



*Technology for shaping
everyday materials*

Company presentation

STAR Conference 2012

London October

our history



1969 "The beginning"

1978 Realized the first numerical control boring machine for wood: Logic Control

1983 Rover: the first machining centre for the processing of wood is built

1987 Intermac is established: The company produces machining centres for processing and engineering glass and stone

1991 HSD is established: the company realizes and sells mechanical components and numerical controls

1991 Biesse becomes international: the first foreign branches are opened

1992 Biesse starts "the acquisition period": aimed operations in wood/glass&stone/components and distribution network areas

1994 Biesse Engineering is established: new business unit fully dedicated to project and realize entire lines and integrated systems

1998 Biesse group is formed. It's composed of three divisions: wood, mechatronic, glass and stone

1999 "Centro di Formazione e studi" (Biesse School) is established

2001 Biesse is quoted on the Italian stock exchange (listed in STAR segment)

2006 Bre.Ma. is acquired: the company designs and realizes vertical numerical control boring-inserting machine for the processing of wood

2007 AGM Inc (U.S.A.) is acquired: former distributor for glass & stone machinery becomes Intermac U.S.A. subsidiary

2008 New plants for the wood division: Bangalore (India) first foreign production site

2009 Biesse Group incorporates Digipac brand - packaging technology –

2009 Biesse open new subsidiaries in Switzerland and Dubai

2010 BiesseInside hosts for the first time 4 listed companies (Indesit-Elica-Prima Industrie-Sabaf) to meet the financial community during an internal open-house

2011 VIET - historic wood brand for calibration and sanding machines - added to the Group

2011 Biesse acquires the majority of Korex Machinery Dongguan (China)



our world structure



Italy – Pesaro H.O.
Milano-Treviso-Bergamo



U.K.
Daventry



Suisse
Lucerna



Sweden
Jonkoping



Russia
Moscow



Germany
Elchingen
Loehne
Gingen



France
Lyon



Spain
Barcelona



Portugal
Syntra



U.A.E.
Dubai



India
Bangalore



Indonesia
Jakarta



Malaysia
Kuala Lumpur



Australia
Sidney
Brisbane
Adelaide
Melbourne
Perth



New Zealand
Auckland



U.S.A. & Canada
Charlotte. N.C.
Ft. Lauderdale FL.
Toronto - Montreal



Asia
Singapore

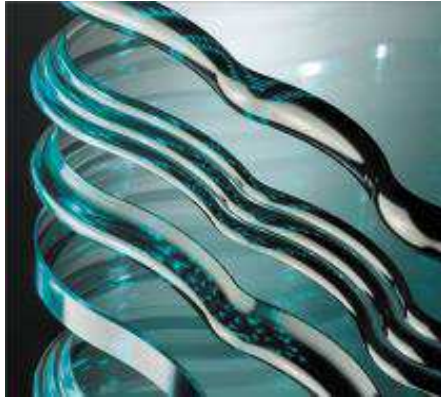


China
Shanghai
Dongguan



Korea
Bucheon City
Gyunggido

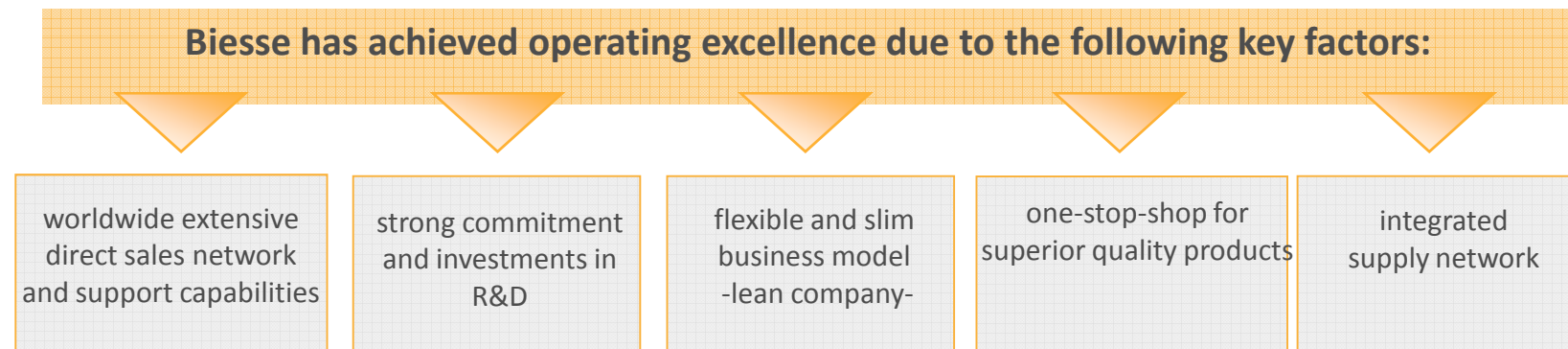
Wood – Glass&Stone - Mechatronic



Biesse key successful factors



Biesse produces machine tools and systems for the secondary processing of wood, glass and stone, together with associated numerical controls, motors, software and precision components





Market position

- ▶ **1st** the world's largest manufacturer of computer numerically controlled (CNC) centres for wood – glass&stone working
- ▶ **2nd** largest Italian producer of automated woodworking machinery
- ▶ **2nd** largest worldwide provider of turn-key systems for major companies
- ▶ **4th** largest manufacturer of woodworking machinery worldwide

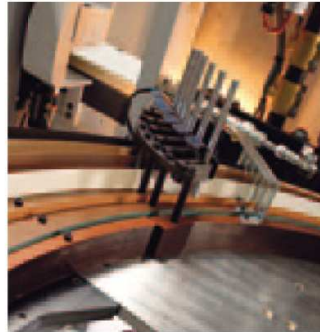
Wood



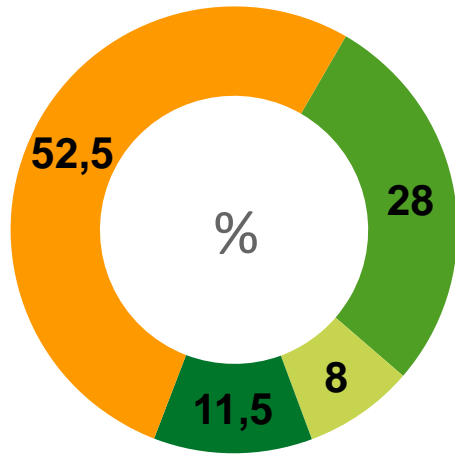
Biesse Wood Division is part of the Biesse Group, an industrial reality which employs a worldwide staff of more than 2.400 people on a production surface area of over 100.000 square metres in Italy. Biesse Wood Division develops and produces machinery for the furniture and carpentry industry, and offers a full range of solutions covering the entire industrial processing cycle for wood, wood derivatives, composite materials and non-ferrous alloys. Sizing, edgebanding, boring, sanding, routing, inserting, assembling, handling: for each working cycle Biesse guarantees a complete range of technological solutions. Stand alone machines or complete processing lines meeting high quality standards.



Wood



Wood

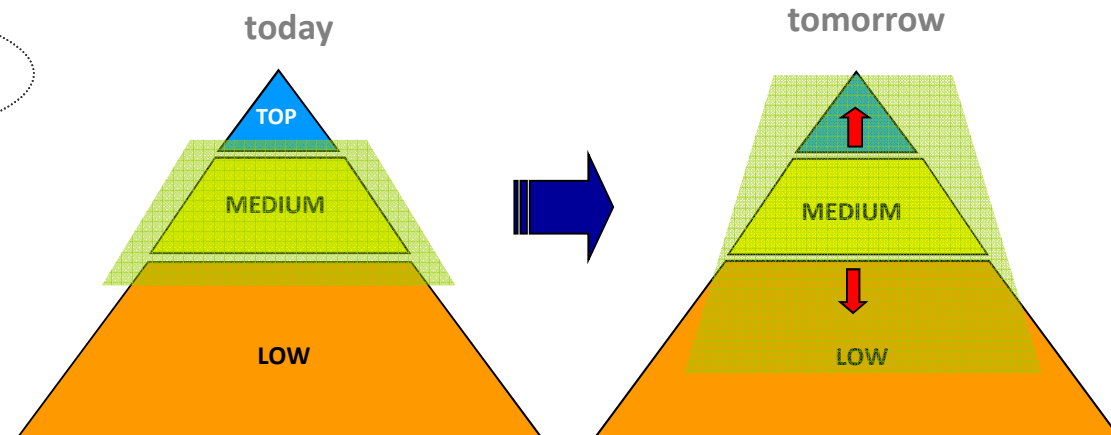


company evaluation of the 2011 market shares

- Rest of the Market same product segment
- HOMAG same product segment
- SCM same product segment
- BIESSE

- woodworking machines market consensus growth 5.5%
- approx 3% of market shares increase in three years time

- entire **secondary phase** dimension € 3.8 bln
- **secondary phase** dimension where Biesse is insisting € 2.1 bln



Glass & Stone



born in 1987, Intermac Glass & Stone Division is part of the Biesse Group, an Italian company quoted in the Star segment of the Italian stock exchange.

the division develops and distributes machinery for flat glass processors and, in general, for the furniture, architecture and automotive industries. It has over 200 employees and occupies a production area of more than 25,000 square metres, with production units located in Pesaro and Lugo (Ravenna) central Italy.

the glass division is made up of 4 different brands:

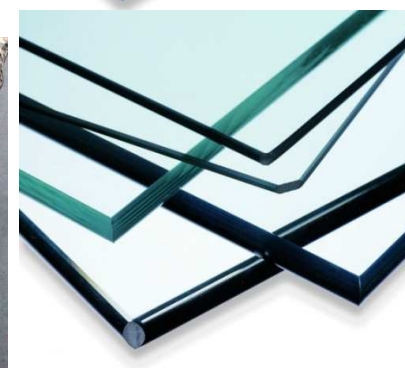
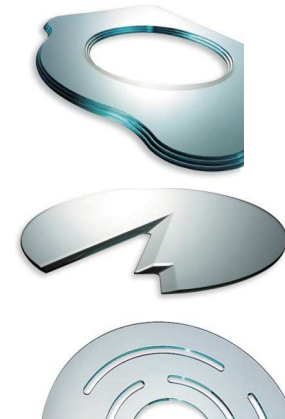
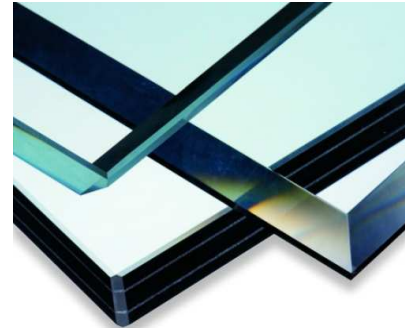
- **Intermac** - specialist in high-tech work centres, cutting tables and waterjet machines since 1987;
- **Busetti** - leader in the sector of double edgers. The company's range of machinery also includes those for the handling of glass sheets, as well as automatic and semi-automatic drills;
- **Diamut** - diamond tools, shaped wheels, grooving wheels, bevelling wheels, resin wheels, routers, and drill bits.

the stone division is made up of 2 different brands:

- **Intermac** - specialist in high-tech work centres since 1987;
- **Diamut** - diamond tools, shaped wheels, grooving wheels, bevelling wheels, resin wheels, routers, and drill bits.



