Consolidated Financial Statements

(Translation)

Egger Holzwerkstoffe GmbH,
St. Johann in Tirol

Consolidated Financial Statements as of April 30, 2013
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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Contents

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

MANAGEMENT REPORT

on the Consolidated Financial Statements of

EGGER HOLZWERKSTOFFE GMBH,

St. Johann in Tirol,

for the 2012/13 Financial Year

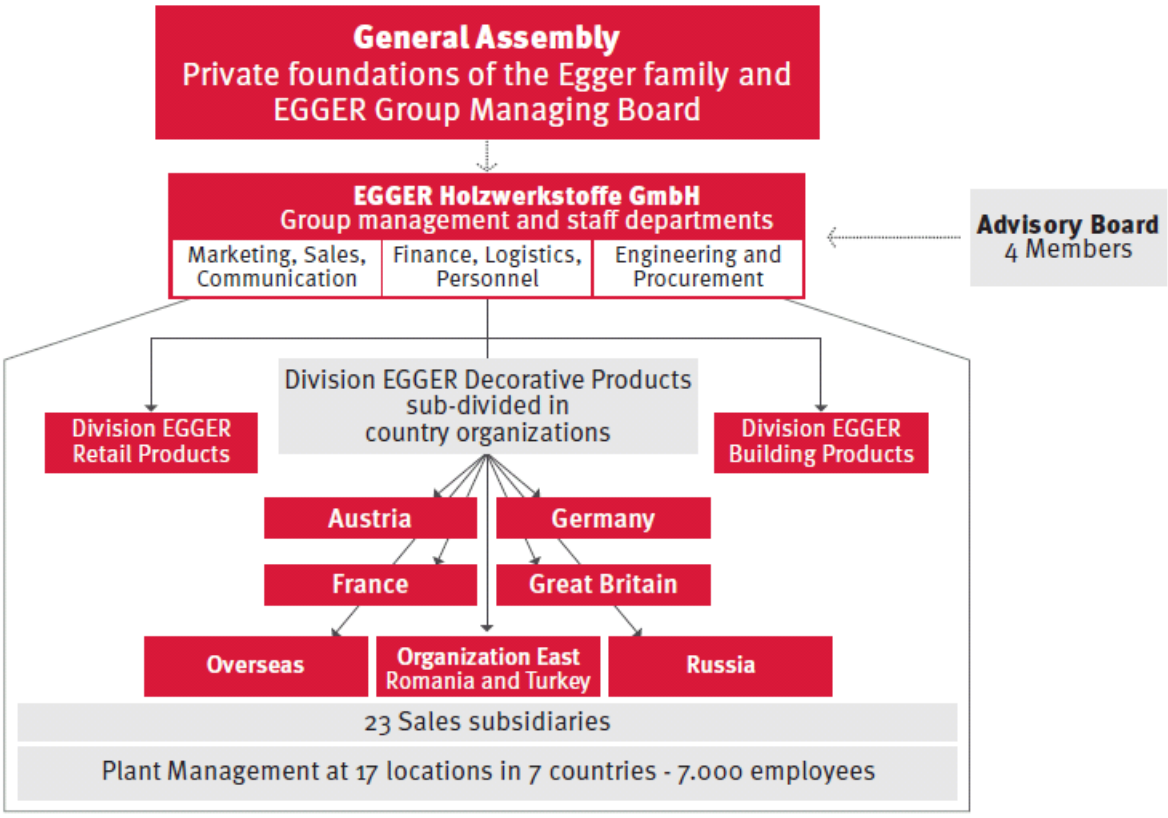
1 BUSINESS AND OPERATING ENVIRONMENT

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 7 million m³ of wood materials and is one of the leading companies in the European wood materials 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.



Simplified organizational structure of the EGGER Group

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).

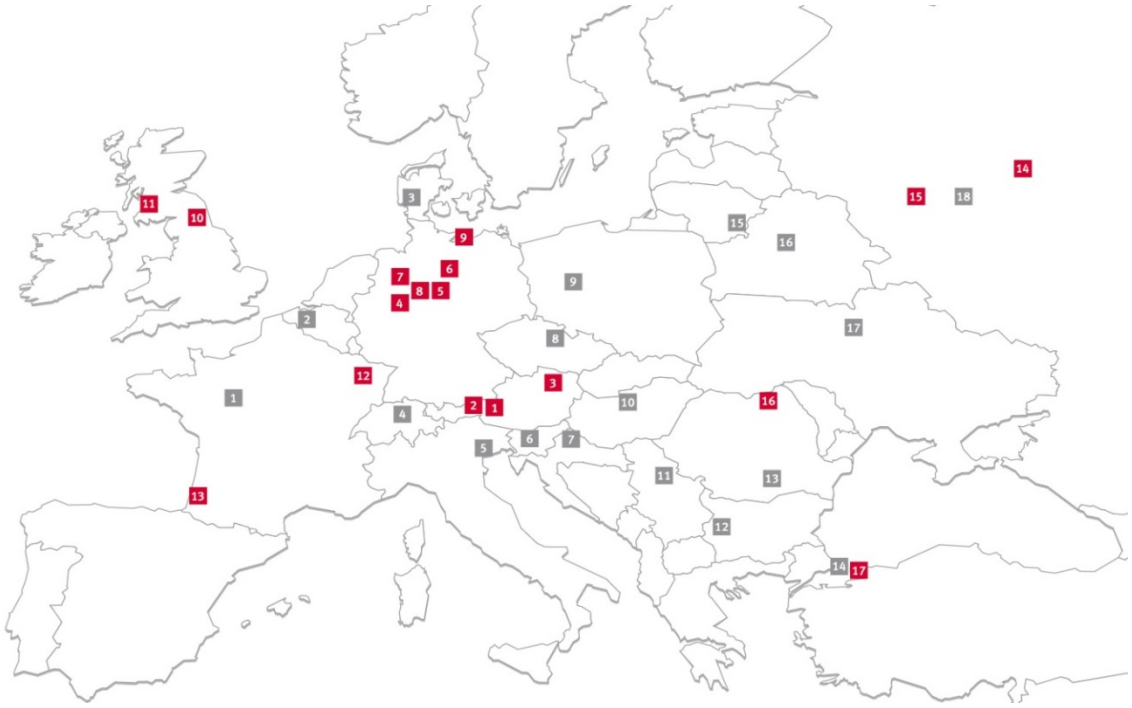
The Advisory Board serves as a consultative committee that supports the Managing Board on strategic issues. The members of the Advisory Board are Fritz Egger (Chairman), Michael Egger, Robert Briem and Michael Pollak.

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 in numerous private and public sector applications that include 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. A global sales organization, efficient logistics, 23 company-operated sales offices and an international network of retail partners in over 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 unit 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

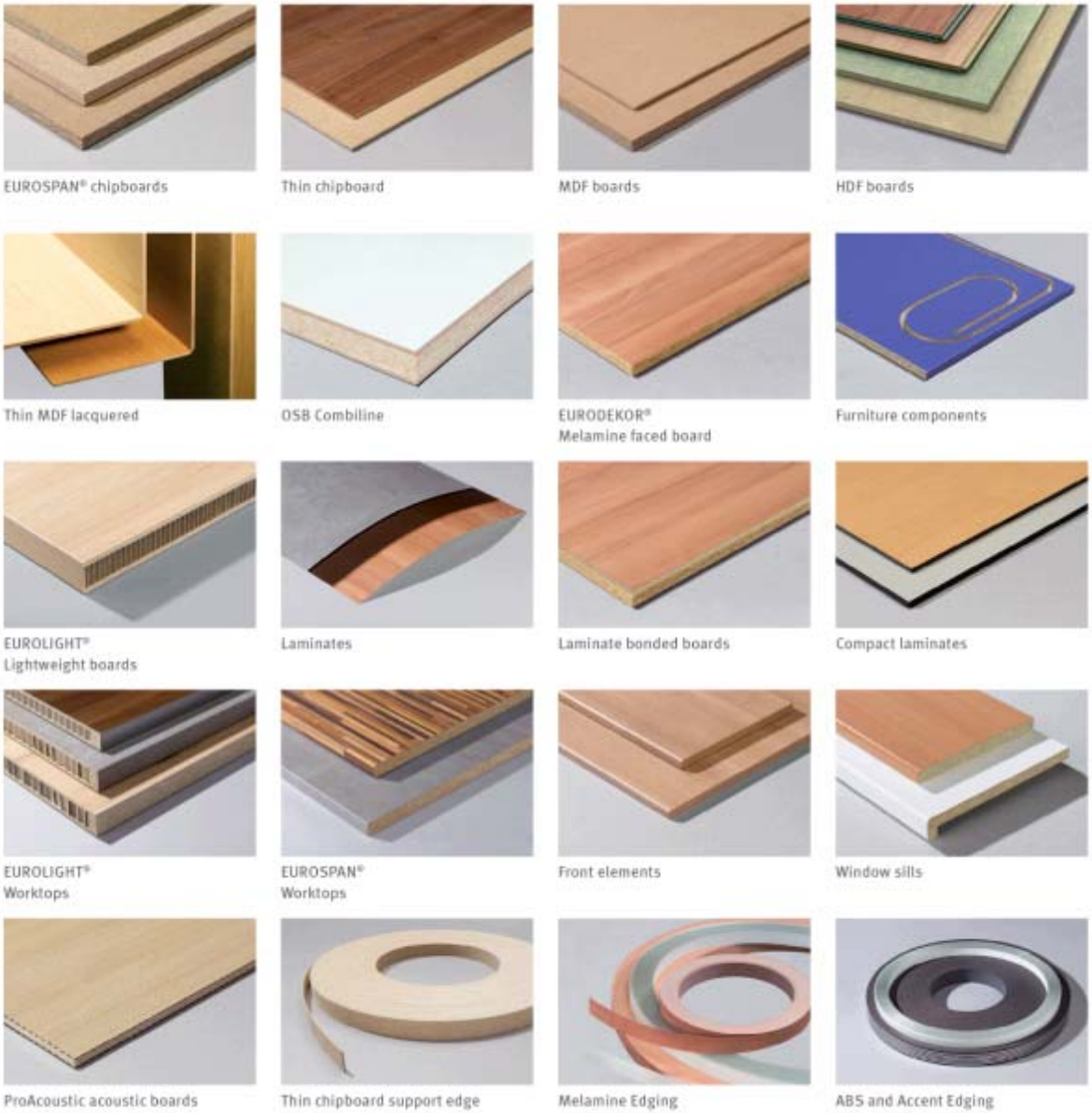
The EGGER product line includes carrier materials made of wood (chipboard, MDF, compact and lightweight boards) for furniture construction, interior construction and laminated flooring as well as OSB boards and sawn timber for wood construction and packaging. Most of the raw boards produced by the Group are processed further with modern 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 consumers 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.

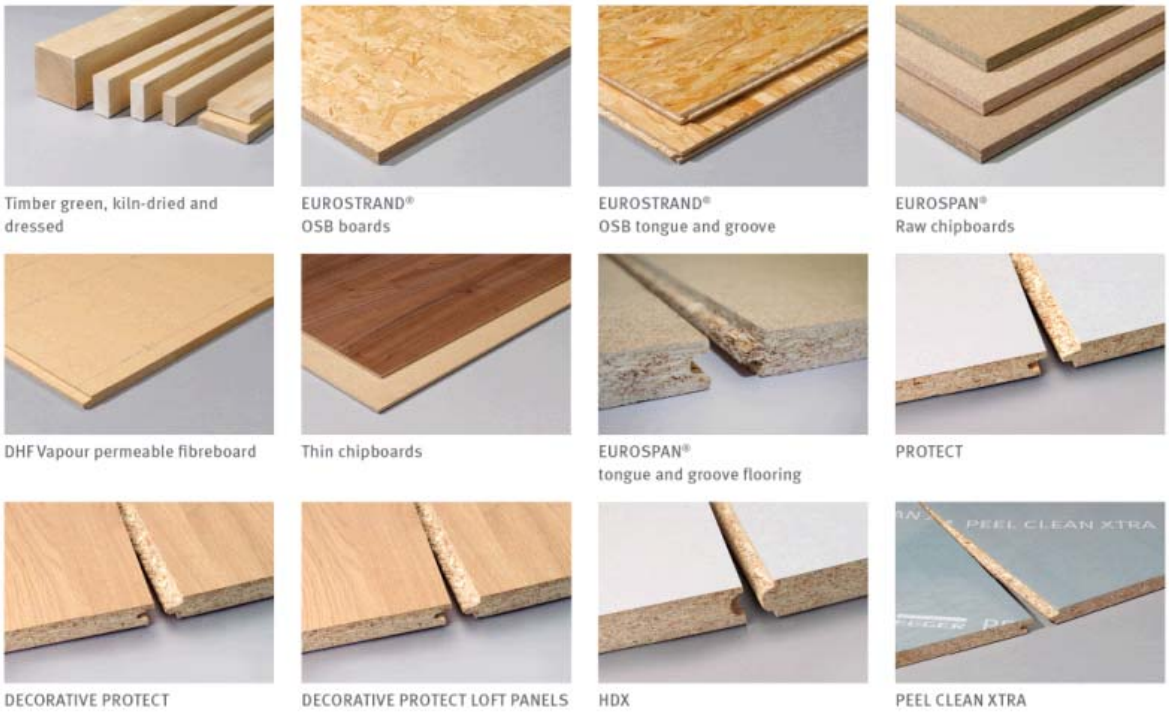
EGGER offers its customers a wide range of services that not only facilitate working relationships, but also create added value and provide the required solutions. In addition to routine personal advising, various innovative solutions are available to support all processes from planning to product delivery. 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 provides support for furniture planning and orders for the production and delivery of all components for the designed items.

An overview of the product in the three EGGER divisions is presented below:

EGGER DECORATIVE PRODUCTS Division

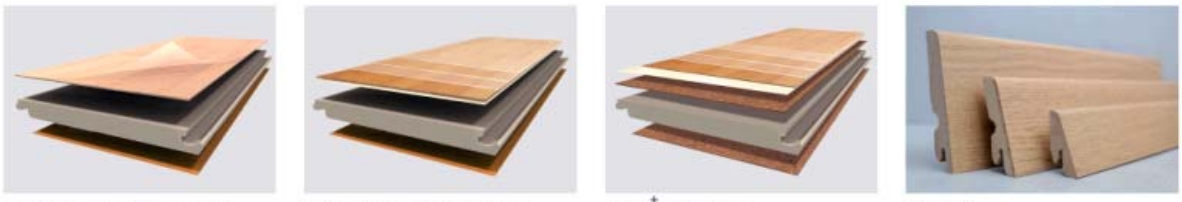


EGGER BUILDING PRODUCTS Division



Timber green, kiln-dried and dressed
EUROSTRAND® OSB boards
EUROSTRAND® OSB tongue and groove
EUROSPAN® Raw chipboards
DHF Vapour permeable fibreboard
Thin chipboards
EUROSPAN® tongue and groove flooring
PROTECT
DECORATIVE PROTECT
DECORATIVE PROTECT LOFT PANELS
HDX
PEEL CLEAN XTRA

EGGER FLOORING PRODUCTS Division



DPL Direct pressure laminate flooring
DPR® – Direct Print Laminate flooring
cork+-Technology
Skirtings

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

- Austria	St. Johann / Tirol:	Chipboard (raw and laminated), furniture elements, worktops, lightweight boards, compact boards
	Unterradlberg:	Chipboard (raw and laminated), Compact boards
	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 has grown from a Tyrolean chipboard producer to become one of the leading wood materials producers in Europe since its founding in 1961. 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
The EGGER Group produces and sells its products throughout Europe, including Russia and Turkey. Outside Europe, EGGER operates through sales offices in key strategic markets. The Group also works with strategic customers in export markets where there are no sales offices. The expansion of existing locations and the construction or acquisition of new locations is always dependent on the availability of wood supplies, the market characteristics and logistics. In Western Europe, the Group is expanding its market position by investing in existing plants and acquiring further locations. In Eastern Europe, Russia and Turkey, plans also call for investments in new plants.

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 strengthening long-term profitability. Innovation protects the Group's market position as a leading brand for living and working with wood, with the environment and sustainability playing an important role in these efforts. EGGER relies on a systematic course of action to increase the pace of innovation for products, processes and services. Employees are actively included in these activities through idea management.

Integration
EGGER integrates the process-related partners in its value chain – from end customers to suppliers. The objective is to establish integrated locations 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. In the sales area, EGGER follows differentiated concepts for the strategic Industry, Professional and DIY sales channels. A well-defined brand philosophy strengthens customers' ties to the company.

Identification
EGGER has set a goal to be the best employer in its respective labor markets. The Group is a modern, transparent family-owned company whose corporate culture is based on consideration, trust, mutual respect and loyalty. EGGER relies on effective management instruments, the creation of strong ties with valuable employees, long-term personnel development and proactive recruitment to create and maintain the best possible balance between the interests of employees and the employer. These objectives are underscored by contemporary working time and remuneration models as well as a feedback culture. Employee satisfaction is also supported by a health management system and the promotion of internal careers.

Financial goals
Sustainable profitable growth is a focal point of the EGGER strategy. Profitable growth is achieved by the continuous optimization of costs and prices, organic growth and acquisitions. 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 benchmarks 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 steady and 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 and maintain value through optimization and growth 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 thereby 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 recovery that took hold after the financial and economic crisis lost significant momentum in large parts of the world during 2011. Growth was also slowed in other regions by the spread of the Euro zone crisis. The neighboring countries in Central and Eastern Europe were hit particularly hard by these developments. The Euro zone is currently in the midst of a recession, as is demonstrated by a decline in domestic demand and a resulting drop in total production since 2012. Future perspectives are dependent on crisis management at the

European level as well as the implementation of necessary structural reforms and consolidation measures.

