consolidation range	0	0
Service cost	789	820
Interest expense	857	798
Recognized actuarial gain	-103	-116
Termination payments	-891	-334
Present value (DBO) of obligation = provision recognized as of April 30	**17.081**	**16.429**

Termination benefits for the 2012/13 financial year are expected to equal TEUR 99.

Provisions for pensions

Reconciliation to provisions as shown on the balance sheet	30.4.2012 TEUR	30.4.2011 TEUR
Present value (DBO) of obligation covered by pension fund assets	63.351	53.122
Fair value of pension fund assets	-42.124	-37.537
Net value of obligation covered by pension fund assets	21.227	15.585
Present value (DBO) of obligation not covered by pension fund assets	2.872	2.805
Unrecognized actuarial loss	-12.022	-6.155
Provisions recognized as of April 30	**12.076**	**12.236**

Composition of pension plan assets	30.4.2012 in %	30.4.2011 in %
Stocks and shares in funds	45	50
Fixed-interest securities	50	46
Other	5	4

Development of present value (DBO) of obligation	30.4.2012 TEUR	30.4.2011 TEUR
Present value (DBO) of obligation as of May 1	55.927	53.649
Currency translation adjustment	4.592	-1.157
Service cost	336	362
Interest expense	3.015	2.970
Actuarial loss	4.033	1.607
Pension payments	-1.680	-1.504
Present value(DBO) of obligation as of April 30	**66.223**	**55.927**

Development of the fair value of pension plan assets	30.4.2012 TEUR	30.4.2011 TEUR
Fair value of pension plan assets as of May 1	37.537	34.880
Currency translation adjustment	3.228	-860
Expected return on investment	2.517	2.449
Actuarial loss / gain	-1.363	845
Contributions to fund	1.720	1.557
Pension payments by fund	-1.514	-1.335
Fair value of pension plan assets as of April 30	**42.124**	**37.537**

The following amounts were recognized to profit or loss for the period:	30.4.2012 TEUR	30.4.2011 TEUR
Service cost	336	362
Interest expense	3.015	2.970
Expected return on investment	-2.517	-2.449
Realized actuarial loss / gain	163	-217
Expenses included under personnel expenses / financial results	**997**	**666**
Actual gain on investments	-1.154	-3.294

Development of unrealized actuarial results	30.4.2012 TEUR	30.4.2011 TEUR
Balance of accumulated actuarial losses as of May 1	-6.155	-5.260
Currency translation adjustment	-635	85
Actuarial loss for the year from the DBO	-4.041	-1.914
Actuarial loss / gain for the year on pension plan assets	-1.363	845
Amortization for the financial year (excess over corridor)	172	89
Balance of accumulated actuarial losses as of April 30	**-12.022**	**-6.155**

Historical information on obligation covered by fund assets:

	2012 TEUR	2011 TEUR	2010 TEUR	2009 TEUR	2008 TEUR
Present value (DBO)	63.351	53.122	50.668	42.859	50.790
Present value of pension plan assets (PA)	42.124	37.537	34.880	28.214	37.991
Deficit from pension plan	**-21.227**	**-15.585**	**-15.788**	**-14.646**	**-12.799**
Adjustment of loss / (gain) from DBO based on experience	-226	0	-115	1.015	0

Experience-based adjustments are made to reflect variances in the employee-related parameters, which include employee turnover, life expectancy and retirement trends.

The experience-based adjustments to pension plan assets reflect the actuarial gains/losses.

Payments for pension obligations are expected to total TEUR 1.898 in 2012/13.

Other non-current employee provisions

	30.4.2012 TEUR	30.4.2011 TEUR
Present value(DBO) of obligation as of May 1	16.447	16.898
Change in consolidation range	0	383
Service cost	1.670	2.024
Interest expense	759	745
Recognized actuarial gain	-84	-1.198
Long-service bonuses, shift-work bonuses granted on retirement or part-time work for older employees	-1.862	-2.404
Present value(DBO) of obligation = recognized provision as of April 30	**16.929**	**16.447**

These other non-current provisions for employees include the provisions for long-service bonuses, the provisions for shift-work bonuses granted on retirement and the provisions for part-time work for older employees.

The current provision for part-time work for older employees includes TEUR 2.705 (30.4.2011: TEUR 2.243) that are secured by collateral in the form of fund shares.

(15) Income taxes

Income taxes comprise the following:

	2011/12 TEUR	2010/11 TEUR
Income taxes paid	15.415	10.847
Taxes resulting from equity items	-831	-10.036
Deferred taxes	7.830	-4.975
	22.414	**-4.164**

The taxes resulting from equity items represent the hedging reserve and currency translation differences on net investments.

Temporary differences between the carrying amounts in the IFRS financial statements and the respective tax bases have the following effect on deferred taxes as shown on the balance sheet:

	30.4.2012		30.4.2011	
	Deferred tax assets TEUR	Deferred tax liabilities TEUR	Deferred tax assets TEUR	Deferred tax liabilities TEUR
Property, plant and equipment	9.706	28.584	8.410	24.058
Intangible assets	2.937	4.894	3.793	4.096
Financial assets	1.626	25	3.824	100
Inventories	1.667	405	965	173
Trade receivables	255	185	448	255
Other assets	1.255	503	1.097	1.565
Financial liabilities	106	130	265	241
Trade payables	0	1	0	8
Other liabilities	3.245	672	2.568	1.809
Provisions	5.307	416	5.602	426
Equity (perpetual bond, net investment)	0	0	77	368
Special depreciation for tax purposes	80	4.517	93	5.075
Tax loss carryforwards	39.723	0	43.681	0
Deferred tax assets/liabilities	**65.907**	**40.332**	**70.823**	**38.174**
Offset within legal tax units and jurisdictions	-21.711	-21.711	-20.972	-20.972
Deferred taxes (net)	**44.196**	**18.620**	**49.851**	**17.202**

