

Approval of Preliminary Financial Statements 2014

(Euro millions)

	2014	2013
Net revenues	427.1	378.4
Gross operating margin (ebitda)*	40.9	30.9
Operating result (ebit)**	26.5	15.1
Pre-tax result	22.7	14.6
Net result	13.8	6.4
Net debt	11.2	23.9

* before non-recurring items of ca. € 1.3 million

** before non-recurring items of ca. € 1.7 million

Other items approved/discussed:

- **Board approves proposal of a dividend payment** of € 0.36 per share (payout of 67.7% of the 2014 net profit of the parent company Biesse S.p.A. for 2014)
- **Convocation of an Ordinary and Extraordinary meeting of Biesse shareholders** for 29 April 2015 at 09.30 in Pesaro in first convocation (and, if required, in second convocation on the following day at the same time and place)
- **New Long Term Incentive (LTI) plan approved** for the three year period 2015-2017
- **Corporate Governance Report approved** for 2014
- **Board approves proposal to authorise the purchase and sale of own shares**

Pesaro, 12 March 2015 - The Board of Directors of Biesse S.p.A. - the company which operates in the market for wood glass and stone processing machinery and systems and which is listed in the STAR segment of the Italian stock exchange – during today's meeting in Pesaro has approved the preliminary financial statements for the financial year ended 31.12.2014.

The Consolidated Results achieved by the Biesse Group for the 12 months of 2014 are as follows:

- Net revenues Euro 427.1 million (+12.9% compared with the same period of 2013)
- Value added Euro 169.1 million (+17.8% compared with the same period of 2013) representing a margin on revenues of 39.6% (37.9% in 2013)
- EBITDA (before non-recurring items of Euro 1.3 million) Euro 40.9 million (+32.1% compared with the same period of 2013) representing a margin on revenues of 9.6% (8.2% in 2013)
 - EBITDA (after non-recurring items) Euro 39,6 million representing a margin on revenues of 9.3%
- EBIT (before non-recurring items of Euro 1.7 million) Euro 26.5 million (+75.9% compared with the same period of 2013) representing a margin on revenues of 6.2% (4.0% in 2013)
 - EBIT (after non-recurring items) Euro 24.7 million representing a margin on revenues of 5.8%
- Pre-tax result Euro 22.7 million (+55.1% compared with the same period of 2013) representing a margin on revenues of 5.3% (3.9% in 2013)
- Net result Euro 13.8 million (+115.3% compared with the same period of 2013) representing a margin on revenues of 3.2% (1.7% in 2013) – tax rate 39.1%

Net Financial Position:

The Group Net Financial Position at 31 December 2014 shows Net Debt of **Euro 11.2 million**, an improvement of Euro 17.4 million compared to June 2014 and Euro 17.1 million compared to September 2014. The improvement in profitability and continued focus on management of net operating working capital are the foundations of the positive result for the period ended 31 December 2014. Despite non-characteristic items created a cash absorption the Group's net debt compared with the position at December 2013 fell by **Euro 12.7 million**.

Geographical breakdown of revenues

The geographical breakdown of Group net sales at the end of December 2014 is as follows:

Western Europe 39.6% (37.5% in 2013) -of which **Italy 10.4%** (10.9% in 2013) – with an increase y/y of 19.3%
Eastern Europe 19.7% (18.8% in 2013) with an increase y/y of 18.2%
North America 14.0% (13.5% in 2013) with an increase y/y of 17.1%
Asia Pacific 19.9% (20.7% in 2013) with an increase y/y of 8.6%
Rest of the World 6.8% (9.5% in 2013)

In 2014 the **B.R.I.C.** countries accounted for **13.4%** of net revenues compared to 17.7% in the previous year

The breakdown by business division is as follows:

Wood division 72.4% (70.7% in 2013)
Glass/stone division 15.5% (16.8% in 2013)
Mechatronics division 14.8% (14.1% in 2013)

Capital position:

Group Net Shareholders' Funds at 31 December 2014 were Euro 123.2 million (Euro 113.1 million at 31 December 2013).

Net Invested Capital at end-2014 totalled Euro 134.5 million (Euro 137.0 million at 31 December 2013)

Economic context – order intake:

The international macro-economic environment is beginning to show reassuring signs of improvement despite the fact that in some areas political-economic instability continues to impact on short term growth prospects (*Russia – Turkey – Brazil*). The estimates produced by the leading wood sector trade associations (*Acimall in Italy, VDMA in Germany*) give some encouraging indications for the Wood division for 2014, and are also cautiously optimistic for 2015 (*projecting growth of about 4%*). Prospects for sectors served by the Mechatronics division are, however, more positive, given that the growth of this division is related, in addition to the organic growth of its core activities, also to the opportunities for diversification of its product base and, therefore of its end markets (new materials).

According to the records available to the Group, Biesse in 2014 outperformed the principal indicators both in terms of order intake and in terms of its consequent order portfolio. Biesse Group's total order intake in 2014 was more than Euro 375 million, **+20.1% compared to 2013**, while its order portfolio at end-2014 amounts to more than Euro 116 million **+49.7% compared with 2013**.

