

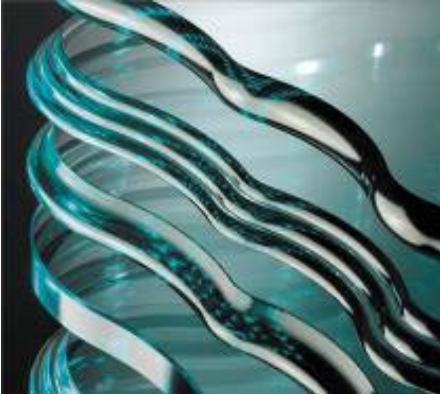
*Technology for shaping
everyday materials*

Borsa Italiana – STAR event

Milan, 27-28 March 2012



Wood – Glass&Stone - Mechatronic





- ▶ Biesse produces machine tools and systems for the secondary processing of wood, glass and stone, together with associated numerical controls, motors, software and precision components

Biesse has achieved operating excellence due to the following key factors:

worldwide extensive direct sales network and support capabilities

strong commitment and investments in R&D

flexible and slim business model
-lean company-

one-stop-shop for superior quality products

integrated supply network



Market position

- ▶ **1st** the world's largest manufacturer of computer numerically controlled (CNC) centres for wood – glass&stone working
- ▶ **2nd** largest Italian producer of automated woodworking machinery
- ▶ **2nd** largest worldwide provider of turn-key systems for major companies
- ▶ **4th** largest manufacturer of woodworking machinery worldwide

our history



1969 "The beginning"

1978 Realized the first numerical control boring machine for wood: Logic Control

1983 Rover: the first machining centre for the processing of wood is built

1987 Intermac is established: The company produces machining centres for processing and engineering glass and stone

1991 HSD is established: the company realizes and sells mechanical components and numerical controls

1991 Biesse becomes international: the first foreign branches are opened

1992 Biesse starts "the acquisition period": aimed operations in wood/glass&stone/components and distribution network areas

1994 Biesse Engineering is established: new business unit fully dedicated to project and realize entire lines and integrated systems

1998 Biesse group is formed. It's composed of three divisions: wood, mechatronic, glass and stone

1999 "Centro di Formazione e studi" (Biesse School) is established

2001 Biesse is quoted on the Italian stock exchange (listed in STAR segment)

2006 Bre.Ma. is acquired: the company designs and realizes vertical numerical control boring-inserting machine for the processing of wood

2007 AGM Inc (U.S.A.) is acquired: former distributor for glass & stone machinery becomes Intermac U.S.A. subsidiary

2008 New plants for the wood division: Bangalore (India) first foreign production site

2009 Biesse Group incorporates Digipac brand - packaging technology –

2009 Biesse open new subsidiaries in Switzerland and Dubai

2010 Biesselinside hosts for the first time 4 listed companies (Indesit-Elica-Prima Industrie-Sabaf) to meet the financial community during an internal open-house