Transition to deferred income tax expense

	TEUR	TEUR	TEUR
Deferred tax assets as of 30.4.2011	49.851		
Deferred tax liabilities as of 30.4.2011	-17.202	32.649	
Deferred tax assets as of 30.4.2012	44.196		
Deferred tax liabilities as of 30.4.2012	-18.620	25.576	
Change in deferred taxes during 2011/12			**7.073**
Currency translation adjustment			600
Changes in consolidation range			-134
Changes recognized directly in equity			291
Deferred income tax expense			**7.830**

Current tax regulations support the assumption that the differences between the tax base and the proportional share of equity in consolidated subsidiaries, which are a result of retained earnings, will generally remain tax-free in the future. Therefore, deferred taxes were not recognized for these items.

Deferred taxes were capitalized on loss carryforwards because it is probable that sufficient taxable profit will be available to utilize these carryforwards within the next five years. The use of loss carryforwards is limited to ten years for OOO Egger Drevprodukt Gagarin, Gagarin, and to seven years for EGGER Romania S.R.L, Radauti. Tax regulations in other countries do not place time limits on the use of loss carryforwards by Group companies.

The difference between the expected tax liability and income tax expense as shown on the income statement is attributable to the following factors:

	2011/12		2010/11	
	TEUR	%	TEUR	%
Profit before tax	71.715		42.193	
Thereof income tax at a rate of 25%	17.929	25,0	10.548	25,0
Decrease / increase in taxes due to				
Other tax rates	849	1,2	1.008	2,4
Tax expense and income from prior periods	7.179	10,0	-1.295	-3,1
Changes in tax rates	608	0,8	628	1,5
Non-deductible expenses	3.399	4,7	610	1,4
Amortization of goodwill for tax purposes	-3.183	-4,4	-3.183	-7,5
Partial write-up / write-down of investments for tax purposes	1.171	1,6	-1.748	-4,1
Tax-deductible interest on risk capital	-8.463	-11,8	-8.920	-21,1
Tax-free income	-658	-0,9	-2.026	-4,8
Other	3.585	5,0	215	0,5
Effective tax expense	**22.414**	**31,3**	**-4.164**	**-9,9**

(16) Trade payables

	30.4.2012 TEUR	30.4.2011 TEUR
Trade payables		
Due to third parties	233.885	179.836
Due to subsidiaries of other private foundations	54	78
Due to subsidiaries	202	45
Due to associates	7	192
	234.148	**180.151**

(17) Current provisions

	Balance on 1.5.2011 TEUR	Change in consolida-tion range TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.4.2012 TEUR
Provisions for legal proceedings and legal costs	1.030	0	0	61	-110	-495	**486**
Other current provisions	1.190	0	0	3.482	-217	-12	**4.443**
	2.220	**0**	**0**	**3.543**	**-328**	**-506**	**4.929**

(18) Revenues and segment reporting

A new division, EGGER Building Products, was created for the OSB and sawn timber product groups at the start of the reporting year to reflect the growing importance of this business. Segment reporting at Egger Holzwerkstoffe GmbH is now based on the Decorative, Retail and Building areas of business. The respective prior year data were adjusted accordingly.

These segments manufacture and sell the following products:

Decorative:	Production and sale of boards made of wood materials (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
Retail:	Production and sale of laminated flooring.
Building:	Production and sale of OSB boards and sawn timber.

The same accounting principles described under the section “Significant Accounting Policies” apply to the above segments. The management of the operating segments is based on an EBITDA benchmark. Assets and liabilities as well as income and expenses were allocated to the individual segments. The provision of goods and services between the individual segments generally reflects third party conditions.

Segment information by area of business

	April 30, 2012				
	Decorative TEUR	Retail TEUR	Building TEUR	Consoli-dation TEUR	Total TEUR
Third party revenues	1.528.488	296.550	137.739	0	1.962.776
Inter-company revenues	46.656	51.125	29.403	-127.185	0
	1.575.145	**347.675**	**167.142**	**-127.185**	**1.962.776**
Segment assets	1.822.930	197.885	308.495	-328.163	2.001.148
Segment liabilities	1.339.059	187.363	150.255	-323.717	1.352.959
Capital expenditure	280.027	4.923	113.628	0	398.578
Depreciation	115.738	14.270	10.931	0	140.939

Note: Inter-segment transactions relating to assets and liabilities are consolidated in the column "consolidation".

	April 30, 2011				
	Decorative TEUR	Retail TEUR	Building TEUR	Consoli-dation TEUR	Total TEUR
Third party revenues	1.328.870	286.528	155.539	0	1.770.937
Inter-company revenues	33.627	42.472	30.933	-107.032	0
	1.362.497	**329.000**	**186.472**	**-107.032**	**1.770.937**
Segment assets	1.596.065	193.350	171.639	-221.525	1.739.528
Segment liabilities	1.099.444	190.536	67.528	-219.358	1.138.150
Capital expenditure	223.824	6.642	34.256	0	264.721
Depreciation	101.308	17.474	14.536	0	133.318

Note: Inter-segment transactions relating to assets and liabilities are consolidated in the column "consolidation".

Segment information by region

Regional segmentation is based on the classification of revenues according to the location of the customer.

	West and Central Europe TEUR	Southern and Eastern Europe TEUR	Other countries TEUR	Consolidation TEUR	Total TEUR
30.4.2012					
Third-party revenues	1.163.382	673.064	126.329	0	1.962.776
30.4.2011					
Third-party revenues	1.088.671	571.114	111.152	0	1.770.937

There are no relationships with individual customers that can be classified as material based on the respective share of Group revenues.

