

PRESS RELEASE

11 November 2011



BIESSE

Biesse: approves the Quarterly Report to 30 September 2011

constant growth in sales and operating profit

<i>(values in € million)</i>	IIIQ 2011	9 months 2011
• Consolidated revenues	93.7 (+34.9%)	275.3 (+22.2%)
• Value Added <i>As % of revenues</i>	32.4 (34.6%)	99.9 (36.3%)
• EBITDA <i>As % of revenues</i>	4.4 (4.7%)	11.6 (4.2%)
• EBIT <i>As % of revenues</i>	0.5 (0.6%)	0.7 (0.3%)
• Net Debt	_____	48.8 _____

Pesaro, 11 November 2011 - The Board of Directors of Biesse S.p.A. – a company listed in the STAR segment of the Italian Stock Exchange – has today approved the Report for the **III Quarter of 2011** and examined the results for the nine month period to **30 September**.

The economic and financial results for the Biesse Group in the period **1/7/11 – 30/9/11** are as follows:

- Net Consolidated Revenues € 93.7 million (+34.9% compared with the same period of 2010)
- Value Added € 32.4 million (+20.5% compared with the same period of 2010) representing a margin on revenues of 34.6% (38.8% in 2010)
- Gross Operating Margin (EBITDA) € 4.4 million (+64.1% compared with the same period of 2010) representing a margin on revenues of 4.7% (3.8% in 2010)
- Operating Result (EBIT) € 0.5 million (negative € 1 million in the same period of 2010) representing a margin on revenues of 0.6%
- Pre-Tax Result € - 0.5 million (negative € 2.3 million in the same period of 2010)
- Net Result € -1.2 million (negative € 2.5 million in the same period of 2010)



Consequently the results for the nine months to **30 September 2011** are as follows:

- Net Consolidated Revenues € 275.3 million (+22.2% compared with the same period of 2010)
- Value Added € 99.9 million (+15.7% compared with the same period of 2010) representing a margin on revenues of 36.3% (38.3% in 2010)
- Gross Operating Margin (EBITDA) € 11.6 million (+52.5% compared with the same period of 2010) representing a margin on revenues of 4.2% (3.4% in 2010)
- Operating Result (EBIT) € 0.7 million (negative €2.7 million in the same period of 2010) representing a margin on revenues of 4.2% (3.4% in 2010)
- Pre-Tax Result € -2.7 million (negative € 4.2 million in the same period of 2010)
- Net Result € -5.4 million (negative € 6.2 million in the same period of 2010)

The geographical breakdown of consolidated revenues reveals the continued contraction of sales in Western Europe against which there was an increase in sales from the so-called “emerging” markets. It should be noted that sales from the domestic market as a proportion of total consolidated sales fell to 14.7%, which represents almost the same value of sales that the Group generates in the B.R.I.C. countries (Brazil-Russia-India-Cina) alone.

Group Net Debt at **30 September 2011** was € 48.8 million, an increase of € 26.1 million compared with the same period of 2010.

Total cash flow management in the first 9 months of the 2011 financial year, with no significant extraordinary factors, absorbed cash of € 39.9 million particularly due to a negative change in net working capital that was heavily impacted by an increase in inventories. The increase in closing inventories was directly affected by the introduction of new product ranges which generated a materials overlap (phase in – phase out).

At **30 September 2011** the progressive Group order inflow was 18% higher than that for the same period of the previous year (+65% compared with 2009), while the production backlog at end-**September 2011** was almost € 106 million (+24% compared with Settembre 2010 and +38% from the start of the current financial year).

It should also be noted that, in accordance with the recommendations of article 7 of the Self-Regulatory Code for quoted companies and in accordance with article 123-ter of the Consolidated Financial Law (TUF), the Board of Directors has also approved the remuneration policy of Biesse S.p.A. as proposed by the Remuneration Committee.



Following the Biesse Board of Directors' meeting the C.E.O. Giorgio Pitzurra stated:

"The quarter under review, as for the entire period of 2011 to date, was characterised by significant growth in revenues achieved despite the difficult conditions in the global macro-economic environment.