In the USA, economic developments through the end of 2011 were influenced by noticeable signs of recovery. The Chinese economy, in contrast, was characterized by a substantial slowdown. Developments on the real estate market and the future course of budgetary policies represent a source of uncertainty. Economic developments in Europe will also be influenced by the high raw material prices. The CESEE-7 region (Bulgaria, Latvia, Lithuania, Poland, Romania, Czech Republic, Hungary) generated relatively strong growth in 2011, but this rate was cut by half to 1,4% in 2012 (source: oenb.at).

After a modest recovery in 2011, the economy was negatively affected by high unemployment, high private household debt and restrictive lending conditions in 2012. This situation is only expected to ease over the medium-term. The Austrian economy stagnated during the first quarter of 2013, with neither the export sector nor domestic demand providing major impulses for growth. The global economy was characterized by widely different developments during the first quarter of 2013: Japan took massive monetary and fiscal steps to stimulate growth and counter deflation. The recovery in the USA continues. In contrast, the ongoing recession in many European countries – including a number of Austria's key selling markets – led to further weakness. The Euro zone economy declined sharply during the fourth quarter of 2012, but preliminary indicators now point to stabilization. However, the signs of an upturn are inconsistent and generally weak, and the Austrian export sector is not expected to provide any stimulus for growth during the first half of 2013 (source: http://konjunktur.wifo.ac.at/).

The German economy barely avoided a recession during the first quarter of 2013. Following a sharp drop at the end of 2012, Germany recorded growth of only 0,1% for the period from January to March 2013 (source: Statistische Bundesamt). An improvement in industrial sector orders and the resumption of construction activity after the long winter should support a continuation of the upward trend. The French economy has already fallen into a recession. According to the "Insee" statistical authorities, the gross domestic product (GDP) fell by 0,2% in the first quarter. The Dutch economy also remained in a recession during the first quarter, with the GDP declining 0,1% below the previous quarter from January to March. In Italy, the longest recession in decades continued with a 0,5% decline in GDP below the previous quarter from January to March 2013. The recession also persists in the Euro zone: GDP in the 17 Euro countries declined 0,2% from the last quarter of 2012 to the first quarter of 2013 (source: Reuters/dpa).

Growth rate real GDP (gross domestic product) in % (2008 to FC 2013)

	2008	2009	2010	2011	2012	FC 2013
World	2,8	-0,6	5,1	3,7	3,3	3,7
EU 27	0,3	-4,3	2,1	1,6	-0,3	0,1
Belgium	1,0	-2,8	2,4	1,8	-0,2	0,2
China	9,6	9,1	10,3	9,2	7,8	8,2
Germany	1,1	-5,1	4,2	3,0	0,7	0,5
France	-0,1	-3,7	1,7	1,7	0,0	0,1
Italy	-1,2	-5,5	1,7	0,4	-2,4	-1,0
Japan	-1,0	-5,5	4,7	-0,6	2,0	1,0
Netherlands	1,8	-3,7	1,6	1,0	-1,0	-0,6
Norway	0,1	-1,6	0,5	1,2	3,2	2,6
Austria	1,4	-3,8	2,1	2,7	0,8	0,7
Poland	5,1	1,6	3,9	4,3	2,0	1,2
Romania	7,3	-6,6	-1,1	2,2	0,7	1,6
Russia	5,2	-7,8	4,0	4,3	3,6	3,7
Sweden	-0,6	-5,0	6,6	3,7	0,8	1,3
Switzerland	2,2	-1,9	3,0	1,9	1,0	1,4
Slovakia	5,8	-4,9	4,4	3,2	2,0	1,1
Spain	0,9	-3,7	-0,3	0,4	-1,4	-1,4
Czech Republic	3,1	-4,5	2,5	1,9	-1,3	0,0
Turkey	0,7	-4,8	9,0	8,5	3,0	2,9
United Kingdom	-1,1	-4,0	1,8	1,0	0,3	0,9
USA	-0,3	-3,1	2,4	1,8	2,2	1,9

Source: Eurostat, statista.de, WKO

The GDP in the EU-27 fell by 0,3% year-on-year in 2012, while the global economy recorded an increase of 3,3%. In the USA, the GDP rose by 2,2% over 2011. GDP declines were most noticeable in the countries affected by the sovereign debt and bank crisis, e.g. Spain (-1,4%) and Italy (-2,4%), but a decrease of 1,3% was also reported for the Czech Republic. The sovereign debt crisis in the Euro zone left its mark in Germany, but real GDP still rose by 0,7% in 2012. France recorded zero growth for the year, but Poland and Russia reported sound growth of 2,0% and 3,6%, respectively (source: Eurostat).

The construction industry in Europe

The continuing high level of unemployment, subdued outlook for the global economy and budget consolidation measures by governments throughout Europe led to weaker demand in all three sectors (residential construction, other construction, civil engineering). However, developments differ substantially by country: the situation in the construction industry in Northern and Central Europe tends to be better.

Construction activity in Europe fell by 4,5% in 2012, but not all markets were negative. For example: Ireland, Norway and, to a certain extent, Germany were able to disengage from the downward trend. A sharp drop in construction investments was recorded, above all, in **Great Britain** (-6,6%) and **Italy** (-5,8%) during 12012, while the decline in **France** was more moderate (-0,9%).

The German construction industry reported a 4,8% year-on-year drop in incoming orders (price adjusted) for the first three months of 2013. Revenue recorded by the German construction industry totaled EUR 13,9 billion from January to March 2013, which is 10,0% lower than the first three months of 2012. A report by the Federal Statistical Office (Destatis) showed a decline of -14,7% in building construction and 2,6% in civil engineering for this

period. The sharp drop in construction activity was a result of the unusually cold weather in March 2013.

Positive development was recorded by the construction industry in the USA and the emerging countries. The USA has passed the low point of the real estate crisis, and new residential construction and property prices are beginning to recover. After a longer recession, construction industry output rose by 1% in 2012. The construction sector in India and China remains strong. Construction output in India rose by 7% in 2012 and should match this level in 2013. China is expected to follow a plus of 9% in 2012 with an increase of 10% this year.

Consumer confidence / private consumption

Global consumer confidence rose by one index point to 92 in the third quarter of 2012, which represents an improvement of four index points over the comparable period in 2011. These results were reported by Consumer Confidence, a worldwide survey carried out by Nielsen in September 2012 (www.nielsen.com). The survey showed an improvement in consumer confidence in 30 of the 58 countries surveyed as well as a decline in 19 countries and no change in seven countries.

Results for the third quarter of 2012 show high consumer uncertainty during this period. This is true above all for Europe, which remains in a very precarious economic position despite numerous stabilizing initiatives by the European Central Bank. Exports from China have declined substantially, especially into the Euro zone, and have been accompanied by reservation on the part of consumers in that country. Consumers in the USA also remained reserved at the end of 2012 – even though they were less affected by the situation in Europe – due to the lack of convincing economic recovery that was reflected in continuing high unemployment and disappointing wage development.

The EU average for consumer confidence equaled 71 points for the first quarter of 2013, as indicated in a survey on consumer confidence and purchasing habits by the opinion research company Nielsen. Austria ranks third in consumer confidence behind Norway and Switzerland on the list of European countries. Supported by positive index values in the USA, key Asian export markets and Northern and Central Europe, the global average rose to 93 points. An improvement in the level of confidence was reported in 60% of the surveyed countries, compared with 33% in the fourth quarter of 2012. The overall trend is positive because of the improved worldwide outlook for the labor market, personal finances and planned expenditures in the first quarter of 2013 (source: Nielsen Global Survey).

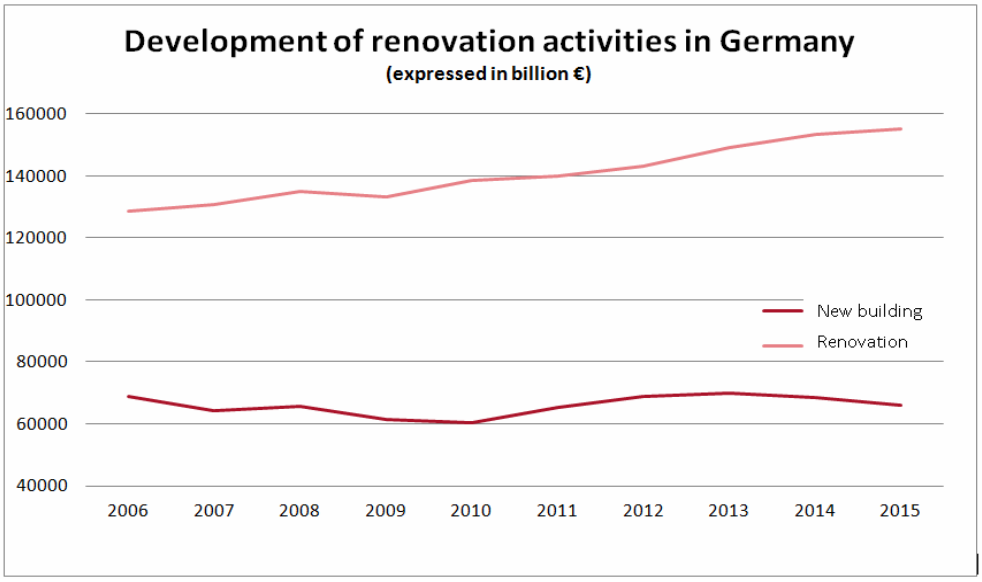
Renovation

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 roughly 15 to 20 years. The post-reunification construction boom in Germany from 1995 to 2000 should therefore lead to a higher demand for the renovation of kitchens between 2010 and 2020.

There is still substantial potential on the building renovation market in Germany, the largest economy in Europe. Based on a supply of 32,4 million apartments, 9,2 million single family houses 3,8 million two-family houses and 2,7 million multi-family dwellings as well as an average age of more than 25 years for 80% of these structures, the coming years and

decades should bring strong demand for renovation. The steady decline in new residential construction since the late 1990s has led to an increase in renovation as a share of the total construction volume in Germany. Another trend can be seen in the shift of capital by private persons and institutions towards safer real estate investments.



Source: B&L Renovation Congress 2013

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.

For most of the companies in the German and European furniture industry, the development of business in 2012 was contrary to expectations. Forecasts pointed to a difficult first half-year and recovery during the second six months, but actual events generally showed a surprisingly strong first quarter that was followed by gradual weakness. Most of the companies closed 2012 with a slight increase in revenues but, as in 2011, significant fluctuations in demand. The normally stronger seasonal recovery did not materialize because of weakness in a number of European export regions, which are the most important selling markets for many furniture producers (source: Euwid Möbel 51/52, 2012).

A new sales channel is also becoming increasingly important: furniture sales via the Internet are now a routine occurrence. These sales represented a negligible share of the market only a few years ago, but the German association of furniture, kitchens and home furnishings has now registered significant growth rates and serious sales volumes over the Internet. Roughly one billion Euros, or 3% of total revenues, were generated online with furniture, kitchens and home furnishings in 2012. Most of these revenues were recorded by specialists and less by stationary retailers (source: www.moebelkultur.de).

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. The German furniture industry recorded a 2,4% year-on-year increase in revenues from January to September 2012, in spite of weakening momentum. The strongest growth was recorded by the kitchen furniture industry (+4,8%), where revenues rose by 11,4% to EUR 411,9

million in October 2012. Domestic revenues in the kitchen furniture industry increased 12,3% to EUR 271,5 million, while foreign revenues grew 9,9% to EUR 140,4 million.

Despite stable development over many months, the construction and home improvement markets in Germany generated only a slight nominal increase of 0,4% in revenues by the end of the third quarter (source: Euwid Möbel 51/52, 2012).

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.

The consolidation in the wood materials industry continued during 2012. A number of companies closed or changed owners. These developments are a result of the continuing rise in raw material prices and weak markets, above all in Southern Europe.

The competitive situation for the EGGER Decorative Products Division

The European market (including Russia and Turkey) for laminated chipboard, which represents the highest share of revenues from the sale of decorative wood materials, increased slightly in 2012 according to internal estimates. This growth was driven by market expansion in Russia and Turkey as well as the remainder of Eastern Europe. Competition among the European companies is characterized by consolidation in Western Europe and by growth investments in Central and Eastern Europe and Russia. EGGER has significantly strengthened its position with respect to the competition on the decorative wood materials markets in Eastern and Western Europe through the expansion of capacity, the 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 mainly to Italy, Spain and Portugal. In Spain, the takeover of a Spanish wood material producer by a major competitor led to further consolidation in the competitive environment.

The year 2012 also brought the start of bankruptcy proceedings against a large competitor and the subsequent takeover of this group by an investment corporation. The transaction was followed by wide-ranging restructuring measures throughout the group, including its conversion from a listed, free float stock corporation into a limited liability company.

In Great Britain, capacity was reduced by the shutdown of a competitor's location.

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 stagnated in recent years. The flooring industry is characterized by excess capacity and high market pressure on prices, which led to a number of major takeovers in 2012.

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. Internal estimates also show a further increase in the market in Eastern Europe.

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 fell clearly below USD 100 per barrel (Brent) at the beginning of the reporting year as a result of the growing economic weakness and the Euro crisis. The oil price then rose to over USD 110 per barrel (Brent) during the course of the year, among others due to the growing conflict in Syria. In recent months, the price of oil declined by a slight margin. 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 (biomass power plants, pellets, bio-fuels) will create long-term pressure on timber prices. After reaching an all-time high in the previous financial year, the average purchase price for timber in the EGGER Group declined slightly but remained at a very high level. In order to safeguard and improve timber supplies, EGGER relies mainly on long-term partnerships and contracts with suppliers and is also developing a backwards integration strategy. This includes investments by the Group in a sawmill and in a forestry management and wood recycling company as well as short rotation plantations, harvesting and logistics systems.

The price curve for chemicals again pointed upward in 2012/13. For urea, which is used primarily in the company's adhesives production, the purchase price generally remained constant during the reporting year. The price of methanol was substantially higher in year-on-year comparison, and increases were also recorded in the prices of purchased adhesives and impregnating resins. A substantial part of the Group's adhesive and impregnating resin requirements are covered by the adhesive plants in Wismar (DE), Radauti (RO) and Hexham (UK). In Hexham, EGGER is currently investing in the wide-ranging modernization of the existing adhesives plant.

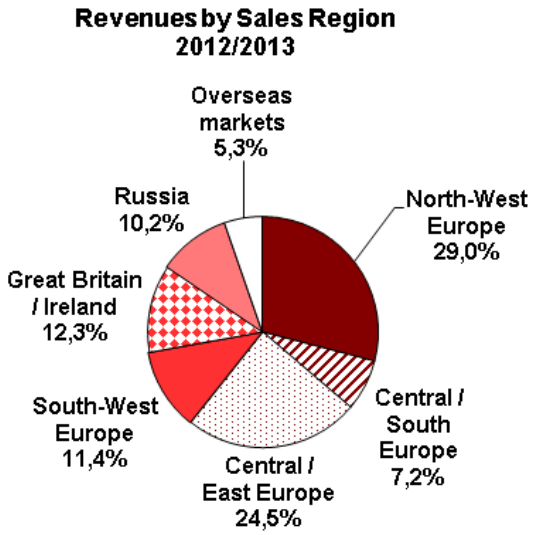
In addition to wood and chemicals, raw paper for the production of laminating materials is the third major element of raw material supplies. The average purchase price for paper increased slightly over the previous year in 2012/13. The purchase of paper in the EGGER Group is based on medium-term contracts with leading suppliers and a central procurement structure.

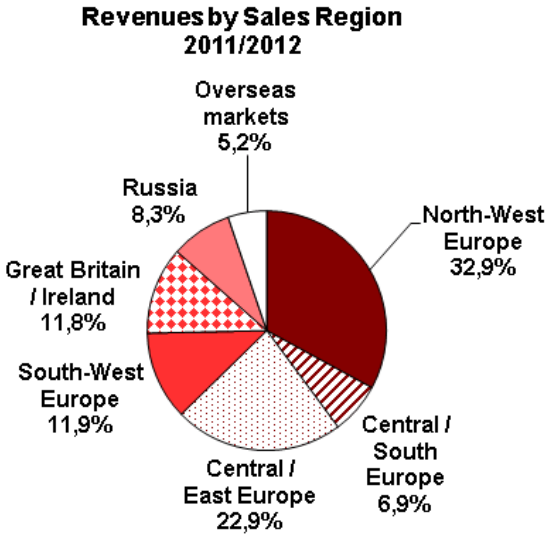
Energy procurement was characterized by rising electricity prices and a slight decline in natural gas prices. At all major locations, the generation of energy in biomass power plants holds gas consumption at a low level. EGGER is working to minimize the use of fossil fuels, but avoids the thermal utilization 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. In addition, a further biomass aggregate is currently being installed at the plant in Radauti (RO).

1.1.6 Business development in the EGGER Group

The EGGER Group recorded a strong increase of approx. 11% in revenues to EUR 2,18 billion for the 2012/13 financial year (2011/12: EUR 1,96 billion) in spite of an increasingly difficult economic environment. These results underscore the continuation of the Group's growth course and the further expansion of its market position. The main drivers for this year-on-year growth were: the acquisition of the Russian chipboard producer OOO Gagarinskiy Fanerniy Zavos, Gagarin (RU); higher volumes of OSB products following the start of operations at the new OSB plant in Radauti (RO); and additional capacity for laminating and laminates in the EGGER Decorative Products Division.

