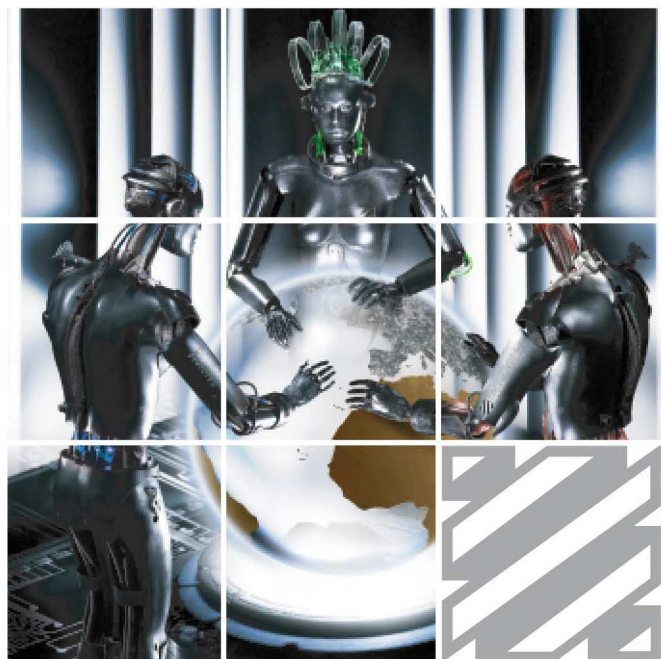


PRESS RELEASE

16 March 2010



BIESSE

BIESSE GROUP

The Board of Directors of Biesse Group approves the preliminary financial statements for 2009

CONSOLIDATED INCOME STATEMENT – RESULTS FOR THE FINANCIAL YEAR 2009

<i>Euro millions</i>	31.12.09	31.12.08	Change %
Net Revenues	268.0	454.3	(41.0%)
Gross Operating Margin (Ebitda)	-8.4	57.2	
Operating margin (Ebit)	-32.9	35.0	
Pre-tax result	-36.3	31.3	
Net Result	-27.2	19.7	

- **Gross Operating Margin** neutral in the 2nd half 2009
- **Normalized EBIT** net of non-recurring/restructuring items is negative for € 27.1 million
- **Net debt** of €32.7 million was an improvement of € 23.8 million compared with the net financial position at end-June 2009. **(Positive cashflow in the 2nd half 2009)**
- The **Corporate Governance** report for 2009 has been approved
- **The Ordinary Meeting of Biesse Shareholders' is convened** for the 28 April 2010 at 10.00 in first convocation (second convocation on the following day if required)

Pesaro, 16 March 2010 - The Board of Directors of Biesse S.p.A. - the company which operates in the market for wood, glass and stone working machines and system and which is quoted on the Star segment of the Italian Stock Market - during its meeting held today in Pesaro has approved the preliminary Financial Statements for the year ended 31.12.2009.

The Consolidated Results achieved by Biesse Group for the full year 2009 are as follows:

- Consolidated Net Revenues € 268.0 million (-41.0% compared with the same period of 2008)
- Value Added € 84.4 million (-50.0% compared with the same period of 2008) representing a margin of 31.5% of revenues
- EBITDA* negative for € 8.4 million (positive EBITDA of 57.3 million in the same period of 2008). Gross Operating Margin neutral in the 2nd half 2009
- EBIT* negative for € 32.9 million (positive EBIT of € 35 million in the same period of 2008)
- Pre-tax loss of € 36.3 million (profit of € 31.3 million in the same period of 2008)
- Net loss of € 27.2 million (Net profit of € 19.7 million in the same period of 2008)

*Net of non-recurring/restructuring items:

- Adjusted EBITDA - € 7.2 million
- Adjusted EBIT - € 27.1 million



Net Financial Position:

At 31 December 2009 the Group had Net Debt of € 32.7 million, a deterioration of € 6.0 million compared with the end of 2008, but significantly better than the net debt reported at 30 June 2009 (net debt down by € 23.8 million).

Geographical breakdown of revenues:

The geographical distribution of net revenues is broken down into the following macro-areas:

Italy 24.1%
 Western Europe 33.9%
 Eastern Europe 10.4%
 North America 8.7%
 Australasia 7.0%
 Asia Pacific 8.3%

Shareholders' Funds:

Group shareholders' funds at 31 December 2009 were € 126.8 million (€ 153.3 million at 31 December 2008)

Corporate Governance:

During today's meeting the Board of Directors also approved the Corporate Governance Report of Biesse for calendar 2009 in accordance with article 123-bis of the Consolidated Finance Law (TUF), updated to include the latest provisions of Borsa Italiana issued in February 2010.

