QUARTERLY REPORT AT 31 MARCH 2014

BIESSE S.p.A.

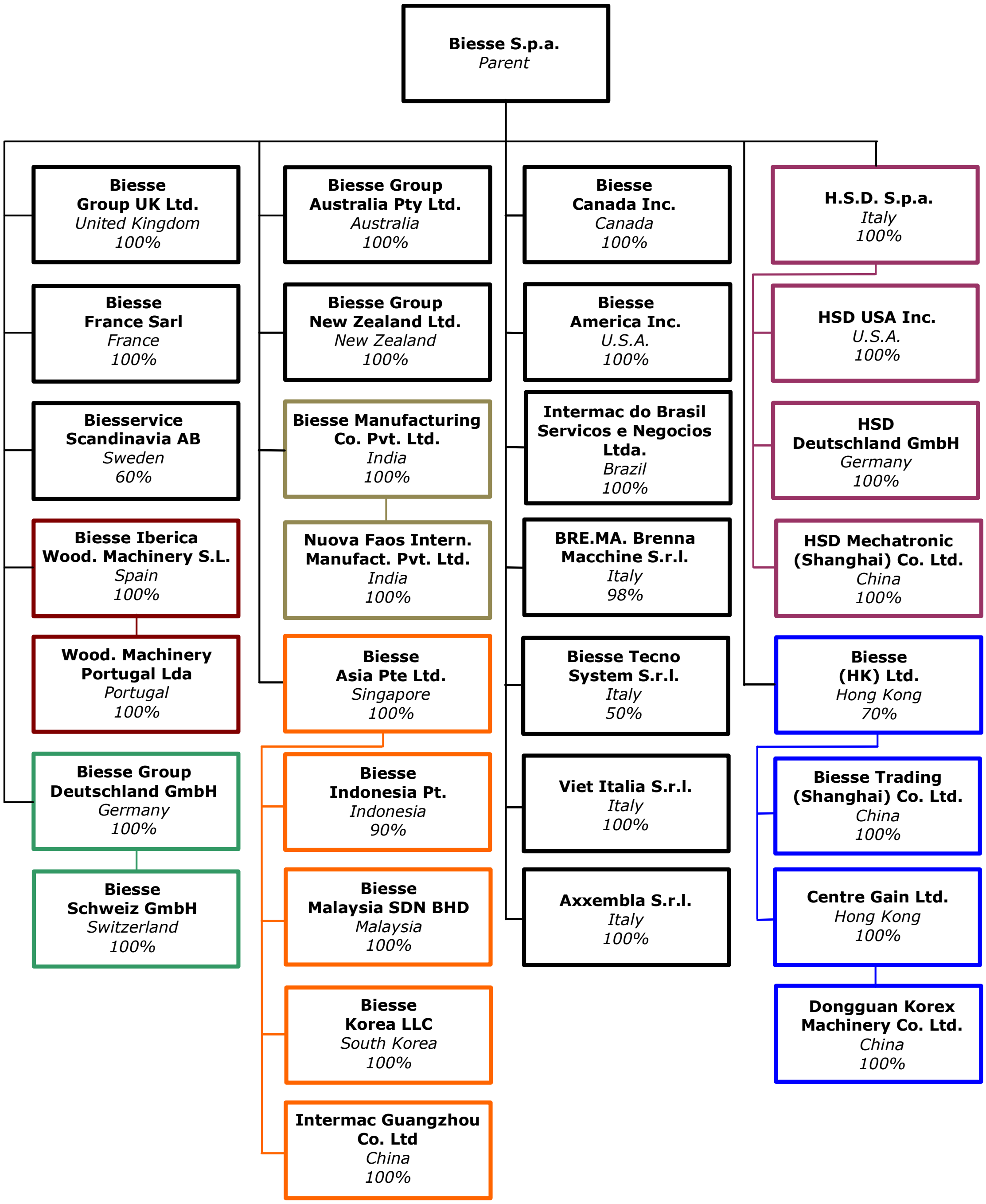
QUARTERLY REPORT
AT 31 March 2014

CONTENTS

- Group Structure page 3
- Notes to the Consolidated Financial Statements page 4
- Parent Company Office Holders page 6
- Financial Highlights page 8
- General Economic Overview page 11
- Business Sector Review page 13
- Financial Statements page 15
- Directors' Report on Operations page 16
- Annex page 24

GROUP STRUCTURE

The following companies belong to the Biesse Group and are included in the scope of consolidation:



Note: the different colours represent the subgroups of the control chain

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Biesse Group's consolidated quarterly report at 31 March 2014, unaudited, has been prepared pursuant to Article 154-ter, paragraph 2 of the Consolidated Law on Finance and in accordance with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS).

Accounting standards and measurement criteria are consistent with those of the 2013 Annual Report, to which reference should be made. Furthermore, it should be noted that:

- the quarterly financial statements have been prepared under the discrete method, taking the reference period as a separate period. In this respect, the quarterly income statement reflects the period's income statement components on an accruals basis;
- the financial statements underlying the consolidation process are those prepared by subsidiaries with reference to the period ended 31 March 2014, adjusted, where necessary, to align them with Group financial standards and policies;
- some of the economic information contained in this report presents interim profitability indicators such as gross operating margin (EBITDA). This indicator is considered by management to be an important parameter for measuring and assessing the Group's operational performance, in that it is not affected by the various methodologies adopted to determine taxable income, by the amount and features of capital employed, or by depreciation and amortisation policies. We should point out, however, that this indicator is not identified as an accounting measure for IFRS purposes, meaning that the criterion used to determine taxable income might not be consistent with what is reported by other groups or companies.

Compared with the annual report for the year ended 31 December 2013, consolidation scope underwent the following changes:

- Intermac Do Brasil Servicos e Negocios LTDA is now included in the scope of consolidation. The company was established in 2013 with the purpose of developing trading of products of the Glass/Marble and Tooling Divisions within the Brazilian market;

- Axxemblea S.r.l. is now included in the scope of consolidation. The company was established on 27 March 2014, with the objective of producing mechanical components for the Wood Division by leasing the relevant company branch from the company Asservice S.r.l. – the latter was no longer able of maintaining the necessary Biesse Group's production levels. The lease agreement for the company branch will last five years and provide for an annual expense of € 40 thousand.

