

BIESSE: Q4 2003 RESULTS APPROVED

Pesaro, 11 February 2004 – **The Board of Directors of Biesse SpA** – a company with headquarters in Pesaro listed on the Star segment of the Italian Stock Exchange and one of the world leading operators in the market of machinery and systems for the processing of wood, glass and stone – has approved the Quarterly Report at 31 December 2003.

At the end of an indubitably difficult year, Biesse closed the **fourth quarter** with a significant drop in **Consolidated Revenues** (-26.8%) compared to the same period in 2002 (a quarter that was strongly influenced by the positive effects of the Tremonti Law). This figure was €95.6 million, whereas **Added Value** dropped to €27 million (-33.8%) with a 31.7% ratio to the **Value of Production** (€85.2 million).

This significant drop in volume led to a decline in **Gross Operating Profit (EBITDA)**, which was €2.6 million. The percentage of the latter figure on the Value of Production also dropped, going from 11.6% in Q4 2002 to 3.1% in Q4 2003. **Operating Results (EBIT)** dropped to €-1.4 million (as opposed to a positive figure of €7.7 for December 2002).

Net Financial Position is negative for €106.7 million (€120.7 million at 30 September 2003), for an increase of €20.7 million with respect to the same period in 2002; €8 million can be attributed to extraordinary operations (specifically, disbursements for previous acquisitions, and investments in capital assets and R&D), while ordinary operations drained liquidity as a direct result of negative economic performance.

With regard to the consolidated progressive data for the period of **1 January 2003 – 31 December 2003**, **Consolidated Revenues** dropped to €306.9 million (-17.2% compared to 31 December 2002), with a positive **Added Value** of €100.2 million (31.8% ratio to the Value of Production), likewise down with respect to the figure of €120.2 million for FY 2002.

Gross Operating Profit (EBITDA) dropped to €8.6 million (with a 2.7% ratio to the Value of Production) from the figure of €22.2 million at 31 December 2002 (6.1% ratio to the Value of Production). **Operating Results (EBIT)** thus posted a loss of €5.9 million (after provisions of €2.2 million to reserves for obsolescent materials and doubtful accounts), as opposed to the positive figure of €8 million for 2002.

The year 2003 was nevertheless characterised by several major extraordinary operations. One of the most significant is the **full transfer** of the stake in Schelling Anlagenbau GMBH (the Austrian group acquired in May 2000), completed on 23 December 2003 (Schelling is thus part of the consolidation area through 30 November 2003). With this operation, the Biesse Group **has put an end to the negative impact** the Austrian company has had on the Group in terms of both economic results and the absorption of financial resources (EBIT €-7.2 million – banking indebtedness €12.7 million). In fact, a calculation of the results for FY 2003 **without the "Schelling" effect** yields a **positive EBIT of €1.3 million** (after provisions of €2.2 million to reserves for obsolescent materials and doubtful accounts). Within this transfer, business prospects have nevertheless been





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safeguarded vis-à-vis the development of systems and large-scale equipment, which were the original features of the Schelling Group. Biesse has **in fact gained the guaranteed use of important industrial patents** and, through its trademark **Biesse Engineering**, it will continue to work directly to serve the segment of “**major customers**” gained previously and/or acquired through the Austrian company.

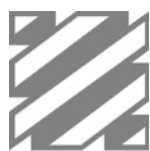
ECONOMIC HIGHLIGHTS (€ thousand)	31 December 2003	31 December 2003 Schelling	31 December 2003 without Schelling
Value of production	314,794	31,362	283,103
Gross operating profit	8,613	(5,570)	14,183
<i>% on value of production</i>	<i>2.74%</i>	<i>(17.76%)</i>	<i>5.01%</i>
Operating profit	(5,925)	(7,196)	1,271*
<i>% on value of production</i>	<i>(1.88%)</i>	<i>(22.94%)</i>	<i>0.45%</i>

"The unfavourable worldwide macroeconomic trend and its effects on our sector have certainly not helped, as they have prevented us from benefiting fully from the actions implemented in 2003 to reorganise and regain efficiency. The reduction in sales posted by Biesse is fully comparable – if not more limited – than the figures recently published by the Italian trade association (Acimall). This is comforting, particularly given the trend reversal that the Group has experienced in obtaining Italian and foreign orders in the closing months of 2003 and the early weeks of 2004. We feel that 2004, above all after the transfer of Schelling, will be the year that Biesse puts its accounts back in the black," stated Roberto Selci, Chairman of the Board of Directors.

The Board of Directors of Biesse S.p.A. also acknowledged that it regained title, without consideration, of 4.33% of ordinary treasury shares. The transfer from Werner Deuring Privatstiftung to Biesse S.p.A. is not part of the buy-back plan passed previously, but it concludes a transaction between the parties for exceptions connected with the acquisition of Schelling Anlagenbau GMBH in May 2000.

The Biesse Group operates in the market of machinery and systems involved in processing wood, glass and stone.

The company offers modular solutions that range from the design of turnkey systems for large furniture manufacturers to individual automatic machines and workstations for small- and medium-sized companies, to the design and sale of individual high-tech components.



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Thanks to its orientation towards innovation and research, Biesse can develop products and modular solutions that can meet the varied needs of a broad customer base.

As a multinational with production plants in Italy and China, the Biesse Group markets its products through a network of subsidiaries and 18 branch offices located in strategic markets.

The branch offices ensure specialized after-sales service to the customers, while also developing and carrying out feasibility studies and market research aimed at developing new products.

The Biesse Group has a staff of 1,866 people distributed over its seven manufacturing sites located in Pesaro, Bergamo, Turin, Alfonsine, Anzola and Lugo (Italy), Dongguan (China) and its branch offices in Europe, North and South America, Asia and Oceania.