(19) Other operating income

	2011/12 TEUR	2010/11 TEUR
Income from investment property	314	312
Gains on the sale of property, plant and equipment	429	205
Reversal of government grants	5.064	4.009
Miscellaneous operating income	37.818	20.042
	43.625	**24.568**

Miscellaneous operating income consists primarily of reimbursements for damages, income from recycling, expenses charged out, compensation for damages and rental income.

(20) Cost of materials and services

	2011/12 TEUR	2010/11 TEUR
Cost of materials	1.149.030	1.029.703
Cost of services	6.190	5.960
	1.155.220	**1.035.663**

(21) Personnel expenses

	2011/12 TEUR	2010/11 TEUR
Wages	132.397	121.537
Salaries	98.427	85.730
Expenses for pensions	1.456	1.636
Expenses for termination payments and contributions to external employee pension funds	1.113	1.044
Payroll-related taxes and duties	53.316	47.716
Other employee benefits	5.126	4.593
	291.834	**262.256**

The average number of employees is as follows:

	2011/12	2010/11
Production and logistics	5.699	5.018
Sales and administration	1.089	994
	6.788	**6.012**

Part-time employees are included in the above statistics based on the time worked.

(22) Other operating expenses

	2011/12 TEUR	2010/11 TEUR
Freight	142.476	139.155
Temporary personnel	30.860	31.645
Legal and consulting fees	13.902	13.006
Advertising	11.970	9.878
Lease and rental fees	8.535	8.815
Miscellaneous taxes	11.975	8.534
Insurance	6.268	6.345
Losses on the disposal of non-current assets	1.798	2.182
Expenses arising from investment property	225	157
Miscellaneous operating expenses	88.452	75.942
	316.462	**295.660**

Miscellaneous operating expenses consist primarily of waste disposal costs, expenses for maintenance, service and repairs as well as travel, communications and selling expenses.

(23) Financial results

	2011/12 TEUR	2010/11 TEUR
Interest expense	44.337	35.153
Interest expense on provisions for employee benefits	4.631	4.513
Interest income	-3.250	-2.928
Currency translation gains/losses from financing	2.729	8.052
Income/expenses from financial derivatives	1.341	8.885
	49.789	**53.675**

With the exception of financial derivatives, the above income is attributable solely to loans and receivables. The expenses are related to liabilities carried at amortized cost, with the exception of derivatives.

(24) Income from financial investments

	2011/12 TEUR	2010/11 TEUR
Recognized income/loss on securities (net expense / income)	0	-14
Unrecognized income/loss on securities (net expense / income)	-4	4
Expenses arising from other financial assets	-707	-235
Income from investments in other companies and from the disposal of other financial assets	705	0
	-6	**-245**

Since all securities are carried at fair value through profit or loss, the above results are attributable entirely to this category of financial instruments. The income and expenses from other financial assets are attributable to the category of "measured at amortized cost".

(25) Additional information on the statement of comprehensive income

Income and expenses recognized directly in equity – **reclassification**:

	2011/12 TEUR		2010/11 TEUR	
Currency translation differences:				
Change in translation reserve arising from foreign currency translation	-1.587		-2.072	
Reclassification to the income statement	796	-791	1.836	-236
Change in cash flow hedge (interest rate swap):				
Change recognized directly in equity	-2.836		1.297	
Reclassification to the income statement	375	-2.461	644	1.941
Total income and expense recognized directly in equity		**-3.252**		**1.705**

Income and expenses recognized directly in equity – **income tax effects**:

	2011/12 TEUR			2010/11 TEUR		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
From currency translation differences	582	-1.373	-791	-32	-204	-236
Cash flow hedge (interest rate swap)	-3.280	819	-2.461	2.588	-647	1.941
Total income and expense recognized directly in equity	**-2.698**	**-554**	**-3.252**	**2.556**	**-851**	**1.705**

The testing of hedges in 2011/12 and 2011/12 did not reveal any ineffectiveness that required recognition through profit or loss.

(26) Additional information on the consolidated cash flow statement

	2011/12 TEUR	2010/11 TEUR
Interest income received	980	946
Interest expense paid	-45.838	-32.552
Income taxes paid	-8.717	-8.030
Income taxes refunded	659	356

Cash and cash equivalents include cash on hand, time deposits with a term of less than three months from the date of acquisition and demand deposits with credit institutions as well as cash pooling receivables that are invested with associates and available on demand. Cash and cash equivalents at the end of the reporting year include TEUR 13.432 (30.4.2011: TEUR 13.432), which are used for trading in derivative financial instruments.

3. Risk Report

Principles of risk management

Egger is an international industrial corporation that operates production facilities in numerous European countries. The Group is therefore exposed to a wide range of risks, which are analyzed within the framework of a comprehensive risk management system. Risk is defined as the possibility of a variance from corporate goals, and covers the possibility of a loss as well as the failure to utilize an opportunity. The goals of risk management are to protect the asset, financial and earnings positions of the Egger Group and to also identify future opportunities to generate earnings and realize growth. A decentralized organizational and management structure in connection with increasing geographical diversification allows the EGGER Group to minimize business risks and reduce the related negative consequences. This process is supported by an integrated risk profile, which was developed to standardize risk management throughout the Group. The risk management system is coordinated centrally at the Group level and continuously expanded and improved. In addition to geographical diversification, a concentration on the core business supports the optimization of procedures and strengthens the focus of the risk management system. High market shares in the Group's key business regions, long-standing cooperation with customers, suppliers and consultants as well as particularly low employee turnover are the guarantee for wide-ranging knowledge of the Group's markets and the early identification of risks.