It should also be noted that Viet Italia S.r.l. is a special purpose entity set up to rent and subsequently acquire the business unit of the Pesaro-based brand under the same name (Viet), market leader in the wood calibrating and sanding sector, which was part of a company that was put into liquidation in November 2010 following a severe financial crisis. On 17 June 2013, an irrevocable purchase offer was submitted to the relevant stakeholders albeit subject to resolutory condition should the transfer of the company to the Biesse Group not occur within 90 days from entitlement to the arrangement with creditors. At present, a new petition for arrangement with creditors has been filed and the vote of the creditors resulted in the approval of the submitted proposal. A hearing for the arrangement approval has not yet been held. In addition, a request was filed for the sales deed of the company to be signed, even before the arrangement is approved, since the relevant offer provided for the deed to be signed within 90 days of the Company being admitted to the procedure. The bankruptcy judge rejected the request, without justification, despite the receivers' favourable opinion; therefore the arrangement approval has to be awaited.

The attorneys of the company subject to the procedure filed a petition, which was deferred to a later date as for the request of more information in relation to a condition in the company lease agreement. This condition appears to be scarcely relevant for the purposes of the procedure, for which there are reasonable expectations of a positive outcome. We are awaiting the Court order that should either initiate the procedure or reject the petition.

The irrevocable offer also includes the equity investment in Pavit S.r.l. (a company active in mechanical processing, whose output is largely absorbed by Viet Italia S.r.l.). The company will be consolidated on a line-by-line basis once the above conditions will be met.

COMPANY OFFICE HOLDERS

Board of Directors	
Chairman	Roberto Selci
Chief Executive Officer	Giancarlo Selci
Executive Director	Alessandra Parpajola
Executive Director and Group General Manager	Stefano Porcellini
Executive Director	Cesare Tinti
Independent Director	Leone Sibani
Independent Director	Giampaolo Garattoni
Independent Director	Salvatore Giordano

Board of Statutory Auditors	
Chairman	Giovanni Ciurlo
Standing Statutory Auditor	Claudio Sanchioni
Standing Statutory Auditor	Riccardo Pierpaoli
Alternate Statutory Auditor	Cristina Amadori
Alternate Statutory Auditor	Silvia Cecchini

Internal Control and Risk Management Committee – Remuneration Committee

Leone Sibani

Giampaolo Garattoni

Salvatore Giordano

Supervisory Body

Leone Sibani

Giampaolo Garattoni

Salvatore Giordano

Elena Grassetti

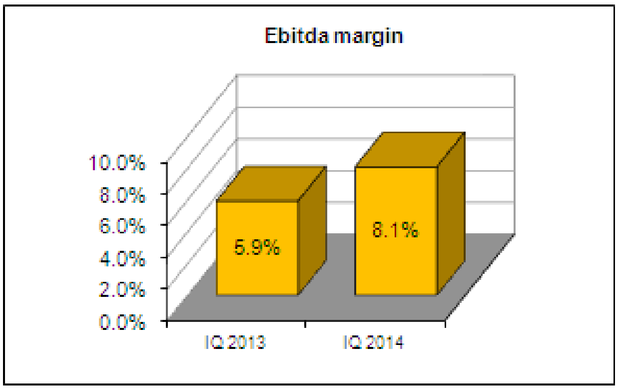
Independent Auditors

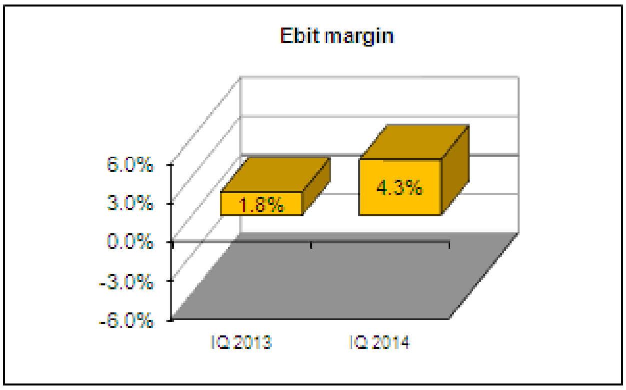
KPMG S.p.A.

FINANCIAL HIGHLIGHTS

Income Statement

Euro 000's	1Q 2014	% on sales	1Q 2013	% on sales	Change %
Revenue from sales and services	91,635	100.0%	84,404	100.0%	8.6%
Added value (1)	38,362	41.9%	34,006	40.3%	12.8%
EBITDA	7,395	8.1%	4,995	5.9%	48.0%
Ebit (Operating profit) (1)	3,931	4.3%	1,509	1.8%	-
Profit/Loss for the period	1,592	1.7%	273	0.3%	-