EGGER is active, above all, on the European wood materials market. The following graphs show the classification of revenues by region, based on the location of the customers:





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, Greece and the Middle East.
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 1.309 million in 2012/13 (approx. 60% of revenues in the Decorative Products Division). 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 756 million in 2012/13 (approx. 35% of revenues in the Decorative Products Division). The countries outside Europe (the Overseas region) play only a secondary role. In this region EGGER recorded revenues of approx. EUR 116 million for the reporting year (approx. 5% of revenues in 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 reporting year at 80% and grew 10% over the previous year. The EGGER Retail Products Divisions (flooring) was responsible for 17% of EGGER's revenues and grew 6% in comparison with 2011/12. The EGGER Building Products Division (OSB and sawn timber) increased revenues by 50% in 2012/13 due to the expansion of capacity at the plant in Radauti (RO). The share of this newest EGGER division in Group revenues rose to approx. 11% compared with 9% in the previous year.

Revenues by Segment / Division		2012/13	2011/12	2010/11	Dev. in % 13 - 12
Decorative Products	EUR mill.	1.739,9	1.575,1	1.362,5	10%
Retail Products	EUR mill.	369,8	348,0	329,0	6%
Building Products	EUR mill.	250,8	167,1	186,5	50%
Consolidation	EUR mill.	-179,3	-127,0	-107,0	41%
Total	**EUR mill.**	**2.181,2**	**1.963,2**	**1.771,0**	**11%**

Share Segment / Division % of total revenues		2012/13	2011/12	2010/11
Decorative Products	in %	80%	80%	77%
Retail Products	in %	17%	18%	19%
Building Products	in %	11%	9%	11%
Consolidation	in %	-8%	-7%	-6%
Total	**in %**	**100%**	**100%**	**100%**

Retail and industry were the most important sales channels for EGGER in 2012/13 with 47% and 44% of consolidated revenues, respectively (2011/12: 45% and 46%). The share of revenues recorded in the DIY sales channel 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 (CSE), UK and Ireland (UK, IR), Central and Eastern Europe (CEE), Russia (RU) and Overseas.

Developments in North-West Europe

Revenues in North-West Europe were slightly lower in year-on-year comparison. Germany, which generates nearly one-fourth of the revenues in the EGGER Decorative Products Division, also reported a minor decline in revenues. Slight revenue declines were also recorded in the Benelux countries and Scandinavia.

Developments in Central-South Europe

Central-South Europe recorded a moderate year-on-year increase in revenues. Italy reported growth from a crisis-related low level, while Switzerland declined slightly and Austria remained stable.

Developments in Great Britain & Ireland

Revenues and markets shares in Great Britain increased significantly following the shutdown of production by a competitor. This development also had a positive effect on the Irish market.

Developments in South-West Europe

South-West Europe recorded a moderate increase in revenues for the reporting year. Spain followed unfavorable results in 2011/12 with an improvement in revenues, while France increased revenues against the backdrop of a weak French market.

Developments in Central-East Europe

Revenues in Eastern Europe rose significantly year-on-year. Market growth and higher market shares led to a sound increase in revenues, above all, in Ukraine, Baltic/Belarus and Turkey/Caucasus.

Developments in Russia

Russia generated further substantial year-on-year revenue growth due to full capacity operations in the Gagarin plant. An increase in revenues was recorded, above all, in the retail segment.

Developments in overseas markets

The EGGER overseas business also recorded an increase in revenues over the previous year in nearly all markets.

Marktentwicklung und Branchenumfeld Division EGGER Retail Products

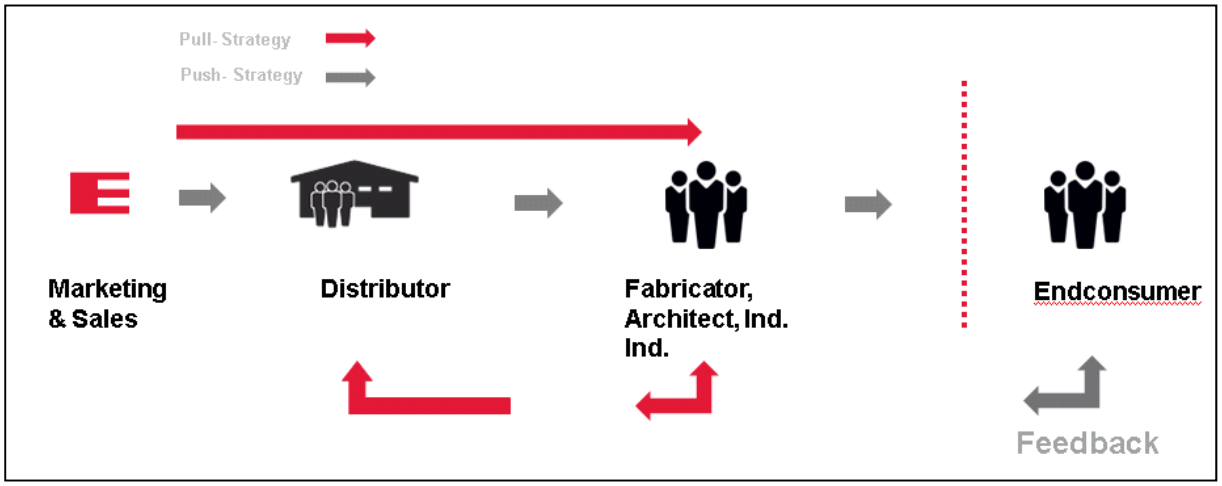
Flooring sales are managed by a separate Retail Division, which supplies the retail trade and DIY outlets. Revenues on flooring sales rose slightly over the prior year, with the markets in Turkey, France and Russia serving as the main drivers for this growth.

Market and branch developments in the EGGER Building Products Division

The importance of the EGGER Building Products Division increased significantly at the beginning of 2012 with the start of operations at the OSB plant in Romania, the second OSB location in the EGGER Group. Industry and the retail trade are the sales channels for this division. Accordingly, revenues in Eastern Europe rose substantially in 2012/13. The sawmill segment also reported an improvement in revenues for the year.

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. The further implementation of this approach was supported by the following activities in 2012/13:

- The VDS (virtual design studio) family was further developed during the reporting year. The VDS PROFI software now includes an interface to the Roomdesigner planning program as well as an interface to real-time samples via QR codes. In addition, the new VDS LIVE kitchen box for kitchen studios was introduced at the INTERZUM in May 2013.

- The EGGER portal www.egger.com/myegger can also be used to register 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.

- Dialogue and campaign marketing was further expanded to directly address architects and fabricators together with retailers. The promotional campaigns follow a cross-media approach with mailings and activities on the homepage as well as webshops that use samples, brochures and other advertising media.

Following the introduction of the new ZOOM retail collection at the beginning of 2012, the ZOOM Design Guide was presented as a support tool in April 2013.

The following innovations and new product developments were released in 2012/13:

- EGGER launched a surface offensive with more surfaces introduced in a single year than ever before. The new surfaces include the single- and double-sided synchronized grain structures Feelwood elegance, Feelwood rustic and Feelwood ambiente.

- Other surface innovations include: the deep-brushed Brushed Wood, Painted Wood and Ceramic, which have already become fixed parts of the product line, as well as Soft Matt.

- Compact boards in the EGGER decor lines were introduced for the retail trade and are also available in very small volumes.

- The EGGER "CLIC" furniture elements were presented at the INTERZUM trade fair. They allow for the assembly of furniture without tools.

- The EGGER acoustic program was expanded to include an individual perforation option. This innovation was recognized with the INTERZUM "Best of the Best" award.

- The A2 laminated compound board and the A2 Pro Acoustic board represent two new fire protection products that are also available in the EGGER decor lines.

The installation of new production equipment for prefabricated furniture components in Bünde (DE) now makes it possible to also process laser edgings. In the flooring segment, the DIY laminated flooring collection MEGAFLOOR was relaunched and introduced to the DIY branch worldwide. A special focus was placed on the point of sales (POS) design to provide end consumers with the best possible advising for purchase decisions. In the MEGAFLOOR DIY collection, the new cork+ technology was integrated into a new flooring solution for quieter, warmer and more robust floors.

In the professional sales channel, the EGGER Innovative Partner Program was expanded to include industrial and trade companies.

1.1.8 Production

The production volume in the primary facilities increased year-on-year in 2012/13:

Production Development		2012/13	2011/12	2010/11	Dev. in % 13 - 12
Rawboard incl. timber	m^3 mill.	7,3	6,7	6,3	9%
Impregnated paper	m^2 mill.	781,6	711,8	680,3	10%
Laminates	m^2 mill.	25,6	23,0	22,3	11%
Glue	TO thsd.	489,5	402,7	351,0	22%

The production of raw chipboard (chipboard, MDF and OSB), including sawn timber, increased from 6,7 million m^3 in 2011/12 to 7,3 million m^3 in 2012/13. The largest increases resulted from the acquisition of the plant in Gagarin (RU) and the start-up of the OSB plant in Radauti, both in the prior year. The production of impregnates rose to 781,6 million m^2 (2011/12: 711,8 million m^2). Laminate production amounted to 25,6 million m^2 (2011/12: 23 million m^2). The in-house manufacture of adhesives increased 22% over the previous year to 489,5 thousand tons due to better capacity utilization at the new adhesives plant in Radauti (RO).

The raw chipboard produced in 2012/13 was processed as follows:
- 249 million m^2 were laminated (2011/12: 232 million m^2),
- 69 million m^2 were converted into flooring (2011/12: 62 million m^2)
- 33 million m^2 were processed into furniture components (2011/12: 33 million m^2)

2 EARNINGS, FINANCIAL AND ASSET POSITION

Earnings position

2.1.1 Revenues

The EGGER Group recorded consolidated revenues of EUR 2.181 million for the 2012/13 financial year (2011/12: EUR 1.963 million). This represents a sound 11% increase over the previous year and resulted, above all, from volume growth through the acquisition of a chipboard production plant in Gagarin (RU) and higher volumes of OSB products from the new OSB plant in Radauti (RO). Additional capacity was also created in the laminating and laminates area and the utilization of flooring production capacity improved. There were no material year-on-year increases in average Group selling prices during the reporting year. A detailed description of the development of business in the individual divisions during the reporting year is provided under point 1.1.6.

2.1.2 Earnings

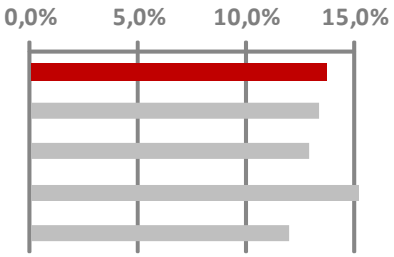
Earnings Indicators		2012/13	2011/12	2010/11	Dev. in % 13 - 12
Revenues	EUR mill.	2.181	1.963	1.771	11%
EBITDA	EUR mill.	298	262	229	14%
EBITDA margin	in %	13,7%	13,4%	12,9%	
EBIT	EUR mill.	142	122	96	16%
Financial results	EUR mill.	-62	-50	-54	25%
Profit before tax (PBT)	EUR mill.	80	72	42	11%
Profit after tax (PAT)	EUR mill.	72	49	46	47%

EBITDA (earnings before interest, taxes, depreciation and amortization) in the EGGER Group totaled EUR 298 million in 2012/13, for an increase of EUR 36 million (+14%) over the prior year level of EUR 262 million. The chipboard plant in Gagarin (RU), which was acquired as of July 1, 2011, made a substantial contribution to this growth. Other important contributions to EBITDA were made by the addition of OSB capacity in Radauti (RO) and higher capacity utilization in the EGGER Retail Products Division (flooring) as well as an improvement in earnings through a shift in the product mix to higher value products. The expansion of capacity and higher output led to a volume-related increase in the cost of materials and other operating expenses. Prices on the raw materials markets relevant for EGGER, especially chemicals, paper and electricity, increased in part substantially over the previous year. Personnel expenses rose slightly, primarily due to the increase in production capacity.

The EBITDA margin increased slightly from 13,4% in the prior year to 13,7% in 2012/13.

EBITDA-Margin

2012/13	13,7%
2011/12	13,4%
2010/11	12,9%
2009/10	16,0%
2008/09	12,0%



EBIT (earnings before interest and taxes) rose by 16% from EUR 122 million in the previous year to EUR 142 million in 2012/13 due to the comparatively slower growth in depreciation and amortization.

Development of earnings in the segments / divisions

EBITDA by Segment / Division		2012/13	2011/12	2010/11	Dev. in % 13 - 12
Decorative	EUR mill.	258,3	240,0	196,0	8%
Retail	EUR mill.	27,5	20,0	22,7	37%
Building	EUR mill.	12,2	2,4	10,2	407%
Total	**EUR mill.**	**298,0**	**262,4**	**228,9**	**14%**

Development of earnings in the EGGER Decorative Products Division

The EGGER Decorative Products Division increased EBITDA by 8% from EUR 240,0 million in the prior year to EUR 258,3 million in 2012/13. The acquisition of the plant in Gagarin (RU) resulted in the largest contribution to earnings, which were also increased by the expansion of processing capacity at existing locations. The division also recorded positive effects from the further optimization of the product mix to increase the focus on higher value products and the continuous optimization of production costs. Sound capacity utilization in 2012/13 allowed for the optimal coverage of fixed costs. The increase in material and energy costs was partly offset by continuous optimization and investments in production. Operating results for the prior year included 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 are still influenced by substantial excess production capacity and the resulting very high pressure on prices. The development of business in 2012/13 showed a sound improvement in volumes over the very difficult prior year, but still remained below expectations. EBITDA in the EGGER Retail Products Division rose from EUR 20,0 million in 2011/12 to EUR 27,5 million for the reporting year. 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, EBITDA increased significantly from EUR 2,4 million to EUR 12,2 million. OSB earnings were negatively influenced by the expansion of production capacity on the market and the resulting increased pressure on prices. However, the start of operations at the new OSB

plant in Radauti (RO) during January 2012 led to a solid improvement in earnings during the course of the year through an increase in volumes.

Earnings in the sawn timber business showed only a slight improvement over the prior year and remain at a disappointing level. Margins were unsatisfactory due to the strong price competition and the limited availability of round timber.

2.1.3 Net financing costs

Net financing costs (financial results excl. income from financial investments and income from associates) amounted to EUR -59,3 million for the reporting year (2011/12: EUR -49,8 million). Interest expense rose slightly following the extension of the maturity profile for financial liabilities (over 90% of financial liabilities have a remaining term of more than one year). The year-on-year decline in financial results is also attributable to the currency translation loss recorded in 2012/13.

2.1.4 Taxes

Income tax expense totaled EUR 8 million for the reporting year (2011/12: EUR 22 million). The decline in the effective tax expense resulted primarily from a year-on-year decrease in tax expense from prior periods as well as changes in estimates. The effective tax rate equaled approx. 10% in 2012/13 (2011/12: 31%). A detailed overview of the calculation of income taxes is provided in the notes under point (15) Income taxes.

Financial position

2.1.5 Financing and 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 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		30.04.13	30.04.12	30.04.11
Equity ratio	in %	36%	34%	36%
Net debt / EBITDA roll.	years	2,4	2,8	2,5

The debt repayment period declined from 2,8 to 2,4 years as of April 30, 2013. This reduction is chiefly attributable to the 14% year-on-year improvement in EBITDA, but was also supported by a slight 1% decrease in net debt.

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 2012/13 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. Another bond, which has a volume of EUR 150 million, was issued in 2012/13. The EGGER Group now has three corporate bonds with a total volume of EUR 470 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		30.04.13	30.04.12	30.04.11
Remaining term over 5 years	EUR mill.	316	274	316
Remaining term 1 - 5 years	EUR mill.	508	325	337
Remaining term under 1 year	EUR mill.	61	284	101
Total	**EUR mill.**	**885**	**883**	**754**

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

Detailed information on derivatives and the Egger bonds is provided in the notes.

2.1.7 Cash flow

Cash Flow Statement		2012/13	2011/12	2010/11	Dev. in % 13 - 12
Gross Cash flow	EUR mill.	275	245	164	12%
Cash flow from changes in net current assets	EUR mill.	-77	28	-32	-371%
Cash flow from operating activities	EUR mill.	198	274	132	-28%
Cash flow from investing activities	EUR mill.	-137	-403	-236	-66%
Cash flow from financing activities	EUR mill.	-49	86	-5	
Net change in cash and cash equivalents	**EUR mill.**	12	**-43**	**-109**	**-128%**

Based on EBITDA and after the inclusion of changes in net working capital, cash flow from operating activities totaled EUR 198 million for the reporting year (2011/12: EUR 274 million). This EUR 76 million decline -which occurred despite a year-on-year improvement of EUR 30 million in gross cash flow - resulted primarily from an increase of EUR 77 million in net current assets that was contrasted by a reduction of EUR 28 million in net current assets in the previous year (Delta net current assets: EUR -105 million).

	Free Cash Flow Statement		2012/13	2011/12	2010/11	Dev. in % 13 - 12
	Cash flow from operating activities	EUR mill.	198	274	132	-28%
	Cash flow from investing activities	EUR mill.	-137	-403	-236	-66%
+	Growth Investment	EUR mill.	83	356	192	-77%
	Free Cash-flow	**EUR mill.**	**144**	**227**	**88**	**-36%**

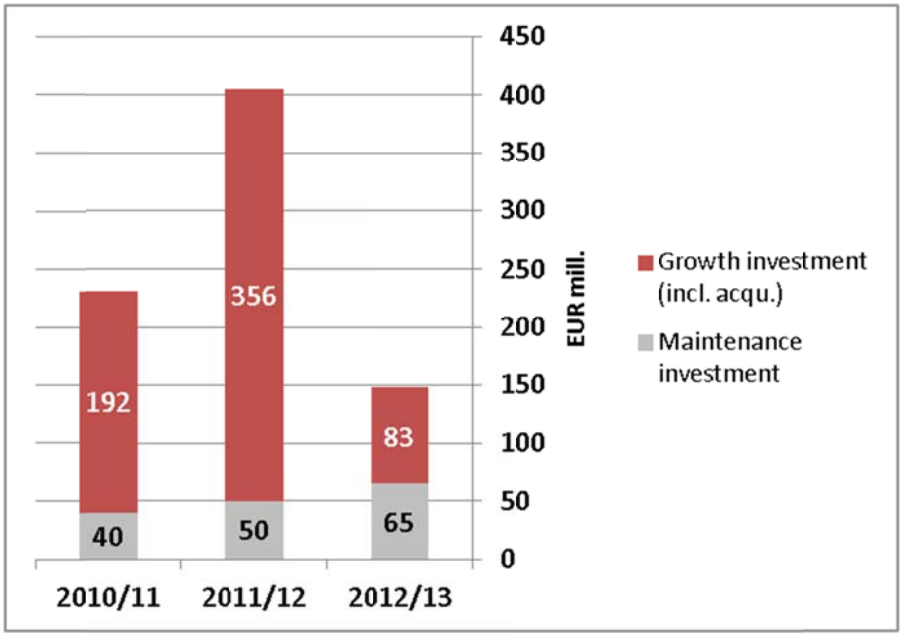
Cash outflows for investing activities, which include capital expenditure and acquisitions, amounted to EUR 137 million in 2012/13 and were substantially lower than the previous year's level of EUR 403 million.