As part of its risk management strategy, Egger identifies the risks to which the Group is exposed and assesses the major risks. The quantitative and qualitative effects (extent of potential damages) and the probability of occurrence of the most important Egger risks are identified, assessed and documented each year during the strategy meeting. The individual risks identified by this survey are summarized under major risks and subsequently aggregated into risk groups. Risk management activities are concentrated on the 15 largest major risks, which are analyzed and monitored regularly by designated "risk owners". Financial risks, e.g. interest rate and foreign exchange risks, are analyzed and appraised by the corporate treasury department each quarter based on revised forecast data.

A risk aggregation process ("Monte Carlo simulation") at the Group level in conjunction with corporate forecasts is used to estimate the overall risk to which the Group is exposed. This procedure incorporates the uncertainties associated with forecast assumptions and thereby reaches a high degree of planning certainty. The simulation of various scenarios shows the expected values for performance indicators (e.g. EBITDA) and identifies the risk-related ranges for these indicators.

The maximum risk capacity for the entire Egger Group has been defined as 60% of annual consolidated EBITDA for the total of all major risks. Therefore, the identified major risks must be limited to this amount as part of the planning process (through avoidance, reduction or insurance).

No risks can be identified at the present time that would endanger the continued existence of the Egger Group. The individual companies in the Egger Group consciously take on risk only in connection with their operating activities. Controlling and planning instruments, Group-wide guidelines and regular reporting are used to monitor and manage risks.

The Egger risk management system represents an effective framework for the early identification, communication, management and handling of risks. This system is intended to identify potential risks at an early point in time and to assess these risks, estimate their consequences and, if necessary, to initiate suitable preventive or hedging measures. Risk management represents an integral part of all decisions and business processes in the Egger Group. In order to strengthen and increase risk awareness and risk management in the Group, an IT-supported risk management information system was installed during the reporting year.

Financial risks

The interest rate and foreign exchange risks arising from the operating activities of the Egger Group are determined on a quarterly basis for a 12-month planning horizon. The risk analysis also includes any necessary short-term hedging during the payment period (the period between the date the foreign currency invoice is issued and the date of expected payment) that is required to deal with market factors. This evaluation forms the starting point for the control and management of interest rate and foreign exchange risks in keeping with the risk management strategy defined by Group management and in accordance with the limits established for interest rate and foreign exchange risks. The hedging requirements

determined by this analysis are designed to limit interest rate and foreign exchange risks through the directed use of financial instruments, and thereby ensure that the Group's risk position after the conclusion of these hedges does not exceed the defined risk capacity. This risk capacity is determined each year as a percentage of the Group's overall risk capacity, which represents a percentage of budgeted EBITDA for the next 12 months.

Interest rate risk

Risks arising from changes in interest rates are generally related to borrowings. As part of the general risk analysis, a risk position is calculated for the expected interest rate risk arising from borrowings based on forward rates and a 95% probability of occurrence. This risk is limited to a level below the available risk capacity through the use of interest rate swaps, forward rate agreements and/or the conclusion of borrowings at fixed interest rates, depending on the underlying transaction.

The maximum net interest rate risk for variable interest borrowings is hedged through interest rate caps, whose strike price equals the budgeted operating return on investment.

A list of all major interest-bearing liabilities together with the effective interest rate and remaining term as well as information on existing hedges is provided in the notes under financial liabilities. The derivative financial instruments used to hedge this risk are included in the list of financial instruments.

Foreign exchange risk

The regular business operations of the Group are associated with foreign exchange risk on cash transactions, above all in CHF, GBP, PLN, USD and AUD. Free cash flows in GBP, RUB, RON and TRY, which are generated by non-EUR assets, are also exposed to a direct foreign exchange risk until they are converted into the Euro. EUR-revenues recorded in non-EUR countries can be subject to an indirect foreign exchange risk, since an increase in the value of the Euro can lead to increased pressure on prices in individual markets.

Budgeted revenues and budgeted free cash flows represent the foundation for risk analysis in this area. Individual risk positions are calculated for each term based on the implied volatility and the accompanying probability of loss, and then added to determine the total foreign exchange risk. The total risk position is then limited by forward exchange contracts that are coordinated with the individual underlying positions.

The Egger Group is also exposed to risks resulting from the translation of individual financial statements from countries outside the Euro zone into the Euro as the reporting currency (translation risk). This risk is estimated each year as part of the risk analysis. Translation risk is only hedged when the potential risk would lead to an equity ratio of less than 25%.

Liquidity risk

Liquidity risk represents a danger to the continuing existence of the Group companies as well as the entire Group. Therefore, sufficient funds must be available to ensure that payment obligations can be met at any time. The liquidity position is evaluated regularly on the basis of daily cash dispositions and the Group's financial standing (short-term availability of liquid funds) as well as liquidity planning for 18 months and mid-term planning for five years. Budgeted short-term liquidity requirements are covered by cash balances, which include a pre-determined liquidity reserve. Medium-term requirements are safeguarded by pre-arranged lines of credit and individual financing agreements.

Liabilities to credit institutions result in the following contractually agreed payment obligations (interest expense and principal repayments):

	Carrying amount	Cash flows in TEUR					
	TEUR	Total	Under 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Over 5 years
30.4.2012	457.736	**504.130**	45.496	124.068	78.003	158.509	98.054
30.4.2011	352.555	**377.369**	38.482	61.836	157.184	89.219	30.648

Credit risk

The amounts reported under assets represent the maximum credit and default risk because there are no general settlement agreements. The risk associated with trade receivables is considered to be low because the credit standing of new and existing customers is monitored on a regular basis. Receivables are also principally insured against default, whereby the Group has an average deductible of approx. 15% (30.4.2011: approx. 15%). The maximum risk of default is TEUR 37.634 (30.4.2011: TEUR 35.202).