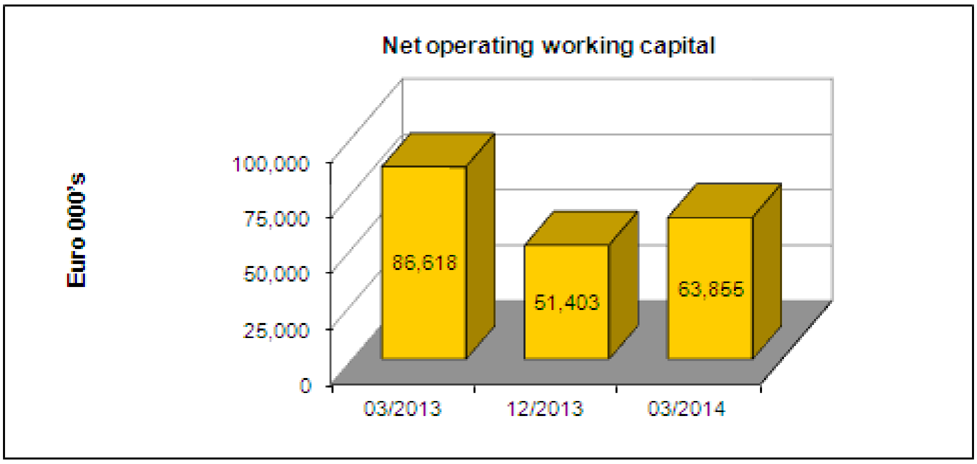




Statement of Financial Position

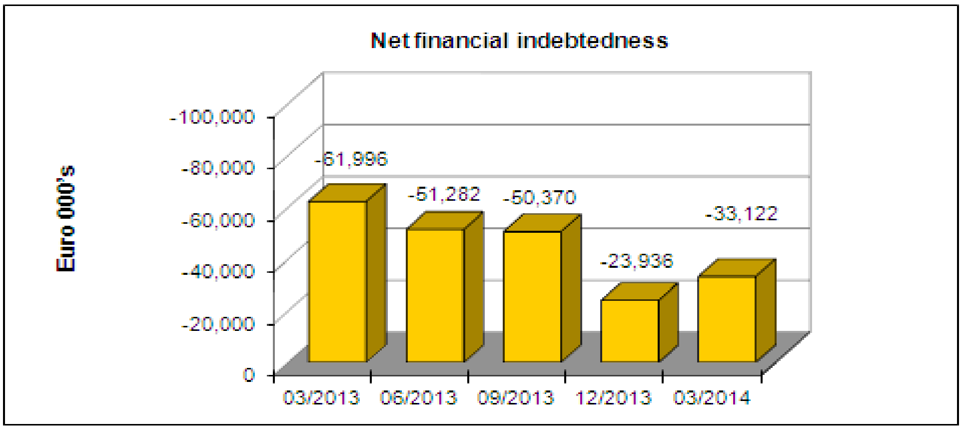
Euro 000's	31 March 2014	31 December 2013	31 March 2013
Net Invested Capital (1)	147,900	137,030	173,144
Equity	114,778	113,094	111,148
Net financial indebtedness (1)	33,122	23,936	61,996
Net operating working capital (1)	63,855	51,403	86,618
Gearing (net financial position/equity)	0.29	0.21	0.56
Fixed asset/standing capital ratio	0.95	0.96	0.98

(1) Amounts referring to interim results and to aggregate equity and financial figures. Relevant calculation criteria are provided in the Directors' Report on Operations.



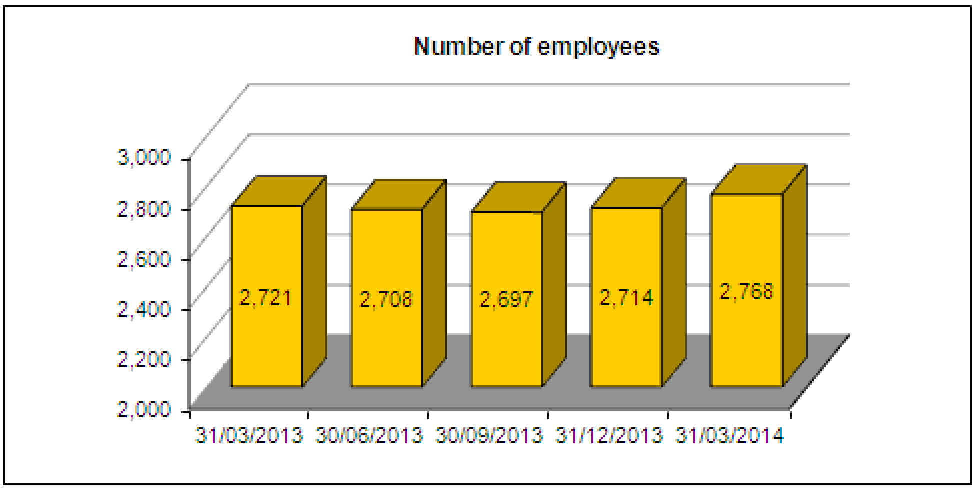
Cash flow

Euro 000's	31 March 2014	31 March 2013
Ebitda (Gross operating profit)	7,395	4,995
Change in net working capital	(12,446)	(4,283)
Change in other operating assets/liabilities	(788)	(4,487)
Operating cash flow	**(5,839)**	**(3,775)**
Cash flow used in investment activity	(3,252)	(2,108)
Cash flow	**(9,091)**	**(5,883)**
Foreign exchange rate differences	(94)	71
Change in net financial indebtedness	(9,186)	(5,811)



Personnel

	31 March 2014	31 March 2013
Number of employees at period end	2,768	2,721



The figures include temporary staff.

GENERAL ECONOMIC OVERVIEW

WORLD ECONOMIC TREND

Global economy has continued to gradually grow. But growth trends across the various regions still show some differences: while developing countries continue to gain strength, the main emerging markets are losing momentum as a result of the impact of economic and geopolitical uncertainties on their growth prospects in the short and medium term. The Ukraine-Russia conflict has so far had limited effects on the financial markets and on global raw materials. Indicators of international confidence have slightly worsened in recent months but remain at overall high levels thanks to the performance of advanced economies.

In March, the Purchasing Managers’ Index (PMI) for manufacturing decreased slightly (to 52.4, from 53.2 in February), thereby confirming the expected slowdown in global activity in the first quarter of the year. Also excluding the Euro area, the PMI showed a fall. Forward-looking global indicators seem to confirm a gradual recovery which will not be uniform across the world. The manufacturing PMI concerning new orders again reported a good performance in March, despite a slight decrease with respect to February. The OECD’s composite leading indicator – designed to anticipate turning points in economic activity relative to trend – showed signs of improvement in growth in most of the main countries belonging to the organization (and more particularly in the United States, Japan and the United Kingdom) as well as an on-going slowdown in the main emerging markets.

Risks on the growth prospects of the global economy continue to be low. Trends in international financial markets, as well as in emerging countries, could negatively influence economic conditions along with the geopolitical risks.

SOME MARKET TRENDS

United States

Following the relatively modest data of January, the indicators for February were overall more positive, thereby suggesting a potential recovery with respect to the deterioration registered in the previous part of the year and which was primarily due to bad weather conditions. In February, both retail sales and industrial production recovered following the decrease of the previous month and the creation of jobs increased slightly.