The above-mentioned developments in cash flow from operating and investing activities led to a decrease of EUR 83 million in free cash flow (cash flow from operating activities less cash flow from investing activities plus growth investments) from EUR 227 million in the previous year to EUR 144 million in 2012/13.

Cash flow from financing activities led to cash outflows of EUR 49 million in 2012/13, which resulted chiefly from interest payments based on a nearly constant level of financial liabilities (2011/12: cash inflows of EUR 86 million, above all from an increase in financial liabilities).

2.1.8 Investments

Investments in intangible assets, property, plant and equipment and acquisitions totaled EUR 148 million for the reporting year (2011/12: EUR 406 million). This amount includes EUR 65 million (2011/12: EUR 50 million) of maintenance investments, which represents 42% (2011/12: 35%) of scheduled depreciation for the year.



A total of EUR 83 million was spent on growth investments (excluding acquisitions) in 2012/13 (2011/12: EUR 212 million). The major growth projects for the reporting year included a new biomass aggregate for the Romanian plant in Radauti and the optimization of laminating and logistics processes at Rambervillers (FR). Other growth investments involved the modernization of the adhesives plant in Hexham (UK), the expansion of warehouse capacity in Gagarin (RU), completion of the forum in Brilon (DE) and the installation of a new prefabricated components line in Bünde (DE).

In addition to direct investments in property, plant and equipment and intangible assets, cash flow from investing activities in the prior year included the payment of the purchase price for the Russian chipboard producer Gagarin Plywood Mill LLC, Gagarin (RU).

The following table shows the geographical distribution of investments:

Investment (incl. acquisitions)		2012/13	2011/12	2010/11
Western Europe	EUR mill.	93	99	80
Central and Eastern Europe incl. RU	EUR mill.	55	307	152
Total Investments	**EUR mill.**	**148**	**406**	**232**

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 equaled 7,20% in 2012/13, which roughly reflects the prior year level of 6,97%.

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).

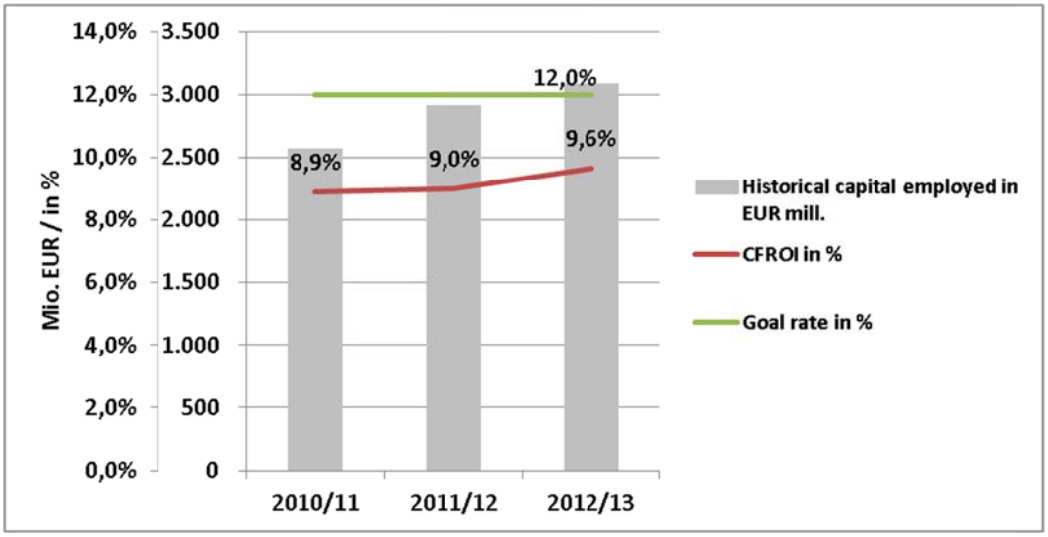
$$\text{CFROI} = \frac{\text{EBITDA}}{\text{Hist. capital employed}}$$

Goal: CFROI >= 12 %

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

Calculation of Group CFROI:

Value Management		30.04.13	30.04.12	30.04.11	Dev. in % 13 - 12
Operating EBITDA (roll. 12 months)	EUR mill.	298	262	229	14%
Historical capital employed	EUR mill.	3.091	2.914	2.570	6%
CFROI	**in %**	**9,6%**	**9,0%**	**8,9%**	**7%**



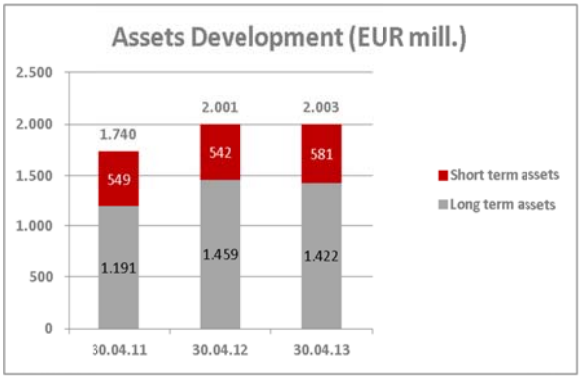
Group CFROI rose to 9,6% as of April 30, 2013 (2011/12: 9,0%). This level is below the defined target rate of 12%, but represents an improvement over the previous year. It reflects the 14% rise in EBITDA that was contrasted by an increase of only 6% in invested capital. Another positive effect was the in time achievement of projected operating levels by the newly installed production equipment. The increase in historical capital employed resulted mainly from an increase in working capital and investments. An improvement in CFROI toward the target rate of 12% is expected over the medium-term.

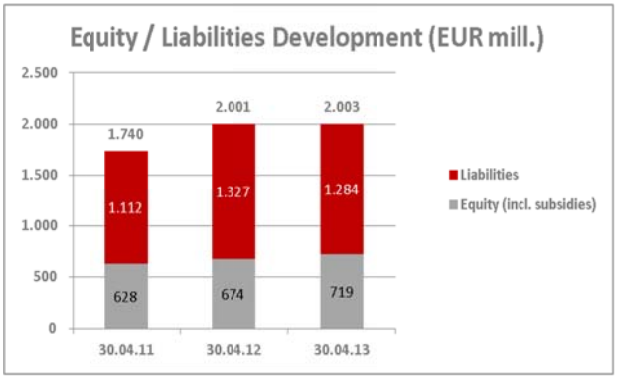
Asset position

2.1.11 Analysis of the balance sheet structure

The balance sheet total rose only slightly during the reporting year from EUR 2.001 million to EUR 2.003 million, chiefly due to a decline in the volume of investments.

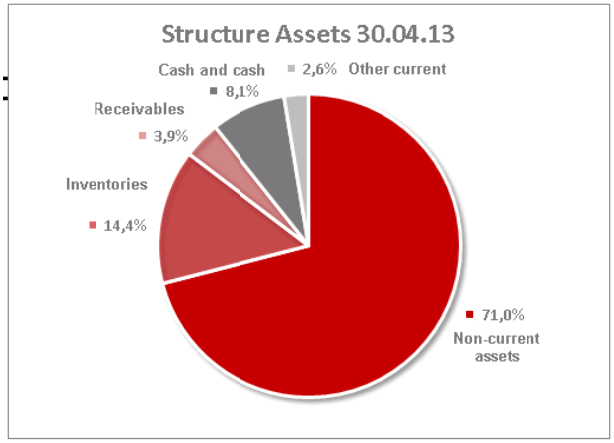
Balance Sheet		30.04.13	30.04.12	30.04.11	Dev. in % 13 - 12
Non-current assets	EUR mill.	1.422	1.459	1.191	-3%
Inventories	EUR mill.	288	273	243	5%
Receivables	EUR mill.	79	61	66	30%
Cash and cash equivalents	EUR mill.	162	151	193	7%
Other current assets	EUR mill.	52	57	47	-9%
Balance sheet total	**EUR mill.**	**2.003**	**2.001**	**1.740**	**0%**
Equity (including subsidies)	EUR mill.	719	674	628	7%
Provisions	EUR mill.	59	51	48	15%
Financial liabilities / bonds	EUR mill.	885	883	754	0%
Other liabilities	EUR mill.	340	393	310	-13%

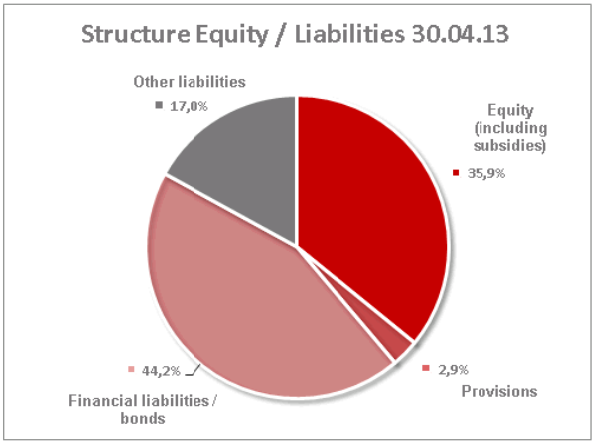




Non-current assets were slightly lower (-3%) than the comparable prior year level and comprised 71% of the balance sheet total as of April 30, 2013 (2011/12: 73%). This reflects the high capital intensity of the Group's production and is typical for the branch.

The following graphs show the balance sheet structure as of April 30, 2013:





2.1.12 Working capital

Working capital (inventories plus trade receivables less trade payables) rose from EUR 100 million at the end of the prior year to EUR 179 million as of April 30, 2013.

	Working Capital		30.04.13	30.04.12	30.04.11	Dev. in % 13 - 12
	Inventories	EUR mill.	288	273	243	5%
+	Receivables	EUR mill.	79	61	66	30%
-	Trade payables	EUR mill.	188	234	180	-20%
	Working Capital	**EUR mill.**	**179**	**100**	**129**	**79%**
	Revenues	EUR mill.	2.181	1.963	1.771	11%
	Working Capital in % of revenues	in %	8%	5%	7%	

Inventories rose by EUR 15 million to EUR 288 million as of April 30, 2013 (2011/12: EUR 273 million). This increase resulted, above all, from the expansion of capacity and a year-on-year increase in production and warehouse volume.

Trade receivables increased from EUR 61 million as of April 30, 2012 to EUR 79 million at the end of the reporting year, above all due to the expansion of business activities. The average receivables turnover remained unchanged at 39 days.

Trade payables were significantly higher as of April 30, 2012 due to a higher balance of investment-related payables and declined from EUR 234 million to EUR 188 million as of April 30, 2013.

2.1.13 Liquidity / net debt

Interest-bearing liabilities (financial liabilities and bonds) rose by a negligible amount to EUR 885 million at the end of the reporting year (2011/12: EUR 883 million) and included a long-term financing component of 93% (2011/12: 68%). Most of the financing was concluded in Euros.

Net debt totaled EUR 723 million as of April 30, 2013 (2011/12: EUR 732 million), which represents a slight year-on-year decline of EUR 9 million (-1%).

Net Debt		30.04.13	30.04.12	30.04.11	Dev. in % 13 - 12
Financial liabilities and bonds	EUR mill.	885	883	754	0%
Less liquid funds and securities	EUR mill.	162	151	193	7%
Net Debt	**EUR mill.**	**723**	**732**	**561**	**-1%**

2.1.14 Equity

Equity, including government grants, increased 6,7% to EUR 719 million in 2012/13 due to the positive total comprehensive income recorded for the year (30.04.2012: EUR 674 million). The equity ratio, after the inclusion of government grants, equaled 35,9%, compared with 33,7% at the end of the previous year.

2.1.15 Provisions and other liabilities

Provisions rose by EUR 8 million to EUR 59 million as of April 30, 2013, chiefly due to the adjustment of the interest rate used to calculate the employee-related provisions. As a percentage of the balance sheet total, provisions equaled only 2,9% (30.04.2012: 2,6%).

Other liabilities declined 13% from EUR 393 million on April 30, 2012 to EUR 340 million as of April 30, 2013, primarily due to a reduction in trade payables, income tax liabilities and derivative financial liabilities.

3 CORPORATE RESPONSIBILITY (CR)

EGGER Cares

Sustainability, fairness and transparency are the key factors for EGGER's success. 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, market participant, member of society and supporter of the environment. Sustainable development and sustainable growth are key elements of EGGER's corporate strategy. The goals of EGGER Cares – as the guiding principle for 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.

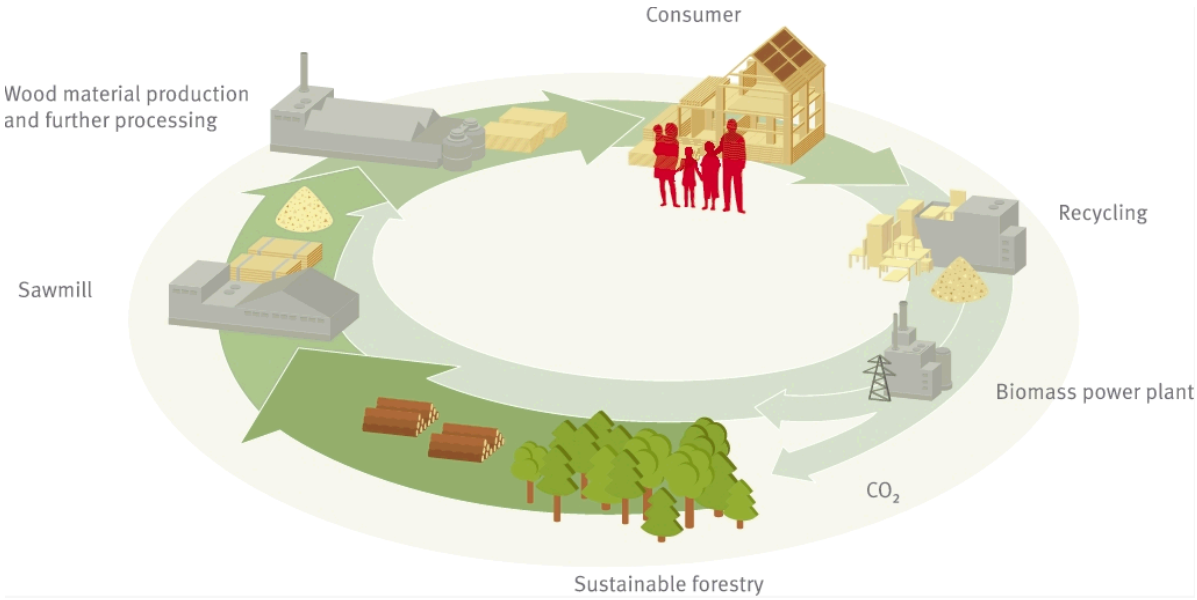
The following section describes the four dimensions of corporate responsibility at EGGER:

Marketplace

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 based on state-of-the-art technology. From the living tree to the finished product, EGGER relies 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 standards.

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 4,70 million tons* of CO_2 (2011/12: 4,05 million tons of CO_2). That corresponds to the CO_2 emissions of 825.000 households** (2011/12: 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 2011/12)

** 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 EGGER. The Group's quality management is certified under ISO 9001, a standing 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. EGGER has also implemented EU Directive 995/2010, which defines the obligations of companies that market timber and timber products.

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

EGGER complies with all applicable legal regulations and has issued clear anti-corruption and anti-trust guidelines.

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 corporate philosophy. EGGER has defined uniform Group standards for emissions (CO_2, noise, odor and water), which are based on local regulations and technical benchmarks as a minimum.

The careful use of raw materials is given top 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), Radauti (RO), Gifhorn (DE), Hexham (UK) and Rion des Landes (FR) are certified under ISO 14001. Unterradlberg is also certified under EMAS, whereby this certification is renewed each year.

One of EGGER's major strategic challenges is to safeguard wood supplies for its 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 30% of the wood used by EGGER represents recycled residual wood.

All larger 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 produce 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 (unchanged from the previous year), which represents the heating requirements of nearly 140.000 households. Moreover, approx. 260.000 MWh

(2011/12: 268.000 MWh) of electricity, which equals the requirements of roughly 40.000 households, is fed into public grids.

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

Employees

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.

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 that have been in progress since 2011:

- 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…)

Employer branding and recruiting

In order to strengthen its positioning as an attractive employer, EGGER launched two strategic projects during the reporting year. The first involved the introduction of so-called e-recruiting to manage the application process online. This system not only leads to better and more standardized management of the application and selection process, but also makes it easier for applicants to contact EGGER.

The second project is focused on the presentation of EGGER as an employer (employer branding). In this connection, an analysis was carried out to determine how EGGER is viewed by the general public. The results showed that EGGER enjoys a high standing and recognition as an employer, above all in the wood branch. EGGER was associated with certain terms and values that define the company: wood, family company, stability, respect, local recognition and future orientation. These results are now being used to develop and implement target group-specific communication concepts.

