

The Board approves the Fourth Quarter 2007 results  
and deliberates the consolidated results for the full-year 2007

**BIESSE GROUP:  
DOUBLE DIGIT GROWTH FOR THE FULL YEAR 2007  
+17.5% REVENUES AT €466.1 MILLION  
EBITDA +20,6% EBIT +25,8% UTILE NETTO +20,1%**

**Consolidated Income Statement - Full-Year 2007**

€ million	31.12.07	31.12.06	% change
NET REVENUES	466.1	396.7	17.5
EBITDA	79.1	65.6	20.6
EBIT	65.4	52.0	25.8
PRE-TAX PROFIT	63.2	51.1	23.6
NET PROFIT	38.7	32.2	20.1

*During the fiscal year closed on 31 December 2007, Group has registered consolidated Revenues for 466,1 millions of Euros (+17,5% year on year). Highlight on relevant growth of the profitability margins: +20,6% Ebitda (€79,1 million), +25,8% Ebit (€65,4 million), +23,6%(Pre-tax Profit (€ 63.2 million) and +20.1% Net Profit (€ 38.7 million)*

*In the fourth quarter 2007, Biesse has registered Revenues for € 129.7 million (-2% compared to the € 132,3 million). Ebitda € 19.8 million (-10.1% year-on-year), EBIT of € 16.6 million (-13.2% year-on-year) and Net Profit of € 10.6 million (-10.5% year-on-year)*

*At 31 December 2007, the Biesse Group's Net Financial Position is positive for €1.1 million, €13 million lower than the figure in the same period 2006*

**The Group management approves the estimates for growth in revenues and profitability for the three-year period 2008-2010. Expected:**

**NET REVENUES: +5.8% - EBITDA: +7.1% - EBIT: +8.2% - NET PROFIT: +9.8%**

*Pesaro, 14 February 2008 - The Board of Biesse S.p.A met today and approved the results to 31 December 2007. The company, based in Pesaro, makes machinery and systems for working wood, glass and stone and is listed on the Star segment of the Italian Stock Exchange.*

The following are the Biesse Group's 2007 full-year consolidated results:

- **Net revenues** of € 466.1 million (+17.5% year-on-year);
- **Added Value** of € 182.9 million (+18.2% year-on-year), 39.3% of revenues;
- **EBITDA** of € 79.1 million (+20.6% year-on-year), 17.0% of revenues;
- **EBIT** of € 65.4 million (+25.8% year-on-year), 14.0% of revenues;
- **Pre-tax Profit** of € 63.2 million (+23.6% year-on-year), 13.6% of revenues;
- **Net Profit** for the period of € 38.7 million (+20.1% year-on-year), 8.3% of revenues

The Consolidated Financial Results for the **4th Quarter 2007** were as follows:

- **Net revenues** of € 129.7 million (-2% year-on-year);
- **Added Value** of € 48.6 million (+4.7% year-on-year), 37.4% of revenues;
- **EBITDA** of € 19.8 million (-10.1% year-on-year), 15.3% of revenues;
- **EBIT** of € 16.6 million (-13.2% year-on-year), 12.8% of revenues;
- **Pre-tax Profit** of € 15.9 million (-17.4% year-on-year), 12.3% of revenues;
- **Net Profit** of € 10.6 million (-10.5% year-on-year), 8.2% of revenues.



At 31 December 2007, the **Net Financial Position** of the Biesse Group was positive for **€ 1.1 million**, down €13 million compared to the same date in 2006. This figure was considerably affected by several extraordinary items in the financial year which totalled more than €40 million (including the acquisition costs and the extraordinary dividend paid in December 2007) which more than off-set the positive cashflow from normal operations.

#### OTHER DELIBERATIONS

The **Board of Directors of Biesse** also approved the **new Three-Year Industrial Plan** covering the period 2008-2010. Following the positive results of 2007 and, given the important industrial projects in which Biesse intends to make sizeable investments in the immediate future, the Board of Directors deliberated and approved the estimates for revenues and profitability for the three-year period 2008-2010.

The plan foresees that consolidated revenues of approximately €550 million will be reached by 2010 (a 2008-10 CAGR of 5.8%) whilst for profitability the plan provides for an expected 2010 EBITDA and EBIT exceeding € 97 million and € 82 million respectively, with Net Profit of around € 51 million. In the three-year period, with Capex of over € 70 million, total free cashflow generated by the Group is expected to reach around € 105 million, before dividend distribution and the financial impact of the buy-back plan deliberated in January.