The risk of default on other primary financial assets and on derivative financial instruments is considered to be low because the Group only works with financial institutions that have an excellent credit rating.

Operating risks

Market risks

The core business of the Egger Group – the development and production of high-quality wood materials – is subject to economic and seasonal fluctuations. In order to eliminate major fluctuations in earnings to the greatest extent possible, the Group pursues a strategy of geographic, product and branch diversification and also works to develop long-term relationships with customers.

Procurement, production and investment risks

Egger uses large quantities of raw materials and energy in the production of wood materials, and the relevant purchase prices may fluctuate significantly depending on the market situation. In order to provide the best possible protection for price risks, the Group monitors procurement markets continuously, minimizes fluctuations with appropriate stock levels and concludes long-term supply contracts with specific suppliers. Moreover, the increasing use of environmentally friendly bio-mass power plants reduces the dependency on fossil fuels.

Production capacity may be impaired by unplanned malfunctions, natural disasters or problems in obtaining sufficient supplies of key strategic raw materials. In order to counter the potential effect of any such incidents on earnings, the Group prepares emergency plans, arranges for support and spare parts from other Egger production facilities and safeguards supplies of key raw materials through long-term delivery contracts wherever possible.

Production and warehouse capacity is monitored regularly on the basis of rolling quarterly forecasts. Any necessary adjustments to reflect the market situation are made over the medium-term through appropriate measures in the sales area and the adjustment of production volumes.

All investments and growth projects must meet pre-defined targets for return and profitability, and are monitored regularly to ensure these targets are met. Efficient and effective monitoring is guaranteed by clearly defined value management principles, indicators and investment calculation models.

4. Additional Disclosures

4.1. Financial Instruments

The Group holds both primary and derivative financial instruments. **Primary financial instruments** consist chiefly of financial assets, trade receivables, securities, deposits with financial institutions, bonds, financial liabilities and trade payables.

Derivative financial instruments comprise the following:

	30.4.2012			30.4.2011		
	Cur-rency	Nominal value in thous.	Fair value TEUR	Cur-rency	Nominal value in thous.	Fair value TEUR
Interest rate swaps with positive fair value	EUR	0	0	EUR	335.000	242
Interest rate swaps with positive fair value – cash flow hedges	EUR	0	0	EUR	96.786	1.473
Interest rate swaps with negative fair value	EUR	273.000	-336	EUR	0	0
Interest rate swaps with negative fair value – cash flow hedges	EUR	142.611	-2.107	EUR	41.667	-299
Interest rate CAP	EUR	90.420	0	EUR	329.929	5
	GBP	0	0	GBP	21.188	0
Forward exchange contracts	AUD	2.946	-37	AUD	10.579	-207
	CHF	1.481	0	CHF	8.423	-132
	GBP	87.074	-2.257	GBP	79.182	1.634
	PLN	151.727	-1.252	PLN	77.175	-364
	RON	4.805	-8	RON	149.670	1.570
	RUB	1.891.634	-1.622	RUB	915.576	-668
	USD	879	-1	USD	5.600	-397
Other derivative financial instruments	EUR	14.270	-12.268	EUR	13.032	-11.408
			-19.888			**-8.551**

The nominal value reflects the contract volume of the derivative financial instruments. Fair value represents the amount at which the transactions could be settled.

The derivative financial instruments are held to hedge interest rate and foreign exchange risks.

Fair value

The fair values of the derivative financial instruments are shown in the above table.

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each **category of financial instruments** as well as the transition of these amounts to the relevant balance sheet positions:

Balance sheet position	Valuation category[(A)]	Level	30.4.2012 Carrying amount MEUR	30.4.2012 Fair value MEUR	30.4.2011 Carrying amount MEUR	30.4.2011 Fair value MEUR
ASSETS						
Financial assets						
Shares in subsidiaries of other private foundations[(B)]	AFS/FAAC		16,3	-	16,3	-
Securities at fair value through profit or loss	FAFVTPL	1	3,3	3,3	2,9	2,9
Investment property	IAS 40		2,4	2,6	4,0	5,1
Other financial assets[(B)]	AFS/FAAC		16,3	-	8,3	-
Originated loans	LAR		0,9	0,9	4,8	4,8
			39,2		**36,2**	
Other assets						
Due from third parties	LAR		32,8	32,8	15,4	15,4
Tax credits (non-income based taxes)			30,4	30,4	18,5	18,5
Suppliers with debit balances	LAR		5,6	5,6	4,4	4,4
Due from subsidiaries of other private foundations	LAR		0,5	0,5	0,3	0,3
Due from subsidiaries	LAR		0,1	0,1	0,1	0,1
Due from associates	LAR		0,0	0,0	0,1	0,1
Derivative financial assets	FAFVTPL	2	0,9	0,9	5,3	5,3
Prepaid expenses	LAR		2,4	2,4	2,0	2,0
			72,7		**46,1**	
Trade receivables	LAR		**61,3**	61,3	**65,5**	65,5
Cash and cash equivalents	LAR		**150,6**	150,6	**192,7**	192,7
Aggregated by valuation category						
Financial assets measured at amortized cost	*FAAC*		*32,6*		*24,6*	
Financial assets at fair value through profit or loss	*FAFVTPL*		*4,2*		*8,2*	
Loans and receivables	*LAR*		*254,2*		*285,3*	
LIABILITIES						
Bonds and financial liabilities	FLAC		**883,1**	902,9	**753,8**	753,4
Other liabilities						
Due to third parties	FLAC		16,7	16,7	12,3	12,3
Due to employees	FLAC		30,7	30,7	27,3	27,3
From unpaid customer bonuses	FLAC		20,0	20,0	18,4	18,4
Due to subsidiaries	FLAC		0,0	0,0	0,1	0,1
Due to associates	FLAC		0,0	0,0	0,1	0,1
From taxes (non-income based taxes)			15,2	15,2	9,8	9,8
From social security			7,3	7,3	7,6	7,6
Derivative financial liabilities	FLFVTPL	2	20,8	20,8	13,9	13,9
Deferred income	FLAC		0,7	0,7	1,0	1,0
			111,4		**90,4**	
Trade payables	FLAC		**234,1**	234,1	**180,2**	180,2
Aggregated by valuation category						
Financial liabilities measured at amortized cost	*FLAC*		*1.185,3*		*993,2*	
Financial liabilities at fair value through profit or loss	*FLFVTPL*		*20,8*		*13,9*	