Dividends:

In addition to approving the preliminary financial statements for 2014 the Board of Directors examined the possibility and the potential amount of dividend that might be paid to Biesse shareholders. Taking into consideration the positive results for the 2014 financial year, the Board of Directors of Biesse proposed the distribution of a dividend gross of withholding taxes of Euro 0.36 for every share having rights to a dividend (*payout of 67.7% of the 2014 net profit of the parent company, Biesse S.p.A.*) which will be submitted for the approval of an Ordinary Meeting of Shareholders convened for the 29 April 2015 at 09.30 (*first convocation*) and, if required, for the 30 April 2015 at the same time and place (*second convocation*). The total net cash disbursement for the Company arising from the payment of a dividend as proposed would amount to € 9.811 million (*net of treasury shares held by Biesse S.p.A.*) and would be enacted by detachment of coupon no. 11 on 18 May for payment 20 May 2015, record date 19 May 2015. The remaining attributable net profit would be allocated to the Extraordinary Reserve (*Biesse S.p.A. parent company*)

Corporate Governance:

Today's meeting of the Board of Directors also approved the Corporate Governance Report of Biesse for the calendar year 2014 in accordance with article 123-bis of the TUF (Consolidated Financial Law), updated on the basis of the latest regulations.

New LTI plan:

The Board of Directors, in today's meeting - having received a favourable opinion from the Remuneration Committee – also approved a new medium-long term incentive plan, which will be submitted for approval at the Shareholders' Meeting convened for the 29 and 30 April 2015. This new plan, the contents of which are similar to the expired "Long Term Incentive 2012 -2014 of Biesse S.p.A.", will be applicable for three years, for the period 2015 - 2017, and applies to directors of Biesse S.p.A. and strategic managers of the Issuer and of another Group company. The object of the Plan is to introduce medium – long term incentive instruments based on the achievement of corporate performance objectives, to consolidate a results oriented culture and enhance retention. The plan allows for the payment of cash bonuses and the assignment of own shares held as treasury stock. For further information, please refer to the relevant information document that will be published in accordance with the law.

Purchase and sale of own shares:

The Board of Directors also agreed to submit for the approval of the Shareholders' Meeting a proposal for authorisation to purchase and sell the company's own shares, the details of which will be illustrated in the report to be prepared and published in accordance with the law.

Ordinary and Extraordinary Meeting of Biesse shareholders:

Having approved the preliminary Financial Statements for 2014, the Board of Directors called for an Ordinary and Extraordinary Meeting of Biesse Shareholders for 29 April 2015 at 09.30 (*first convocation*) with second convocation on the following day if necessary, to discuss and attend to the following items on the agenda:

The Agenda for the Ordinary meeting of shareholders is as follows:

1. Approval of the Financial Statements for the year to 31 December 2014, the Directors' report on operations, the report of the Board of Statutory Auditors and the Independent Auditors' report on the Financial Statements for the year to 31 December 2014; and to discuss all matters arising therefrom. Presentation of the Consolidated Financial statements for the year to 31 December 2014.
2. Allocation of the results for the financial year 2014.;
3. Nomina Appointment of the Board of Directors, given prior approval of the number of directors of which it is composed, and to discuss all matters arising therefrom.
4. Appointment of the Board of Statutory Auditors, and to discuss all matters arising therefrom.
5. Approval of a new incentive plan to be known as the "Long Term Incentive 2015-2017 of Biesse S.p.A".
6. Approval of the remuneration policy of Biesse Group.
7. Approval of a treasury share purchase and sale programme in accordance with articles 2357 and 2357-ter of the Italian Civil Code and the conferral of powers of execution on the Board of Directors, and to discuss all matters arising therefrom.

The Agenda for the Extraordinary Shareholders' Meeting:

1. Amendment of articles 16 and 19bis of the Articles of Association relating to list voting procedures for the election of members of corporate bodies (*introduction of regulations to guarantee gender equality*)

For further information, please refer to the notice of convocation of the meeting, to the reports regarding each individual item on the agenda and to the supporting documents submitted to the Shareholders' Meeting which will be published in accordance with the law.

FINANCIAL STATEMENTS

Income Statement for 2014

	2014	% on sales	2013	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	427.144	100,0%	378.417	100,0%	12,9%
Change in inventories, wip, semi-finished and finished goods	6.409	1,5%	(72)	(0,0)%	-
Other revenue	2.856	0,7%	3.008	0,8%	(5,0)%
Revenue	436.409	102,2%	381.354	100,8%	14,4%
Consumption of raw materials, consumables, supplies and goods	(177.606)	(41,6)%	(155.903)	(41,2)%	13,9%
Other operating expense	(89.682)	(21,0)%	(81.865)	(21,6)%	9,5%
Added Value	169.120	39,6%	143.586	37,9%	17,8%
Personnel expense	(128.242)	(30,0)%	(112.640)	(29,8)%	13,9%
Normalised Gross Operating profit	40.878	9,6%	30.946	8,2%	32,1%
Depreciation and amortisation	(13.323)	(3,1)%	(13.836)	(3,7)%	(3,7)%
Provisions	(1.046)	(0,2)%	(2.035)	(0,5)%	(48,6)%
Normalised Operating profit	26.509	6,2%	15.074	4,0%	75,9%
Impairment losses and non recurring items	(1.743)	(0,4)%	3.072	0,8%	-
Operating profit	24.766	5,8%	18.146	4,8%	36,5%
Net finance expense	(1.549)	(0,4)%	(2.533)	(0,7)%	(38,8)%
Net exchange rate losses	(541)	(0,1)%	(993)	(0,3)%	(45,5)%
Pre-tax profit/loss	22.676	5,3%	14.619	3,9%	55,1%
Income taxes	(8.871)	(2,1)%	(8.207)	(2,2)%	8,1%
Profit/Loss for the year	13.805	3,2%	6.412	1,7%	115,3%