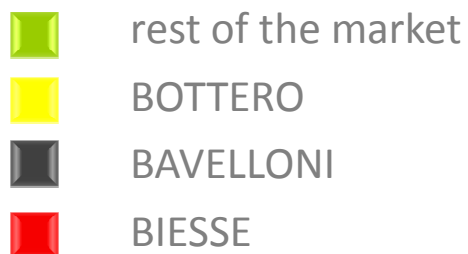
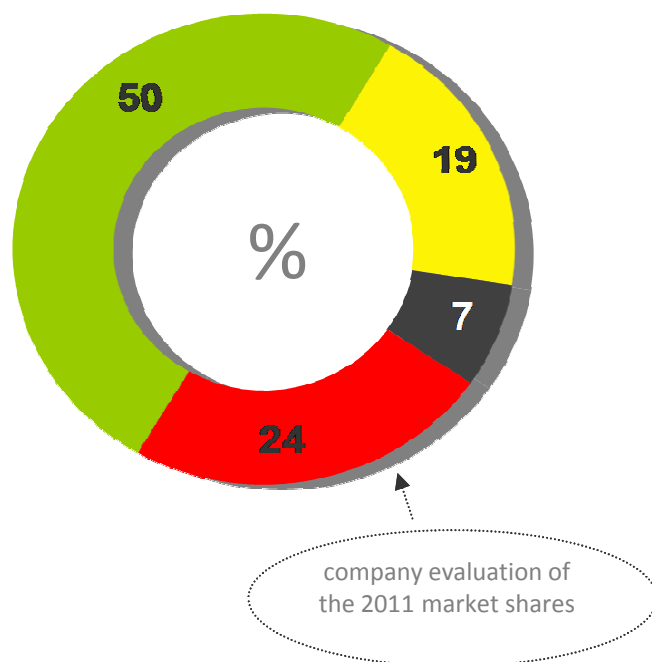
Glass & Stone



Glass (*internal glass market*)



Italian Association: GIMAV



→ Basically an “italian manufacturing “ market

→ Biesse S.p.A. (Intermac brand) and Bavelloni (Glaston Group-Finland) are the only listed companies

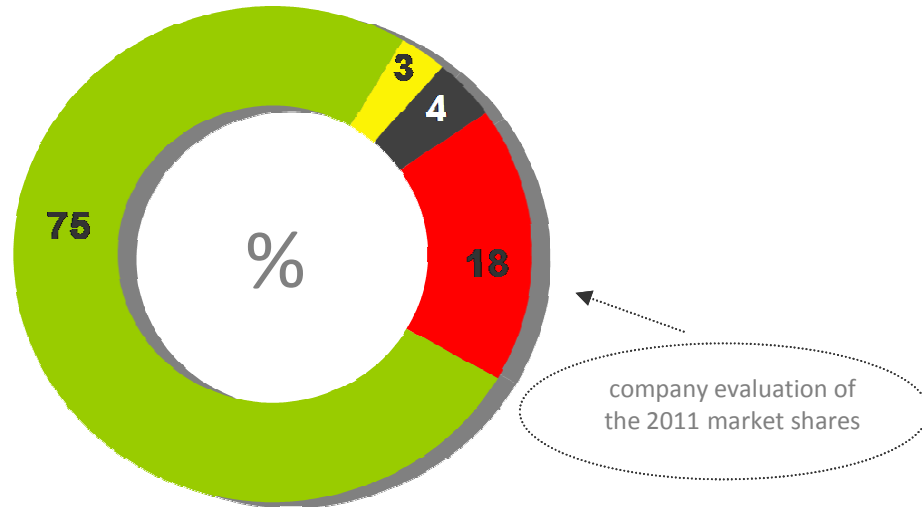
€ 235,000,000.





Value of reference markets
(where Biesse is insisting)

(company evaluation)



Italian Association: Marmomacchine



-  rest of the market
-  BOTTERO
-  BAVELLONI
-  BIESSE

→ Biesse clear worldwide market leader

→ Biesse S.p.A. (Intermac brand) and Bavelloni (Glaston Co.) are the only listed companies



€ 45,000,000.
Value of reference markets
(where Biesse is insisting)

(company evaluation)

Mechatronic



3 branches located on main markets, with the aim to assure immediate and highly qualified customer service

-  *HSD USA (Fort Lauderdale, FL)*
-  *HSD Deutschland (Goeppingen)*
- HSD China (Shanghai)*



Some of our major clients (wood)



Some of our major clients (glass & stone)



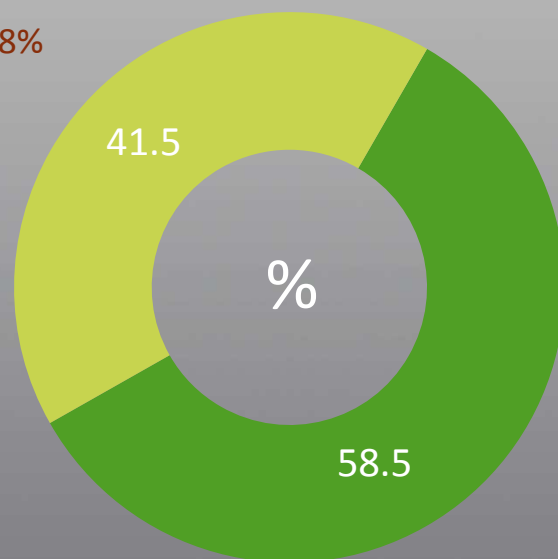
...with an highly fragmented customer base

Some of our major clients (mechatronic)





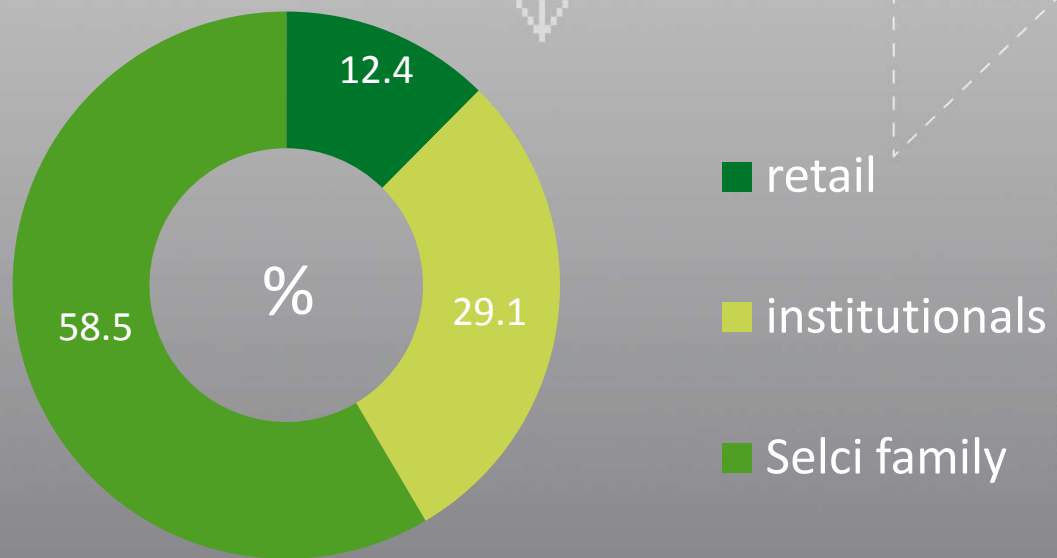
treasury shares: 1.78%



- Bi.Fin s.r.l (Selci family)
- free float*

* Including treasury shares

shareholders breakdown > 2% Consob source



shareholders breakdown "by type"



sales breakdown

Group orders intake

Group backlog

growth driver & mission

new organization structure

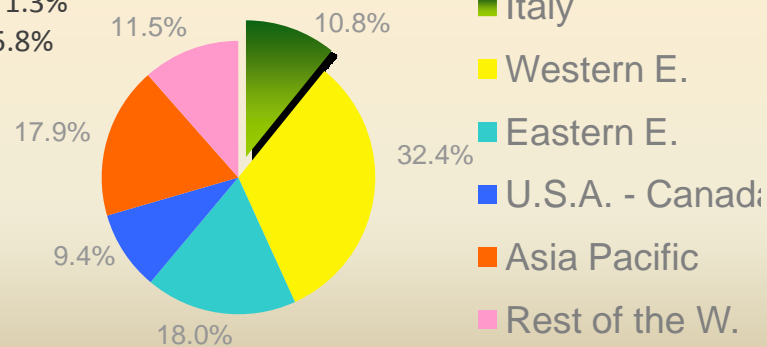
Biesse : Group sales breakdown 30 June 2012



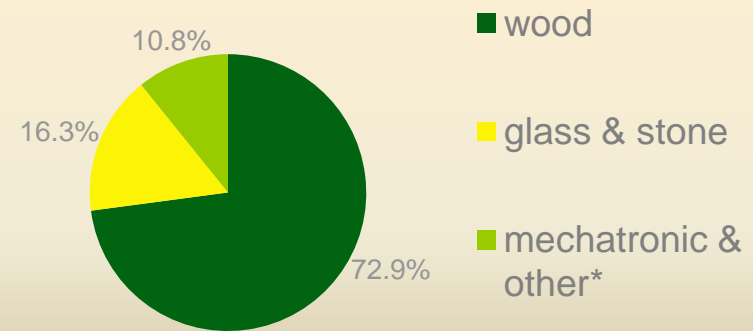
B.R.I.C. : **18.6%**
 (+31.9% vs June 2011)