2011 Biesse appoints a new C.E.O. – Giorgio Pitzurra

2011 VIET - historic wood brand for calibration and sanding machines - added to the Group

2011 Biesse acquires Centre Gain Ltd Hong Kong /Korex Machinery Dongguan (China)



our world structure



Italy – Pesaro H.O.
Milano-Treviso-Bergamo



U.K.
Daventry



Suisse
Lucerna



Sweden
Jonkoping



Russia
Moscow



Germany
Elchingen
Loehne
Gingen



France
Lyon



Spain
Barcelona



Portugal
Syntra



U.A.E.
Dubai



India
Bangalore



Indonesia
Jakarta



Malaysia
Kuala Lumpur



Australia
Sidney
Brisbane
Adelaide
Melbourne
Perth



New Zealand
Auckland



U.S.A. & Canada
Charlotte. N.C.
Ft. Lauderdale FL.
Toronto - Montreal



Asia
Singapore



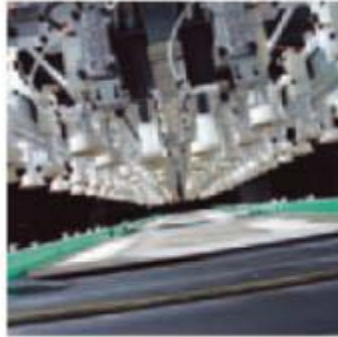
China
Shanghai
Dongguan

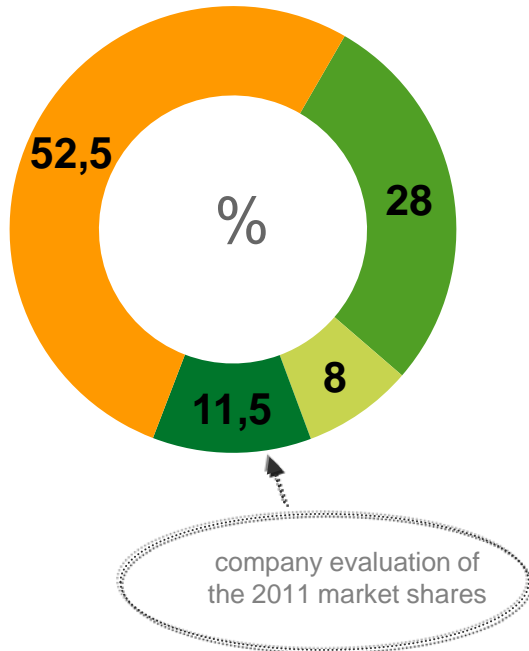


Biesse Wood Division is part of the Biesse Group, an industrial reality which employs a worldwide staff of more than 2.700 people on a production surface area of over 100.000 square metres in Italy. Biesse Wood Division develops and produces machinery for the furniture and carpentry industry, and offers a full range of solutions covering the entire industrial processing cycle for wood, wood derivatives, composite materials and non-ferrous alloys. Sizing, edgebanding, boring, sanding, routing, inserting, assembling, handling: for each working cycle Biesse guarantees a complete range of technological solutions. Stand alone machines or complete processing lines meeting high quality standards.



Wood

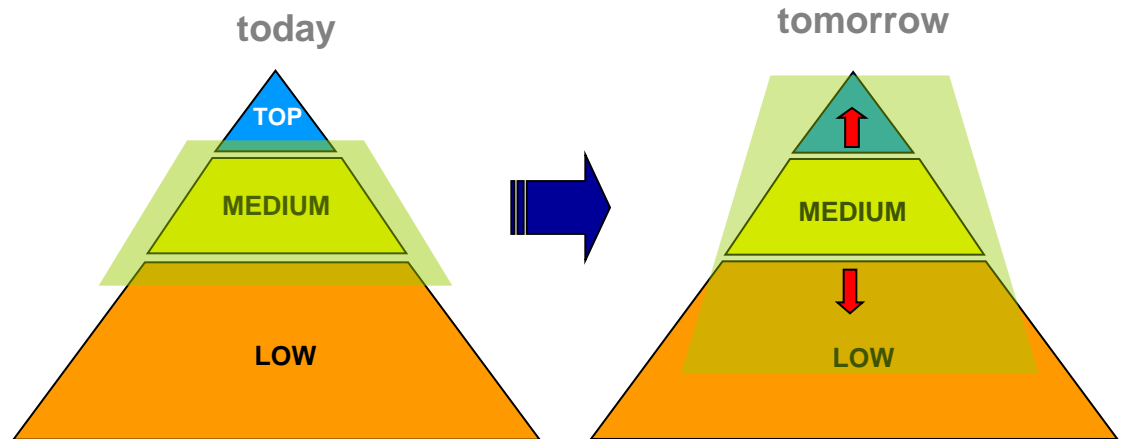




- Rest of the Market same product segment
- HOMAG same product segment
- SCM same product segment
- BIESSE

- woodworking machines market consensus growth 5.5%
- approx 3% of market shares increase in three years time

- entire **secondary phase** dimension € 3.8 bln
- **secondary phase** dimension where Biesse is insisting € 2.1 bln



Glass & Stone



born in 1987, Intermac Glass & Stone Division is part of the Biesse Group, an Italian company quoted in the Star segment of the Italian stock exchange.

the division develops and distributes machinery for flat glass processors and, in general, for the furniture, architecture and automotive industries. It has over 250 employees and occupies a production area of more than 25,000 square metres, with production units located in Pesaro and Lugo (Ravenna) central Italy.

the glass division is made up of 4 different brands:

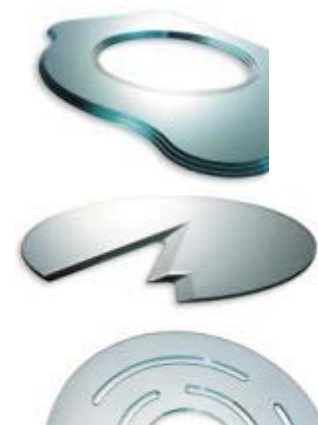
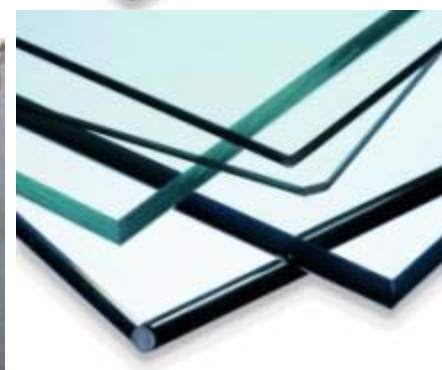
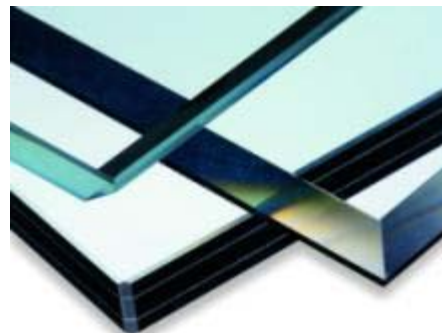
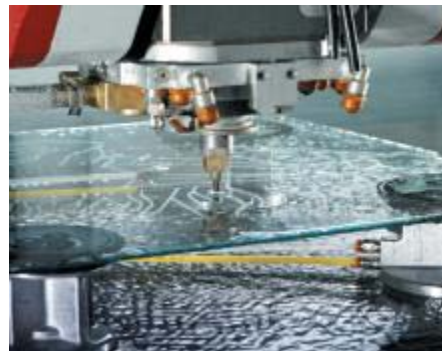
- **Intermac** - specialist in high-tech work centres, cutting tables and waterjet machines since 1987;
- **Busetti** - leader in the sector of double edgers. The company's range of machinery also includes those for the handling of glass sheets, as well as automatic and semi-automatic drills;
- **Diamut** - diamond tools, shaped wheels, grooving wheels, bevelling wheels, resin wheels, routers, and drill bits.

the stone division is made up of 2 different brands:

- **Intermac** - specialist in high-tech work centres since 1987;
- **Diamut** - diamond tools, shaped wheels, grooving wheels, bevelling wheels, resin wheels, routers, and drill bits.

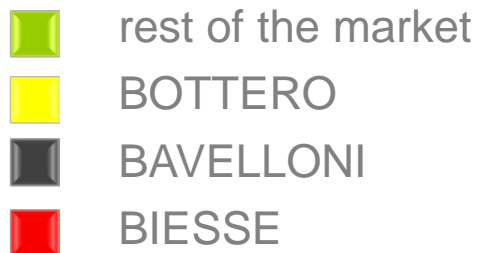
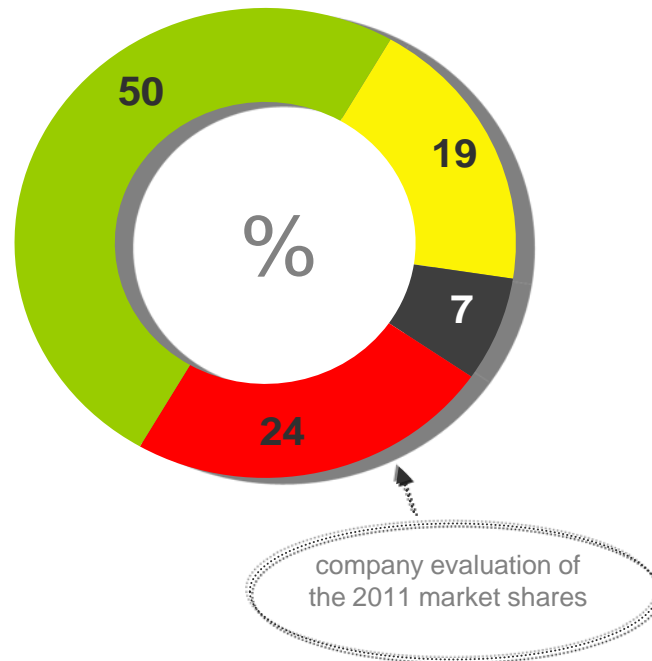


Glass & Stone





Italian Association: GIMAV



→ Basically an “italian manufacturing “ market

→ Biesse S.p.A. (Intermac brand) and Bavelloni (Glaston Group-Finland) are the only listed companies

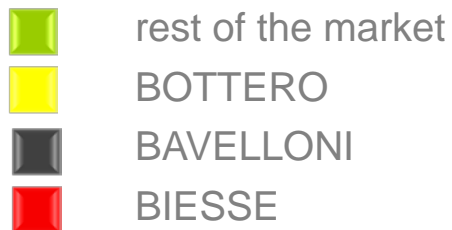
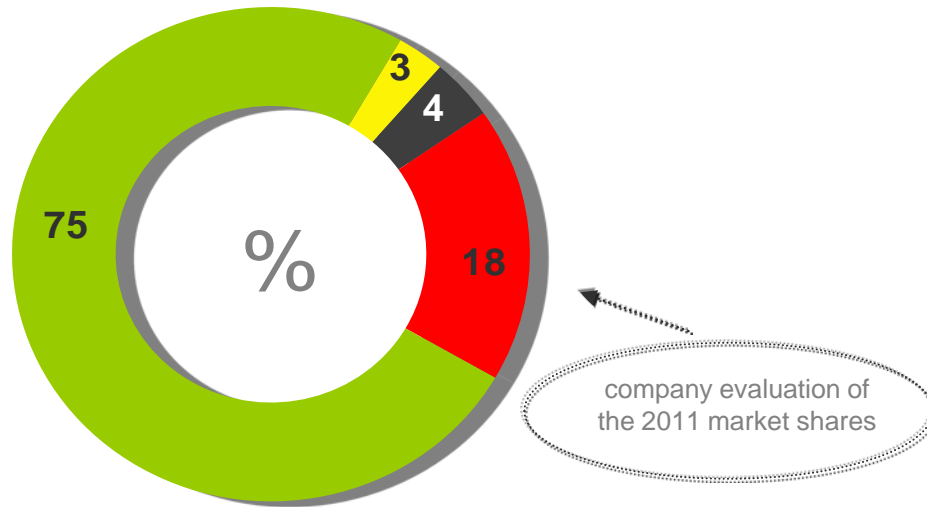
€235,000,000.