Weaker trends characterized the real estate sector – new homes, sales of existing apartments and confidence levels remain more modest – as well as the commercial sector, where both imports and exports, in real terms, reported rather weak growth in December and January. Within this environment, and as confirmed by a more general analysis on the labour market, the United States still have significant unused capacity.

This year, however, activities are expected to intensify overall due to the further strengthening of private internal demand (with still favourable economic conditions and greater confidence levels) and lower fiscal drag.

Japan

In Japan, real GDP growth rate in the fourth quarter of 2013 was revised downwards to 0.2 per cent with respect to the previous year, confirming that the economy had been losing momentum since the second half of the previous year.

The downwards adjustment was due a decrease in the domestic demand which remained however strong and contributed 0.7 percentage points to the fourth quarter's growth. Net exports, on the other hand, provided a negative contribution of 0.5 percentage points. We believe that economic activity improved in the first quarter of 2014 due to advance demand before the increase in consumption tax which is expected in April.

This growth in the first quarter is expected to be followed by a decrease in the second quarter. GDP will start growing again at modest rates in the remaining part of the year.

United Kingdom

The United Kingdom has shown a strong growth over the last quarters. Economic indicators for companies remained at relatively high levels in the first quarter of 2014, showing that growth has remained strong despite the unfavourable weather conditions in the country. Consumer confidence also improved and both the prices of real estate properties and funding to households reported good signs of recovery.

In the medium term, however, recovery is likely to be negatively affected. The relatively weak development of household real income with feeble productivity levels and the persistent need for private and public sector balance sheet adjustment will continue to constrain domestic demand, whereas import prospects remain modest.

China

According to a broad range of indicators – including industrial production, retail sales and manufacturing PMI – growth in China has decreased in the first quarter of 2014. Sales statistics were more negative than expected: in February, exports of goods in nominal terms decreased by 18 per cent with respect to the prior-year period after a 10 per cent increase in January. High changes in sales growth rates at the beginning of the year are, however, a recurring event associated with the start date of the Chinese new year and therefore export slowdown should be taken with caution.
The deterioration recorded at the beginning of the year will make it more difficult to attain the growth objective set by the authorities, i.e. 7.5% for 2014. The government has, however, already expressed its intention to accelerate the implementation of investment and construction plans in order to sustain domestic demand.

Eurozone

According to available indicators, economic activity in the Eurozone increased – but not significantly accelerated – in the first quarter of this year. The decrease in inflation was particularly high and greater than expected. In April, the ECB Board declared it was prepared to use new measures, even non-conventional ones, to beat any risk of deflation becoming permanent.
In the fourth quarter of 2013, the Eurozone's GDP continued to recover, driven by the positive contribution of foreign trade and the expenses made for gross fixed investments,

family consumption levels remaining overall unchanged. Despite differences, economic activity increased in all the major Eurozone's economies in the fourth quarter. Germany benefited from the new increase in exports and investment expenses; in France, growth affected all the main demand components, with the exception of stock. In Italy, the first positive change was reported after nine months of recession.

The indicators so far available suggest that economic activity will grow in the first quarter of 2014, although it has not significantly accelerated.

Average industrial production for the January – February period was higher than that of the last quarter of 2013. In March, the overall PMI for the area remained almost unchanged with respect to the previous month and was greater than the threshold of economic activity growth.

Italy

According to economic indicators, moderate economic activity recovery is expected to continue in the first quarter. Although the main growth driver continues to be exports, there are some initial signs of slight improvement in national demand.

Research on confidence levels showed more favourable opinions from companies, even in the services sector. In the fourth quarter of 2013, Italian GDP again returned to growth, despite at modest levels (0.1% with respect to the previous period), thereby halting the phase of recession which had begun in the summer of 2011. According to available indicators, the slow recovery of GDP will continue in the first quarter of this year, benefiting from still favourable foreign demand and the first signs of improvement in domestic demand.

The positive stimulus deriving from the recovery of industrial activity will gradually extend to services, as forecasted by the trend of recent qualitative indicators on company and households confidence levels.

BUSINESS SECTOR REVIEW

UCIMU – SISTEMI PER PRODURRE

In the first quarter of 2014, the machine tools order index, prepared by the Business Culture and Research Centre of UCIMU-SISTEMI PER PRODURRE, recorded a 15.2% increase on the prior-year period. In absolute terms, the index was equal to 152.9, greater than the average of the period and taking the year 2010 as the new reference year.

This positive result was attributable to both foreign manufacturers and Italian market recovery.

The index for orders abroad reported an increase of 5.7% compared to the same period of the previous year, thereby confirming the positive trend which was recorded as of the beginning of the last quarter of 2013. In absolute terms, the index for the January-March period reached 166.5. In the domestic market, the Italian manufacturers index reported a significant increase, growing by 79.3% compared to the first quarter of 2013 (127.1 in absolute terms).

The change in the domestic demand trend also benefited from the implementation of the New Sabatini Law, effective as of 31 March. In the first filing session, a total of 2010 financing requests was registered (for an overall value of € 655 million instrumental goods investments).

* * *

According to Acimall, the national association of producers of machinery for the processing of wood and derivatives, there are finally positive signs for the market of wood manufacturing machinery and technologies: confidence levels have increased, and 2014 is expected to be better than recent years marked by negative growth. However, it remains clear that a significant structural growth must necessarily be based on an increase in domestic consumption.

The survey outlines the sector's short-term trends. Moderate optimism for foreign markets, confirmed by the figures related to the orders. According to 36 per cent of those interviewed, foreign orders will increase in the next period, whereas according to 59 per cent, they will remain unchanged. The remaining 5 per cent anticipates a drop (resulting in a positive difference of 31).

Wait and see attitude for Italian customers: the survey for the domestic market shows a decline according to 13 per cent of the sample. Whereas, according to 73 per cent, domestic sales will remain unchanged. 14 per cent of the companies forecast growth in the short term (the balance is positive and to the tune of 1).

