

Biesse: Results for the first quarter 2002 approved

Pesaro, 15 May 2002 – The Board of Directors of Biesse, the Pesaro company that has been listed for trading in the Star segment of the Italian stock exchange since last 22 June, approved the financial statements for the first three months of 2002.

In the first quarter, **sales revenues** amounted to **€70.5 million**, down 5.6% compared to the first quarter 2001. **Added value** reached **€21.4 million**, with an **incidence on the value of production of 26.3%** compared to 28.3% in the same period of the previous year.

Gross operating margin was negative by **€2.4 million (the figure was positive by €3.9 million at 31 March 2001)** and **operating results** were **negative by €5.5 million (positive by €1.7 million in the first quarter 2001)**.

Net indebtedness was **€106.7 million** (€86.0 million at 31 December 2001). The evolution of the financial position that led to an increase in the negative cash balance was due to the completion of the scheduled investment plan and to the increase in net working capital.

The 1st quarter 2002 results still reflect the uncertain climate pervading the world economy in general and the wood, glass, and stone working sectors in particular. There are encouraging prospects for a recovery of the North American economy and expectations of a full recovery of EU economy in the year 2003.

The forthcoming open house that will be organized by Biesse Wood Division at the Velodromo Vigorelli in Milan from 21 to 25 May - an exhibition extending over 8000 sq. m, during which operators in this industry will meet Biesse professionals and products - will be an important moment to take stock of the situation of this sector.

To implement a cost-cutting plan and recover Group profitability, a few months ago Biesse started a structural reorganisation that has led to a 5% personnel reduction. Moreover, as of June 2002, Biesse will start implementing an ordinary redundancy fund that will involve mainly indirect employees working in the Pesaro plants, at the Wood and Glass/Stone Divisions.

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 work stations for small- and medium-sized companies, to the design and sale of individual high-tech components. Thanks to its orientation towards innovation and research, over the years Biesse has perfected a highly efficient manufacturing process capable of developing products and modular solutions that can meet the varied needs of a broad customer base. A multinational with production plants in Italy and Austria, the Biesse Group markets its products through a network of subsidiaries and 19 branch offices located in strategic markets. The branch offices ensure specialised 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 2200 distributed among its six manufacturing sites located in Pesaro, Bergamo, Turin, Alfonsine (RA), Schwarzach and Altsch (Austria) and its branch offices in Europe, North and South America, and Asia.