Value of reference markets
(where Biesse is insisting)

(company evaluation)



Italian Association: Marmomacchine



→ Biesse clear worldwide market leader

→ Biesse S.p.A. (Intermac brand) and Bavelloni (Glaston Co.) are the only listed companies

€45,000,000.

Value of reference markets
(where Biesse is insisting)

(company evaluation)



3 branches located on main markets, with the aim to assure immediate and highly qualified customer service

HSD USA (Fort Lauderdale, FL)
HSD Deutschland (Goeppingen)
HSD China (Shanghai)



Some of our major clients (wood)



Knoll

GRUPPO **DOIMO**



HOWDENS
JOINERY CO.



ARAN
GROUP



nobilia



HERMANOS VAQUER, S.A.



Symphony*



Lemet



Haier | Global



Havelock | Europa PLC



Some of our major clients (glass&stone)



...with an highly fragmented customer base

Some of our major clients (mechatronic)

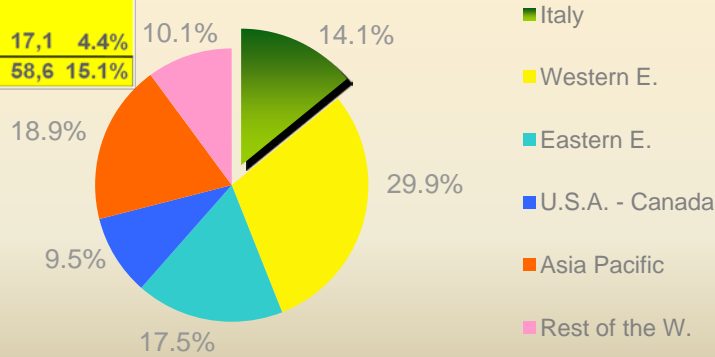


Biesse : Group sales breakdown December 2011

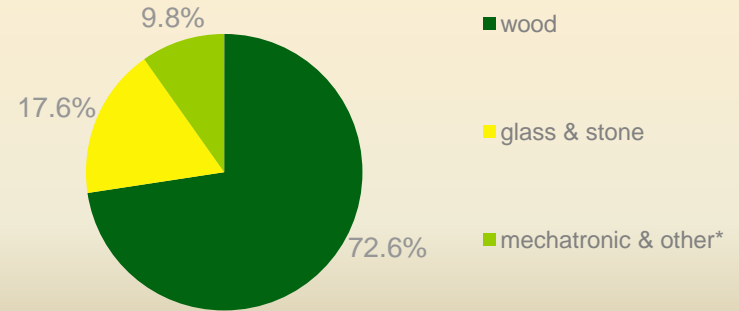


BRAZIL		
euro mln	21,2	5.5%
RUSSIA		
euro mln	17,6	4.5%
INDIA		
euro mln	2,8	0.7%
CHINA		
euro mln	17,1	4.4%
BRIC	58,6	15.1%