* * *

VDMA

At the end of April 2014, the German association of engineering VDMA (Verband Deutscher Maschinen- und Anlagenbau e.V.) announced that the order intake in machinery and equipment for the industry in Germany was 6% lower than the results recorded in March 2013. The increase in the German domestic market, equal to 13%, was more than offset by the decrease in the foreign market.

With regard to short-term fluctuations, and when comparing the three months from January to March 2014, the Association specified that orders decreased by 2% on the year. As a matter of fact, although domestic orders increased by 3%, orders relating to the foreign market decreased by 4%. The latter figure, according to VDMA, must be ascribed to the exceptional performance of the first quarter of the previous year.

FINANCIAL STATEMENTS

Income Statement at 31 March 2014

	1Q 2014	% on sales	1Q 2013	% on sales	CHANGE %
Euro 000's					
Revenue from sales and services	**91,635**	**100.0%**	**84,404**	**100.0%**	**8.6%**
Change in inventories, wip, semi-finished and finished goods	7,711	8.4%	3,315	3.9%	132.6%
Other revenue	443	0.5%	746	0.9%	(40.6)%
Revenue	**99,789**	**108.9%**	**88,465**	**104.8%**	**12.8%**
Consumption of raw materials, consumables, supplies and goods	(40,901)	(44.6)%	(35,484)	(42.0)%	15.3%
Other operating expense	(20,527)	(22.4)%	(18,976)	(22.5)%	8.2%
Added Value	**38,362**	**41.9%**	**34,006**	**40.3%**	**12.8%**
Personnel expense	(30,967)	(33.8)%	(29,011)	(34.4)%	6.7%
Gross Operating profit	**7,395**	**8.1%**	**4,995**	**5.9%**	**48.1%**
Depreciation and amortisation	(3,185)	(3.5)%	(3,361)	(4.0)%	(5.2)%
Provisions	(278)	(0.3)%	(125)	(0.1)%	122.3%
Operating profit	**3,931**	**4.3%**	**1,509**	**1.8%**	-
Finance income/expense	(301)	(0.3)%	(784)	(0.9)%	(61.6)%
Net exchange rate losses	(302)	(0.3)%	547	0.6%	-
Pre-tax profit/loss	**3,329**	**3.6%**	**1,271**	**1.5%**	-
Income taxes	(1,736)	(1.9)%	(998)	(1.2)%	73.9%
Profit/Loss for the period	**1,592**	**1.7%**	**273**	**0.3%**	-

DIRECTORS' REPORT ON OPERATIONS

At the end of the first quarter of 2014, the Biesse Group's position is positive both in terms of short-term trend (orders received) and results achieved (profitability). In spite of the decrease compared to 31 December 2013, the financial position is strongly improving on the prior-year period.

At the end of March 2014, the order intake increased by 21.8% overall compared to the same period in 2013.

The positive trend of order intake underlay the increase both in sales and finished and semi-finished product inventories.

As far as the performance for the period is concerned, Group revenues for the first three months of 2014 amounted to € 91,635 thousand, up by 8.6% compared to the prior-year period (€ 84,404 revenues).

In the first three months of 2014 added value totalled € 38,362 thousand, up by 12.8% compared to the same period last year.

EBITDA for the first quarter of 2014 totalled € 7,395 thousand, up by € 2,400 thousand compared with the same period last year (+48.1%). EBIT improved in the same period as well, increasing by € 2,422 thousand (€ 3,931 thousand in 2014 compared to € 1,509 thousand for the same period in 2013).

As for the financial position, net operating working capital increased by around € 12.5 million compared with 31 December 2013. This was mainly due to the seasonal increase in inventories by € 10.7 million, and also to the reduction in trade payables by approximately € 5.7 million. These changes were partially offset by the reduction in trade receivables by approximately € 3.9 million. It should be noted, however, that net operating working capital decreased by around € 22.8 million compared to the prior-year period.

Finally, it should be noted that the Group's net financial indebtedness at 31 March 2014 amounts to approximately € 33.1 million deteriorating by about € 9.2 million compared to the figures at 31 December 2013, as a result of the changes in net operating working capital. However, it showed a significant improvement (by approximately € 28.9 million) compared to 31 March 2013.

MAIN EVENTS OF THE PERIOD

January 2014

In January 2014, the new company INTERMAC DO BRASIL SERVICOS E NEGOCIOS LTDA was finally established. This company was formed with the aim of fostering and developing the trading of products of the Glass/Marble and Tooling Divisions within the Brazilian market. It is expected to be fully operational during 2014.

February 2014

On 7 February 2014, Biesse S.p.A. met in Paris some important investors in collaboration with its specialist Banca IMI. On that occasion, in addition to describing its activities and industrial projects underway, the top management of Biesse updated its indications concerning the financial year 2013.

From 11 to 14 February, Biesse Iberica participated in the 2014 Fimma-Maderalia fair where it presented the innovative edgebanding Air Force System, which earned the fair's innovation award.

On February 27, 2014, Biesse America celebrated the first 25 years of activity in the U.S. market. Biesse America opened our doors in Charlotte, NC in 1989 as the showroom and service hub for the customers in North – America. "Biesse strongly believes in North America as a key strategic region for our Group, and is continuing to invest strongly in this market," said Federico Broccoli, President and CEO of Biesse America and Biesse Canada. "Over the past year, we have made large investments to guarantee our customers receive the best service available in our industry by expanded our staff and implementing a new cloud based CRM system to guarantee our customers receive the best response time possible to new machine orders, parts orders and service requests. In addition, we are also beginning a large expansion project to our Charlotte facility where we will be increasing office, warehouse and showroom space, allowing us to add more machinery for demonstration and training purposes."

March 2014

The Board of Directors of Biesse S.p.A. approved on 3 March 2014 the updating of the business plan for the 2014-2016 period.
Based on the initiatives set out in the above business plan, the results expected by the Biesse Group within the next three years are as follows:
· higher consolidated revenue (three-year CAGR: 7.0%);
· higher added value (41.5% as a percentage of revenue in 2016);
· recovering operating profits:
EBITDA target: 13.8% as a percentage of revenue in 2016;
EBIT target: 10.1% as a percentage of revenue in 2016.