Ordinary meeting of Biesse shareholders:

Having approved the preliminary Financial Statements for 2009 the Board of Directors proceeded to convene the Ordinary meeting of Biesse shareholders for 28 April at 10.00 (first convocation) with second convocation for the following day. The agenda for the meeting includes approval of the Preliminary Financial Statements for 2009.

Macro-Economic Context:

The impact of the current recession has been particularly significant for the most cyclical sectors, such as the manufacturing sector, and even more so for capital goods sector where demand is a direct function of the level of confidence and the availability of sources of financing which was adversely affected throughout the period by the so-called "credit crunch".

The first half of 2009 was characterised by an unprecedented slowdown in investments and international trade, then in July and September, and the last quarter of 2009 in particular, there was reversal of the trend in the Asia-Pacific, Continental Europe and in South America.

In Italy the industrial companies confidence index rose in January 2010 to 83.2 from 82.4 in December 2009; the picture it shows is varied but it favours the sectors in which Biesse operates: confidence has risen in the capital goods sector while it is stable for intermediate goods and is down for consumer goods. According to the usual quarterly analysis companies have reported an increase in capital utilisation and working hours even though the indicators are still a long way off pre-crisis levels. It represents a picture that is substantially consistent with positive industrial growth in 2010, although it also confirms that the exit from recession could be gradual.

Operating sectors - wood:

Acimall - the national trade association for the woodworking machinery sector - in its press release of 26 January reported that Italian production had fallen by 48.3% compared with 2008 with a similar performance in the export sector, - 48.7%. Acimall believes that it is realistic to expect growth of between 5% and 10% in 2010 compared with 2009, largely due to the recovery expected in several foreign markets (above all the USA, Spain and Russia) which were particularly severely impacted by the economic crisis last year.



Order intake in the last quarter of 2009 was down 8.8% compared with the same period of the previous year according to the research office of UCIMU, the trade association for Italian producers of machine tools, robot and automated equipment; which confirms the continuing declining trend of the order intake for Italian machine tool producers, which has been falling for six consecutive quarters.

Although the intensity of the decline appears to be moderating - according to Ucima - the recovery appears to be slow and difficult. It should be noted that for the first time in eighteen months, the report reveals different trends for the domestic market and the international market: the international market order intake index for Italian producers revealed a decline of 22.8% compared with the same period of the previous year, while the domestic market order intake index returned to growth of 12.1% sustained, as forecast, by the Tremonti-Ter capital allowances effect.

Figures for the full year show that orders received fell by 46.9% compared with 2008, taking the absolute value of the statistical index to 60.6 (base 2005 = 100) similar to the level reported in 1993.

The annual orders/sales report of the German association VDMA on the sub-segment "Holzbearbeitungs-maschinen" (wood processing machinery) revealed a fall of 44% in total order intake in 2009 - an improvement over previous quarters when they fell by as much as 65%- and a decline of 42% in total sales compared with 2008. Both of these figures were largely the result of domestic demand. As with Acimall, VDMA expects growth for the "wood processing machinery" sector in 2010 of 5% - 10% compared with 2009.

Three Year Industrial Plan 2010-2012:

On 22 February the Board of Directors of Biesse approved the new three year plan for the period 2010-2012 which indicates compound average growth in revenues of 13.4% and expected gross operating profits of more than €40 million in 2012 (EBITDA margin 10% - 10.5%). The attention focused on all the Group's financial and capital components should have a beneficial impact on the trend of net debt in the three year period 2010 - 2012, following on from the positive performance of the second half of 2009. By the end of 2012, net of budgeted investments, the Group expects to reduce its debt to close to zero as a result of total cash flow over the three year period of more than € 30 - 33 million. The key elements of Biesse's industrial plan are a reflection of the clear focus on product cost, commercial distribution, investment in innovation and widening of the product range and initiatives to improve the technical service provided to the client. In addition, constant attention to the development of management leadership skills will be a key factor, together with the product, in enhancing the long term value of the company.

Renewal of the Independent Auditors Mandate:

Today's meeting of the Board of Directors of Biesse also put to the Board of Statutory Auditors the proposals regarding the new independent auditing company to carry out the audit of the Financial Statements, the Consolidated Financial Statements, the six month Interim Results and the other activities required by the laws in force. The Board of Statutory Auditors has therefore will propose the appointments at the next Shareholders' Meeting. The proposed mandate will begin from the 2010 financial year to the 2018 financial year.

For the amendments of the regulatory framework regarding conditions for the quotation of issuers having control of companies outwith the EU, the company states that it is in compliance with the provisions of articles 36 and 37 of Consob Resolution no. 16191 which includes rules for the implementation of decree law 24 February 1998, no. 58 regarding markets.



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

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 20 associates located in strategic markets.