Brasile=7.1%
 Russia=4.4%
 India= 1.3%
 Cina=5.8%

by countries

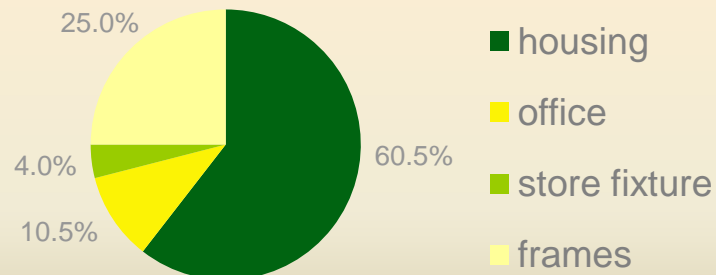


by business division

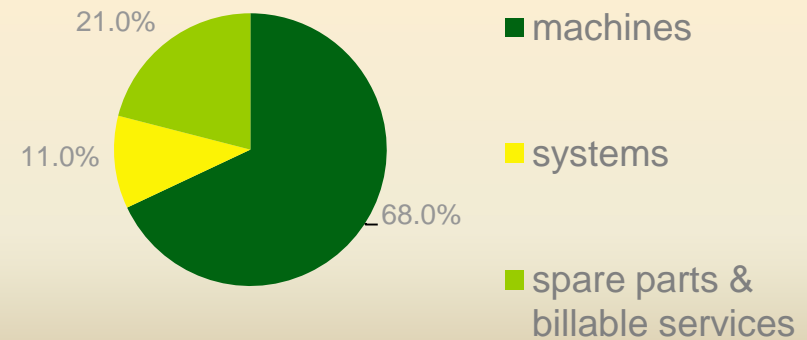


*after intercompany elisions

by end users



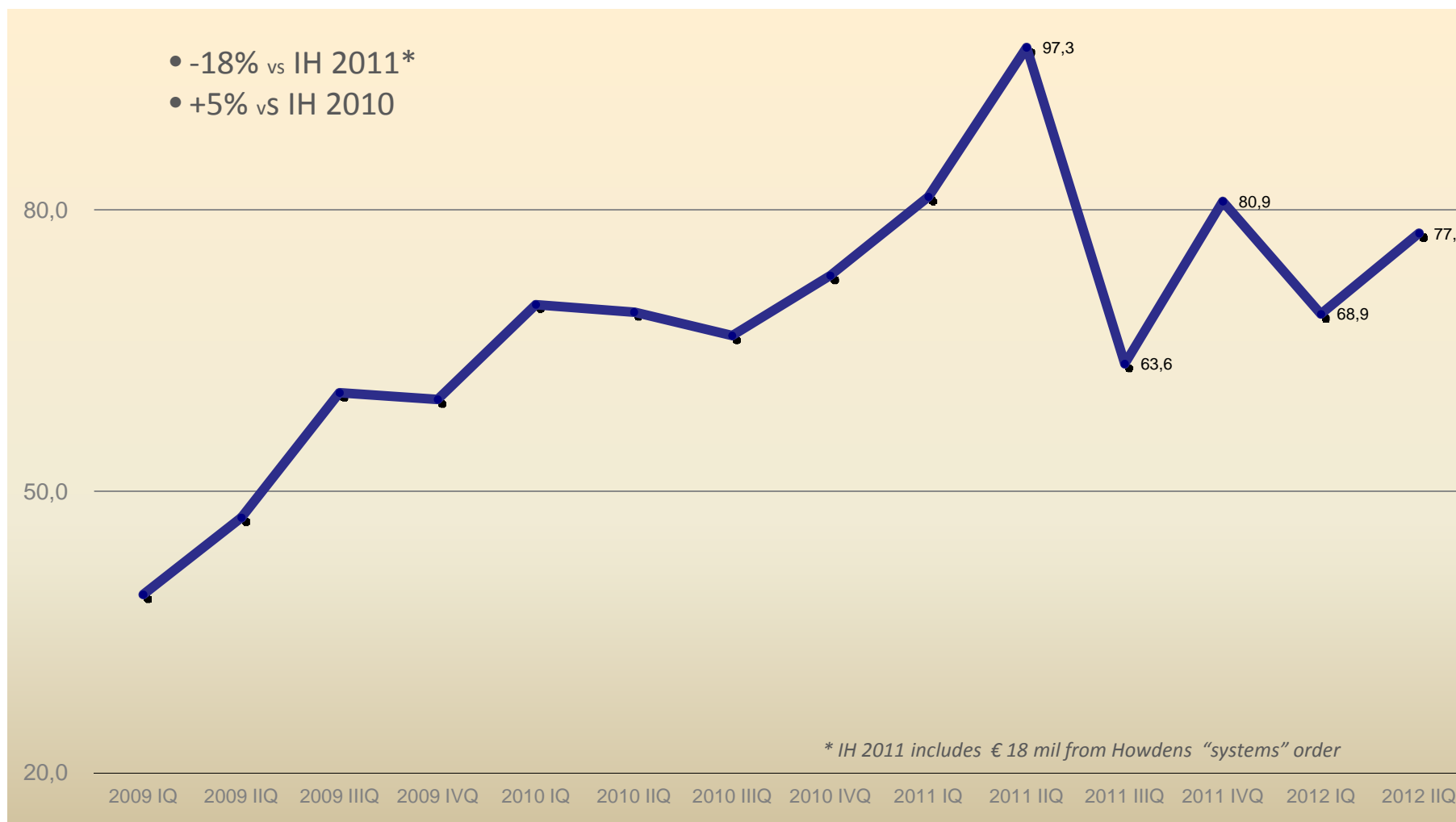
by type



Group orders intake: quarterly trend 2009-2012



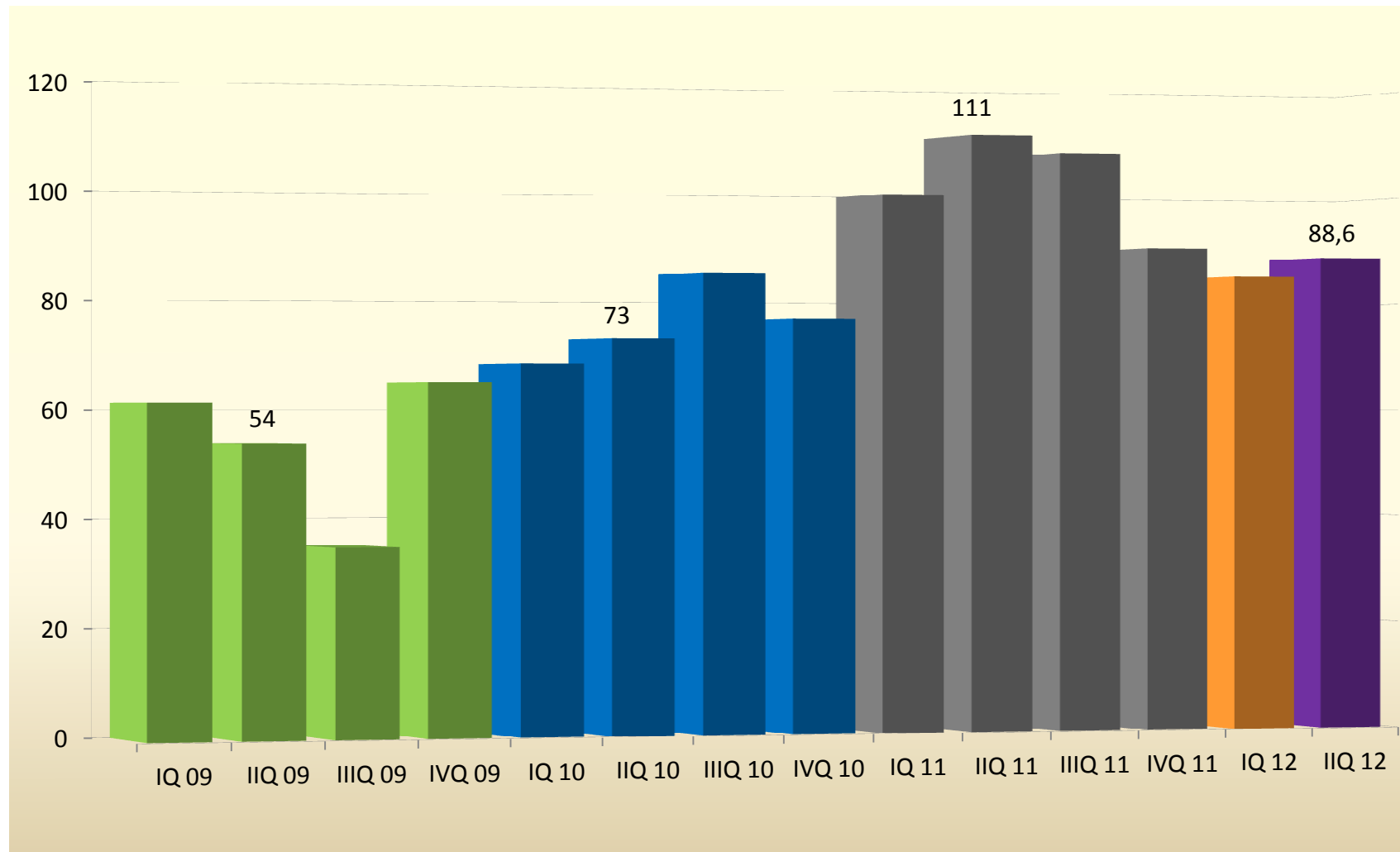
€/mn



Group orders backlog: quarterly trend 2009 – 2012



€/mln



Main drivers (business plan)



growth:

- increase the consolidated turnover beating the market growth rate expectations - *especially in our business sectors* - catching the positive impulse deriving from the “emerging” countries. (BRIC)
- gain market shares against our competitors in any business area and sector
- reinforce our world-wide sale and distribution network (APAC & Americas)
- open new potential and attractive end markets
- strengthen Biesse reputation in large projects/key customers
- maintain an important R & D through focused investments
- expand the post-sale services improving their quality

efficiency:

- complete and extend the cost cutting activity.
- speed up and increase the reduction of the products/production costs
- simplify/unify of the engineering process for a better standardization of the “offer range”



1. **technology:** mechatronic division as “owner” of the technology evolution and development
2. **product:** innovation trend binded together to consolidation & simplification of the entire products gamma
3. **geographic breakdown:** increase our APAC presence, being in Asia “as a company”
 - direct garrison (localization) in the north/south America
 - progressive integration and management of the “new” chinese acquisition”
4. **systems:** focus on a “dedicated mentality” regarding the systems division potentiality (*“systems are not machines”*)

New organization structure



appointed by the last Biesse B.o.D. (August 3rd):*

- Mr. Stefano Porcellini as Group General Manager (former C.F.O.)
- Mr. Cesare Tinti as Director of the Wood Division (former Director of the Glass&Stone Division)
- Mr. Rodolfo Scatigna as Director of the Glass&Stone Division (former Director of the Spare parts Dept.)

**after the Mr. Pitzurra resignation (July 20th) the Biesse B.o.D. is temporarily made up of seven members*

1. Giancarlo Selci - C.E.O.
2. Roberto Selci - President and C.E.O.
3. Alessandra Parpajola – executive director
4. Stefano Porcellini – executive director
5. Leone Sibani – independent director
6. Giampaolo Garattoni – independent director
7. Salvatore Giordano – independent director

production sites outside Italy

India

indian production

China

chinese production

expectations



Factory location: Bangalore (India)



Biesse products: India



Factory location: Dongguan (China)



location:

Chashan Industrial Park, Chashan Town,
Dongguan City, Guangdong Province,
(廣東省, 東莞市, 茶山鎮, 茶山工業
園)

东莞豪力机械有限公司
中華人民共和國廣東省東莞市茶山鎮茶山工業園



in the southern part of
China.

Dongguan Factory



- The Factory is solely owned by Korex for a remaining term of 43 years.
- The existing floor area is 43,000 m² with a reserved permitted buildable area of 22,000 m². nr. 360 employees
- Only 60% of its production capacity is utilized based on the present operation

Biesse products: China



Expectations



- ❑ INDIA activity: production – sale & sourcing (domestic and export)
- ❑ CHINA activity: production – sale & sourcing (domestic and export)