On 25 March 2014, Biesse S.p.A. took part in the 2014 Milan STAR Conference – the event organised by Borsa Italiana – in order to meet the national and international community.

On 27 March 2014, Axxemblea S.r.l was established with the objective of producing mechanical components for the Wood Division by leasing the relevant company branch from the company Asservice S.r.l. – the latter was no longer able of maintaining the necessary Biesse Group's production levels. The lease agreement for the company branch will last five years and provide for an annual expense of € 40 thousand.

April 2014

On 30 April 2014, the Ordinary Shareholders' Meeting of Biesse S.p.A. approved the Separate and Consolidated Financial Statements for 2013, both of which were prepared in accordance with IAS/IFRS and resolved a dividend distribution of € 0.18 for each share entitled on the back of the results achieved in 2013.

The same Shareholders' Meeting also approved the 2013 Remuneration Report of the Biesse Group as per article 123-ter, paragraph 3 of Legislative Decree 58/98.

* * *

Net revenues in the first quarter of 2014 showed an increase of 8.6% compared with the same period of 2013, rising from € 84,404 thousand to € 91,635 thousand.

As regards the breakdown of sales by sector compared to the prior-year period, the Mechatronics Division showed the most significant increase (+16.6%). The Wood and Components Divisions also reported good results (+10.0% and +8.2%, respectively). The Glass/Marble Division showed a slight decrease (-2.1%), while the Tooling Division was essentially in line with the prior-year period (-0.4%).

As regards the geographical breakdown of sales – for which reference should be made to the tables in the Segment Reporting section (pages 22 and 23) – the first three months of the year recorded a significant increase in Eastern Europe (+22.0%) and Western Europe (+13.4%), compared with the first quarter of 2013. The Asia-Pacific and North America areas also showed a significant increase (9.8% and 6.4%, respectively).

The Western European area continues to be the Biesse Group's core market, with an increase in its share of sales (41% in March 2014 compared with 39.2% in March 2013).

Finally, worthy of mention is the decrease in the Rest of the World (-30.0% compared with the prior-year period), due to the drop in the South American market.

Finished and semi-finished product inventories increased by € 7,711 thousand compared with 31 December 2013 (+ € 3,315 thousand in the previous year), due to the seasonal increase in inventories of semi-finished and finished goods compared to the year-end figures and to positive trend in the orders intake.

The value of production in the first three months of 2014 was € 99,789 thousand, up by 12.8% compared to the first quarter of 2013, when it amounted to € 88,465 thousand.

The analysis of the per cent impact of consumptions and other operating expenses – calculated on the value of production shows an increase in raw materials impact (41 % vs. 40.1% at 31 March 2013) due to the different mix of sales. The per cent impact of other operating expenses decreased (20.6% vs. 21.5%) but in absolute terms it increased by € 1,551 and is to a significant extent attributable to the item Services, up by € 1,201 thousand. In details, this increase is attributable to both “variable” cost items (for example: outsourced processing, third party technical services, sales commissions and transport fees) and to “fixed” cost items (for example: consultancy fees, travel and lodging expenses and trade fairs).

Euro 000's	1Q 2014	%	1Q 2013	%
Revenue	**99,789**	**100.0%**	**88,465**	**100.0%**
Consumption of raw materials and goods	40,901	41.0%	35,484	40.1%
Other operating expense	20,527	20.6%	18,976	21.5%
Service costs	*17,400*	*17.4%*	*16,199*	*18.3%*
Use of third party assets	*1,838*	*1.8%*	*1,826*	*2.1%*
Sundry operating expense	*1,289*	*1.3%*	*950*	*1.1%*
Added Value	**38,362**	**38.4%**	**34,006**	**38.4%**

In the first three months of 2014 added value totalled € 38,362 thousand, up by 12.8% compared to the same period last year (€ 34,006 thousand), with an impact on revenues increasing from 40.3% to 41.9%.

In the first three months of 2014 personnel expense amounted to € 30,967 thousand, up by € 1,956 thousand compared to the figure for 2013 (€ 29,011 thousand, +6.7%). The increase is essentially due to the component of wages and salaries (€ +1,857 thousand, +6.8% compared to the prior-year period).

Ebitda amounted to € 7,395 thousand at 31 March 2014 (€ 4,995 thousand at 31 March 2013) showing an increase of 48.1%.

Depreciation and amortization decreased by 5.2% overall (from € 3,361 thousand in 2013 to € 3,185 thousand in the current year): the change is mainly attributable to the decrease in property, plant and equipment by € 193 thousand (from € 1,619 thousand to € 1,426 thousand, down by 11.9%) as a result of particularly careful management of investments.

Provisions amounted to € 278 thousand (€ 125 thousand in the first three months of 2013) mainly due to increased allocations to the provision for product guarantees, increasing due to higher revenues for the period.

As regards financial operations, finance expense amounted to € 301 thousand and improved compared to 2013 (€ 784 thousand, -61.6%), in line with the improving debt position trend in the first quarter of 2014 compared with the prior-year period.

Exchange risk management in this first three months of 2014 resulted in a loss of € 302 thousand, deteriorating compared to the previous-year figure (positive to the tune of € 547 thousand).

Pre-tax profit amounted to € 3,329 thousand.

The estimated balance of tax items was negative at € 1,736 thousand. The impact relating to current taxes was negative at € 1,577 thousand (IRAP – regional business tax: € 879 thousand; IRES – corporate income tax: € 186 thousand; taxes from foreign jurisdictions: € 452 thousand; previous-year taxes: € 45 thousand; other taxes: € 15 thousand). Finally, the impact relating to deferred taxes was negative at € 159 thousand.

Therefore, net income for the first three months of 2014 is positive at € 1,592 thousand.