The associates guarantee specialized post-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group has over 2,200 employees in its main production sites in Pesaro, Novafeltria, Alzate Brianza, Bergamo, Bangalore and the 30 associates / branch offices in Europe, North America, the Far East 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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2009 Income Statement

	31 December 2009	% of revenue	31 December 2008	% of revenue	DELTA %
€ 000's					
Revenues from sales and services	268.006	100,0%	454.320	100,0%	(41,0)%
Changes in inventories, WIP, semi-finished and finished goods	(23.414)	(8,7)%	3.635	0,8%	-
Other revenues and income	4.704	1,8%	3.024	0,7%	55,6%
Value of Production	249.296	93,0%	460.979	101,5%	(45,9)%
Consumption of raw materials, accessory products and goods	105.839	39,5%	200.005	44,0%	(47,1)%
Other operating expenses	59.084	22,0%	92.789	20,4%	(36,3)%
Value Added	84.372	31,5%	168.186	37,0%	(49,8)%
Personnel costs	91.587	34,2%	110.917	24,4%	(17,4)%
Normalised Gross Operating Margin	(7.214)	(2,7)%	57.269	12,6%	(112,6)%
Non recurring income/expenses	(1.218)	(0,5)%	0	0,0%	-
Gross Operating Margin	(8.432)	(3,1)%	57.269	12,6%	(114,7)%
Depreciation and amortisation	13.318	5,0%	12.991	2,9%	2,5%
Provisions	5.320	2,0%	1.036	0,2%	-
Normalised Operating Result	(27.069)	(10,1)%	43.241	9,5%	-
Impairment losses and extraordinary items	(5.905)	(2,2)%	(8.199)	(1,8)%	(28,0)%
Operating Result	(32.974)	(12,3)%	35.042	7,7%	-
Financial income/expense	(3.204)	(1,2)%	(1.784)	(0,4)%	79,6%
Foreign exchange gains/losses	(131)	0,0%	(1.937)	(0,4)%	(93,2)%
Pre-tax profit	(36.310)	(13,5)%	31.321	6,9%	-
Tax for the period	9.117	3,4%	(11.581)	(2,5)%	-
Result for the period	(27.193)	(10,1)%	19.739	4,3%	-



Balance sheet figures

	31 December 2009	30 September 2009	30 June 2009	31 March 2009	31 December 2008
€ 000's					
Intangible fixed assets	41.073	41.057	40.865	40.303	40.106
Tangible fixed assets	57.431	58.369	60.152	61.007	61.236
Other non-current assets	18.849	16.266	14.006	12.561	10.115
NON CURRENT ASSETS	117.353	115.692	115.023	113.871	111.458
Inventories	65.654	83.733	93.622	103.947	103.678
Trade receivables	74.895	63.953	69.921	78.847	99.804
Other receivables	10.795	9.394	10.686	12.787	14.364
Other financial assets	0	0	0	27	0
Cash and equivalents	31.148	20.547	29.967	19.366	22.173
CURRENT ASSETS	182.493	177.627	204.197	214.974	240.020
TOTAL ASSETS	299.845	293.319	319.220	328.845	351.478
Net equity of the Group	126.333	130.883	138.262	145.777	152.208
Minority interests	516	400	523	890	1.103
NET EQUITY	126.850	131.283	138.785	146.667	153.311
Bank debt and M/L term finance leases	18.575	46.616	50.533	8.977	9.199
Provisions for employee benefits	11.857	12.033	11.975	12.314	12.718
Other payables and M/L term liabilities	3.421	3.431	3.717	4.515	4.195
NON CURRENT LIABILITIES	33.852	62.080	66.225	25.807	26.112
Trade payables and other short term liabilities	60.977	47.989	50.080	65.702	98.611
Other short term payables	32.888	25.646	28.200	29.773	33.809
Bank debt and short term finance leases	45.278	26.321	35.930	60.897	39.635
CURRENT LIABILITIES	139.143	99.956	114.211	156.371	172.055
TOTAL LIABILITIES AND NET EQUITY	299.845	293.319	319.220	328.845	351.478



Net Financial Position as at December 31st, 2009

	31 December 2009	30 September 2009	30 June 2009	31 March 2009
€ 000's				
Financial assets:	31.148	20.547	29.967	19.393
<i>Current financial assets</i>	0	0	0	27
<i>Liquidity</i>	31.148	20.547	29.967	19.366
ST finance lease liabilities	(2.290)	(2.328)	(2.419)	(2.517)
Bank and other ST financial debt	(42.988)	(23.993)	(33.511)	(58.380)
Net Short Term Financial Position	(14.130)	(5.774)	(5.963)	(41.503)
M/L term finance lease liabilities	(5.225)	(6.210)	(6.291)	(7.284)
M/L term bank debt	(13.349)	(40.406)	(44.242)	(1.693)
Net M/L Term Financial Position	(18.575)	(46.616)	(50.533)	(8.977)
Total Net Financial Position	(32.704)	(52.390)	(56.496)	(50.481)