Apprentices and university students also formed a special focal point for personnel marketing during the reporting year. Contacts with universities and schools were expanded and the EGGER Group was represented at numerous career fairs. In 2012/13 134 university trainees (2011/12: 96) and 185 secondary school students (2011/12: 153) were given an opportunity to learn about the company during an internship or summer job.

Performance management

In order to reflect general market practices and to support a further increase in the company's success and employees' performance, part of the total remuneration for sales management was converted to a performance-based variable component. This form of compensation allows employees to participate in the success of the company when corporate goals and individual targets are met. The system is also designed, among others, to support entrepreneurial ideas and actions as well as the personal responsibility of employees in connection with concrete and, above all, manageable goals.

The remuneration system for top management has included a variable, performance-based component for many years. The administrative and payment procedures involved in this system were integrated into the SAP performance management system to simplify the entire process. Accordingly, the calculation and payment of the variable component of management remuneration were handled by SAP for the first time in 2012/2013. Plans call for the remuneration systems in other areas of the company to be supported by SAP in the future.

Training

EGGER works to train specialized personnel and managers from its own ranks, and regularly educates apprentices for a wide variety of professions. These programs lead to certification as a wood technician, electrical technician, mechanical engineering technician or office administrator. The development of employees is supported by regular feedback from the trainers as well as courses for personal development. One example is the "apprenticeship and secondary school program" offered by EGGER. It gives trainees an opportunity to complete both professional and secondary school education at the same time. A number of workshops also offer courses in basic skills and preparation for examinations. For these and other measures, the EGGER headquarters in St. Johann received the quality seal from the province of Tyrol as the Excellent Apprenticeship Company 2002-2013.

A Group-wide internal training guideline for electrical and mechanical engineering technicians was completed during the past year. This guideline, which is available to trainers in all countries, will standardize the level of skills and also improve the training of specialists in the EGGER Group.

As of April 30, 2013, a total of 200 apprentices attended training programs in the EGGER Group.

Personnel development

Sustainable personnel development at EGGER is intended to strengthen employees' ties to the company and identify opportunities for their development. This process also supports succession planning, especially for key positions. Activities in the area of personnel development include an annual appraisal meeting between employees and their supervisors. In recent years this instrument has been gradually extended to wage employees in the plants through feedback discussions between shift managers and their workers.

EGGER also operates a number of target group-specific training programs for the advancement of employees. The "Startklar" program for potential future managers is currently training 21 participants in its fourth class. The candidates for this program are selected from all areas of the company. In addition to various subject areas (presentation, leadership …), the program includes work on an international project and familiarization with another specialized area for roughly one week. The goals are to create an international pool

for mid-level management, to development the management skills of future talents and to build Group-wide networks and teams.

The demand for competent, reliable sales personnel and the increasing speed of changes in market conditions led to the creation of “Start up Sales“ in 2011. This development program for district sales managers provides these men and women with technical, methodological and social preparation for their future responsibilities. In 2012 the program was also extended to include employees in the east. The training courses cover the technical aspects of internal sales at an EGGER location and other important areas (logistics, quality management …) as well as methods and social skills (e.g. negotiating methods). Individual counseling throughout the entire training process is ensured by mentoring. Fifteen employees successfully completed this development program in autumn 2012.

EGGER also supports internal career development with special concepts for IT and logistics. Employees can therefore follow a conventional career path in their chosen discipline, while pursuing new development opportunities in a specialized area. This concept has been implemented throughout the IT unit in connection with specially created development programs. In logistics, the concept has been rolled out at all major locations in the areas of transport management and production and materials management. A pilot project for the commercial area - warehouse management (warehouse/distribution) – is currently in progress St. Johann.

EGGER invested approx. EUR 5,2 million in employee training during the reporting year (2011/12: EUR 4,8 million).

Health management

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

This focus on active health management is reflected in an illness rate of only 2,4% for the entire Group (2011/12: 2,4%). The accident rate (incl. accidents during travel to and from work) remained at the prior year level of 0,3% in 2012/13 and is regularly monitored and actively optimized by an occupational safety committee.

Employees

The Egger Group employed an average workforce of 7.087 in 2012/13 (2011/12: 6.788), which is classified by country as follows:

	Status 30.04.13	yearly average	yearly average	yearly average
Number of own personnel	**2012/13**	**2012/13**	**2011/12**	**2010/11**
Austria	1.363	1.351	1.327	1.313
Germany	2.292	2.254	2.179	2.136
France	734	727	716	713
Great Britain	647	645	612	589
Russia	819	827	757	296
Romania	769	732	644	444
Turkey	537	552	553	521
EGGER Total	**7.161**	**7.087**	**6.788**	**6.012**

The increase in the workforce resulted from the expansion of the Timberpak organization in UK/DE, the expansion of laminate production in Gifhorn (DE) and additional laminating capacity in Rambervillers (FR) and Hexham (UK). In addition, OSB and adhesives production started operations at the plant in Radauti.

Employee turnover remained at an acceptable level of 3,8% for the reporting year (2011/12: 3,6%). EGGER‘s international workforce includes men and women from 50 different countries, whereby 83% work in engineering/production and logistics and 17% in finance/personnel/IT/sales and marketing. The average age of the workforce reflected the prior year at 39,1 years, and the average length of service equaled eight years. 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. Women represent 15% of the total workforce (2011/12: 13%) and hold 11% of management positions (2011/12: 11%). This level is typical for the wood materials branch. In the traditional salaried employee areas, 52% of the employees at EGGER are women.

Society

In agreement with its 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 local environment and supports the use of qualified employees and managers from the regions near the Group’s plants. The EGGER plants also have a positive long-term influence on the economic development at their locations.

EGGER is committed to supporting the society, education, environment and culture in the areas where it is present and donated a total of EUR 460.000 for such purposes in 2012/13 (2011/12: EUR 315.000). These funds were concentrated on social and educational projects, whereby roughly 48% (2011/12: 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 777 employees participated in 2012 - or 101 more than in the previous year (+15%) - who covered 23.696 km in fun runs, charity runs or plant-organized events (2011/12: 20.883 km). The total donation amounted to EUR 118.000 (2011/12: EUR 104.000). “Run with Egger“ will also be continued in 2013.

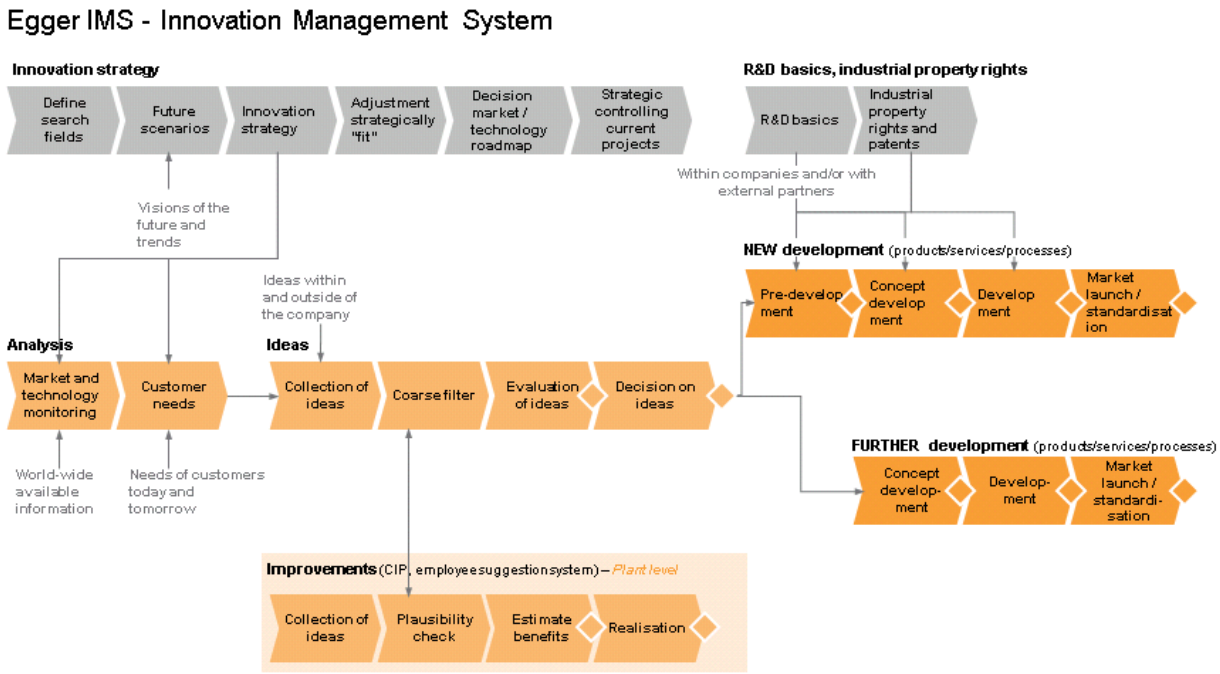
4 INNOVATION, RESEARCH AND DEVELOPMENT

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 throughout 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.

Activities in 2012/13 concentrated on the further development of the innovation management system at EGGER. Processes were defined more precisely and specific responsibilities were assigned.



The continuous strengthening of the competence center and product management plays an important role in mastering the increasing challenges facing the EGGER Group. In 2011/12 new laboratories and engineering facilities were created for key functional areas at the TechCenter in Unterradlberg. 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.

Nine priority patent registrations were filed during the reporting year. The EGGER Group currently holds approx. 850 patents (granted and registered) and roughly 900 trademarks worldwide. The administration and management of these trademarks were integrated in the EGGER patent management system and are now handled centrally by the patent department. Existing tools and experience from the patent area support the realization of synergies and thereby improve the synchronization of the Group's patent and trademark strategy.

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

Workshops on special topics promote the exchange of information with selected suppliers and customers. These meetings are used to present and evaluate product and technology trends for their possible influence on EGGER's products, production processes and services.

Focal points of research and development

A detailed description of product innovation and development is provided under point 1.1.7 "Marketing and sales".

The following section describes the technical focal points of research and development in 2012/13:

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. Harvesting and logistics concepts are currently under development and will be tested in the first areas available for harvest.

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. Simulation trials provide a platform for the evaluation and implementation of improvements.

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, external auditing by certified public accountants, internal auditing by EGGER and standardized 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 are provided in the risk report in the notes.

5.1.2 Internal control system (ICS)

Egger views the internal control system 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 system with respect to accounting processes

Group-wide uniform and mandatory guidelines
The internal control system 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 the auditor
The annual financial statements of all Group companies that are subject to mandatory audits and the consolidated financial statements are audited by independent accounting firms. These firms guarantee the application of uniform auditing standards through their international networks 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 Group’s financial statements, a different corporate function is evaluated each year by the auditor for compliance with the ICS. The focal point for 2012/13 involved the Group-wide review of taxes. The following internal control areas were analyzed in recent years:

- Fixed asset management and the investment process
- Inventory and warehouse management / physical inventory count r
- 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 systems.

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 rely on automated IT process controls, authorization and role concepts. Also included are organizational procedures such as dual controls and the separation of administrative, execution, settlement and approval functions.

The central elements of the internal control system include Group-wide standardized monthly reporting and integrated planning and controlling processes. The development of the company and the 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 a wide range of internal decisions at all levels.

The preparation of the consolidated financial statements is based on a corporate accounting guideline that is updated regularly and requires mandatory application by 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

Major risks, opportunities and uncertainties

No risks have been identified at the present time that could endanger the continued existence of the EGGER Group. EGGER identifies, assesses and manages risks continuously within the context of its risk management system in accordance with predefined principles.

Significant events after the balance sheet date

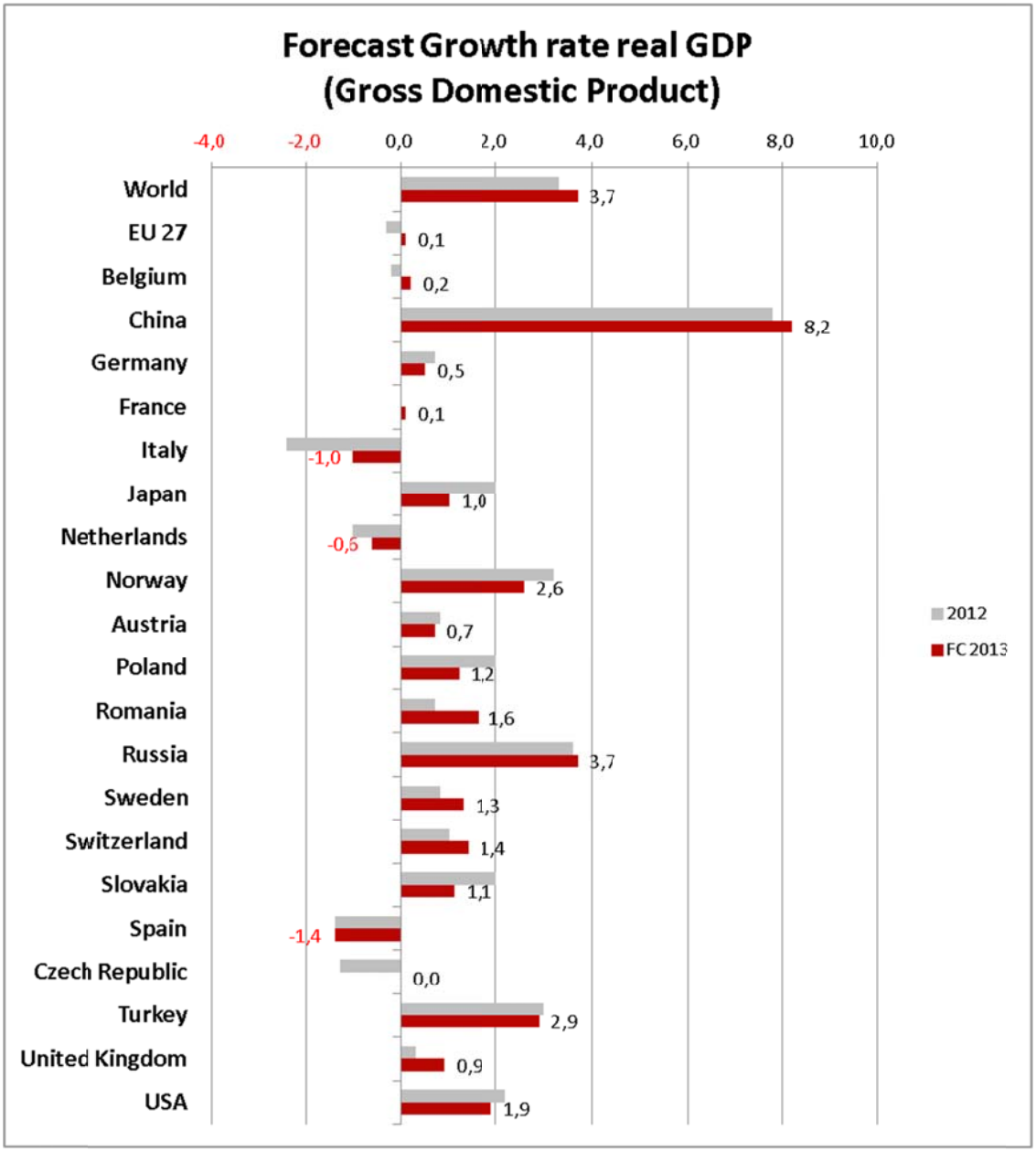
Additional shares in Romainvest Yatirim ve Ticaret A.S. were acquired during May 2013. This transaction increased the Group's investment from 71,5% to 82,9%.

Expected development / outlook

Forecasts by the World Bank for 2013 are similar to 2012 and point to an increase of approx. 3,7% in the global gross domestic product (GDP). In contrast, the European Union (EU-27; as of July 1, 2013 EU-28) is expected to stagnate with an increase of only 0,1%. Growth in EGGER's most important West European markets - Germany, France and Great Britain – is projected to fall below 1% in 2013, and the negative trend in Southern Europe should continue. Central-East Europe and Russia, two very important regions for EGGER, are expected to generate sound positive growth for the year.

The Austrian Institute of Economic Research also published forecasts on consumer spending in Austria. Private expenditures are expected to rise at a slightly higher rate in 2013, namely +0,7% versus +0,6% in 2012. Consumer demand will be supported by the healthy labor market and declining pressure on prices.

The sovereign debt crisis in the Euro zone continues to represent the largest downward risk for economic forecasts, and numerous measures will be required to overcome the crisis: a stronger competitive position, a decline in unemployment, the stabilization of banks and an increase in the supply of loans for the peripheral countries as well as measures to ensure the sustainable financial health of public households. The negative trend on the employment markets in a number of countries could weaken domestic demand even more than assumed by the forecasts (source: Institute for Advanced Studies, Vienna).



Source: Eurostat and WEO World Economic Outlook IMF

Investment activity in the Euro zone is expected to remain weak in 2013. The forecast for gross fixed asset investments has been reduced from +2,0% to approx. +1,5% (real). The investment climate will be negatively affected by the weak economy and uncertainty in the Euro zone. However, favorable financing alternatives and the sound financial position of companies could have a positive influence.