by countries

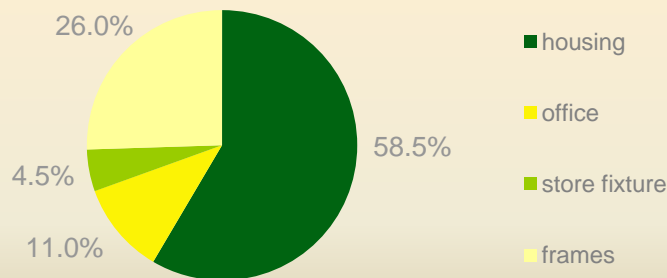


by business division

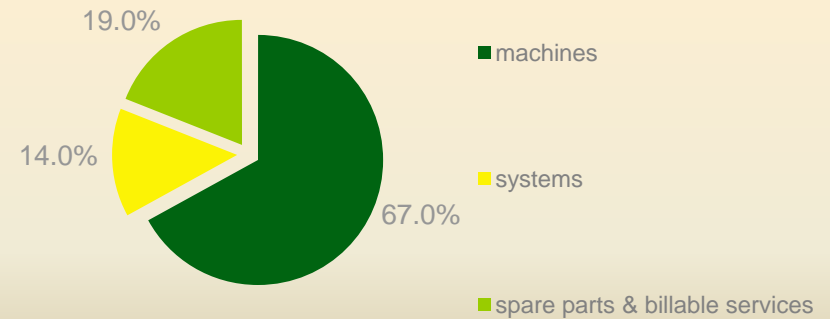


*after intercompany elisions

by end users



by type





macro-economic outlook

general premises— mechanics sector

Group orders intake & backlog

business plan guidelines

production “outside” Italy (India & China)



This year will be still characterized by a substantial macro-economic uncertainty mainly due to:

- ✓ world growth rate slowing down
- ✓ reduction of the financial leverage (mature economies)
- ✓ strong fear of the sovereign debt fate in Europe

- results: substantial economic recession in Western Europe and consequent increase of the spread between the emerging countries growth rate and the mature economies one
 - ❖ direct impact: fiscal squeezed
 - ❖ indirect impact:
 1. higher costs (cost of debt) – credit crunch
 2. negative effect of a lower “investment confidence” (uncertainty regarding the return on the invested capital) around the decision to “buy” capital goods.



GDP growth (in %): 2012* forecast

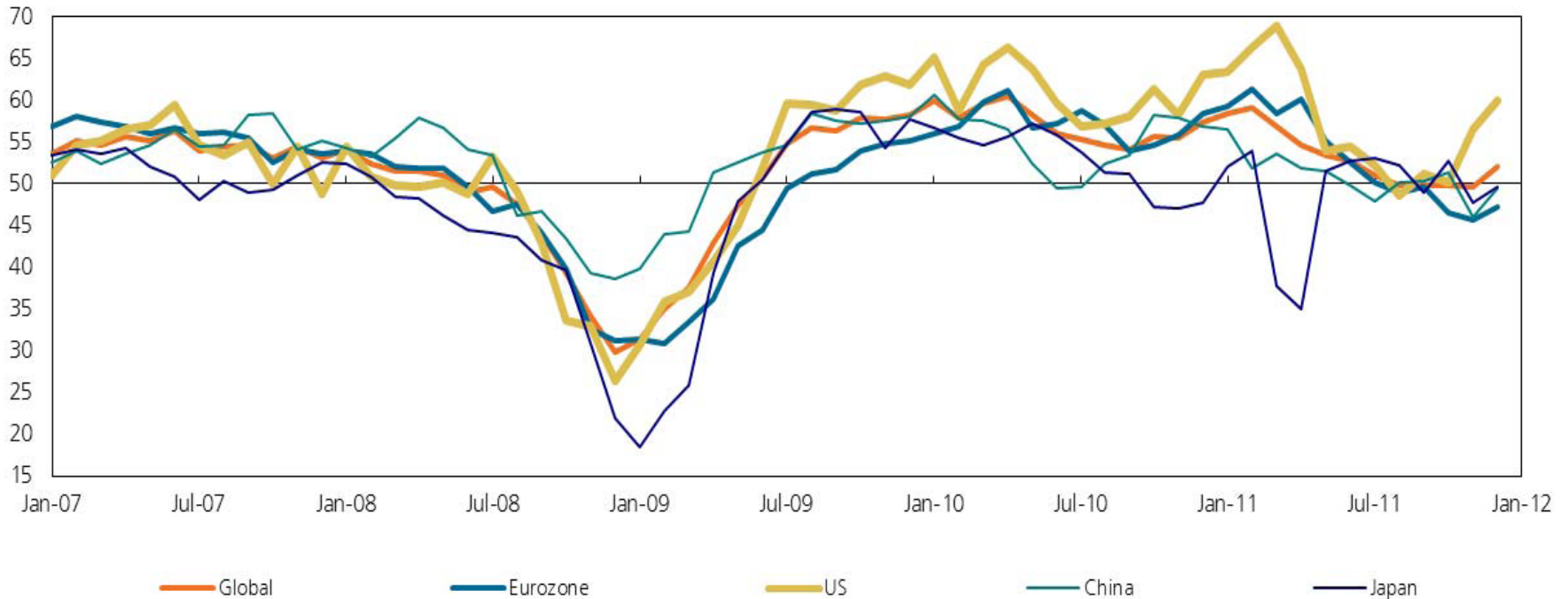
	2008	2009	2010	2011	2012e
U.S.A.	-0,3	-3,5	3,0	1,7	2,2
Japan	-1,1	-5,5	4,5	-0,6	2,2
E.U.	0,3	-4,2	1,8	1,6	0,0
Eastern Europe	4,8	-5,6	0,9	3,8	3,6
Latin America	3,8	-2,3	8,4	3,9	3,5
OPEC	5,7	1,0	3,7	4,2	5,5
Far East	6,1	5,4	9,1	7,0	6,9
Africa	5,0	1,8	3,7	3,5	3,6
World	2,8	-0,7	5,1	3,6	2,9