Net financial indebtedness at 31 March 2014

	31 March 2014	31 December 2013	30 September 2013	30 June 2013	31 March 2013
Euro 000's					
Financial assets:	27,975	36,099	24,605	28,681	22,221
Current financial assets	*1,039*	*949*	*949*	*890*	*849*
Cash and cash equivalents	*26,936*	*35,151*	*23,657*	*27,791*	*21,372*
Short term finance lease payables	(452)	(285)	(281)	(277)	(273)
Short term bank loans and borrowings and loans from other financial backers	(41,587)	(44,599)	(50,226)	(50,624)	(79,182)
Short Term Net Financial Indebtedness	**(14,065)**	**(8,785)**	**(25,902)**	**(22,220)**	**(57,235)**
Medium/Long term finance lease payables	(2,121)	(1,960)	(2,033)	(2,105)	(2,175)
Medium/Long bank loans and borrowings	(16,936)	(13,191)	(22,435)	(26,958)	(2,586)
Medium/Long Term Net Financial Indebtedness	**(19,057)**	**(15,151)**	**(24,468)**	**(29,062)**	**(4,762)**
Total Net Financial Indebtedness	**(33,122)**	**(23,936)**	**(50,370)**	**(51,282)**	**(61,996)**

At 31 March 2014, Group net financial indebtedness was € 33.1 million (gearing = 0.29). It deteriorated compared with 31 December 2013 (+€ 9,186 thousand, +38.4 %) but showed an improvement compared to the 2013:

- - € 28.9 million compared to 31 March 2013 (- 46.6%);
- - € 18.1 million compared to 30 June 2013 (-35.4%);
- - € 17.2 million compared to 30 September 2013 (-34.2%).

Deterioration compared to 31 December 2013 is attributable to the trend in the net operating working capital. This was largely due to the growth in sales volume, which caused a physiological increase in the inventories of raw materials and semi-finished products (needed to meet higher production requirements) and of finished products (due to the need to replenish stocks in the face of the increase in orders).

However, the improvement compared to the previous year's quarters (notably to the first quarter of 2013) reflects the growing attention paid to the trend in net working capital and to the collection of trade receivable.

Summary Statement of Financial Position

Euro 000's	31 March 2014	31 December 2013	31 March 2013
Intangible assets	48,447	47,899	47,589
Property, plant and equipment	60,566	61,086	61,368
Financial assets	1,034	973	929
Non current assets	**110,046**	**109,958**	**109,886**
Inventories	96,960	86,273	96,094
Trade receivables	72,315	76,231	91,940
Trade payables	(105,420)	(111,102)	(101,416)
Net Operating Working Capital	**63,855**	**51,403**	**86,618**
Post-employment benefits	(12,444)	(12,795)	(13,700)
Provision for risk and charges	(9,023)	(8,975)	(10,557)
Other net payables	(18,431)	(16,547)	(16,500)
Net deferred tax assets	13,897	13,987	17,397
Other net liabilities	**(26,002)**	**(24,331)**	**(23,360)**
Net Invested Capital	**147,900**	**137,030**	**173,144**
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	85,647	79,077	83,271
Profit/Loss for the period	1,567	6,435	281
Non-controlling interests	170	190	203
Equity	**114,778**	**113,094**	**111,148**
Bank loans and borrowings and loans from other financial backers	61,096	60,035	84,217
Other financial assets	(1,039)	(949)	(849)
Cash and cash equivalents	(26,936)	(35,151)	(21,372)
Net financial indebtedness	**33,122**	**23,936**	**61,996**
Total sources of funding	**147,900**	**137,030**	**173,144**

Compared to December 2013, net intangible assets increased by approximately € 0.5 million due to increasing investments (attributable to R&D capitalisations of new products for € 2.2 million and to new ICT investments for € 0.5 million) compared to the relevant period amortisation (about € 1.7 million).

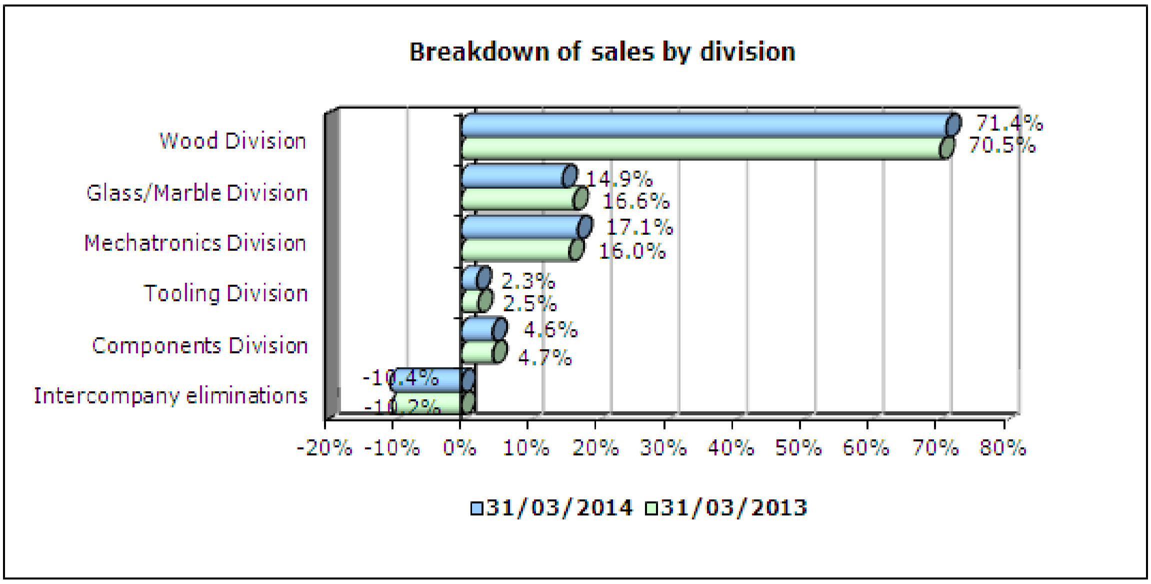
Conversely, compared to December 2013, net tangible assets decreased by € 0.5 million due to increased depreciation for the period compared to capital expenditures.

Inventories increased by € 10,687 thousand overall compared to 31 December 2013, but were essentially in line with the prior-year period (+ € 866 thousand). The change compared with year-end figures is due to the € 3,726 thousand increase in semi-finished products, to the € 3,212 thousand increase in raw materials, and to the € 3,559 thousand increase in inventories of finished goods. Spare part inventories also showed a slight increase (equal to € 190 thousand).