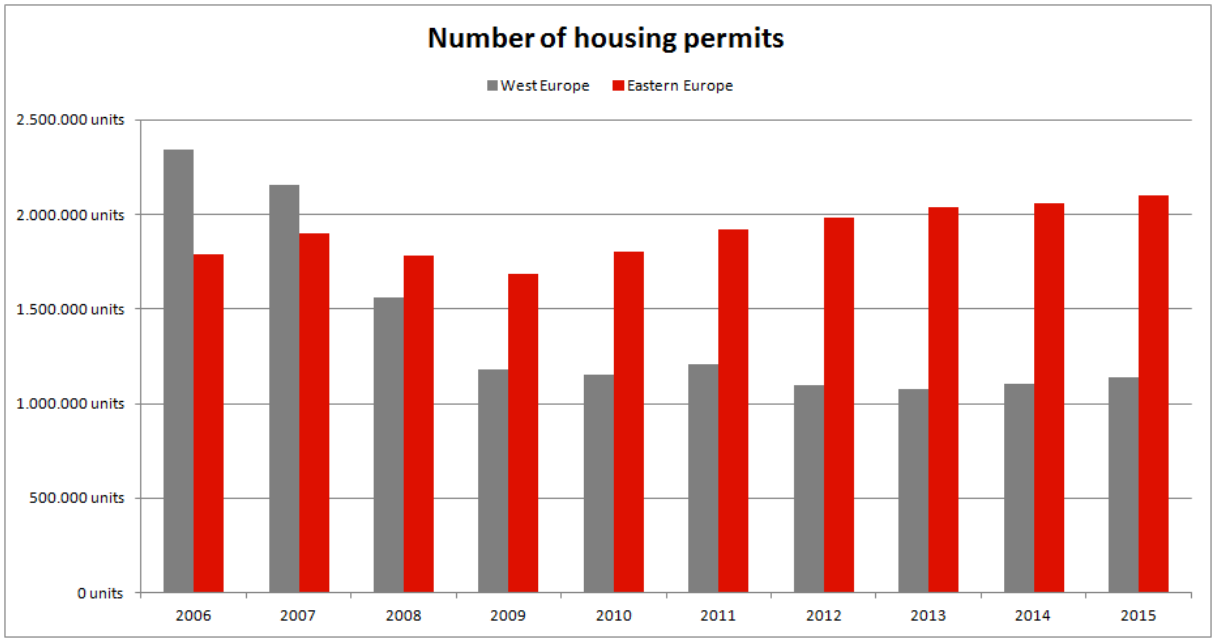
The volume of construction in Europe is projected to follow the sharp drop of 4,7% in 2012 with a further decline of 1,6% in 2013. This conclusion reflects the latest forecast by Euroconstruct, a construction research network with research institutes in 19 European countries. The current downturn has affected all sectors of the construction industry. For the period from 2012 to 2015, the Euroconstruct network is forecasting slight growth of 1,5% for the 19 member countries. However, this positive outlook – above all for new residential construction - will require stabilization in the Euro zone and in the banking system.

The number of completed units in newly constructed residential buildings on the European market is projected to decline to approx. 1,4 million in 2013. In comparison: more than 2,5 million completions were registered during the height of the European housing boom in 2007.

Norway and Germany are expected to record the strongest growth in the completion of new residential units from 2011 to 2014. According to the forecasts, the increase from 2010 to 2014 will amount to more than 60%. The volume of units in newly constructed residential buildings is also projected to rise by 10% to 27% in Sweden, Poland, Switzerland, Austria and Finland.

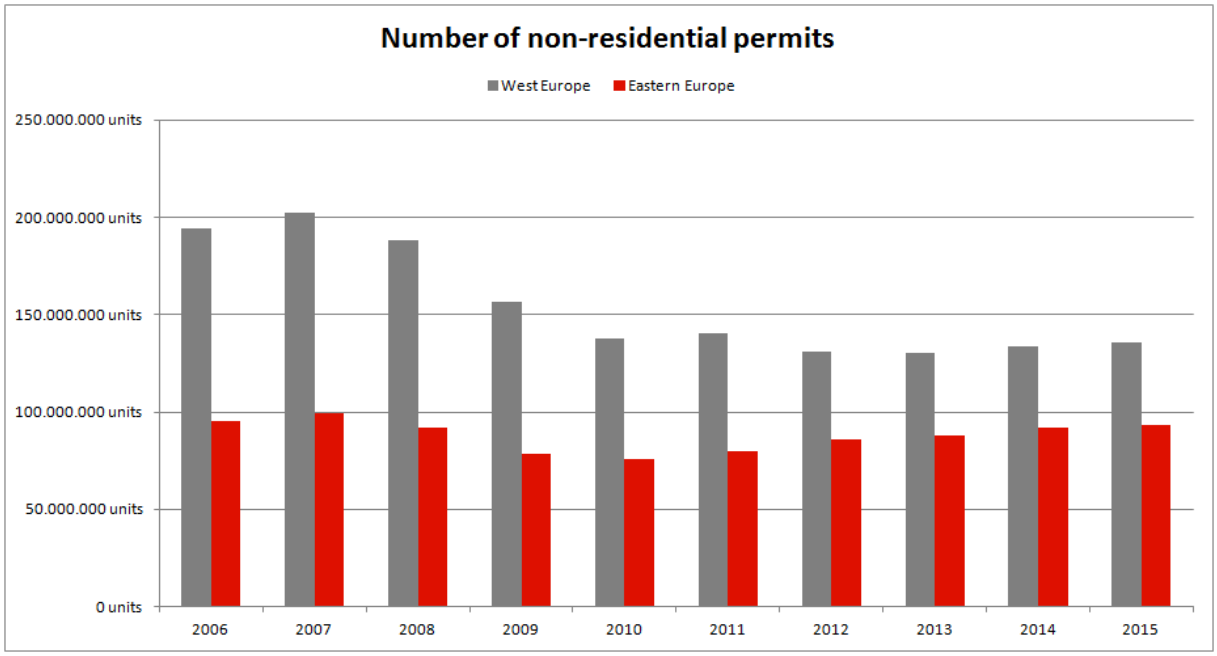
Germany (85.000 units), France (29.000 units) and Poland (19.000 units) will record the strongest absolute increase in the number of new residential units constructed each year up to 2014. In contrast, dramatic declines in unit completions are expected in Spain (– 75%), Portugal (– 61%), Ireland (– 35%) and Italy (– 35%).

Development of residential units in Western and Eastern Europe from 2006 to 2015



Source: B&L market data 01.2013

Development of non-residential construction in Western and Eastern Europe from 2006 to 2015



Source: B&L market data 01.2013

Construction industry output fell in all member countries of the EU for which January 2013 data were available. The strongest declines were registered in Slovenia (-22,1%), Portugal (-20,2%), Poland (-17,3%), Slovakia (-14,9%) and the Netherlands (-13,7 %). The building construction sector fell by 9,3% in the Euro zone and by 9,1% in the EU-27, compared with a drop of 3,9% and 5,2%, respectively in December 2012. Civil engineering was 8,9% lower in the Euro zone and 0,6% lower in the EU-27, after a minus of 3,0% and 10,8% in the previous months (source: Eurostat). From 2012 to 2015, growth is only forecasted for the residential construction sector. The operating environment for the construction industry is not expected to allow for modest recovery before the end of the forecast period in 2015. The prospects for growth should turn positive from a very low level, above all in the residential construction sector, beginning in 2014 (+4,4%), but the renovation sector will lag behind (+1,1%).

The German construction industry remains optimistic, even against the backdrop of an unstable economic environment. As in earlier years, residential construction will serve as the driver for growth. Construction industry revenues in this sector should rise by 3,5% in 2013, and the number of completed units should increase substantially to roughly 230.000 (source: www.zdb.de).

The future development of the renovation sector in Germany will be influenced by the continuing trend in favor of new construction and the resulting capacity-related postponement of renovation projects. A slight decline in new construction is expected in 2014/15, see “Development of renovation“ (source: B&L renovation conference 2013).

Expected earnings, financial and asset situation at EGGER

The EGGER Group expects only a slight improvement in revenues on its major markets during the 2013/14 financial year because of the growing economic weakness and current uncertainty on financial markets. The procurement market is currently characterized by increasing pressure on wood prices. Greater uncertainty could also 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 2013. Further slight growth is forecasted for the North European countries and Germany as well as Russia, the Czech Republic and Hungary. The construction industry is expected to record modest growth in Eastern and Central Europe, but a further decline in Southern Europe. Turkey, one of the largest residential construction markets, should stabilize at a high level, but the latest unrest could lead to a rapid change in the current trend.

In spite of the uncertain economic environment, earnings should stabilize in 2013/14. This development will be supported by the start of operations with additional processing capacity and investments to improve the raw material and energy situation as well as the continuous optimization of the cost structure.

EGGER is looking toward generally full capacity utilization at all major production facilities during 2013/14.

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 forms the foundation for long-term supply relations with customers and suppliers and continued 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 12, 2013

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, 2013
of

EGGER HOLZWERKSTOFFE GMBH,

St. Johann in Tirol

Egger Holzwerkstoffe GmbH, St. Johann i.T.

Consolidated Balance Sheet
as of April 30, 2013

ASSETS	Notes	30.4.2013 TEUR	30.4.2012 TEUR
Property, plant and equipment	(1)	1.230.479	1.245.565
Intangible assets	(1)	10 9.061	114.073
Financial assets	(2)	18.465	39.097
Investments in associates	(3)	12	21
Other assets	(4)	16.080	16.209
Deferred tax assets	(15)	47.606	44.196
Non-current assets		**1.421.703**	**1.459.161**
Inventories	(5)	287.911	272.735
Trade receivables	(6)	79.238	61.295
Other assets	(4)	50.587	56.524
Current tax assets		1.777	693
Securities and financial assets	(2)	102	108
Cash and cash equivalents	(7)	161.835	150.633
Current assets		**581.451**	**541.987**
Total Assets		**2.003.154**	**2.001.148**
EQUITY AND LIABILITIES			
Issued capital, participation rights, perpetual bond and reserves	(8,9)	630.407	581.492
Non-controlling interests		66.196	66.697
Equity		**696.603**	**648.189**
Bonds	(10)	468.310	301.612
Financial liabilities	(11)	355.328	297.850
Other liabilities	(12)	1.273	2.838
Government grants	(13)	22.424	25.760
Provisions	(14)	53.606	46.314
Deferred tax liabilities	(15)	14.536	18.620
Non-current liabilities		**915.477**	**692.994**
Bonds		0	118.771
Financial liabilities	(11)	61.461	164.837
Trade payables	(16)	187.624	234.148
Other liabilities	(12)	104.488	108.530
Liabilities from income taxes		32.299	28.749
Provisions	(17)	5.202	4.929
Current liabilities		**391.074**	**659.964**
Total Equity and Liabilities		**2.003.154**	**2.001.148**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Consolidated Income Statement
for the 2012/13 Financial Year

	Notes	2012/13 TEUR	2011/12 TEUR
Revenues	(18)	**2.181.247**	**1.962.776**
Other operating income	(19)	41.519	43.625
Increase/decrease in inventories		3.304	13.859
Own work capitalized		4.835	5.709
Cost of materials	(20)	-1.256.942	-1.155.220
Personnel expenses	(21)	-313.234	-291.834
Depreciation and amortization		-156.092	-140.939
Other operating expenses	(22)	-362.732	-316.462
Operating profit		**141.906**	**121.514**
Financial results	(23)	-59.313	-49.789
Income from financial investments	(24)	-2.742	-6
Income from associates		-9	-5
Profit before tax		**79.841**	**71.715**
Income taxes	(15)	-7.845	-22.414
Profit after tax		**71.996**	**49.301**
Thereof attributable to non-controlling interests		4.177	4.831
Thereof attributable to equity holders of the parent company		67.819	44.469
		71.996	**49.301**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Consolidated Statement of Comprehensive Income for the 2012/13 Financial Year

	Notes	2012/13 TEUR	2011/12 TEUR
Currency translation adjustments		-7.964	-791
Change in hedging reserve		1.050	-2.461
Profit after tax recognized directly in equity	(25)	**-6.914**	**-3.252**
Profit after tax		71.996	49.301
Total comprehensive income for the period		**65.082**	**46.048**
Thereof attributable to non-controlling interests		4.175	4.834
Thereof attributable to equity holders of the parent company		60.907	41.214
		65.082	**46.048**

Egger Holzwerkstoffe GmbH, St. Johann i.T.

Consolidated Cash Flow Statement for the 2012/13 Financial Year

	Notes	2012/13 TEUR	2011/12 TEUR
Profit before tax		79.841	71.715
Depreciation and amortization	(1)	156.092	140.939
Impairment charges to and valuation of financial assets		3.957	402
Net interest income / expense		52.582	45.718
Use of government grants	(19)	-3.691	-5.064
Income/loss from the disposal of fixed assets		516	1.369
Income from associates		9	5
Increase/decrease from changes in the consolidation range	1.3.	-1.673	0
Increase/decrease in long-term provisions		4.569	-1.623
Income taxes paid (net)		-17.525	-8.058
Gross cash flow		**274.677**	**245.403**
Increase/decrease in inventories		-15.176	-21.729
Increase/decrease in trade receivables		-17.943	8.052
Increase/decrease in other assets		3.689	-26.307
Increase/decrease in trade payables		-46.524	50.989
Increase/decrease in other liabilities		-3.703	20.688
Increase/decrease in current provisions		273	2.709
Currency translation adjustments		2.695	-6.060
Cash flow from changes in net current assets		**-76.689**	**28.342**
Cash flow from operating activities	(26)	**197.988**	**273.745**
Purchase of property, plant and equipment and intangible assets	(1)	-147.690	-262.015
Purchase of non-current financial assets		-279	-1.476
Payments made for the acquisition of subsidiaries		0	-143.811
Increase in cash and cash equivalents from the disposal of shares in other companies	1.3.	9.298	0
Increase/decrease in securities and current financial assets		6	539
Proceeds from the disposal of non-current assets		2.104	3.763
Cash flow from investing activities		**-136.561**	**-403.000**
Issue of Egger bond 2012-2019		149.682	0
Redemption of Egger bond 2005-2012		-165.000	0
Repurchase of bonds		65.008	27.923
Issue of perpetual bond		0	10.000
Increase in financial liabilities		140.326	175.370
Repayment of financial liabilities		-187.787	-76.216
Interest paid		-50.193	-42.498
Interest received		490	980
Interest paid on perpetual bond		-1.992	-9.643
Cash flow from financing activities		**-49.466**	**85.916**
Net change in cash and cash equivalents		**11.961**	**-43.339**
Effects of exchange rate fluctuations on cash held		-759	845
Change in cash and cash equivalents from changes in the consolidation range		0	457
Cash and cash equivalents at the beginning of the financial year		150.633	192.670
Cash and cash equivalents at the end of the financial year	(26)	**161.835**	**150.633**

Egger Holzwerkstoffe GmbH, St. Johann i.T.

Statement of Changes in Equity
as of April 30, 2013

	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 April 30, 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 April 30, 2012	**11.509**	**0**	**26.500**	**621.939**	**-1.580**	**-76.877**	**581.492**	**66.697**	**648.189**
Total comprehensive income for the period	0	0	0	67.819	1.050	-7.962	60.907	4.175	65.082
Perpetual bond	0	0	-10.000	0	0	0	-10.000	0	-10.000
Distribution and interest payment on perpetual bond	0	0	0	-1.992	0	0	-1.992	-4.676	-6.668
Balance on April 30, 2013	**11.509**	**0**	**16.500**	**687.767**	**-530**	**-84.839**	**630.407**	**66.196**	**696.603**

Egger Holzwerkstoffe GmbH, St. Johann i.T.
Notes to the Consolidated Financial Statements
as of April 30, 2013

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 at 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 2013 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 the 2012/13 financial year 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 2012/13 financial year. 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 13.217 as of April 30, 2013.

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: disclosures on offsetting financial assets and financial liabilities
IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 10 IFRS 11 IFRS 12	Changes: disclosure requirements for first-time adopters
IFRS 10 IFRS 12 IAS 27	Changes: investment companies
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 (30.4.2012: 21) and 43 foreign (30.4.2012: 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 (30.4.2012: one) and one foreign company (30.4.2012: one) 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 2012/13 Egger Bevern GmbH & Co. KG, Bevern, was merged into Egger Beschichtungswerk Marienmünster GmbH & Co. KG, Marienmünster; Egger Bevern Verwaltungs-GmbH, Brilon, was merged into Egger Beschichtungswerk Marienmünster Beteiligungs-GmbH, Marienmünster; and E.F.P. Brilon Beteiligungs-GmbH, Brilon, was merged into Egger Holzwerkstoffe Wismar Beteiligungs GmbH, Wismar. The transferring companies therefore ceased to exist as independent consolidated entities.

Egger Getränke Beteiligungsgesellschaft m.b.H, St. Pölten, spun off its investments to Traisentaler Beteiligungsgesellschaft m.b.H, St. Pölten, as of September 30, 2012. This transaction involved the transfer of 81,65% of the shares in Egger Getränke Beteiligungsgesellschaft m.b.H, St. Pölten, to Fritz Egger Gesellschaft m.b.H, St. Johann i.T., and the subsequent merger of Egger Getränke Beteiligungsgesellschaft m.b.H, St. Pölten, into Fritz Egger Gesellschaft m.b.H, St. Johann i.T., on October 1. The transaction resulted in income of TEUR 1.673 and net cash inflows of TEUR 9.298.

In April 2013 Egger Wismar Instandhaltung und Service GmbH & Co. KG, Wismar, was integrated into Egger Holzwerkstoffe Wismar GmbH & Co. KG, Wismar.

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.

A change in the amount of an investment in a subsidiary without a loss of control is accounted for as a transaction within equity. Accordingly, the difference between the cost of the additional shares and the proportional carrying amount of the non-controlling interests is 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.

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 average 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**	
		30.4.2013 EUR	30.4.2012 EUR	2012/13 EUR	2011/12 EUR
1	British Pound	1,18443	1,23010	1,22227	1,16697
100	Russian Rubles	2,44900	2,56900	2,47883	2,46175
1	New Romanian Leu	0,23128	0,22743	0,22463	0,23254

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 their acquisition cost – which in this case equals zero because of the free allocation; 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 the 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 initially 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 at least once each year 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 corresponds to the present value of the estimated future cash inflows and outflows expected to be derived from the use of the asset, which are calculated by applying an ordinary after-tax market interest rate. The net realizable value represents the amount obtainable from the sale of an asset in a transaction between independent parties, less any costs necessary to make the sale. 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.