* source Intesa San Paolo

strong differences between the “exit strategies” from the financial crisis:

- U.S.A.:** expected growth rate around **2%** for the two-year period 2012-2013 supported by a “light” fiscal policy and low (stable) interest rate curve.
- E.U.:** remaining fears concerning the evolution of the sovereign debt affect the 2012 expectations. Growth rate close to ZERO influenced by the BCE role (“unconventional” measures to support the markets liquidity – interest rates cuts even below the 1% level to stimulate the domestic demand)

PMI index: world production

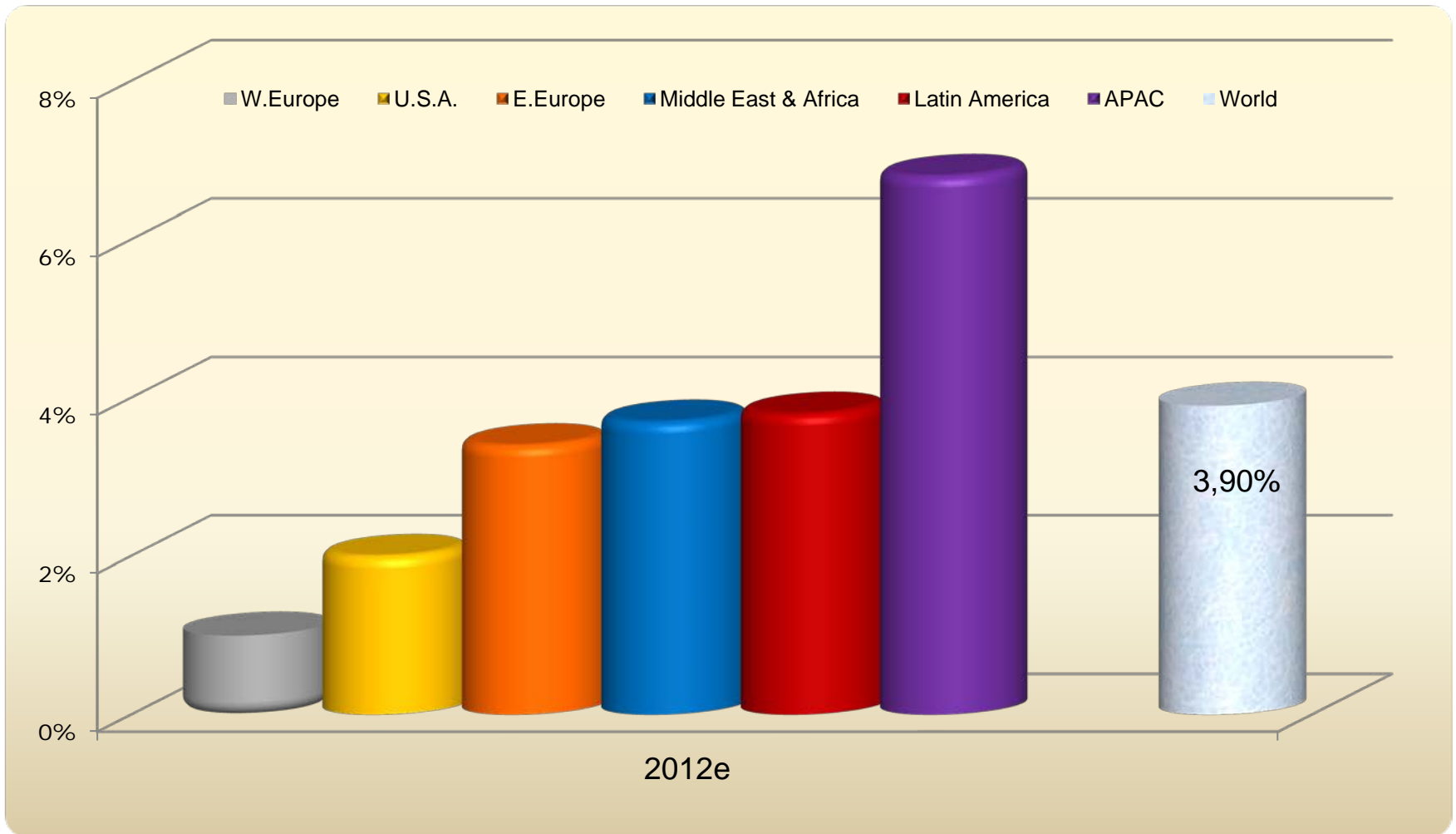


the “slowdown trend” in E.U. might influence some emerging countries like Brazil and China.
positive exception: U.S.A. economy

