

PRESS RELEASE

6 August 2010



“Technology giving shape to substance”

The Board of Directors approves the Consolidated Six Month Interim results to **30 June 2010** and analyses the second quarter figures, which are indicative of current business trends

BIESSE GROUP

First half 2010:

- Net revenues **+23.1%** compared to the same period in 2009
- Value added **€ 59.4 million (+44.3%** compared to the same period in 2009)
- EBITDA **+€ 4.9 million** (-€ 8.4 the same period 2009 result)
- EBIT **-€ 1.7 million** (-€17.7 the same period 2009 result)
- **free cash flow of € 12.3 million** generated in the first half (-€ 29.8 million the same period 2009 result)

Second quarter 2010:

- Net revenues **+49.8%** compared to the same period in 2009
- Value added **€ 35.0 million (+80.7%** compared to the same period in 2009)
- EBITDA **+€ 6.8 million** (-€ 4.4 million in the second quarter 2009)
- EBIT **+€ 3.1 million** (-€ 8.3 million in the second quarter 2009)
- **free cash flow of €10.3 million** generated in the second quarter 2010 (-€ 6.0 million in the 2nd quarter 2009)

CONSOLIDATED INCOME STATEMENT – FIRST HALF 2010

<i>Euro million</i>	1st H 2010	1st H 2009
NET REVENUES	155.9	126.6
Value added	59.4	41.2
EBITDA	4.9	-8.4
EBIT	-1.7	-17.7
NET PROFIT/LOSS	-3.7	-14.8
NET FINANCIAL POSITION	-20.4	-56.5



BIESSE

Pesaro, 6 August 2010

The Board of Directors of Biesse S.p.A., a multinational company registered in Pesaro and active in the sector of wood, glass and stone-working machinery and listed on the STAR segment of Borsa Italiana, today met and approved the **Consolidated Six Month Interim Financial Statements** regarding the January - June 2010 period:

- Consolidated revenues of € 155.9 million (+ 23.1% year-on-year)
- Value Added of € 59.4 million (+ 44.3% year-on-year), margin on sales of 38.1% (32.5% in the same period of 2009)
- EBITDA of € 4.9 million (negative for € 8.4 million in the same period of 2009) margin on sales of 3.2%
- Negative EBIT of € 1.7 million (+90.1% compared to the same period in 2009) margin on sales of 1.1%
- Pre-tax loss of € 1.9 million (+90.1% compared to the same period in 2009) margin on sales of 1.2%
- Consolidated net loss of € 3.7 million (+74.8% compared to the same period in 2009) margin on sales of 2.4%
- Free Cash flow generation of € 12.3 million (in the first half 2009 there was cash absorption of € 29.8 million)

During the same meeting of the Board of Directors the stand-alone results of the **Second Quarter 2010** were analysed as they are particularly significant having a determining effect on the positive trend in Group profitability:

- Consolidated revenues of € 92.7 million (+49.8% year-on-year)
- Value Added of € 35.0 million (+80.7% year-on-year) margin on sales of 37.8% (31.4% in the same period of 2009)
- EBITDA of € 6.8 million (negative for € 4.4 million in the same period of 2009) margin on sales of 7.4%
- EBIT of € 3.1 million (negative for € 8.3 million in the same period of 2009) margin on sales of 3.4%
- Pre-tax profit of € 2.9 million (loss of € 9.7 million in the same period of 2009) margin on sales of 3.1%
- Consolidated net profit of € 0.4 million (loss of € 7.6 million in the same period of 2009) margin on sales of 0.5 %
- Free Cash flow generation of € 10.3 million (-6.0 million in the period 31 March – 30 June)

Net debt

At 30 June 2010, the **Group net debt** was **€ 20.4 million**, a significant improvement on the figures for preceding financial periods.

- An improvement of € 36.1 million compared to 30.06.09
- An improvement of € 12.3 million compared to 31.12.09.
- An improvement of € 10.3 million compared to 31.03.10

In the absence of any extraordinary items, the cash generated derives primarily from the positive trend in **Operating Net Working Capital** (which decreased € 15.2 million compared to the figure at 31 December 2009), the components of which benefited from the focus on management of production and of the supply chain. **Operating Net Working Capital** as a percentage of net revenues fell to **41.3%** at 30 June 2010 compared to **89.6%** at the same date in 2009. The virtuous trend in Group cash flow, which started in the second half of 2009, is once again present in the current financial year as, since the start of the year, Biesse has generated over € 12 million of free cash flow (of which € 10 million in the second quarter alone).



Given the favourable economic outlook for the second part of the year, it is reasonable to expect further confirmation of Biesse's capacity to generate cash flow in excess of original forecasts.