Financials



consolidated sales

P & L details

ebitda & ebit evolution

cashflow & net debt

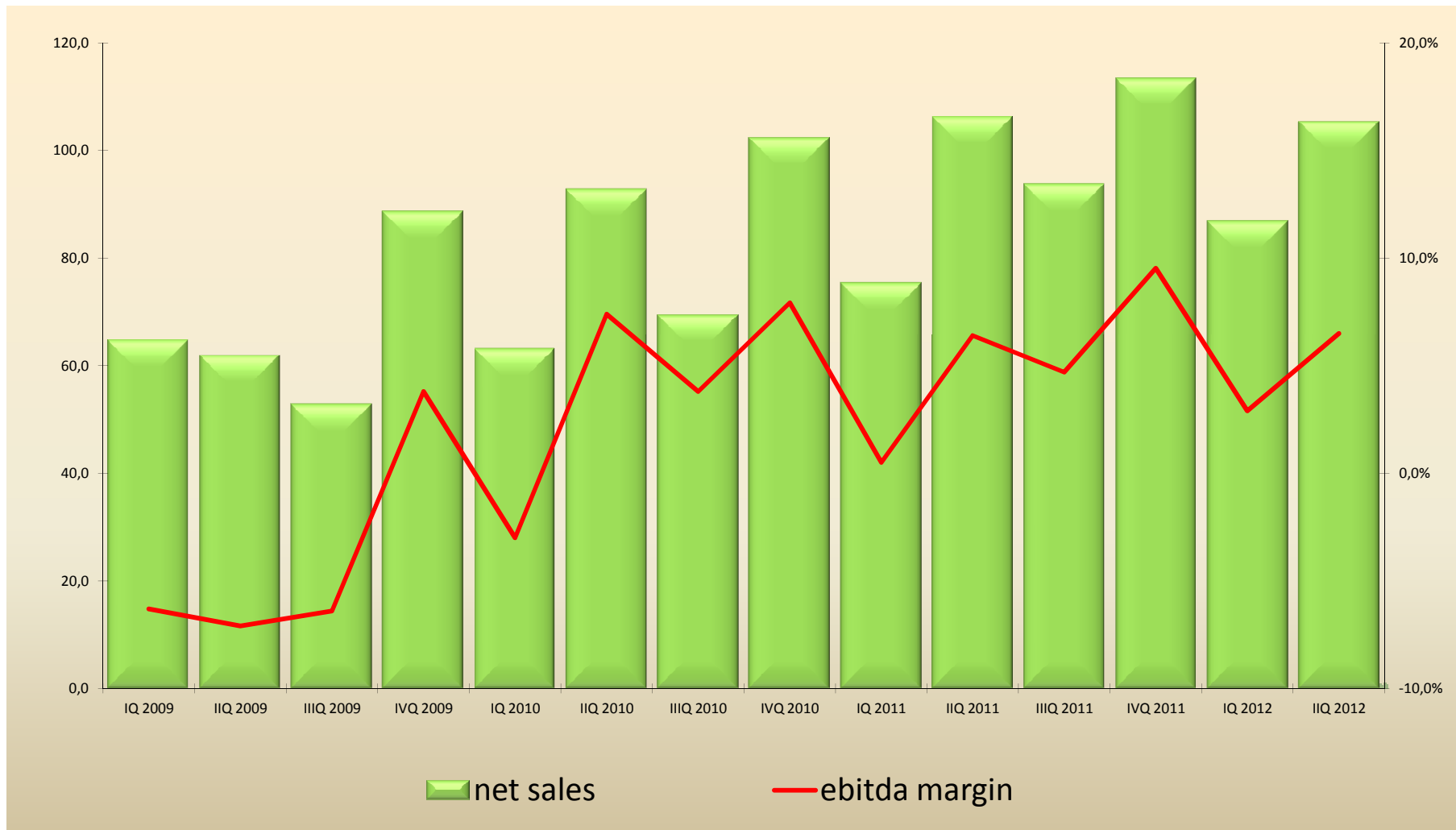
ratios

Group P&L details: 1st half 2012



€/mln	IH 2011	FY 2011	IH 2012
<i>Net Sales</i>	181.5	388.5	192.1 +5.8%
<i>Value Added</i> % of net sales	67.4 37.1%	138.0 35.5%	71.0 37.0%
<i>Labour cost</i> % of net sales	60.2 33.2%	115.6 29.7%	61.6 32.1%
<i>EBITDA</i> % of net sales	7.2 4.0%	22.4 5.8%	9.4 4.9%
<i>EBIT before non recurr. events</i> % of net sales	1.3 0.7%		
<i>EBIT</i> % of net sales	0.2 0.1%	5.7 1.5%	0.9 0.5%

quarterly trend: net sales – ebitda margin



Group Net O.W.C.: 30 June 2012 situation



€/mln

	IH 2011	FY 2011	IH 2012
<i>Inventories</i> % on net sales	97.7	88.5 22.8%	97.9
<i>Trade receivables</i> % on net sales	94.6	112.2 28.9%	111.4
<i>Trade payables</i> % on net sales	124.3	113.1 29.1%	117.6
<i>N.O.W.C.</i> % on net sales	67.9	87.6 22.5%	91.8

Group Cashflow & net debt: 1st half 2012



€/mln

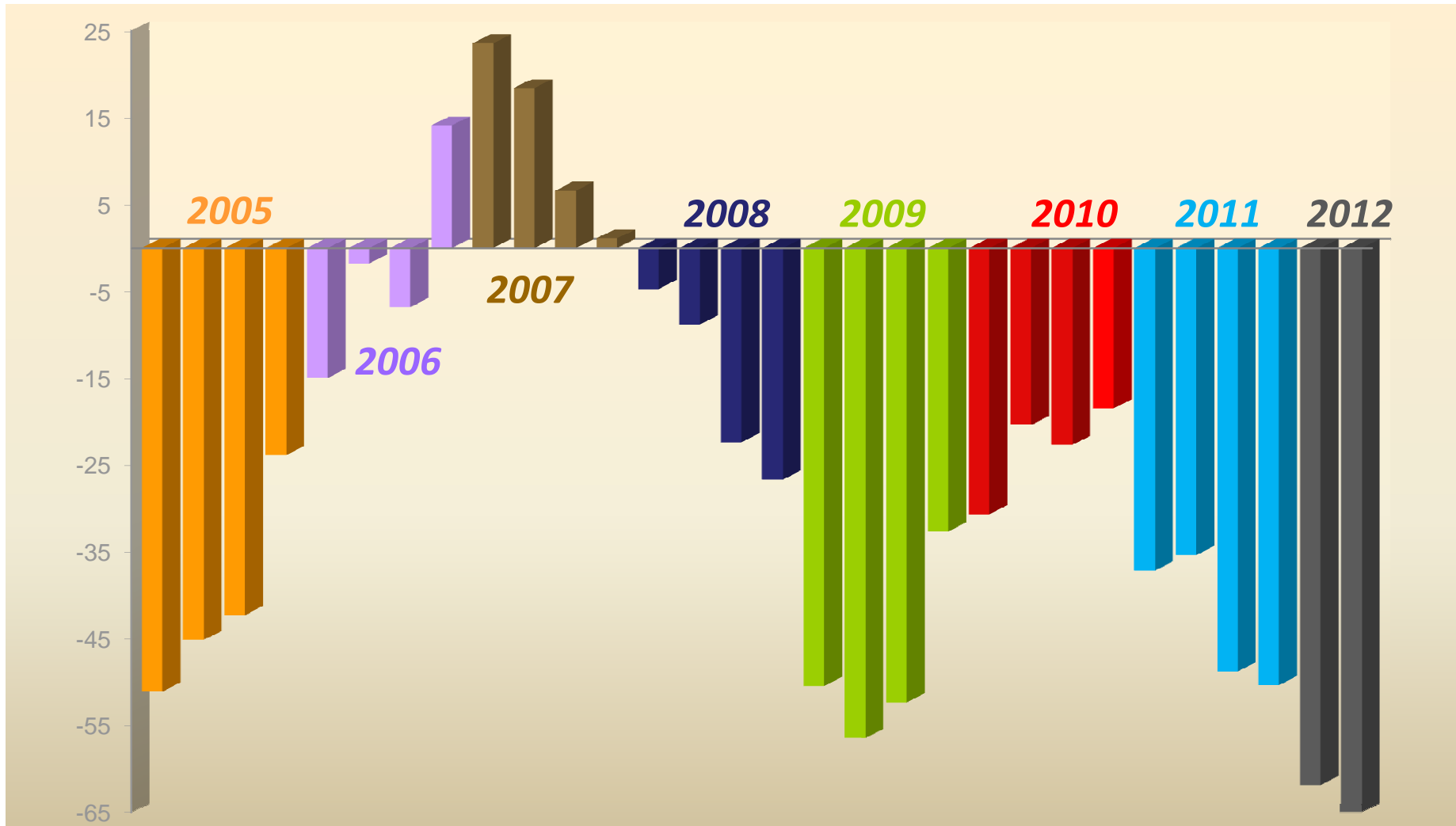
	IH 2011	FY 2011	IH 2012
Gross Cashflow	-9.9	-15.3	-5.7
Net total Capex % of net sales	-6.6 3.6%	-16.2 4.2%	-10.7 5.6%
Free Cashflow	-16.5	-31.5	-16.4
N.F.P.	-35.4	-50.4	-66.8
	30/6/11	31/12/11	30/6/12

-4.0
acquisition of equity

Net financial position: quarterly trend 2005-2012



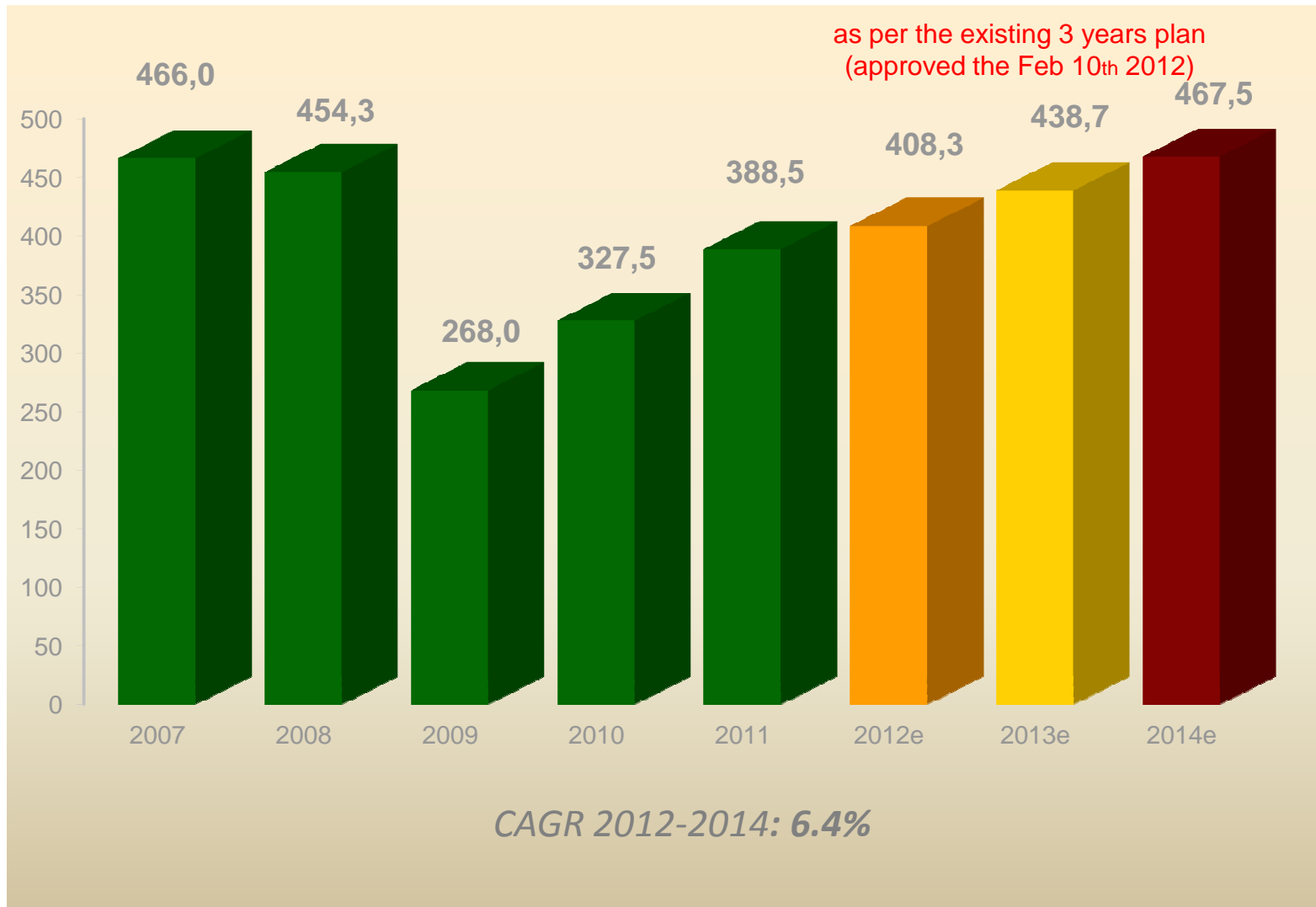
€/mln



Group consolidated revenues



€/mln



Group P&L details:



€/mln

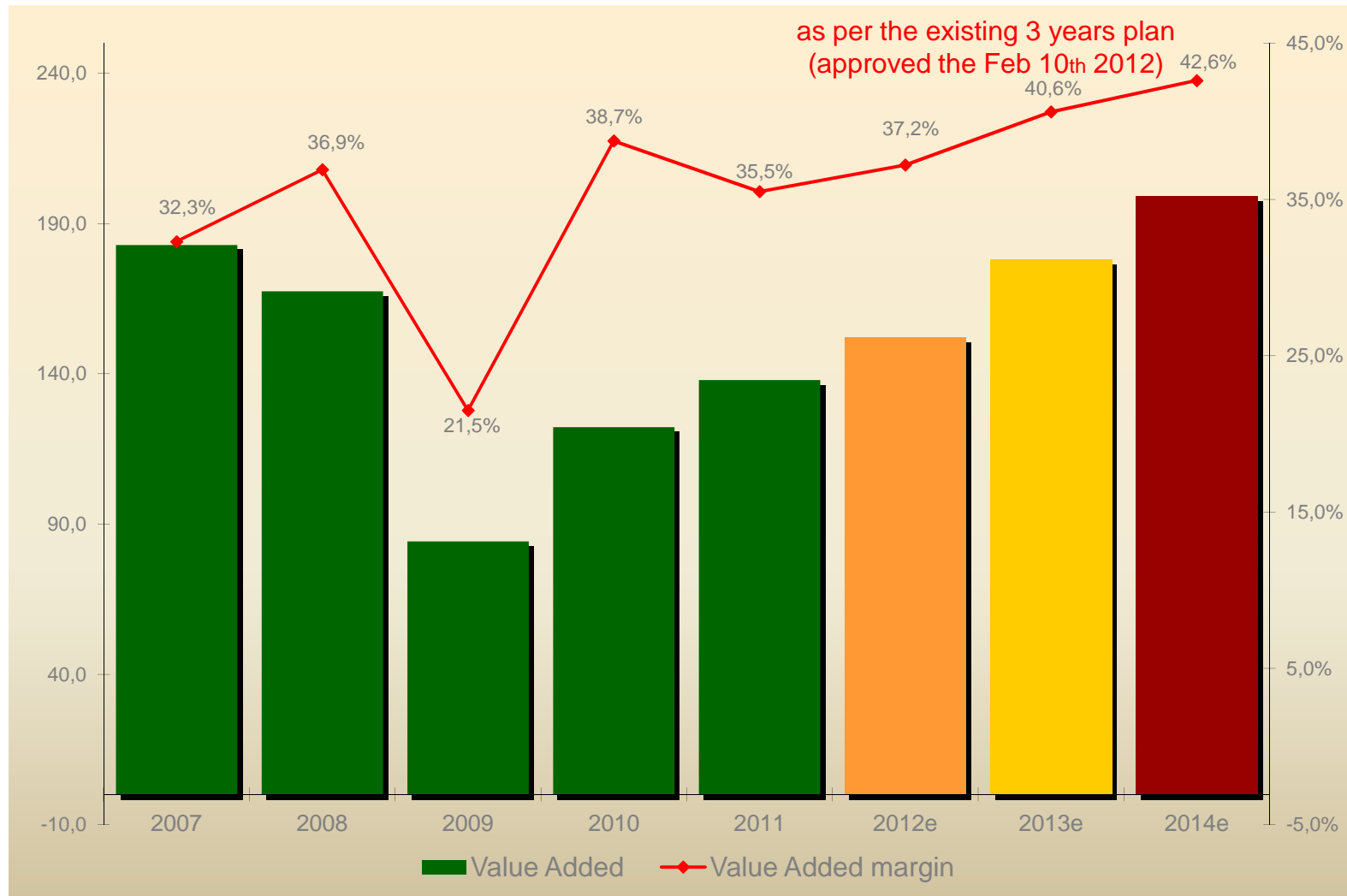
as per the existing 3 years plan
(approved the Feb 10th 2012)

	FY 2010	FY 2011	FY 2012e	FY 2013e	FY 2014e	2011 vs 2014
<i>Net Sales</i>	327.5 +22.2%	388.5 +18.6%	408.3 +5,1%	438.7 +7.4%	467.5 +6.6%	+79.0 €
<i>Value Added</i> % of net sales	123.4 37.7%	138.0 35.5%	152.1 37.2%	178.2 40.6%	199.0 42.6%	+61.0 €
<i>Labour cost</i> % of net sales	107.7 32.9%	115.6 29.7%	120.1 29.4%	126.9 28.9%	130.8 28.0%	+15.2 €
<i>EBITDA</i> % of net sales	15.7 4.8%	22.4 5.8%	32.0 7.8%	51.4 11.7%	68.2 14.6%	+45.8 €
<i>EBIT</i> % of net sales	0.1 ---%	5.7 1.5%	15.1 3.7%	34.3 7.8%	51.1 10.9%	+45.4 €
<i>EBIT (normal.)</i> % of net sales		7.1 1.8%				

Group Value Added evolution:



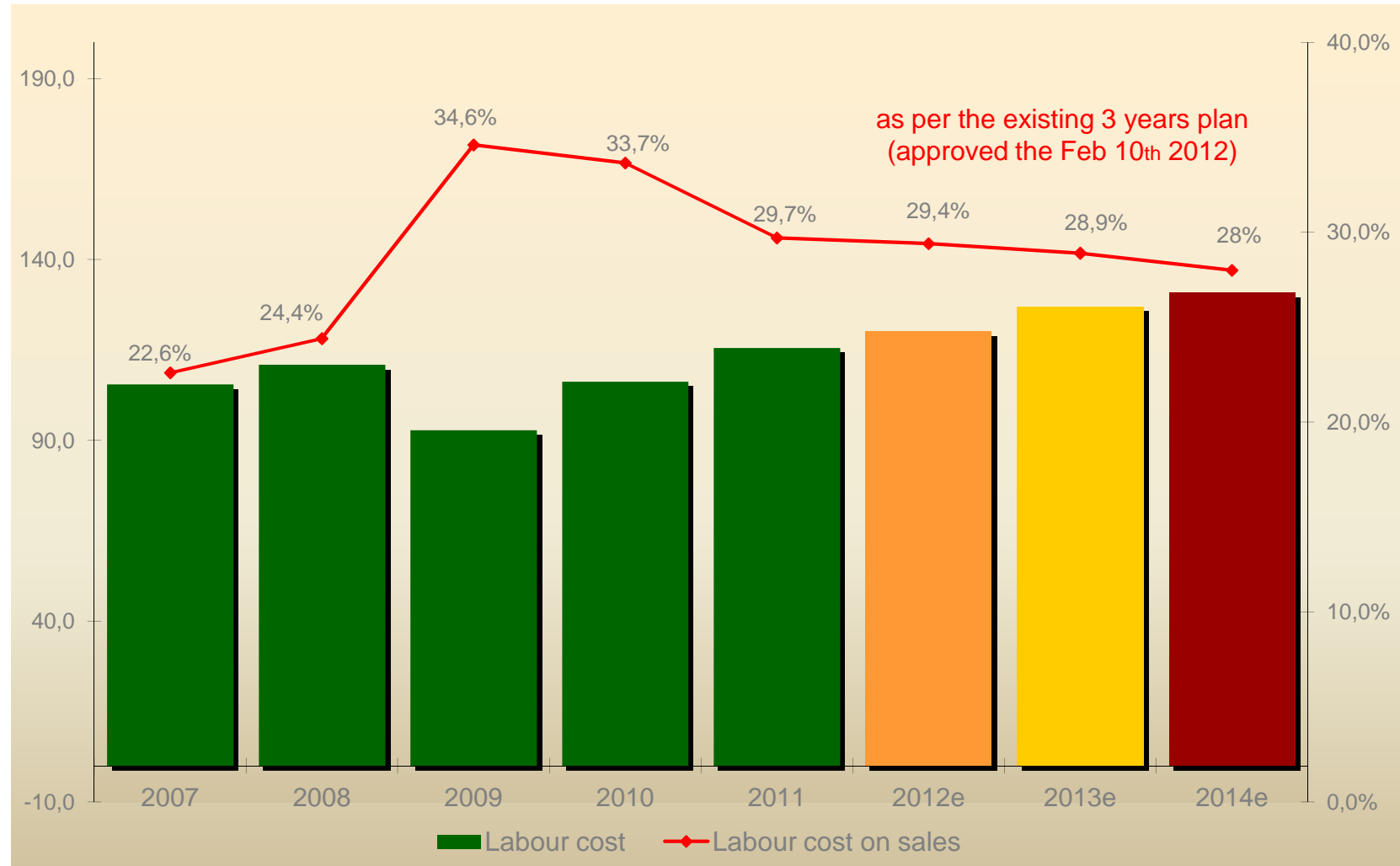
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Group Labour cost evolution:



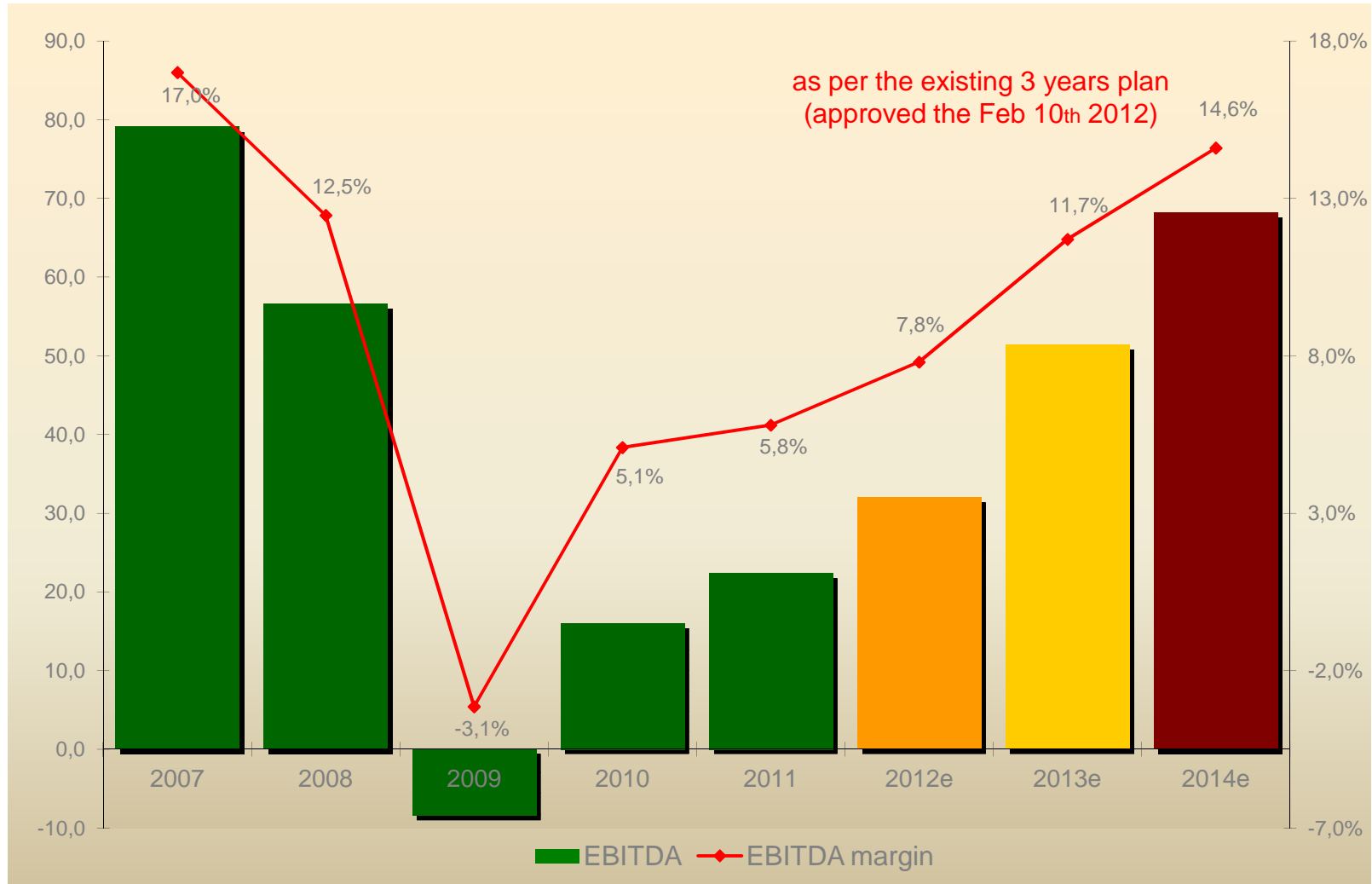
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Group EBITDA evolution:



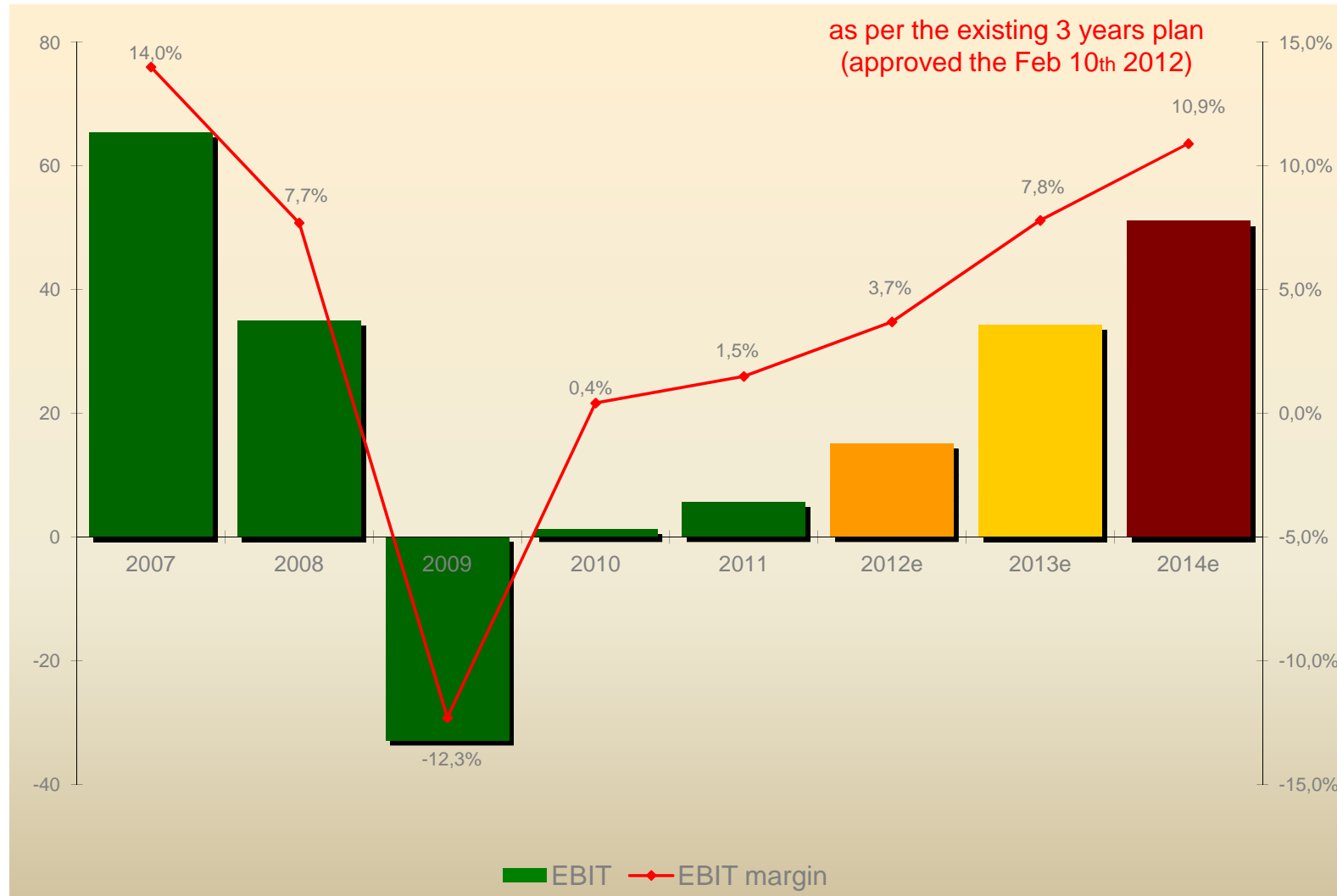
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Group EBIT evolution:



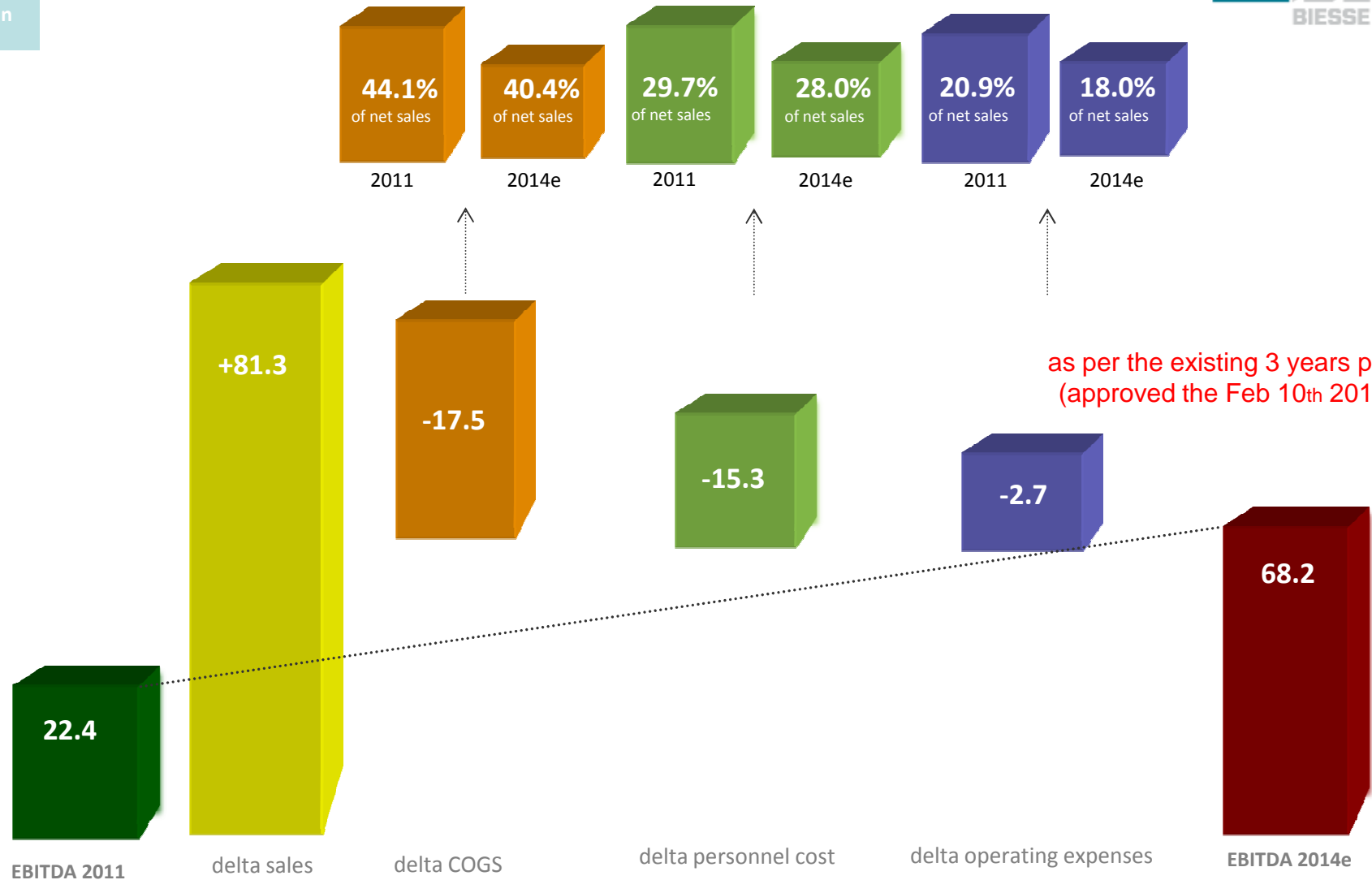
€/mln



Group EBITDA bridge:



€/mln



as per the existing 3 years plan
(approved the Feb 10th 2012)

Group Net Operating Working Capital:



€/mln

as per the existing 3 years plan
(approved the Feb 10th 2012)

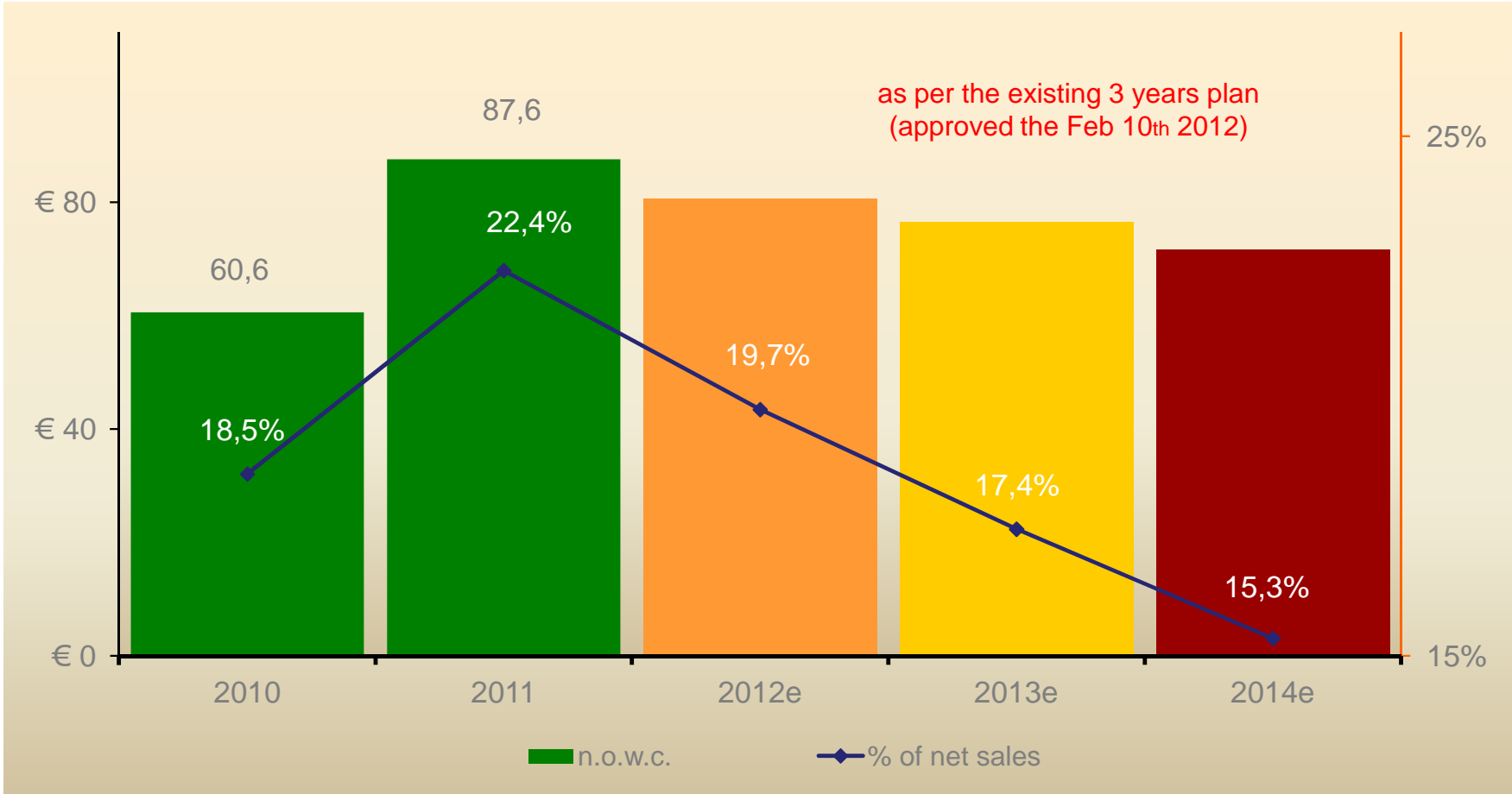
BIESSE

	2010	A 2011	B China	A+B 2011	2012e	2013e	2014e
<i>Inventories</i> % on net sales	81.3 24.8%	80.2	8.3	88.5 22.8%	21.2%	19.1%	17.1%
<i>Trade receivables</i> % on net sales	90.4 27.6%	110.0	2.2	112.2 28.9%	26.6%	26.5%	26.3%
<i>Trade payables</i> % on net sales	111.1 33.9%	111.8	1.3	113.1 29.1%	28.1%	28.1%	28.1%
<i>N.O.W.C.</i> % on net sales	60.6 18.5%	78.4	9.2	87.6 22.5%	19.7%	17.4%	15.3%