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. Borrowing costs 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:

	30. April 2013	30. April 2012
Discount rate	3,81 – 4,3	4,66 – 5,25
Increase in salaries and wages	0,5 – 5,1	0,5 – 5,1
Increase in pensions	0 – 2,1	0 – 3,1
Expected income on pension plan assets	4,25 – 4,98	5,5 – 5,69
Retirement age for women (in years)	55 – 65	55 – 65
Retirement age for men (in years)	60 – 65	60 – 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 the 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 the 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 23% (previously 24%).

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 initially recognized at the fair value of the consideration received and subsequently measured at amortized cost.

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. The portion of the gain or loss arising from a change in the value of a derivative financial instrument that is determined to be an effective hedge is recognized under equity and transferred to profit or loss when the underlying transaction is realized. The ineffective portion of the gain or loss on the hedge is recognized immediately to profit or loss.

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 interest, dividends and similar income received from the investment of cash and cash equivalents and investments in financial assets 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 disclosure 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 obligations for pensions, 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 30.4.2011	**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**
Foreign exchange increase/decrease	-5.041	-8.953	-705	-574	-15.273
Additions	32.890	37.700	17.820	58.152	146.561
Disposals	-6.720	-15.523	-8.021	-4	-30.268
Transfers	18.805	20.056	669	-39.478	52
Acquisition or production cost as of 30.4.2013	**795.308**	**1.892.963**	**122.290**	**65.178**	**2.875.740**
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**
Foreign exchange increase/decrease	1.588	5.073	438	0	7.098
Ordinary depreciation	-31.755	-107.293	-12.549	0	-151.598
Disposals	6.053	15.089	7.198	0	28.340
Accumulated depreciation as of 30.4.2013	**-284.208**	**-1.280.161**	**-80.892**	**0**	**-1.645.261**
Carrying amount as of 30.4.2012	**495.281**	**666.655**	**36.548**	**47.082**	**1.245.565**
Carrying amount as of 30.4.2013	**511.100**	**612.803**	**41.398**	**65.178**	**1.230.479**

In accordance with IAS 17, property, plant and equipment obtained through leases are recorded under non-current assets if the lease agreement substantially transfers the risks and benefits of ownership to the lessee. The carrying amount of these assets includes TEUR 6.413 (30.4.2012: TEUR 6.932) for land and buildings, TEUR 456 (30.4.2012: TEUR 924) for machinery and equipment and TEUR 484 (30.4.2012: TEUR 330) 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 506 (30.4.2012: TEUR 3.340) of capitalized interest. Borrowing costs averaged 4,5% for the reporting year.

Land and buildings include land with a carrying amount of TEUR 81.800 (30.4.2012: TEUR 82.331).

INTANGIBLE ASSETS	Licenses TEUR	Goodwill TEUR	Customer relationships TEUR	Other intangible assets TEUR	Total TEUR
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**
Foreign exchange differences	6	-1.282	0	-332	-1.609
Additions	1.055	0	74	0	1.129
Disposals	-123	0	0	0	-123
Transfers	-52	0	0	0	-52
Acquisition or production cost as of 30.4.2013	**15.483**	**87.428**	**21.524**	**6.779**	**131.213**
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**
Foreign exchange differences	-2	0	0	18	16
Ordinary amortization	-1.049	0	-3.103	-343	-4.494
Disposals	122	0	0	0	122
Accumulated amortization as of 30.4.2013	**-12.243**	**0**	**-9.288**	**-621**	**-22.152**
Carrying amount as of 30.4.2012	**3.284**	**88.710**	**15.264**	**6.815**	**114.073**
Carrying amount as of 30.4.2013	**3.240**	**87.428**	**12.235**	**6.158**	**109.061**

Goodwill comprises the following:

	Carrying amount on 30.4.2013 TEUR	Carrying amount on 30.4.2012 TEUR
Egger Beschichtungswerk Marienmünster GmbH & Co. KG	1.522	1.522
Benelux GCV	1.197	1.197
Roma Plastik Sanayi Ve Ticaret A.S.	58.545	58.545
OOO Egger Drevprodukt Gagarin	26.163	27.445
	87.428	**88.710**

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 7,20% (2011/12: 6,97%). 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 2012/13 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 30.4.2013 TEUR	Accumulated incr./decr. in value 30.4.2013 TEUR	Carrying amount 30.4.2013 TEUR	Carrying amount 30.4.2012 TEUR
Shares in subsidiaries of other private foundations	0	0	0	16.263
Securities carried at fair value through profit or loss	3.516	-176	3.340	3.336
Investment property	3.581	-1.277	2.304	2.363
Other financial assets	16.586	-4.414	12.172	16.325
Loans due from				
Third parties	923	-388	535	679
Subsidiaries	114	0	114	130
	24.720	**-6.256**	**18.465**	**39.097**

Securities consist primarily of shares in funds. The carrying amount of these items reflects fair value. During the 2012/13 financial year, net unrealized gains of TEUR 35 (2011/12: losses 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 30.4.2011	**5.492**
Additions	0
Disposals	-1.910
Acquisition or production cost as of 30.4.2012	**3.581**
Additions	0
Disposals	0
Acquisition or production cost as of 30.4.2013	**3.581**
Accumulated depreciation as of 30.4.2011	**-1.522**
Ordinary depreciation	-80
Disposals	384
Accumulated depreciation as of 30.4.2012	**-1.218**
Ordinary depreciation	-59
Disposals	0
Accumulated depreciation as of 30.4.2013	**-1.277**
Carrying amount as of 30.4.2012	**2.363**
Carrying amount as of 30.4.2013	**2.304**

The fair value of TEUR 2.450 (30.4.2012: TEUR 2.552) was determined by applying an income approach. Expenses arising from investment property totaled TEUR 203 in 2012/13 (2011/12: TEUR 225), and income amounted to TEUR 133 (2011/12: TEUR 314).

Securities and current financial assets

Current financial assets of TEUR 102 (30.4.2012: TEUR 108) represent loans with a remaining term of less than one year.

(3) Shares in associates

	Carrying amount 30.4.2012 TEUR	Additions TEUR	Results for the year TEUR	Distributions TEUR	Carrying amount 30.4.2013 TEUR
Shares in associates	21	0	-9	0	12

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(4) Other assets

	Total 30.4.2013 TEUR	Thereof remaining term Over 1 year TEUR	Thereof remaining term Under 1 year TEUR	Total 30.4.2012 TEUR	Thereof remaining term Over 1 year TEUR	Thereof remaining term Under 1 year TEUR
Other assets						
Due from third parties	30.972	15.850	15.122	32.767	15.915	16.852
Tax credits (non-income based taxes)	23.430	0	23.430	30.422	0	30.422
Suppliers with debit balances	6.999	0	6.999	5.638	0	5.638
Due from subsidiaries of other private foundations	2.826	0	2.826	476	0	476
Due from subsidiaries	309	0	309	81	0	81
Due from associates	2	0	2	2	0	2
Derivative financial assets	38	0	38	900	0	900
Prepaid expenses	2.092	230	1.862	2.447	294	2.153
	66.667	**16.080**	**50.587**	**72.733**	**16.209**	**56.524**

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 (30.4.2012: TEUR 5.604).

Information on derivative financial instruments is provided under point 4.1.

(5) Inventories

	30.4.2013 TEUR	30.4.2012 TEUR
Raw materials and supplies	137.860	127.739
Semi-finished goods	15.846	15.999
Finished goods and merchandise	134.206	128.997
	287.911	**272.735**

Write-downs of TEUR 18.457 (30.4.2012: TEUR 25.515) were recorded to inventories during the reporting year.

Of the total inventories, TEUR 15.159 (30.4.2012: TEUR 13.072) are carried at net realizable (proceeds on sale less sales deductions and any future production or selling costs).

(6) Trade receivables

	30.4.2013 TEUR	30.4.2012 TEUR
Trade receivables		
Due from third parties	76.760	58.955
Due from subsidiaries	2.479	2.340
	79.238	**61.295**

Valuation adjustments of TEUR 8.327 were recognized to trade receivables during the reporting year (30.4.2012: TEUR 8.040).

Trade receivables totaling TEUR 193.922 were sold through factoring in 2012/13 (30.4.2012: TEUR 191.938). 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

	30.4.2013 TEUR	30.4.2012 TEUR
Cash on hand	76	221
Short-term deposits (time deposits)	0	13.447
Deposits with financial institutions	160.557	135.762
Cash pooling with associates	1.202	1.203
	161.835	**150.633**

(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.

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.

Egger uses cash flow hedges to manage the risk arising from fluctuating interest rates on the cash flows from variable interest liabilities. Interest rate swaps of TEUR -530 (30.4.2012: TEUR -1.580) were recorded under reserves. Forward exchange contracts were concluded to hedge direct foreign exchange risk. No hedges were recorded under reserves at the end of the reporting year.

(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 -17.884 (30.4.2012: TEUR -13.054) 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 30.4.2013 TEUR	Carrying amount 30.4.2012 TEUR
Bond 2010-17	120.000	7 years	4 years	5,750 %	5,849 %	fixed	**119.547**	**119.427**
Bond 2011-18	200.000	7 years	5 years	5,625 %	5,722 %	fixed	**199.054**	**182.185**
Bond 2012-19	150.000	7 years	6 years	4,500 %	4,530 %	fixed	**149.709**	**0**

In February 2010 (2009/10 financial year) 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. The carrying amount of the bond totals TEUR 129.900 (30.4.2012: TEUR 124.800).

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, over which it had the right of disposal. The nominal value of the outstanding bonds as of April 30, 2013 totals TEUR 200.000 (30.4.2012: TEUR 183.325), which represents a fair value of TEUR 218.900 (30.4.2012: TEUR 190.658).

In October 2012 Egger Holzwerkstoffe GmbH issued a 4,50% fixed coupon bond with a volume of EUR 150 million. The bond has a seven-year term ending in October 2019. Interest payments are due each year October. The fair value of the bond totals TEUR 158.475.

(11) Financial liabilities

	Total	Thereof remaining term		
	30.4.2013 TEUR	Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	403.598	166.000	186.641	50.957
Accrued interest	8.303	0	0	8.303
	411.901	**166.000**	**186.641**	**59.260**
Other financial liabilities				
Finance leases	483	0	330	153
Cash pooling liabilities / settlement liabilities due to				
Subsidiaries of other private foundations	2.357	0	2.357	0
Subsidiaries	2.048	0	0	2.048
	4.888	**0**	**2.687**	**2.201**
	416.789	**166.000**	**189.328**	**61.461**

	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**

All bank loans were concluded in Euros.

Financial liabilities of TEUR 0 (30.4.2012: TEUR 70.088) are secured by the following collateral.

Collateral	Financial liabilities 30.4.2013 TEUR	Collateral 30.4.2013 TEUR	Financial liabilities 30.4.2012 TEUR	Collateral 30.4.2012 TEUR
Shareholder rights to consolidated subsidiaries	**0**	0	**70.088**	214.010

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

Type of financing	Carrying amount 30.4.2013 TEUR	Fair value 30.4.2013 TEUR	Effective interest rate 2012/13 %	Interest rate fixed/variable
Bank loans	288.418	299.116	3,64	fixed
	115.181	115.181	2,34	variable
	403.598	**414.296**		

Finance lease liabilities comprise the following:

	Total 30.4.2013 TEUR	Thereof remaining term Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Present value	483	0	330	153
Interest	48	0	29	19
Payment amount	**531**	**0**	**359**	**172**

(12) Other liabilities

	Total 30.4.2013 TEUR	Thereof remaining term Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Other liabilities				
Due to third parties	20.675	0	479	20.196
Due to employees	33.578	0	0	33.578
Outstanding customer bonuses	23.887	0	0	23.887
Due to subsidiaries of other private foundations	42	0	0	42
Due to subsidiaries	811	0	0	811
Taxes (non-income based taxes)	17.053	0	0	17.053
Social security	7.963	0	0	7.963
Derivative financial instruments (liabilities)	950	0	793	157
Deferred income	803	0	1	802
	105.761	**0**	**1.273**	**104.488**

	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	2.059	18.729
Deferred income	660	0	0	660
	111.368	**100**	**2.738**	**108.530**

Information on derivative financial liabilities is provided under point 4.1.

(13) Government grants

Government grants developed as follows during the 2012/13 financial year:

	Balance on 1.5.2012 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.4.2013 TEUR
Government grants	25.760	-9	429	-3.691	-65	22.424

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 1.5.2012 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.4.2013 TEUR
Provisions for termination benefits	17.081	0	6.126	-865	0	22.341
Provisions for pensions	12.076	-271	1.194	-909	0	12.090
Other provisions for employees	16.929	0	4.208	-2.151	0	18.986
Other non-current provisions	228	0	0	0	-40	188
	46.314	**-271**	**11.528**	**-3.925**	**-40**	**53.606**

Provisions for termination benefits

	30.4.2013 TEUR	30.4.2012 TEUR
Present value (DBO) of obligation = provision recognized as of May 1	17.081	16.429
Service cost	772	789
Interest expense	892	857
Recognized actuarial loss / gain	4.462	-103
Termination payments	-865	-891
Present value (DBO) of obligation = provision recognized as of April 30	**22.341**	**17.081**

Termination benefits from retirements at the standard age are expected to equal TEUR 181 in 2013/14.

Provisions for pensions

Reconciliation to provisions as shown on the balance sheet	30.4.2013 TEUR	30.4.2012 TEUR
Present value (DBO) of obligation covered by pension fund assets	68.142	63.351
Fair value of pension fund assets	-46.083	-42.124
Net value of obligation covered by pension fund assets	22.059	21.227
Present value (DBO) of obligation not covered by pension fund assets	3.248	2.872
Unrecognized actuarial loss	-13.217	-12.022
Provisions recognized as of April 30	**12.090**	**12.076**

Composition of pension plan assets	30.4.2013 in %	30.4.2012 in %
Stocks and shares in funds	44	45
Fixed-interest securities	52	50
Other	4	5

Development of present value (DBO) of obligation	30.4.2013 TEUR	30.4.2012 TEUR
Present value (DBO) of obligation as of May 1	66.223	55.927
Currency translation adjustment	-2.138	4.592
Service cost	380	336
Interest expense	3.131	3.015
Actuarial loss	6.176	4.033
Pension payments	-2.381	-1.680
Present value(DBO) of obligation as of April 30	**71.390**	**66.223**

Development of the fair value of pension plan assets	30.4.2013 TEUR	30.4.2012 TEUR
Fair value of pension plan assets as of May 1	42.124	37.537
Currency translation adjustment	-1.540	3.228
Expected return on investment	2.329	2.517
Actuarial gain / loss	3.773	-1.363
Contributions to fund	1.528	1.720
Pension payments by fund	-2.131	-1.514
Fair value of pension plan assets as of April 30	**46.083**	**42.124**

The following amounts were recognized to profit or loss for the period:	30.4.2013 TEUR	30.4.2012 TEUR
Service cost	380	336
Interest expense	3.131	3.015
Expected return on investment	-2.329	-2.517
Realized actuarial loss	916	163
Expenses included under personnel expenses / financial results	**2.097**	**997**
Actual gain on investments	-6.102	-1.154

Development of unrealized actuarial results	30.4.2013 TEUR	30.4.2012 TEUR
Balance of accumulated actuarial losses as of May 1	-12.022	-6.155
Currency translation adjustment	292	-635
Actuarial loss for the year from the DBO	-5.827	-4.041
Actuarial gain / loss for the year on pension plan assets	3.773	-1.363
Amortization for the financial year (excess over corridor)	567	172
Balance of accumulated actuarial losses as of April 30	**-13.217**	**-12.022**

Historical information on obligation covered by fund assets

	2013 TEUR	2012 TEUR	2011 TEUR	2010 TEUR	2009 TEUR
Present value (DBO)	68.142	63.351	53.122	50.668	42.859
Present value of pension plan assets (PA)	46.083	42.124	37.537	34.880	28.214
Deficit from pension plan	**-22.059**	**-21.227**	**-15.585**	**-15.788**	**-14.646**
Adjustment of loss / (gain) from DBO based on experience	0	-226	0	-115	1.015

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 1.758 in 2013/14.

Other non-current employee provisions

	30.4.2013 TEUR	30.4.2012 TEUR
Present value(DBO) of obligation as of May 1	16.929	16.447
Service cost	1.500	1.670
Interest expense	772	759
Recognized actuarial loss / gain	1.936	-84
Long-service bonuses, shift-work bonuses granted on retirement or part-time work for older employees	-2.151	-1.862
Present value(DBO) of obligation = recognized provision as of April 30	**18.986**	**16.929**

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 2.708 (30.4.2012: TEUR 2.705) that are secured by collateral in the form of fund shares.