Order intake – Geographical breakdown of revenues

The order intake in the first semester of 2010, compared to the same period of 2009, had an overall increase of 61% (71% in the Wood Division). In June 2010 alone, the Wood Division had an order intake that was even higher than that of the same period in 2008 (+34.5%).

Despite a foreseeable natural decline in production, mainly linked to the seasonality of the third quarter, Biesse will attempt in the second half of the year to bridge the negative gap existing with the order intake registered in 2008 (a shortfall of 32% in progressive data at 30 June 2010).

The geographical breakdown of consolidated sales shows a lower weighting on total revenues of Western Europe (55.5% compared to 61.4% at 30 June 2009) but an increase in Eastern Europe (13.3% compared to 10.8%) and the Far East Asia/ Asia Pacific (14.6% compared to 11.5%). The domestic market, only in part affected by the Tremonti-ter law, accounted for 26.7% of net revenues, an increase compared to the same period of the preceding financial year (21% in June 2009) and the first quarter of the current financial year (24.5% in March 2010).

Macroeconomic scenario – Segment analyses (wood)

Annualised world economic growth of 5% in the first quarter has led the IMF to revise its estimates for 2010 growth to 4.6%. The industrial activity in advanced countries is showing almost double-digit growth trends whilst it is even higher in emerging countries, where consumption is also increasing, but remains stagnant in OECD countries

The economic situation is showing some signs of improvement but is definitely characterised by uncertainty and possible discontinuity: the chain reaction among debt crisis, credit flows and economic environment has been avoided but the number of risks and variables that could impact the economic picture means that the system remains extremely tense.

In Europe the cyclical phase varies considerably from country to country with Germany strong and Spain in a quasi-recession.

In the American market, the process of reducing the stock of family and corporate debt, which started halfway through 2008, is acting as a break on the recovery but is being accompanied by a gradual increase in the net wealth of private individuals. The consolidation in the labour market is congruous with the acceleration in growth of the net wealth of families, although confidence remains almost at its lowest levels.

In Italy, preliminary estimates from ISTAT (*Istituto Nazionale di Statistica*) for Italian GDP in the first-quarter 2010 indicate an increase of 0.5% quarter-on-quarter and of 0.6% compared to the same period of 2009.

Figures for orders received in the second quarter 2010 – reported by the Business Culture and Study Centre of UCIMU, the association of Italian producers of machine tools, robots and automated equipment - showed an increase of 66.4%, compared to the same period of the preceding year, taking the absolute value of the index to 79.7 (base 2005=100).

The monthly report from the German organisation, VDMA, on orders/sales in the sub-sector "Holzbearbeitungsmaschinen" (*woodworking machinery*) for the first semester 2010 shows a significant +85% in cumulative order intake compared to the orders received in the same period of the previous year, which was at the height of the recession.



Income Statement 2nd Quarter 2010

	II Quarter 2010	% on sales	II Quarter 2009	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	92.722	100,0%	61.887	100,0%	49,8%
Change in inventories, wip, semi-finished and finished goods	(1.977)	(2,1)%	(7.682)	(12,4)%	(74,3)%
Other revenues	569	0,6%	1.135	1,8%	(49,9)%
Value of Production	91.314	98,5%	55.339	89,4%	65,0%
Consumption of materials, accessory products and goods	37.177	40,1%	20.742	33,5%	79,2%
Other operating expenses	19.073	20,6%	15.187	24,5%	25,6%
Value Added	35.064	37,8%	19.410	31,4%	80,7%
Staff costs	28.217	30,4%	23.194	37,5%	21,7%
Non recurring expenses	-	-	590	1,0%	(100,0)%
Gross Operating Income	6.847	7,4%	(4.374)	(7,1)%	-
Depreciation and amortisation	2.846	3,1%	3.308	5,3%	(14,0)%
Provisions	861	0,9%	563	0,9%	53,1%
Impairment	-	-	30	0,0%	(100,0)%
Net Operating Income	3.139	3,4%	(8.275)	(13,4)%	(137,9)%
Financial income/expense	(415)	(0,4)%	(789)	(1,3)%	(47,4)%
Foreign exchange gains/losses	187	0,2%	(619)	(1,0)%	(130,2)%
Profit (Loss) before tax	2.911	3,1%	(9.683)	(15,6)%	(130,1)%
Taxes	2.473	2,7%	(2.083)	(3,4)%	-
Profit (Loss) of the period	438	0,5%	(7.600)	(12,3)%	(105,8)%