[(A)] Valuation categories as defined in IAS 39 / valuation based on other IAS / IFRS.

[(B)] Generally AFS (available for sale); since fair value cannot be determined reliably, these items are measured at cost less any necessary impairment charges.

The allocation of financial assets and liabilities at fair value to the three-level fair value hierarchy can be seen in the above table. The levels of the fair value hierarchy and their application to assets and liabilities are described in the following:

Level 1: Listed market prices for identical assets or liabilities in an active market.

Level 2: Information directly or indirectly derived from market prices for the relevant asset or liability that can be monitored on the market.

Level 3: Data that is not based on observable market information.

There were no reclassifications between hierarchy levels during the reporting year.

4.2. Other Obligations and Uncertain Liabilities

Supply contracts

The Group has concluded lease and rental agreements with various contract partners for assets used in business operations. These contracts are generally related to the leasing or rental of office space, land and information technology (hardware and software). The minimum payments resulting from these contracts are shown below:

Obligations as of 30.4.2012	Total TEUR	Thereof due Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Operating leases	7.616	6	3.242	4.368
Rental agreements	11.490	5.842	4.382	1.266
	19.106	**5.848**	**7.624**	**5.634**

Obligations as of 30.4.2011	Total TEUR	Thereof due Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Operating leases	7.565	20	3.959	3.586
Rental agreements	14.979	7.652	5.791	1.536
	22.544	**7.672**	**9.750**	**5.122**

Lease and rental expenses totaled TEUR 8.535 in 2011/12 (2010/11: TEUR 8.815).

Uncertain liabilities

Innovation implies that intangible property rights, above all technical property rights, can be relevant for business activities. Patent discussions occur frequently in product areas with comparatively short development intervals, such as laminated flooring. The subsidiaries and associates of Egger Holzwerkstoffe GmbH are also involved in such disagreements, both actively and passively. However, the Group works to limit the related legal risks through a corporate headquarters department and close cooperation with external consultants as well as the conclusion of licensing agreements where appropriate.

Certain subsidiaries of Egger Holzwerkstoffe GmbH are also parties to various legal proceedings arising from ordinary business activities. Provisions were created where it is probable that these proceedings will lead to a future payment or other form of performance whose amount can be estimated. Management assumes these proceedings will not have a material effect on the asset, financial or earnings position of Egger Holzwerkstoffe GmbH.

In 2010 the Romanian “Administratia Fondului de Mediu“ fined EGGER Romania S.R.L, Radauti, TEUR 3.425 for the delayed return of emission certificates. Egger has filed a second instance appeal against this fine.

Contingent liabilities

Egger Holzwerkstoffe GmbH, St. Johann iT, holds liabilities of TEUR 39.903 (30.4.2011: TEUR 38.250) for options related to the non-controlling interests in Romainvest Yatirim ve Ticaret A.S, Gebze.

4.3. Auditor’s Fees

The fees charged by the auditor in 2011/12 comprise TEUR 113 (2010/11: TEUR 157) for the audit of the annual financial statements and other assurance services for Austrian companies included in the consolidated financial statements of Egger Holzwerkstoffe GmbH as well as other services totaling TEUR 43 (2010/11: TEUR 77).

4.4. Transactions with Related Parties and Subsidiaries of other Private Foundations

All subsidiaries and associates of Egger Holzwerkstoffe GmbH are considered to be related parties.

A list of the subsidiaries and associates of Egger Holzwerkstoffe GmbH is provided in Appendix 1 to the notes. All transactions between subsidiaries of Egger Holzwerkstoffe GmbH are eliminated during the consolidation.

The shareholders of Egger Holzwerkstoffe GmbH are MFE Vermögensverwaltung Privatstiftung, the investment "FM Deutschland" – Privatstiftung, the investment "FM England" – Privatstiftung, Fritz Egger, Michael Egger, TAL Verwaltungs GmbH, Walter Schiegl and Ulrich Bühler. In addition, there are other private foundations that were directly or indirectly established by members of the Egger family. These foundations are listed below:

– Beteiligung "FM Getränke" – Privatstiftung, Vienna
– METHME Privatstiftung, Vienna
– Privatstiftung FE, Vienna

These three private foundations are designated as “other private foundations” in the consolidated financial statements. The other private foundations and their subsidiaries are not classified as subsidiaries or associates.

As of April 30, 2012, a liability of TEUR 14.959 (30.4.2011: TEUR 0) was due and payable to Fritz Egger, Brunnhof, St. Johann iT, in connection with property transactions. All other business relations with related persons are immaterial.

Top management comprised 75 persons (30.4.2011: 65) who received salaries totaling TEUR 10.615 in 2011/12 (2010/11: TEUR 10.008).

The members of the Managing Board in 2011/12 are listed below:

Thomas Leissing
Walter Schiegl
Ulrich Bühler

All business transactions with related persons are conducted at third party conditions.