Even the return to positive EBIT (operating result), while far from the standards of Biesse, is a very important and significant result, above all because it was achieved on sales with a different mix of products compared to the recent past. In particular, the gradual shift in demand towards large scale product lines is taking us into an appealing market segment, though one which, for the present, has lower intrinsic profitability.

However, these negative factors for Biesse's profitability have been compensated by the substantial absence of pressure on sales prices and our increasing organisational efficiency.

Looking forward, and even in the context of an unfavourable international financial scenario, we are working to significantly reduce Biesse's income statement breakeven level utilising all of the instruments and resources at our disposal.

Finally, with regard to our recent Chinese acquisition, while the current financial year will not directly benefit from this cross-border operation, the expected significant and positive synergies arising from it will be fully evaluated and incorporated in our next three year plan for the period 2012-2014"



FINANCIAL STATEMENTS

Income Statement for the quarter ended 30 September 2011

	3Q 2011	%on sales	3Q 2010	%on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	93,714	100.0%	69,445	100.0%	34.9%
Change in inventories, wip, semi-finished and finished goods	(3,748)	(4.0)%	1,473	2.1%	-
Other revenues	(47)	(0.1)%	1,565	2.3%	-
Value of Production	89,919	96.0%	72,482	104.4%	24.1%
Consumption of materials, accessory products and goods	(38,510)	(41.1)%	(29,525)	(42.5)%	30.4%
Other operating expenses	(18,942)	(20.2)%	(16,008)	(23.1)%	18.3%
Value Added	32,466	34.6%	26,949	38.8%	20.5%
Staff costs	(28,094)	(30.0)%	(24,285)	(35.0)%	15.7%
Gross Operating Income	4,372	4.7%	2,664	3.8%	64.1%
Depreciation and amortisation	(3,175)	(3.4)%	(3,292)	(4.7)%	(3.5)%
Provisions	(648)	(0.7)%	(340)	(0.5)%	90.5%
Net Operating Income	549	0.6%	(970)	(1.4)%	-
Finance income/expense	(889)	(0.9)%	(699)	(1.0)%	27.1%
Gains (Losses) on exchange rate differences	(200)	(0.2)%	(626)	(0.9)%	(68.0)%
Profit (Loss) before tax	(540)	(0.6)%	(2,295)	(3.3)%	(76.5)%
Taxes	(680)	(0.7)%	(194)	(0.3)%	-
Profit (Loss) of the period	(1,220)	(1.3)%	(2,490)	(3.6)%	(51.0)%



Income Statement for the nine months ended 30 September 2011

	30 September 2011	% on sales	30 September 2010	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	275,279	100.0%	225,325	100.0%	22.2%
Change in inventories, wip, semi-finished and finished goods	12,061	4,4%	4,526	2.0%	-
Other revenues	1,371	0,5%	2,552	1.1%	(46.3)%
Value of Production	288,711	104.9%	232,404	103.1%	24.2%
Consumption of materials, accessory products and goods	(130,373)	(47.4)%	(96,291)	(42.7)%	35.4%
Other operating expenses	(58,435)	(21.2)%	(49,743)	(22.1)%	17.5%
Value Added	99,904	36.3%	86,369	38.3%	15.7%
Staff costs	(88,291)	(32.1)%	(78,752)	(35.0)%	12.1%
Gross Operating Income	11,613	4,2%	7,617	3,4%	52.5%
Depreciation and amortisation	(9,375)	(3.4)%	(9,052)	(4.0)%	3.6%
Provisions	(1,483)	(0.5)%	(1,282)	(0.6)%	15.7%
Net Operating Income	755	0.3%	(2,719)	(1.2)%	-
Finance income/expense	(1,975)	(0.7)%	(1,504)	(0.7)%	31.3%
Gains (Losses) on exchange rate differences	(1,508)	(0.5)%	43		-
Profit (Loss) before tax	(2,728)	(1.0)%	(4,180)	(1.9)%	(34.7)%
Taxes	(2,709)	(1.0)%	(2,049)	(0.9)%	32.2%
Profit (Loss) of the period	(5,437)	(2.0)%	(6,229)	(2.8)%	(12.7)%