Income Statement at 30 June 2010

	30 June 2010	% on sales	30 June 2009	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	155.881	100,0%	126.610	100,0%	23,1%
Change in inventories, wip, semi-finished and finished goods	3.054	2,0%	(7.332)	(5,8)%	(141,7)%
Other revenues	988	0,6%	1.843	1,5%	(46,4)%
Value of Production	159.922	102,6%	121.121	95,7%	32,0%
Consumption of materials, accessory products and goods	66.767	42,8%	49.703	39,3%	34,3%
Other operating expenses	33.735	21,6%	30.229	23,9%	11,6%
Value Added	59.420	38,1%	41.189	32,5%	44,3%
Staff costs	54.467	34,9%	49.052	38,7%	11,0%
Gross Operating Income normalized	4.953	3,2%	(7.863)	(6,2)%	-
Non recurring expenses	-	-	(590)	(0,5)%	(100,0)%
Gross Operating Income	4.953	3,2%	(8.453)	(6,7)%	-
Depreciation and amortisation	5.760	3,7%	6.556	5,2%	(12,1)%
Provisions	942	0,6%	2.681	2,1%	(64,9)%
Net Operating Income	(1.748)	(1,1)%	(17.720)	(14,0)%	(90,1)%
Financial income/expense	(805)	(0,5)%	(1.461)	(1,2)%	(44,9)%
Foreign exchange gains/losses	669	0,4%	176	0,1%	-
Profit (Loss) before tax	(1.885)	(1,2)%	(19.004)	(15,0)%	(90,1)%
Taxes	(1.855)	(1,2)%	4.148	3,3%	(144,7)%
Profit (Loss) of the period	(3.739)	(2,4)%	(14.856)	(11,7)%	(74,8)%



Summary Balance Sheet Data

	30 June	31 March	31 December	30 September	30 June
	2010	2010	2009	2009	2009
<i>Euro 000's</i>					
Intangible fixed assets	43,156	41,737	41,073	41,057	40,865
Tangible fixed assets	58,022	57,243	57,431	58,369	60,152
Non current assets	20,329	20,876	18,849	16,266	14,006
NON CURRENT ASSETS	121,506	119,857	117,353	115,692	115,023
Inventories	70,921	69,856	63,242	81,462	91,412
Trade receivables	89,243	73,443	77,307	66,224	72,132
Other receivables	8,105	10,397	10,648	9,394	10,686
Other current financial assets	0	0	0	0	0
Cash and equivalents	29,799	31,517	31,148	20,547	29,967
CURRENT ASSETS	198,068	185,214	182,345	177,627	204,197
TOTAL ASSETS	319,574	305,070	299,698	293,319	319,220
Net Equity of the Group	125,414	123,475	126,334	130,883	138,262
Minority interests	372	405	517	400	523
NET EQUITY	125,786	123,880	126,850	131,283	138,785
Bank debt and M/L term finance leases	12,236	15,211	18,575	46,616	50,533
Retirement benefit liabilities	11,252	11,624	11,857	12,033	11,975
Other payables and M/L term liabilities	3,603	3,527	3,334	3,431	3,717
NON CURRENT LIABILITIES	27,090	30,363	33,765	62,080	66,225
Trade payables	95,817	73,149	60,977	47,989	50,080
Other short term payables	32,925	30,704	32,828	25,646	28,200
Bank debt and short term finance leases	37,955	46,975	45,278	26,321	35,930
CURRENT LIABILITIES	166,697	150,828	139,083	99,956	114,211
TOTAL LIABILITIES AND NET EQUITY	319,574	305,070	299,698	293,319	319,220



Net Financial Position

	30 June	31 March	31 December	30 September	30 June
	2010	2010	2009	2009	2009
<i>Euro 000's</i>					
Financial assets:	29,799	31,517	31,148	20,547	29,967
<i>Liquidity</i>	29,799	31,517	31,148	20,547	29,967
ST finance lease liabilities	(2,185)	(2,219)	(2,290)	(2,328)	(2,419)
Bank and other ST financial debt	(35,770)	(44,756)	(42,988)	(23,993)	(33,511)
Net Short Term Financial Position	(8,156)	(15,458)	(14,130)	(5,774)	(5,963)
M/L term finance lease liabilities	(4,120)	(5,133)	(5,225)	(6,210)	(6,291)
M/L term bank debt	(8,116)	(10,079)	(13,349)	(40,406)	(44,242)
Net M/L Term Financial Position	(12,236)	(15,211)	(18,575)	(46,616)	(50,533)
Total Net Financial Position	(20,392)	(30,669)	(32,704)	(52,390)	(56,496)



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 the Biesse Group, 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.

Biesse 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 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 branches guarantee specialized post-sales assistance to clients whilst carrying out market research in order to develop new products. The Biesse Group has over 2,290 employees in its main production sites in Pesaro, Alzate Brianza, Bergamo, Bangalore and the associates/branch offices in Europe, North America, Asia, Asia Pacific and Australia. The Group also has no fewer than 300 resellers and agents enabling it to cover more than 100 countries.

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