Group net operating working capital:



€/mln



Group Cashflow – Net Financial Position:



€/mln

as per the existing 3 years plan
(approved the Feb 10th 2012)

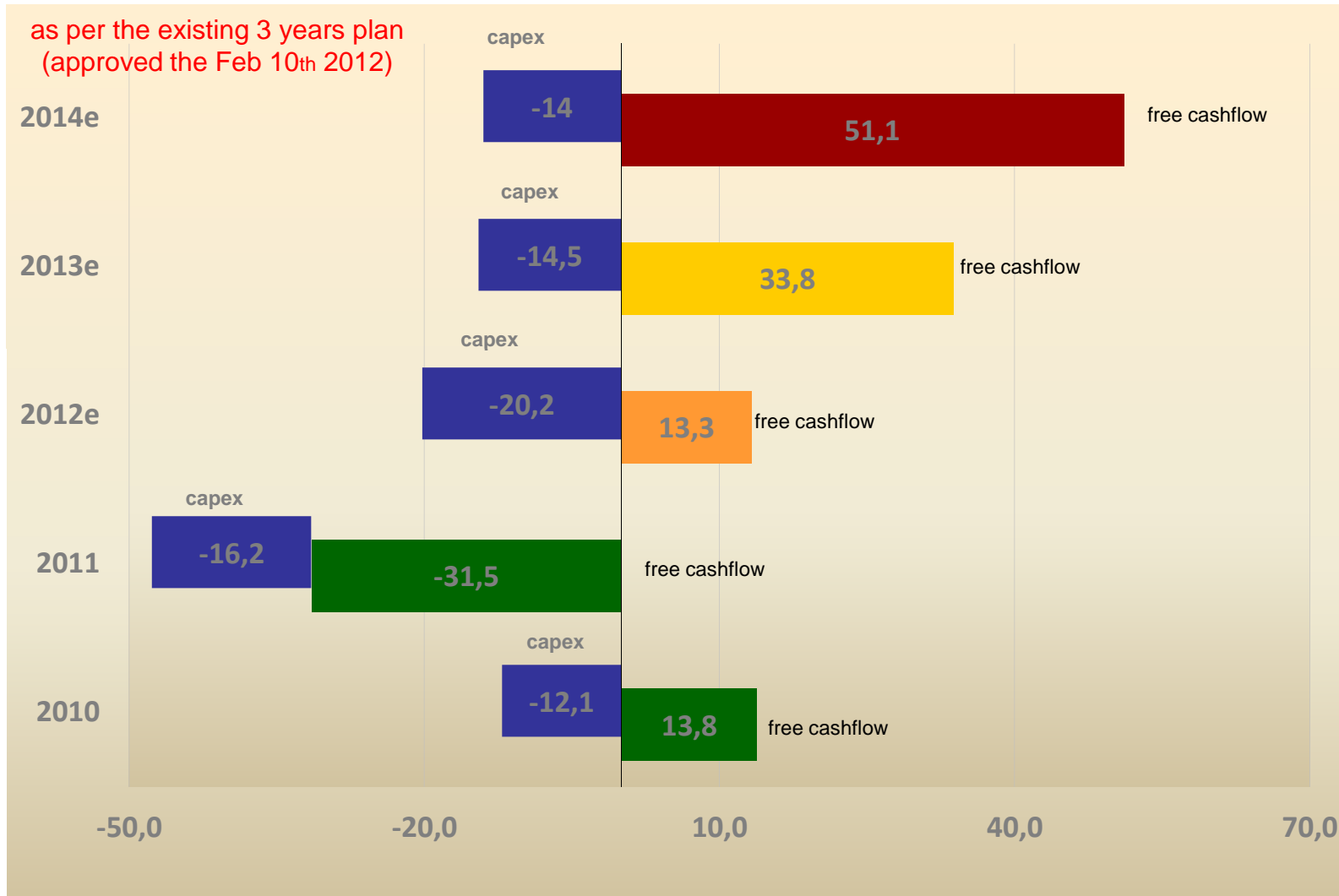
	FY 2010	FY 2011	2012e	2013e	2014e	
<i>Gross Cashflow</i>	25.9	-15.3	33.5	48.3	65.1	+146.9 €
<i>Net total Capex</i> % of net sales	-12.1 3.8%	-16.2 4.2%	-20.2 4.9%	-14.5 3.0%	-14.0 3.0%	-48.7 €
<i>Free Cashflow</i>	13.8	-31.5	13.3	33.8	51.1	+98.2 €
<i>N.F.P.</i>	-18.9	-50.4	-37.1	-3.3	47.8	

2012-2013-2014

Group Cashflow: free cashflow & total capex



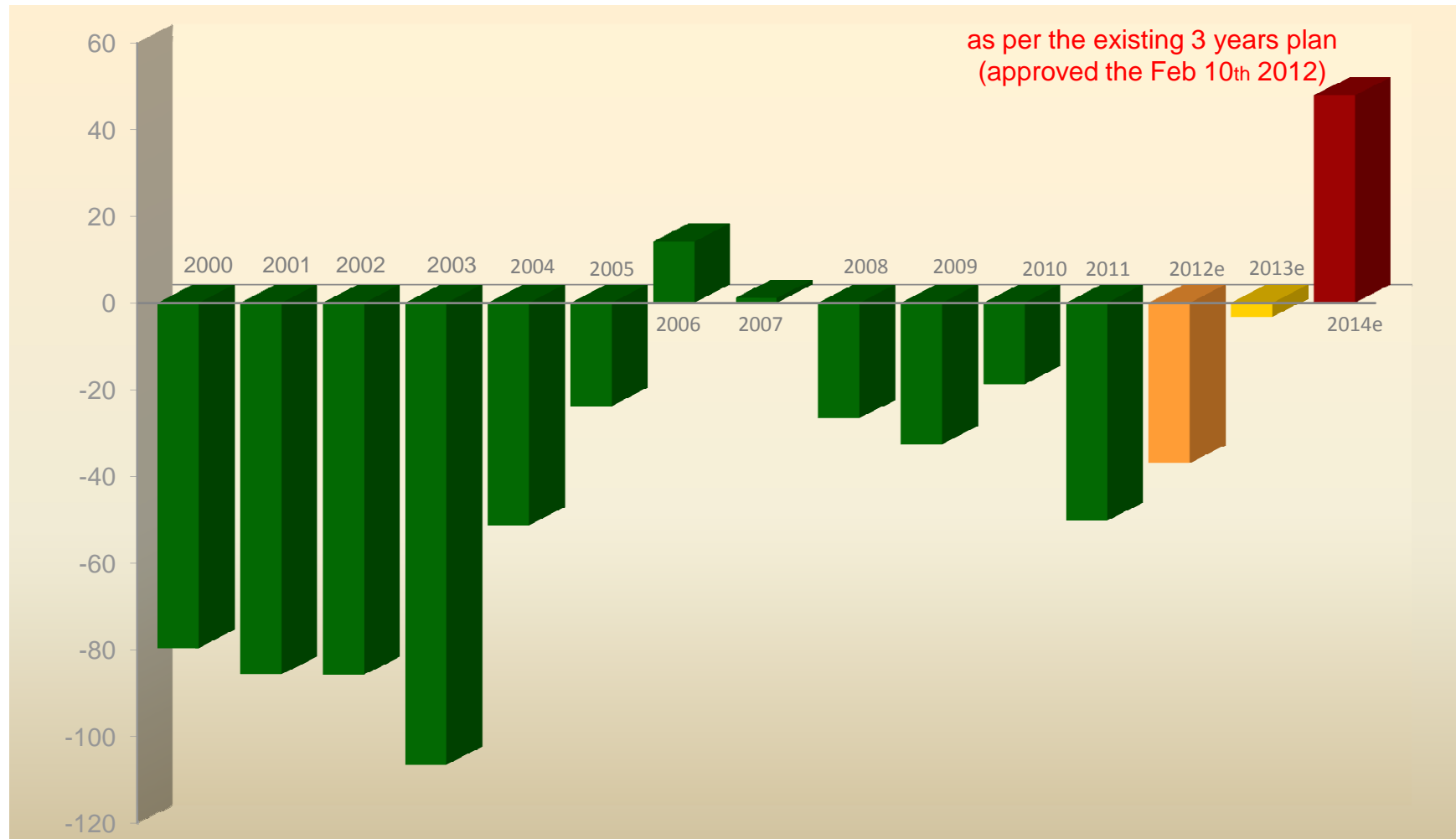
€/mln



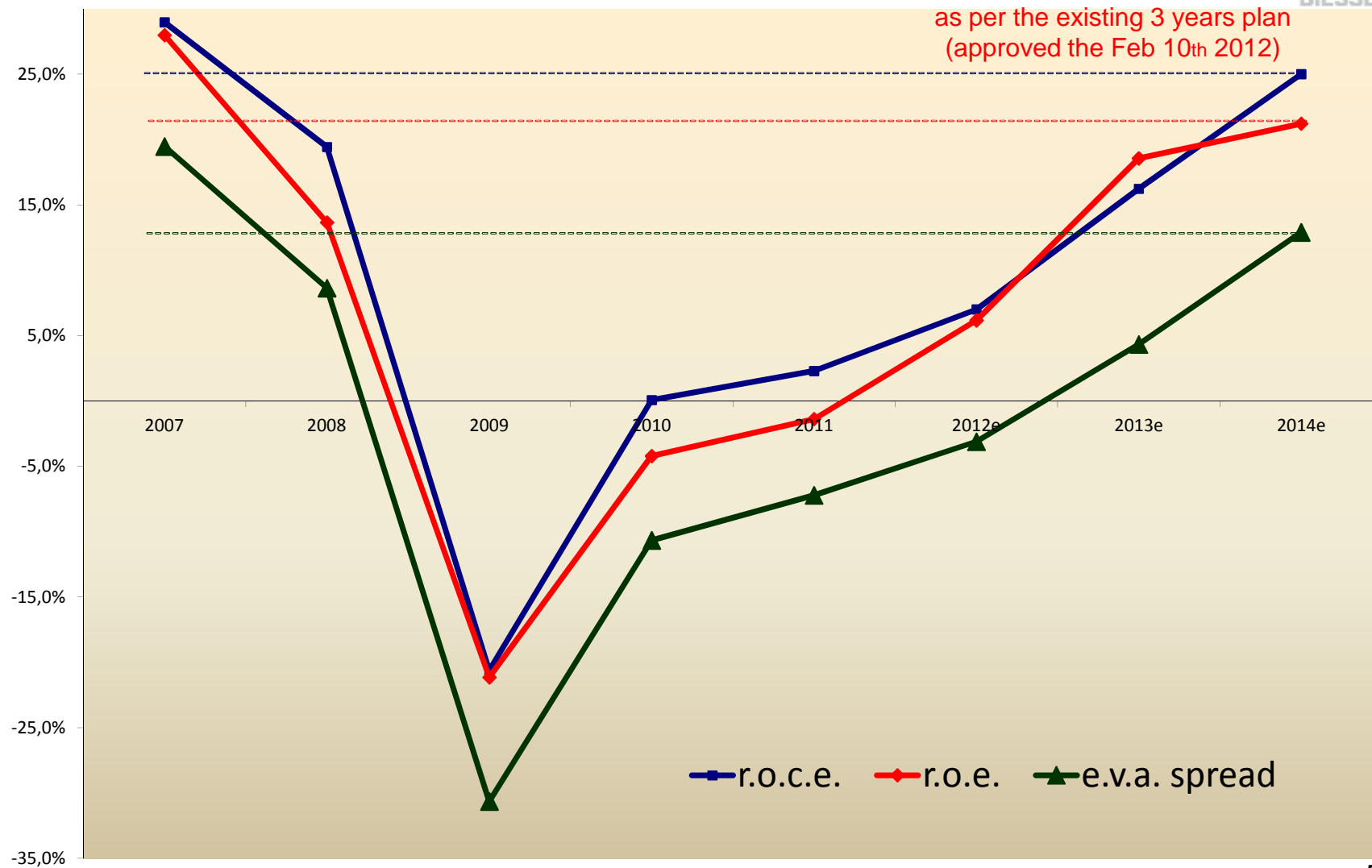
Net financial position: yearly trend & forecast