Worthy of mention with reference to the other items of the net operating working capital, which increased overall by € 12,453 thousand compared to 31 December 2013, is the decrease in trade payables by € 5,681 thousand, partially offset by the reduction in trade receivables by € 3,916 thousand.

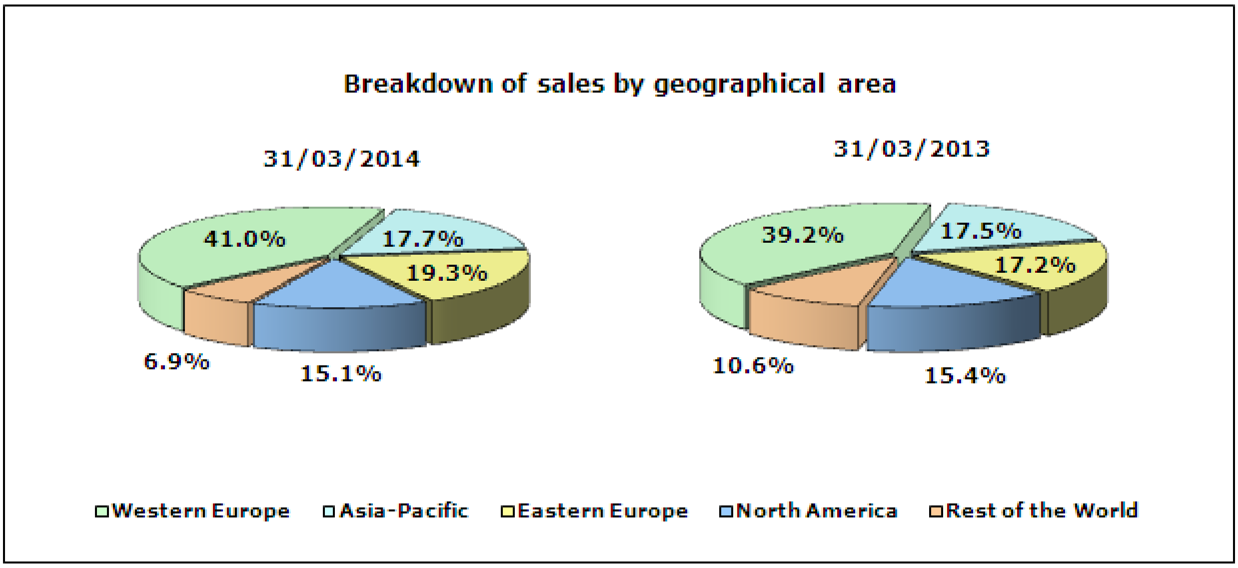
Segment reporting - Breakdown by division

	1Q 2014	%	1Q 2013	%	CHANGE %
Euro 000's					
Wood Division	65,387	71.4%	59,465	70.5%	10.0%
Glass/Marble Division	13,688	14.9%	13,980	16.6%	(2.1)%
Mechatronics Division	15,705	17.1%	13,475	16.0%	16.6%
Tooling Division	2,129	2.3%	2,137	2.5%	(0.4)%
Components Division	4,250	4.6%	3,926	4.7%	8.3%
Intercompany eliminations	(9,525)	(10.4)%	(8,579)	(10.2)%	11.0%
Total	**91,635**	**100.0%**	**84,404**	**100.0%**	**8.6%**



Segment reporting - Breakdown by geographical area

	1Q 2014	%	1Q 2013	%	CHANGE %
Euro 000's					
Western Europe	37,552	41.0%	33,107	39.2%	13.4%
Asia-Pacific	16,243	17.7%	14,788	17.5%	9.8%
Eastern Europe	17,716	19.3%	14,522	17.2%	22.0%
North America	13,840	15.1%	13,007	15.4%	6.4%
Rest of the World	6,284	6.9%	8,980	10.6%	(30.0)%
Total	**91,635**	**100.0%**	**84,404**	**100.0%**	**8.6%**



Pesaro, 12 May 2014

The Chairman of the Board of Directors
Roberto Selci

ANNEX

	1Q 2014	% on sales	1Q 2013	% on sales	CHANGE %
Euro 000's					
Revenue from sales and services	91,635	100.0%	84,404	100.0%	8.6%
Other revenues	443	0.5%	746	0.9%	(40.6)%
Net Revenues	**92,079**	**100.5%**	**85,150**	**100.9%**	**8.1%**
COGS	(42,124)	(46.0)%	(40,558)	(48.1)%	3.9%
Gross Profit	**49,955**	**54.5%**	**44,593**	**52.8%**	**12.0%**
Overhead	(11,593)	(12.7)%	(10,587)	(12.5)%	9.5%
Added Value	**38,362**	**41.9%**	**34,006**	**40.3%**	**12.8%**
Personnel expense	(30,967)	(33.8)%	(29,011)	(34.4)%	6.7%
Gross Operating Income (EBITDA)	**7,395**	**8.1%**	**4,995**	**5.9%**	**48.1%**
Depreciation and amortisation	(3,185)	(3.5)%	(3,361)	(4.0)%	(5.2)%
Provisions	(278)	(0.3)%	(125)	(0.1)%	122.3%
Net Operating Income (EBIT)	**3,931**	**4.3%**	**1,509**	**1.8%**	-
Financial revenues and expenses	(301)	(0.3)%	(784)	(0.9)%	(61.6)%
Net exchange rate losses	(302)	(0.3)%	547	0.6%	-
Pre-tax profit/loss	**3,329**	**3.6%**	**1,271**	**1.5%**	-
Taxes	(1,736)	(1.9)%	(998)	(1.2)%	73.9%
Profit/Loss for the period	**1,592**	**1.7%**	**273**	**0.3%**	-

Certification pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance

The Manager charged with preparing the company's financial reports declares that, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, the accounting information contained herein corresponds to the results contained in the documentary evidence and accounting books and records.

Manager charged with preparing
the company's financial reports
Cristian Berardi