World furniture market: forecast 2012 by area



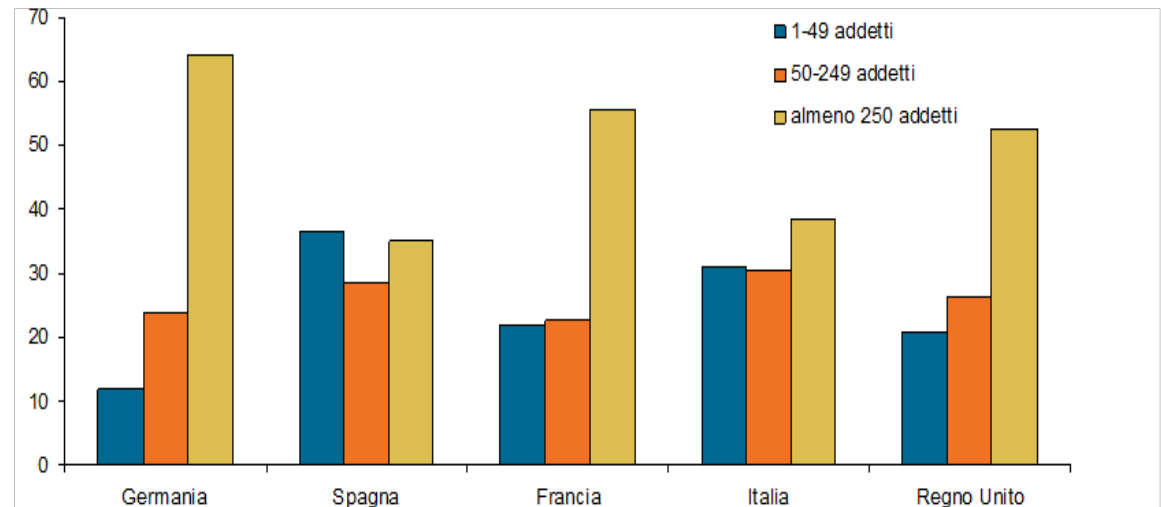
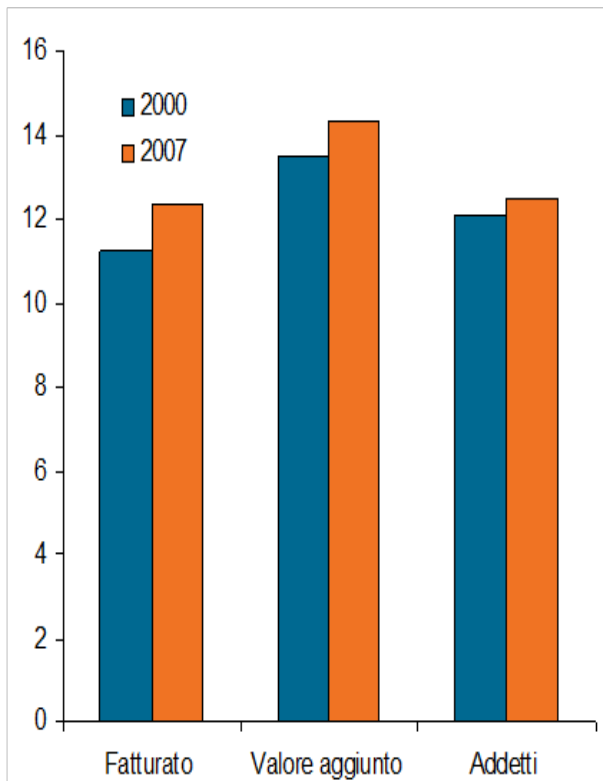
delta % vs year -1



Mechanics sector: Italy(1)