#### NEW THREE-YEAR PLAN TARGETS

**2008-2010 CAGR** (compared to 2007 data):

- **NET REVENUES: +5.8%**
- **EBITDA: +7.1%**
- **EBIT: +8.2%**
- **NET PROFIT: +9.8%**

#### EVENTS SUBSEQUENT TO 31.12.2007

Following the deliberations of the Shareholders' Meeting of 21 January 2008, Biesse has started a buy-back of its shares, which is valid for 18 months and for up to a maximum of 10% of the share capital. At today's date, Biesse has 85,016 of its own shares (3.1% of the maximum total of the buy-back plan).

*"In 2007, for the second consecutive year, the Biesse Group has not only reached but has exceeded the targets laid down at the start of the year, with record growth rates for profits and revenues, despite external factors which certainly did not play in our favour" - stated Roberto Selci, Chairman of Biesse S.p.A., following the Board of Directors Meeting -. "In particular, I am referring to the international economic scenario which has progressively deteriorated, aggravated by what is now a structural weakness in the US dollar; this has a negative impact on those companies, like Biesse, which are strongly export-oriented. The results for the last quarter of 2007 were also positive despite external events such as the trade-union disputes in the mechanical engineering sector and the transport strikes of December 2007, which resulted in ca. €10-12 million of revenues falling in the 1Q 2008 rather than in the 4Q 2007. With this premise, the Board of Directors has deliberated and approved a new 2008-2010 Three-Year Plan which, with all the caveats necessary, has Biesse aiming to reach and exceed the hurdle of € 500 million of consolidated Revenues in 2008. At the same time, we have decided to strengthen and increase what we consider to be our most strategic investment, that in human resources, and in particular in those people connected to our most important and demanding projects from which we expect great and fundamental benefits. Investing today for growth tomorrow. Investing to make our processes even more innovative and to be ready to face the challenges of the future."*

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*In accordance with paragraph 2, clause 154-bis of the T.U.F. (Testo Unico Finanziario-Consolidated Financial Law), the manager responsible for the preparation of the company accounting records of 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.*



### **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 single 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 18 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 2,400 employees in its main production sites in Pesaro, Novafeltria, Alzate Brianza, Bergamo, Turin, Bangalore and the 26 associates / branch offices in Europe, North America, Asia and Australasia. The Group also has no less than 300 resellers and agents which enable it to cover more than 100 countries.*

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## ACCOUNTING STATEMENTS

### *Fourth quarter 2007 Income Statement*

(thousand of Euro)	IV Q 2007	%	IV Q 2006	%	Δ %
<b>Revenues from sales and services</b>	<b>129,738</b>	<b>100.0%</b>	<b>132,336</b>	<b>100.0%</b>	<b>(2.0%)</b>
Change in work in progress and semi finished goods	(2,832)	(3.8%)	(9,166)	(6.9%)	(69.1%)
Other revenues and income	2,182	1.7%	3,000	2.3%	(27.3%)
<b>Value of production</b>	<b>129,088</b>	<b>99.5%</b>	<b>126,170</b>	<b>95.3%</b>	<b>2.3%</b>
Raw materials	(51,281)	(39.5%)	(52,316)	(39.5%)	(2.0%)
Other operating expenses	(29,225)	(22.5%)	(27,462)	(20.8%)	6.4%
<b>Added value</b>	<b>48,582</b>	<b>37.4%</b>	<b>46,392</b>	<b>35.1%</b>	<b>4.7%</b>
Personnel expenses	(28,771)	(22.2%)	(24,351)	(18.4%)	18.2%
<b>Gross operating margin</b>	<b>19,811</b>	<b>15.3%</b>	<b>22,041</b>	<b>16.7%</b>	<b>(10.1%)</b>
Amortizations expense	(3,206)	(2.5%)	(3,063)	(2.3%)	4.7%
Accruals to provisions	27	0.0%	(601)	(0.5%)	---
Non recurrent revenues and expenses	0	0.0%	774	0.6%	---
<b>Operating result</b>	<b>16,632</b>	<b>12.8%</b>	<b>19,151</b>	<b>14.5%</b>	<b>(13.2%)</b>
Financial income and expense	(232)	(0.2%)	(589)	(0.4%)	(60.7%)
Revenues and expenses on currency exchanges	(424)	(0.3%)	633	0.5%	---
Share of profit/loss of affiliated companies	(80)	(0.1%)	56	0.0%	---
<b>Income before tax</b>	<b>15,896</b>	<b>12.3%</b>	<b>19,251</b>	<b>14.5%</b>	<b>(17.4%)</b>
Taxes for the period	(5,299)	(4.1%)	(7,412)	(5.6%)	(28.5%)
<b>Result of the period</b>	<b>10,598</b>	<b>8.2%</b>	<b>11,839</b>	<b>8.9%</b>	<b>(10.5%)</b>

