

PRESS RELEASE

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BIESSE

New 2011-2013 Three-year Business Plan approved

main guidelines:

- growth in consolidated revenues and market shares
- targeted investments to support new development projects
- recovery in margins and profit
- positive cash flow – strong financial/equity structure

Pesaro, 21 December 2010 - The Board of Directors of Biesse S.p.A. – a company listed on the STAR segment of the Italian Stock Exchange – today approved the three-year business plan for 2011-2013.

As a consequence of the projects and initiatives of the aforementioned plan, Biesse results in the next three years are expected to have:

- a significant increase in consolidated revenues (*CAGR: range 12%-13%*)
- a constant increase in value added (*over 40% as a percentage of revenues in 2013*)
- strong recovery in operating profitability particularly in the two years 2012 and 2013 (*2013 EBITDA: range 13%-14%*)
- increased cash flow generation net of planned investments (*total free cash flow of € 40-45 million in the three-year period – positive net financial position in 2013*)

At the end of the Board meeting, the Chairman, Roberto Selci, stated, *“We believe that the current macro-economic environment and, in particular, the outlook for our reference sectors in all the main geographic regions can support the development projects outlined in the plan we just approved. Although the significant investments planned to support new projects will impact, in particular, on the next financial year, we believe that we can almost immediately (2011) generate a positive net result whilst continuing to reduce debt.*

We are convinced that the route we are following is the right one;” added Roberto Selci, *“it is one where every project and every development idea is economically sustainable and cash generative. With all necessary caveats and despite the ongoing uncertainties at an international level, we believe that this new Biesse plan has the potential to increase our world leadership position”.*



As confirmation of the Group desire to continue to focus on reducing its cost structure, the Board of Directors of Biesse has ratified the agreement signed yesterday to extend the Extraordinary State-assisted lay-off scheme. The new agreement, which starts on 11 January 2011, will last for twelve months and will involve ca. 44% fewer employees than those in the current financial year but with a greater ratio of employees allocated “zero hours” to those working on a “rotating basis”.

In addition, as a result of the reorganisation process, it was decided to set up a restructuring reserve, into which will be deposited the most appropriate provisions from previous years, established at € 0.6 million.

During the same meeting, with regard to the co-optation to fill the position of Director left vacant following the resignation of the CEO, Giovanni Barra, the board approved the convocation on 18 January 2011 of a meeting of the Board of Directors specifically for this purpose.

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 20 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 over 2,300 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore 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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