Reclassified Income Statement for 2014

	2014	% on sales	2013	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	427.144	100,0%	378.417	100,0%	12,9%
Change in inventories, wip, semi-finished and finished goods	6.409	1,5%	(72)	(0,0)%	-
Other revenue	2.856	0,7%	6.346	1,7%	(55,0)%
Revenue	436.409	102,2%	384.692	101,7%	13,4%
Consumption of raw materials, consumables, supplies and goods	(177.606)	(41,6)%	(155.903)	(41,2)%	13,9%
Other operating expense	(90.945)	(21,3)%	(81.865)	(21,6)%	11,1%
Added Value	167.857	39,3%	146.924	38,8%	14,2%
Personnel expense	(128.242)	(30,0)%	(112.640)	(29,8)%	13,9%
Gross Operating profit	39.615	9,3%	34.283	9,1%	15,6%
Depreciation and amortisation	(13.323)	(3,1)%	(13.836)	(3,7)%	(3,7)%
Provisions	(1.046)	(0,2)%	(1.739)	(0,5)%	(39,8)%
Impairment	(480)	(0,1)%	(562)	(0,1)%	(14,5)%
Operating profit	24.766	5,8%	18.146	4,8%	36,5%
Net finance expense	(1.549)	(0,4)%	(2.533)	(0,7)%	(38,8)%
Net exchange rate losses	(541)	(0,1)%	(993)	(0,3)%	(45,5)%
Pre-tax profit/loss	22.676	5,3%	14.619	3,9%	55,1%
Income taxes	(8.871)	(2,1)%	(8.207)	(2,2)%	8,1%
Profit/Loss for the year	13.805	3,2%	6.412	1,7%	115,3%

Summary Statement of Financial Position

	31 December 2014	31 December 2013
<i>Euro 000's</i>		
Intangible assets	52.584	47.899
Property, plant and equipment	61.865	61.086
Financial assets	1.478	973
Non current assets	115.927	109.958
Inventories	98.051	86.273
Trade receivables	80.714	76.231
Trade payables	(123.153)	(111.102)
Net Operating Working Capital	55.612	51.403
Post-employment benefits	(14.484)	(12.795)
Provision for risk and charges	(8.915)	(8.975)
Other net payables	(25.253)	(16.547)
Net deferred tax assets	11.576	13.987
Other net liabilities	(37.076)	(24.331)
Net Invested Capital	134.464	137.030
Share capital	27.393	27.393
Profit/loss for the previous year/period and other reserves	81.834	79.077
Profit/Loss for the year	13.766	6.435
Non-controlling interests	200	190
Equity	123.192	113.094
Bank loans and borrowings and loans from other financial backers	65.630	60.035
Other financial assets	(1.048)	(949)
Cash and cash equivalents	(53.310)	(35.151)
Net financial indebtedness	11.272	23.936
Total sources of funding	134.464	137.030

Net financial position at 31 December 2014

	31 December 2014	30 September 2014	30 June 2014	31 March 2014	31 December 2013
<i>Euro 000's</i>					
Financial assets:	54.359	29.913	29.359	27.975	36.099
<i>Current financial assets</i>	1.048	1.095	1.044	1.039	949
<i>Cash and cash equivalents</i>	53.310	28.818	28.315	26.936	35.151
Short term finance lease payables	(301)	(297)	(293)	(452)	(285)
Short term bank loans and borrowings and loans from other financial backers	(20.511)	(29.673)	(28.816)	(41.587)	(44.599)
Short Term Net Financial Indebtedness	33.547	(58)	250	(14.065)	(8.785)
Medium/Long term finance lease payables	(1.659)	(1.736)	(1.812)	(2.121)	(1.960)
Medium/Long bank loans and borrowings	(43.159)	(26.520)	(26.998)	(16.936)	(13.191)
Medium/Long Term Net Financial Indebtedness	(44.818)	(28.256)	(28.810)	(19.057)	(15.151)
Total Net Financial Indebtedness	(11.272)	(28.313)	(28.560)	(33.122)	(23.936)

“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, Dr. Cristian Berardi, 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 S.p.A. - The Biesse Group 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 June 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 subsidiaries guarantee specialized after-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group has almost 2,880 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its associates/branch offices in Europe, North America, Latin America, the Middle East, Asia and Australasia. The Group also has more than 300 resellers and agents enabling it to cover more than 100 countries

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