4.5. Statement by the Company's Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report provides a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties it faces.

St. Johann i.T, July 17, 2012

Walter Schiegl CTO, Production, Engineering and Procurement	Thomas Leissing Speaker of the Managing Board, CFO, Finance, Logistics and Human Resources	Ulrich Bühler CSO, Marketing and Sales

The Managing Board

Consolidation Range

Company	Headquarters		Nominal capital in 1,000	Stake in %	Type of consolidation
Egger Holzwerkstoffe GmbH	St. Johann i. T.	EUR	11.509	100,00	Full consolidation
Fritz Egger Gesellschaft m.b.H.	St. Johann i. T.	EUR	30.000	94,90	Full consolidation
Fritz Egger GmbH & Co. OG	St. Johann i. T.	EUR	4.563	94,90	Full consolidation
EGGER Retail Products GmbH	St. Johann i. T.	EUR	37	94,90	Full consolidation
Fritz Egger Vermögensverwaltung GmbH	St. Johann i. T.	EUR	37	94,90	Full consolidation
Fritz Egger Vertriebs GmbH	St. Johann i. T.	EUR	35	94,90	Full consolidation
Egger Rumänien Beteiligungs GmbH	St. Johann i. T.	EUR	35	100,00	Full consolidation
Egger Holzprodukte Vertriebs GmbH	St. Johann i. T.	EUR	35	94,90	Full consolidation
Egger Holzprodukte Verwaltungs GmbH	St. Johann i. T.	EUR	35	94,90	Full consolidation
Egger Verwaltungsgesellschaft m.b.H.	St. Johann i. T.	EUR	37	100,00	Full consolidation
Egger Deutschland Beteiligungs-verwaltung GmbH	St. Johann i. T.	EUR	2.253	94,84	Full consolidation
Egger Deutschland Management GmbH	St. Johann i. T.	EUR	250	94,90	Full consolidation
Egger Osteuropa Beteiligungsverwaltung GmbH	St. Johann i. T.	EUR	35	100,00	Full consolidation
Egger Russland Beteiligungs GmbH	St. Johann i. T.	EUR	35	100,00	Full consolidation
Egger Belgien Beteiligungsverwaltung GmbH	St. Johann i. T.	EUR	35	100,00	Full consolidation
Egger Building Products GmbH	St. Johann i.T.	EUR	35	100,00	Full consolidation
EHWS Beteiligungs GmbH	St. Johann i.T.	EUR	35	100,00	Full consolidation
Egger Ost Management GmbH (formerly: Egger ADLB Management GmbH)	St. Johann i.T.	EUR	35	100,00	Full consolidation
Egger Konstruktiv Beteiligungs GmbH	St. Johann i.T.	EUR	35	100,00	Full consolidation
Beteiligung “FM International” GmbH	St. Johann i.T.	EUR	35	94,90	Full consolidation
Hackgut Logistik & Handel GmbH	Großschönau	EUR	100	85,41	Full consolidation
Österreichische Novopan Holzindustrie OG	Leoben	EUR	2.907	47,45	Equity method
Egger France SAS	Rion des Landes	EUR	725	94,90	Full consolidation
EGGER Panneaux & Décors SAS	Rion des Landes	EUR	23.000	94,90	Full consolidation
Egger Retail Products France SAS	Tours	EUR	2.500	94,90	Full consolidation
Egger (UK) Holdings Limited	Woking	GBP	23.300	100,00	Full consolidation
Egger (UK) Limited	Woking	GBP	13.500	100,00	Full consolidation
Campact Limited	Woking	GBP	1.000	100,00	Full consolidation
Egger Forestry Products Limited	Woking	GBP	250	100,00	Full consolidation
Egger (Barony) Limited	Woking	GBP	5.000	100,00	Full consolidation
Weyroc Limited	Woking	GBP	5	100,00	Full consolidation
Timberpak Limited	Woking	GBP	5	90,00	Full consolidation
Egger Floor Products Limited	Woking	GBP	5	100,00	Full consolidation
Egger (Ayrshire) Limited	Glasgow	GBP	100	100,00	Full consolidation
Northumbria Finance Limited	Dublin	EUR	1.345	100,00	Full consolidation
Romainvest Yatirim ve Ticaret A.S.	Gebze	EUR	30.406	71,50	Full consolidation
Roma Plastik Sanayi Ve Ticaret A.S.	Gebze	EUR	27.347	71,50	Full consolidation
Egger Benelux GCV	Zulte	EUR	653.570	100,00	Full consolidation
Egger Benelux Management BVBA	Zulte	EUR	19	100,00	Full consolidation