(15) Income taxes

Income taxes comprise the following:

	2012/13 TEUR	2011/12 TEUR
Income taxes paid	15.220	15.415
Taxes resulting from equity items	252	-831
Deferred taxes	-7.627	7.830
	7.845	**22.414**

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:

	30.4.2013		30.4.2012	
	Deferred tax assets TEUR	Deferred tax liabilities TEUR	Deferred tax assets TEUR	Deferred tax liabilities TEUR
Property, plant and equipment	8.240	30.334	9.706	28.584
Intangible assets	2.228	4.172	2.937	4.894
Financial assets	1.915	34	1.626	25
Inventories	1.686	680	1.667	405
Trade receivables	382	145	255	185
Other assets	990	340	1.255	503
Financial liabilities	51	61	106	130
Trade payables	0	0	0	1
Other liabilities	3.257	110	3.245	672
Provisions	6.522	366	5.307	416
Special depreciation for tax purposes	68	4.118	80	4.517
Tax loss carryforwards	48.091	0	39.723	0
Deferred tax assets/liabilities	**73.430**	**40.360**	**65.907**	**40.332**
Offset within legal tax units and jurisdictions	-25.824	-25.824	-21.711	-21.711
Deferred taxes (net)	**47.606**	**14.536**	**44.196**	**18.620**

Transition to deferred income tax expense

	TEUR	TEUR	TEUR
Deferred tax assets as of 30.4.2012	44.196		
Deferred tax liabilities as of 30.4.2012	-18.620	25.576	
Deferred tax assets as of 30.4.2013	47.606		
Deferred tax liabilities as of 30.4.2013	-14.536	33.070	
Change in deferred taxes during 2012/13			**-7.494**
Currency translation adjustment			-132
Deferred income tax expense			**-7.627**

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 to seven years. The use of loss carryforwards is limited to ten years for companies in Russia and to seven years for companies in Romania. 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:

	2012/13 TEUR	%	2011/12 TEUR	%
Profit before tax	79.841		71.715	
Thereof income tax at a rate of 25%	19.960	25,0	17.929	25,0
Decrease / increase in taxes due to				
Other tax rates	-557	-0,7	849	1,2
Tax expense and income from prior periods	1.782	2,2	7.179	10,0
Changes in tax rates	88	0,1	608	0,8
Non-deductible expenses	2.659	3,3	3.399	4,7
Amortization of goodwill for tax purposes	-3.183	-4,0	-3.183	-4,4
Partial write-up / write-down of investments for tax purposes	0	0,0	1.171	1,6
Tax-deductible interest on risk capital	-7.780	-9,7	-8.463	-11,8
Changes in estimates	-5.560	-7,0	0	0,0
Tax-free income	-1.489	-1,9	-658	-0,9
Other	1.926	2,4	3.585	5,0
Effective tax expense	**7.845**	**9,8**	**22.414**	**31,3**

(16) Trade payables

	30.4.2013 TEUR	30.4.2012 TEUR
Trade payables		
Due to third parties	187.236	233.885
Due to subsidiaries of other private foundations	81	54
Due to subsidiaries	278	202
Due to associates	29	7
	187.624	**234.148**

(17) Current provisions

	Balance on 1.5.2012 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.4.2013 TEUR
Provisions for legal proceedings and legal costs	**486**	0	180	-15	0	**651**
Other current provisions	**4.443**	54	488	-434	0	**4.551**
	4.929	**54**	**668**	**-449**	**0**	**5.202**

(18) Revenues and segment reporting

Segment reporting is based on the Decorative, Retail and Building areas of business.

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. 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, 2013				
	Decorative	Retail	Building	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
Third party revenues	1.646.674	313.655	220.918	0	2.181.247
Inter-company revenues	93.234	56.163	29.893	-179.291	0
	1.739.908	**369.818**	**250.811**	**-179.291**	**2.181.247**
Segment results (EBITDA)	258.346	27.480	12.172	0	297.998
Depreciation	120.528	14.649	20.915	0	156.092
Segment assets	1.833.152	213.946	290.468	-334.412	2.003.154
Segment liabilities	1.285.082	190.323	161.187	-330.042	1.306.550
Capital expenditure	113.953	7.176	26.562	0	147.690

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

	April 30, 2012				
	Decorative	Retail	Building	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	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 results (EBITDA)	240.091	19.952	2.410	0	262.453
Depreciation	115.738	14.270	10.931	0	140.939
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

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.

	Western Europe	Central and Eastern Europe plus Russia	Other countries	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
30.4.2013					
Third-party revenues	1.308.793	755.967	116.486	0	2.181.247
30.4.2012					
Third-party revenues	1.248.498	611.371	102.906	0	1.962.776

In contrast to the previous year, Central Europe is now reported together with Eastern Europe and Russia. The comparable prior year data were adjusted accordingly.

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

	2012/13 TEUR	2011/12 TEUR
Income from investment property	133	314
Gains on the sale of property, plant and equipment	464	429
Use of government grants	3.691	5.064
Miscellaneous operating income	37.231	37.818
	41.519	**43.625**

Miscellaneous operating income consists primarily of reimbursements for damages, income from recycling, expenses charged out, compensation for damages, proceeds from the sale of emission certificates and rental income.

(20) Cost of materials and services

	2012/13 TEUR	2011/12 TEUR
Cost of materials	1.250.405	1.149.030
Cost of services	6.536	6.190
	1.256.942	**1.155.220**

(21) Personnel expenses

	2012/13 TEUR	2011/12 TEUR
Wages	139.710	132.397
Salaries	103.788	98.427
Expenses for pensions	2.855	1.456
Expenses for termination payments and contributions to external employee pension funds	5.605	1.113
Payroll-related taxes and duties	55.990	53.316
Other employee benefits	5.285	5.126
	313.234	**291.834**

The average number of employees is as follows:

	2012/13	2011/12
Production and logistics	5.937	5.699
Sales and administration	1.150	1.089
	7.087	**6.788**

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

(22) Other operating expenses

	2012/13 TEUR	2011/12 TEUR
Freight	161.683	142.476
Temporary personnel	41.839	30.860
Legal and consulting fees	12.655	13.902
Advertising	11.842	11.970
Lease and rental fees	8.366	8.535
Miscellaneous taxes	13.470	11.975
Insurance	7.119	6.268
Losses on the disposal of non-current assets	980	1.798
Expenses arising from investment property	203	225
Miscellaneous operating expenses	104.576	88.452
	362.732	**316.462**

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

	2012/13 TEUR	2011/12 TEUR
Interest expense	51.262	44.337
Interest expense on provisions for employee benefits	4.794	4.631
Interest income	-3.474	-3.250
Currency translation gains/losses from financing	6.350	2.729
Income/expenses from financial derivatives	382	1.341
	59.313	**49.789**

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

	2012/13 TEUR	2011/12 TEUR
Recognized income/loss on securities (net income)	7	0
Recognized income/loss on securities (net income / expense)	35	-4
Expenses arising from other financial assets	-3.900	-707
Income from investments in other companies and from the disposal of other financial assets	1.116	705
	-2.742	**-6**

The expenses arising from other financial assets in 2012/13 resulted from the write-off of a participation right.

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**:

	2012/13 TEUR		2011/12 TEUR	
Currency translation differences:				
Change in translation reserve arising from foreign currency translation	-7.964		-1.587	
Reclassification to the income statement	0	-7.964	796	-791
Change in cash flow hedge (interest rate swap):				
Change recognized directly in equity	9		-2.836	
Reclassification to the income statement	1.041	1.050	375	-2.461
Change in cash flow hedge (forward exchange contract):				
Change recognized directly in equity	-155		0	
Reclassification to the income statement	155	0	0	0
Total income and expense recognized directly in equity		**-6.914**		**-3.252**

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

	2012/13 TEUR			2011/12 TEUR		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
From currency translation differences	-8.555	591	-7.964	582	-1.373	-791
Cash flow hedge (interest rate swap)	1.400	-350	1.050	-3.280	819	-2.461
Total income and expense recognized directly in equity	**-7.155**	**241**	**-6.914**	**-2.698**	**-554**	**-3.252**

The testing of hedges in 2012/13 and 2011/12 did not reveal any ineffectiveness that required recognition through profit or loss.

(26) Additional information on the consolidated cash flow statement

In contrast to the previous year, interest paid and interest received are included under cash flow from financing activities. The comparable prior year data were adjusted accordingly.

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 0 (30.4.2012: 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 Europe (incl. Russia and Turkey). 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 most important operating and strategic risks. The quantitative and qualitative effects of the major risks for Egger and the probability of their occurrence are identified, assessed and documented in regular strategy meetings. Risk management activities are concentrated on the major risks, which are analyzed and monitored regularly together with 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 is used to estimate the overall risk to which the Group is exposed. In order to better anchor and improve the awareness and diversification of risk, an IT-supported risk management system was installed in 2011/12 and further developed during the reporting year. This system simulates and

evaluates various scenarios based on a five-year forecast. 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 system also supports the transparent valuation and documentation of individual risks. Risk management in the Egger Group includes a focus on financial covenants as well as internal value management indicators that were selected to provide a reasonable benchmark for operations and long-term growth. 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. Plans for further development include the integration of the Group‘s rolling quarterly forecasts in the IT-supported risk management system to allow for even earlier reaction to changes in the operating environment. Risk management at Egger represents an integral part of all decisions and business processes.

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.

If EUR-interest rates had been 100 basis points higher or lower on April 30.4.2013 and assuming all other variable remained constant, profit after tax would have been TEUR 593 (2011/12: TEUR 1.224) lower or higher. This change would have resulted primarily from the higher or lower interest expense on variable interest financial liabilities. A fluctuation of 100 basis points in EUR-interest rates would have changed equity by TEUR 931 (2011/12: TEUR 1.328).

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 AUD, CHF, GBP, PLN, RUB and TRY. Free cash flows in GBP, RON, RUB 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.

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.

If the exchange rate between the EUR and the above-mentioned key currencies for Egger had been 10% higher or lower on April 30, 2013, and assuming all other variable remained constant, profit after tax for the reporting year would have been TEUR 5.479 (2011/12: TEUR 651) lower or TEUR 6.514 (2011/12: TEUR 796) higher. This change would have resulted primarily from the following factors: currency translation gains/losses on foreign currency-denominated trade receivables, cash and cash equivalents, financial liabilities, trade payables and derivative financial instruments. The effect on equity is the same, with the exception of a related change in the translation reserve. The balance of monetary financial instruments on April 30 is representative for the entire financial year.

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 monitored on the basis of a monthly analysis. Translation risk is only hedged when the potential risk would result in 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 weekly forecasts, liquidity planning for 18 months and medium-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 result in the following contractually agreed payment obligations (interest expense and principal repayments):

	Cash flows in TEUR					
	Total	Under 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Over 5 years
Balance on 30.4.2013						
Bonds	601.100	6.750	24.900	24.900	387.800	156.750
Financial liabilities owed to credit institutions	461.695	53.625	9.888	76.690	148.896	172.595
Trade payables	187.624	180.540	157	11	6.916	0
Derivative financial instruments	906	511	258	138	0	0
Contractual cash flows	**1.251.325**	**241.426**	**35.203**	**101.738**	**543.612**	**329.345**
Balance on 30.4.2012						
Bonds	523.101	0	140.616	17.212	171.636	193.637
Financial liabilities owed to credit institutions	504.130	45.496	124.068	78.003	158.509	98.054
Trade payables	234.148	221.831	0	0	12.317	0
Derivative financial instruments	20.103	17.086	1.749	936	333	0
Contractual cash flows	**1.281.482**	**284.413**	**266.433**	**96.150**	**342.795**	**291.691**

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% (30.4.2012: approx. 15%). The maximum risk of default is TEUR 59.194 (30.4.2012: TEUR 57.341).

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. Supply independence is further improved by the in-house production of adhesives and resins. Moreover, the increasing use of environmentally friendly bio-mass power plants minimizes 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, organizes support from other Egger production facilities as needed 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 return and profitability targets, and are monitored regularly to ensure these targets are met. Efficient and effective monitoring is guaranteed by clearly defined value management principles, indicators, investment calculation models and an integrated investment management process.

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:

	30.4.2013			30.4.2012		
	Cur-rency	Nominal value in thous.	Fair value TEUR	Cur-rency	Nominal value in thous.	Fair value TEUR
Interest rate swaps with negative fair value	EUR	3.000	-86	EUR	273.000	-336
Interest rate swaps with negative fair value – cash flow hedges	EUR	27.556	-707	EUR	142.611	-2.107
Interest rate CAP	EUR	0	0	EUR	90.420	0
Forward exchange contracts	AUD	0	0	AUD	2.946	-37
	CHF	0	0	CHF	1.481	0
	GBP	42.124	-147	GBP	87.074	-2.257
	PLN	29.085	12	PLN	151.727	-1.252
	RON	29.367	26	RON	4.805	-8
	RUB	0	0	RUB	1.891.634	-1.622
	USD	0	0	USD	879	-1
Other derivative financial instruments	EUR	85	-10	EUR	14.270	-12.268
			-912			**-19.888**

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	30.4.2013 Carrying amount MEUR	30.4.2013 Fair value MEUR	30.4.2012 Carrying amount MEUR	30.4.2012 Fair value MEUR
ASSETS						
Financial assets						
Shares in subsidiaries of other private foundations[B]	AFS/FAAC		0	-	16,3	-
Securities at fair value through profit or loss	FAFVTPL	1	3,3	3,3	3,3	3,3
Investment property	IAS 40		2,3	2,5	2,4	2,6
Other financial assets[B]	AFS/FAAC		12,2	-	16,3	-
Originated loans	LAR		0,8	0,8	0,9	0,9
			18,6		**39,2**	
Other assets						
Due from third parties	LAR		31,0	31,0	32,8	32,8
Tax credits (non-income based taxes)			23,4	23,4	30,4	30,4
Suppliers with debit balances	LAR		7,0	7,0	5,6	5,6
Due from subsidiaries of other private foundations	LAR		2,8	2,8	0,5	0,5
Due from subsidiaries	LAR		0,3	0,3	0,1	0,1
Derivative financial assets	FAFVTPL	2	0,0	0,0	0,9	0,9
Prepaid expenses	LAR		2,1	2,1	2,4	2,4
			66,7		**72,7**	
Trade receivables	LAR		**79,2**	79,2	**61,3**	61,3
Cash and cash equivalents	LAR		**161,8**	161,8	**150,6**	150,6
Aggregated by valuation category						
Financial assets measured at amortized cost	*FAAC*		*12,2*		*32,6*	
Financial assets at fair value through profit or loss	*FAFVTPL*		*3,3*		*4,2*	
Loans and receivables	*LAR*		*285,0*		*254,2*	
LIABILITIES						
Bonds and financial liabilities	FLAC		**885,1**	934,8	**883,1**	902,9
Other liabilities						
Due to third parties	FLAC		20,7	20,7	16,7	16,7
Due to employees	FLAC		33,6	33,6	30,7	30,7
From unpaid customer bonuses	FLAC		23,9	23,9	20,0	20,0
Due to subsidiaries	FLAC		0,8	0,8	0,0	0,0
From taxes (non-income based taxes)			17,1	17,1	15,2	15,2
From social security			8,0	8,0	7,3	7,3
Derivative financial liabilities	FLFVTPL	2	1,0	1,0	20,8	20,8
Deferred income	FLAC		0,8	0,8	0,7	0,7
			105,8		**111,4**	
Trade payables	FLAC		**187,6**	187,6	**234,1**	234,1
Aggregated by valuation category						
Financial liabilities measured at amortized cost	*FLAC*		*1.152,5*		*1.185,3*	
Financial liabilities at fair value through profit or loss	*FLFVTPL*		*1,0*		*20,8*	

[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 30.4.2013	Total TEUR	Thereof due Over 5 years TEUR	1 to 5 years TEUR	Under 1 year TEUR
Operating leases	10.509	64	6.173	4.272
Rental agreements	9.390	4.699	3.658	1.033
	19.899	**4.763**	**9.831**	**5.305**

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**

Lease and rental expenses totaled TEUR 8.366 in 2012/13 (2011/12: TEUR 8.535).

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 i.T., holds liabilities of TEUR 30.152 (30.4.2012: TEUR 39.903) 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 2012/13 comprise TEUR 112 (2011/12: TEUR 113) 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 TEUR 52 (2011/12: TEUR 43) for other services.

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 at the end of 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, 2013 a liability of TEUR 6.817 (30.4.2012: TEUR 14.959) was due and payable to Fritz Egger, Brunnhof, St. Johann i.T., in connection with property transactions and a liability of TEUR 3.507 (30.4.2012: TEUR 0) was due to Fritz and Michael Egger from a distribution made by Egger Deutschland Beteiligungsverwaltung GmbH, St. Johann i.T. All other business relations with related persons are immaterial.

Top management comprised 73 persons (30.4.2012: 75) who received salaries totaling TEUR 10.989 in 2012/13 (2011/12: TEUR 10.615).

The members of the Managing Board in 2012/13 are listed below:

Thomas Leissing
Walter Schiegl
Ulrich Bühler

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

4.5. Events after the Balance Sheet Date

Additional shares in Romainvest Yatirim ve Ticaret A.S. were acquired during May 2013, which increased the investment from 71,5% to 82,9%.

4.6. 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 12, 2013

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	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	729.740	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	90.641	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 Kunststoffe Beteiligungs-GmbH	Brilon	EUR	25	94,86	Full consolidation
Egger Sägewerk Brilon GmbH	Brilon	EUR	25	94,86	Full consolidation
Egger Forst 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 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	513	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	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, 2012 to April 30, 2013. These consolidated financial statements comprise the consolidated balance sheet as of April 30, 2013, 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, 2013, 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 and fair presentation of the consolidated financial statements in accordance with EGGER Accounting Guidelines, which are established in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the statutory provisions of Section 245a UGB. 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, 2013 and of its financial performance and its cash flows for the fiscal year from May 1, 2012 to April 30, 2013 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 12, 2013

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 2012 bis 30. April 2013 geprüft. Dieser Konzernabschluss umfasst die Konzernbilanz zum 30. April 2013, die gesonderte Konzern-Gewinn- und Verlustrechnung, die Konzerngesamtergebnisrechnung, die Konzerngeldflussrechnung und die Konzerneigenkapitalveränderungsrechnung für das am 30. April 2013 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, und den nach § 245a UGB zu beachtenden unternehmensrechtlichen Vorschriften 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 2013 sowie der Ertragslage des Konzerns und der Zahlungsströme des Konzerns für das Geschäftsjahr vom 1. Mai 2012 bis zum 30. April 2013 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 12. Juli 2013

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
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Wirtschaftsprüfer