*Income Statement at December 31<sup>st</sup>, 2007*

(thousand of Euro)	December 31 2007	%	December 31 2006	%	Δ %
<b>Revenues from sales and services</b>	<b>466,098</b>	<b>100.0%</b>	<b>396,733</b>	<b>100.0%</b>	<b>17.5%</b>
Change in work in progress and semi finished goods	8,154	1.7%	7,998	2.0%	2.0%
Other revenues and income	8,438	1.8%	6,379	1.6%	32.3%
<b>Value of production</b>	<b>482,690</b>	<b>103.1%</b>	<b>411,110</b>	<b>103.6%</b>	<b>17.4%</b>
Raw materials	(199,803)	(42.4%)	(173,424)	(43.7%)	15.2%
Other operating expenses	(99,913)	(21.4%)	(82,890)	(20.9%)	20.5%
<b>Added value</b>	<b>182,974</b>	<b>39.3%</b>	<b>154,796</b>	<b>39.0%</b>	<b>18.2%</b>
Personnel expenses	(105,535)	(22.6%)	(89,191)	(22.5%)	18.3%
Non recurring income (curtailment/reform of TFR)	1,660	0.4%	----	----	----
<b>Gross operating margin</b>	<b>79,099</b>	<b>17.0%</b>	<b>65,605</b>	<b>16.5%</b>	<b>20.6%</b>
Amortizations expense	(11,774)	(2.5%)	(11,052)	(2.8%)	6.5%
Accruals to provisions	(1,873)	(0.4%)	(2,707)	(0.7%)	(30.8%)
Non recurrent revenues and expenses	---	---	175	0.0%	---
<b>Operating result</b>	<b>65,451</b>	<b>14.0%</b>	<b>52,021</b>	<b>13.1%</b>	<b>25.8%</b>
Financial income and expense	(988)	(0.2%)	(1,804)	(0.5%)	(45.2%)
Revenues and expenses on currency exchanges	(1,382)	(0.3%)	1,141	0.3%	---
Share of profit/loss of affiliated companies	123	0.0%	(230)	(0.1%)	---
<b>Income before tax</b>	<b>63,204</b>	<b>13.6%</b>	<b>51,128</b>	<b>12.9%</b>	<b>23.6%</b>
Taxes for the period	(24,463)	(5.2%)	(18,870)	(4.8%)	29.6%
<b>Result of the period</b>	<b>38,742</b>	<b>8.3%</b>	<b>32,258</b>	<b>8.1%</b>	<b>20.1%</b>

*Net financial position at December 31<sup>e</sup>, 2007*

(thousand of Euro)	December 31 2007	September 30 2007	June 30 2007	December 31 2006
Financial assets:	36,845	22,545	35,704	36,102
- <i>Liquid assets</i>	36,790	22,495	35,654	36,052
- <i>Short term financing credits due by parent company</i>	55	50	50	50
Short term financial debts	(2,806)	(2,545)	(2,554)	(2,336)
Short term bank debts	(22,546)	(2,261)	(3,654)	(10,786)
<b>Short term net financial position</b>	<b>11,493</b>	<b>17,739</b>	<b>29,496</b>	<b>22,980</b>
Medium/long term financial debts	(9,821)	(10,379)	(10,550)	(8,217)
Medium/long term bank debts	(524)	(792)	(524)	(642)
<b>Medium/long term net financial position</b>	<b>(10,345)</b>	<b>(11,171)</b>	<b>(11,074)</b>	<b>(8,859)</b>
<b>Total financial position</b>	<b>1,148</b>	<b>6,568</b>	<b>18,422</b>	<b>14,121</b>

*Balance sheet figures*

	December 31 2007	December 31 2006
Intangible assets	42,635	35,184
Tangible assets	60,165	52,226
Other non current assets	9,436	10,428
<b>Non-current assets</b>	<b>112,236</b>	<b>97,838</b>
Inventories	104,356	88,182
Trade receivables	110,254	113,153
Other receivables	8,059	14,263
Cash and cash equivalents	36,845	36,102
<b>Current assets</b>	<b>259,514</b>	<b>251,700</b>
<b>TOTAL ASSETS</b>	<b>371,750</b>	<b>349,538</b>
Shareholders' equity	149,701	134,223
Minority interest	572	320
<b>Total equity</b>	<b>150,273</b>	<b>134,543</b>
Bank loans	10,346	8,859
Retirement benefit obligation	13,335	15,929
Other payables	9,019	9,899
<b>Non-current liabilities</b>	<b>32,700</b>	<b>34,687</b>
Trade and other payables	163,426	167,186
Bank overdrafts, loans and obligations under finance leases	25,351	13,122
<b>Current liabilities</b>	<b>188,777</b>	<b>180,308</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>371,750</b>	<b>349,538</b>