Company	Headquarters		Nominal capital in 1,000	Stake in %	Type of consolidation
Fritz Egger Beteiligungs GmbH & Co.KG [1/2]	Brilon	EUR	90.640	94,86	Full consolidation
Egger Holzwerkstoffe Brilon GmbH & Co. KG [1/2]	Brilon	EUR	1.000	94,86	Full consolidation
EGGER Retail Products GmbH & Co. KG [1]	Brilon	EUR	26	94,86	Full consolidation
Egger Holzwerkstoffe Brilon Beteiligungs-GmbH	Brilon	EUR	25	94,86	Full consolidation
EGGER Retail Products Beteiligungs-GmbH	Brilon	EUR	25	94,86	Full consolidation
LTPRO GmbH	Brilon	EUR	25	94,86	Full consolidation
Egger Kraftwerk Brilon GmbH	Brilon	EUR	500	94,86	Full consolidation
Egger Bevern Verwaltungs-GmbH	Brilon	EUR	25	94,86	Full consolidation
Egger Kunststoffe Beteiligungs- GmbH	Brilon	EUR	25	94,86	Full consolidation
E.F.P. Brilon Beteiligungs-GmbH	Brilon	EUR	26	94,86	Full consolidation
Egger Sägewerk Brilon GmbH	Brilon	EUR	25	94,86	Full consolidation
Egger Forst GmbH (formerly: Egger Sägewerk Brilon Beteiligungs GmbH)	Brilon	EUR	25	94,86	Full consolidation
Egger Holzwerkstoffe Wismar GmbH & Co. KG [1/2]	Wismar	EUR	1.000	94,86	Full consolidation
Egger Holzwerkstoffe Wismar Beteiligungs GmbH	Wismar	EUR	26	94,86	Full consolidation
Egger Wismar Instandhaltung und Service GmbH & Co. KG [1]	Wismar	EUR	500	94,86	Full consolidation
Egger Kunststoffe GmbH & Co. KG [1]	Gifhorn	EUR	282	94,86	Full consolidation
Egger Elemente Beteiligungs-GmbH	Bünde	EUR	26	94,86	Full consolidation
Egger Elemente GmbH & Co. KG [1]	Bünde	EUR	26	94,86	Full consolidation
Egger Beschichtungswerk Marienmünster-Beteiligungs-GmbH	Marienmünster	EUR	26	94,86	Full consolidation
Egger Beschichtungswerk Marienmünster GmbH & Co.KG [1]	Marienmünster	EUR	512	94,86	Full consolidation
Egger Bevern GmbH & Co. KG [1]	Bevern	EUR	26	94,86	Full consolidation
Timberpak GmbH	Lehrte	EUR	25	94,86	Full consolidation
EGGER Romania S.R.L.	Radauti	RON	745.782	100,00	Full consolidation
EGGER Energia S.R.L.	Radauti	RON	284.822	100,00	Full consolidation
Egger Technologia S.R.L.	Radauti	RON	90.871	100,00	Full consolidation
Energy Trust S.R.L.	Radauti	RON	2.340	100,00	Full consolidation
F.E. Agrar S.R.L.	Radauti	RON	9.200	100,00	Full consolidation
Egger Retail Products S.R.L.	Radauti	RON	1.089	100,00	Full consolidation
Silvarec S.R.L.	Radauti	RON	340	50,00	Equity method
OOO „Egger Drevprodukt Shuya“	Shuya	RUB	1.839.511	100,00	Full consolidation
OOO Egger Drevprodukt Gagarin (formerly: Gagarin Plywood Mill LLC)	Gagarin	RUB	6.340.935	100,00	Full consolidation

1 These subsidiaries elected to use the exemptions provided by § 264 b of the German Commercial Code.

2 The subsidiaries included in the consolidated financial statements elected to use the exemption provided by § 291 of the German Commercial Code, and therefore did not prepare consolidated financial statements or a group management report.

We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Egger Holzwerkstoffe GmbH, St. Johann in Tirol, for the fiscal year from May 1, 2011 to April 30, 2012. These consolidated financial statements comprise the consolidated balance sheet as of April 30, 2012, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended April 30, 2012, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation of these financial information in accordance with EGGER Accounting Guidelines, which are established in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing as well as in accordance with International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of April 30, 2012 and of its financial performance and its cash flows for the fiscal year from May 1, 2011 to April 30, 2012 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements.

In our opinion, the management report for the Group is consistent with the consolidated financial statements.

Vienna, July 17, 2012

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:

Aslan Milla
Austrian Certified Public Accountant

Bestätigungsvermerk

Bericht zum Konzernabschluss

Wir haben den beigefügten Konzernabschluss der Egger Holzwerkstoffe GmbH, St. Johann in Tirol, für das Geschäftsjahr vom 1. Mai 2011 bis 30. April 2012 geprüft. Dieser Konzernabschluss umfasst die Konzernbilanz zum 30. April 2012, die gesonderte Konzern-Gewinn- und Verlustrechnung, die Konzerngesamtergebnisrechnung, die Konzerngeldflussrechnung und die Konzerneigenkapitalveränderungsrechnung für das am 30. April 2012 endende Geschäftsjahr sowie den Konzernanhang.

Verantwortung der gesetzlichen Vertreter für den Konzernabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Konzernbuchführung sowie für die Aufstellung eines Konzernabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns in Übereinstimmung mit den International Financial Reporting Standards (IFRS), wie sie in der EU anzuwenden sind, vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Konzernabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage des Konzerns von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Konzernabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung sowie der vom International Auditing and Assurance Standards Board (IAASB) der International Federation of Accountants (IFAC) herausgegebenen International Standards on Auditing (ISA) durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Konzernabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Konzernabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Konzernabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage des Konzerns von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen des Konzerns abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und von den gesetzlichen Vertretern vorgenomme-

nen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Konzernabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Konzernabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Konzerns zum 30. April 2012 sowie der Ertragslage des Konzerns und der Zahlungsströme des Konzerns für das Geschäftsjahr vom 1. Mai 2011 bis zum 30. April 2012 in Übereinstimmung mit den International Financial Reporting Standards (IFRS), wie sie in der EU anzuwenden sind.

Aussagen zum Konzernlagebericht

Der Konzernlagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Konzernabschluss in Einklang steht und ob die sonstigen Angaben im Konzernlagebericht nicht eine falsche Vorstellung von der Lage des Konzerns erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Konzernlagebericht mit dem Konzernabschluss in Einklang steht.

Der Konzernlagebericht steht nach unserer Beurteilung in Einklang mit dem Konzernabschluss.

Wien, den 17. Juli 2012

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Dr. Aslan Milla
Wirtschaftsprüfer