€/mln

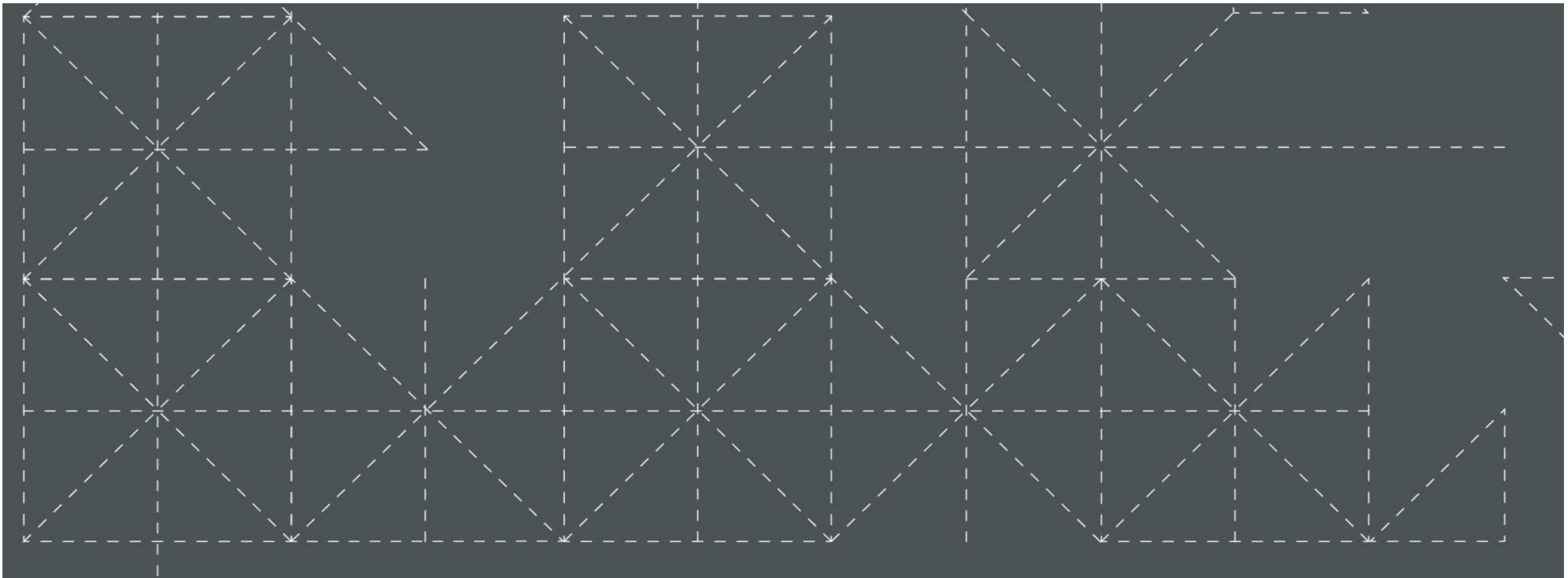


Group ratios: 2007-2014e



Group ratios: 2007-2014e





appendix

Wood: products evolution



Numeric controlled machining center Rover A edge



Numeric controlled machining center Rover B G



Autoamtic edgebanding machine Akron 1300



Multicenter Uniline



Wood: products evolution



Vertical drilling machine Skipper V31



automatic calibrating/sanding machines



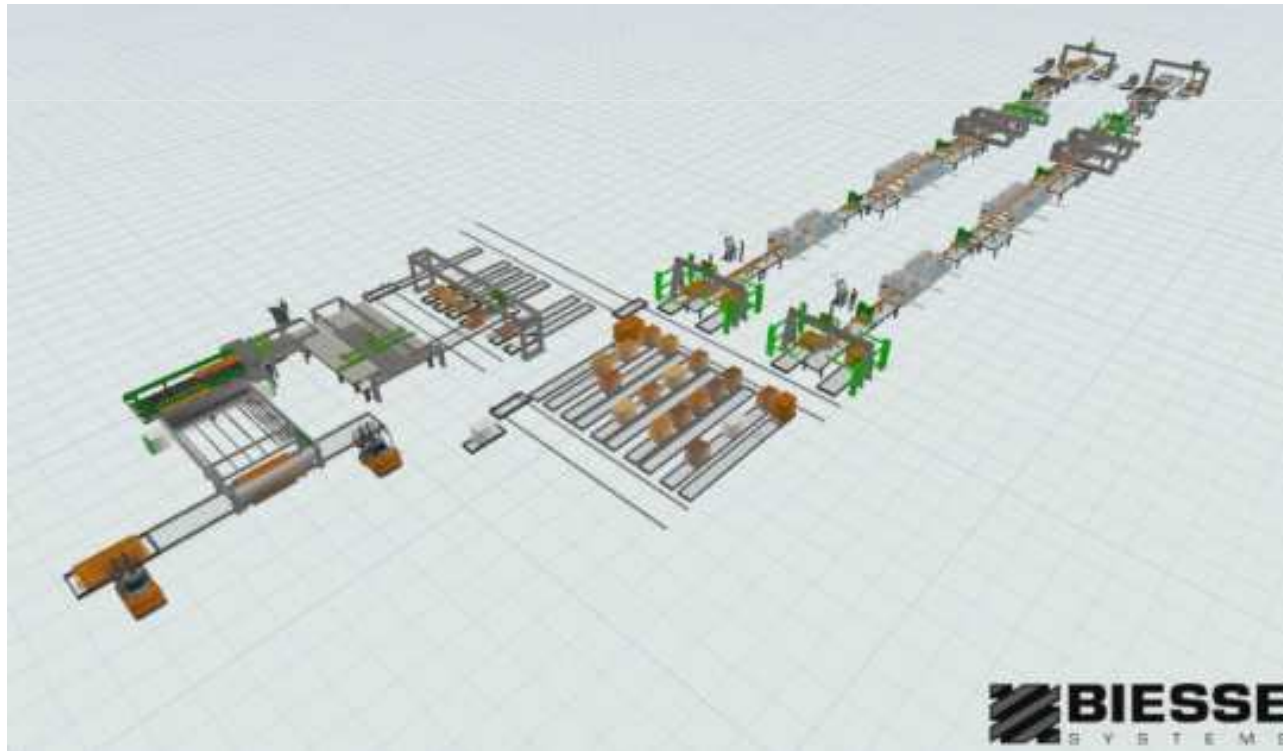
Panel sizing center WNT 630



Wood: products evolution Biesse Systems



- The Biesse Group has strengthened Biesse Systems with the addition of new highly specialised project management and engineering personnel
- Aim: to reinforce the design and development of plant/lines and to improve the competitive position



Glass & Stone: products evolution



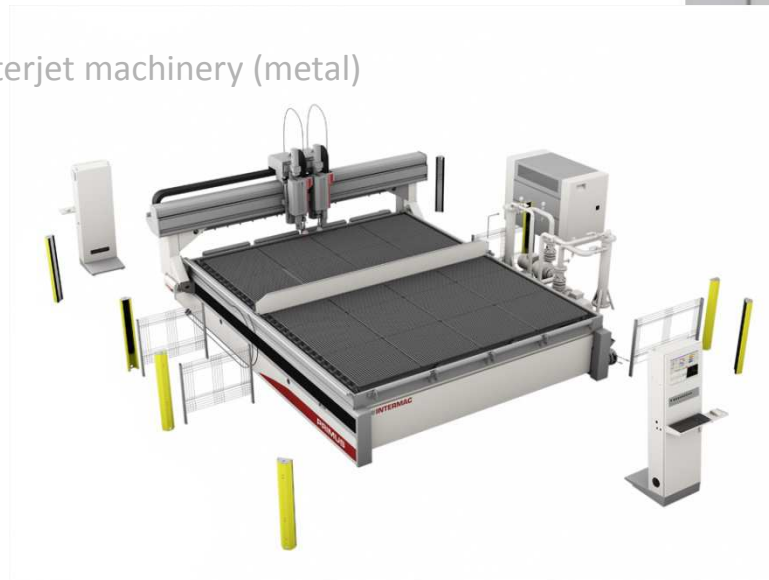
Genius LM-A for building (Glass)



Master series (Stone)



Primus series waterjet machinery (metal)



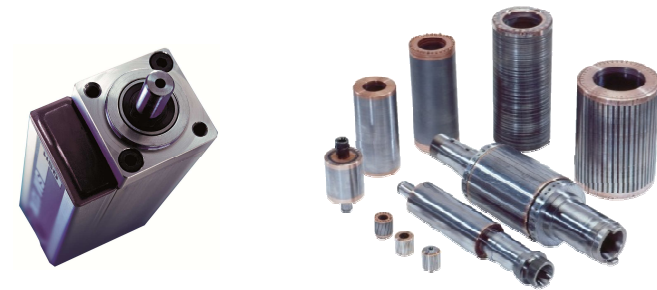
Mechatronic: products evolution



Automatic and manual Electrospindle for wood, plastic, glass, marble, metal



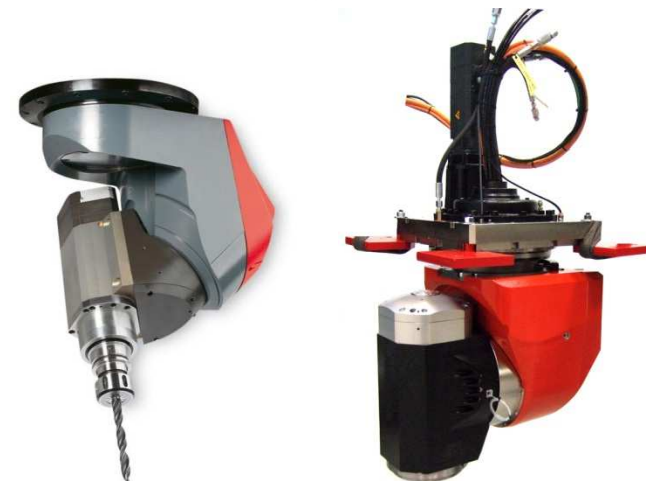
Smart Motors, Brushless Motors and Rotor/Stator



Boring Units and Right Angle Head for wood, plastic, glass, marble



5 Axis Technology





disclaimer

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