Net financial position at 30 September 2011

	30 September	30 June	31 March	31 December	30 September
	2011	2011	2011	2010	2010
<i>Euro 000's</i>					
Financial assets:	26,580	29,522	24,866	25,812	24,786
<i>Current financial assets</i>	2,794	453	0	0	0
<i>Cash and cash equivalents</i>	23,786	29,069	24,866	25,812	24,786
ST finance lease liabilities	(1,438)	(1,452)	(2,215)	(2,217)	(2,188)
Bank and other ST financial debt	(49,510)	(56,366)	(47,943)	(33,535)	(33,796)
Net Short Term Financial Position	(24,368)	(28,296)	(25,292)	(9,940)	(11,198)
M/L term finance lease liabilities	(2,565)	(2,660)	(2,973)	(2,998)	(4,040)
M/L term bank debt	(21,852)	(4,426)	(8,984)	(5,983)	(7,463)
Net M/L Term Financial Position	(24,417)	(7,086)	(11,957)	(8,981)	(11,503)
Total Net Financial Position	(48,785)	(35,381)	(37,250)	(18,921)	(22,700)



Summary Statement of Financial Position

	30 September 2011	31 December 2010	30 September 2010
Euro 000's			
Intangible assets	46,361	44,281	43,083
Property, plant and equipment	54,368	55,834	56,220
Financial assets	738	738	826
Non current assets	101,467	100,853	100,129
Inventories	94,842	81,326	76,535
Trade receivables	93,506	90,391	77,709
Trade payables	(105,656)	(111,134)	92,177
Net Operating Working Capital	82,692	60,582	62,067
Post-employment benefits	(10,602)	(10,855)	(11,518)
Provision for risk and charges	(8,016)	(8,547)	(6,909)
Other net receivables/payables	(15,659)	(16,407)	(15,234)
Net deferred tax assets/liabilities	16,009	16,210	16,084
Other net assets/liabilities	(18,269)	(19,600)	(17,576)
Net Invested Capital	165,890	141,835	144,620
Share capital	27,393	27,393	27,393
Profit/loss for the previous period and other reserves	94,639	100,694	100,215
Loss for the period	(5,156)	(5,392)	(5,985)
Non controlling interests	230	220	296
Equity	117,105	122,914	121,919
Due to bank and other financial institutions	75,365	44,733	47,486
Other financial assets	(2,794)	0	0
Cash and cash equivalents	(23,786)	(25,812)	(24,786)
Net financial indebtedness	48,785	18,921	22,700
Total sources of funding	165,890	141,835	144,620



In accordance with paragraph 2, clause 154-bis del T.U.F. (Testo Unico Finanziario-Consolidated Financial Law), the manager responsible for the preparation of the company accounting records of Gruppo Biesse, Stefano Porcellini, declares that the company accounting information contained in the present communication corresponds to the results contained in the group's records, books and accounts

The Biesse Group operates in the market for machinery and systems for working wood, glass, marble and stone. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse S.p.A. has been listed on the STAR sector of Borsa Italiana since June 2001.

The Company offers modular solutions from the design of turnkey plants for large furniture manufacturers to individual automatic machines and work stations for small and medium enterprises and the design and distribution of individual highly technological components.

As a result of its attention to research and innovation, Biesse can develop modular products and solutions capable of responding to a vast range of requirements from clients.

A multinational company, the Biesse Group distributes its products through a network of subsidiaries and associates located in strategic markets.

The 30 directly controlled subsidiaries guarantee specialized after-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group has 2,400 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its associates/branch offices in Europe, North America, the Middle East, Asia and Australasia. The Group also has no fewer than 300 resellers and agents enabling it to cover more than 100 countries.

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