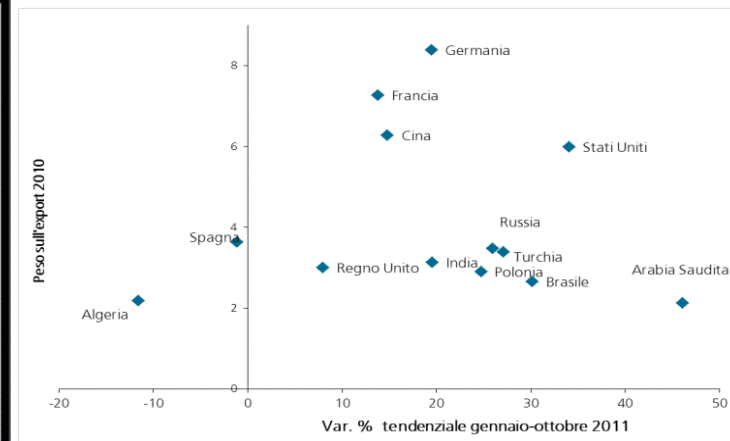
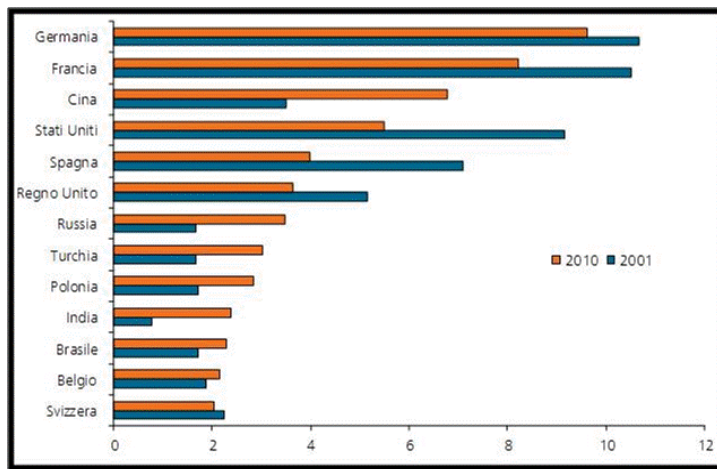
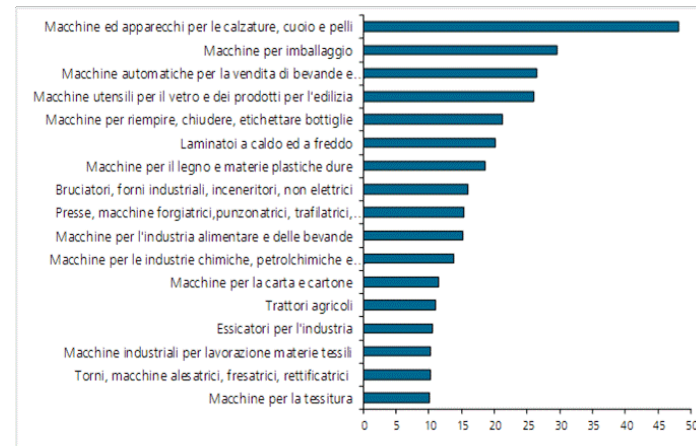
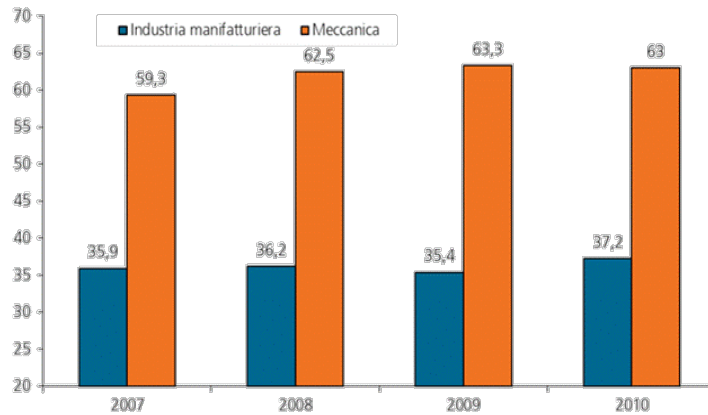
Manufacturing industry is the second sector for turnover (12-14%), value added and employees (580K people) behind metallurgy industry. Sector highly fragmented with few “large” companies



Mechanics sector: Italy (2)



despite its “not large dimension”, the manufacturing industry is strongly oriented to export, even more than the whole domestic average. The ranking of the “end users by country” is showing China at the third place just below Germany and France, but with an impressive impulse during the last years.



“...il 2011 per il settore della macchine per il legno si chiude in positivo, con una crescita del 5,8%. Dato positivo, ma non in linea con le performance registrate nel primo semestre e soprattutto non sufficiente a tornare ai livelli pre-crisi. Fatto 100 il numero indice del settore nel 2000, - scrive Acimall in una nota - oggi siamo attorno a quota 70...”.

MACCHINE ITALIANE LAVORAZIONE LEGNO. PRECONSUNTIVI 2011

Utensili compresi, in milioni di euro.

	2011	$\Delta\% 11/10$
Produzione	1.632	+5,8%
Esportazione	1.180	+10,5%
Importazione	145	-20,3%
Consumo apparente	597	-9,5%
Bilancia commerciale	1.035	+17,3%

Fonte: Ufficio studi Acimall, febbraio 2012.



Turnover for Germany's construction equipment and building material machinery industry rose by 17% in 2011 to Euro 12.6 b. **Of this Euro 7.8 b was accounted for by the construction machinery sector and Euro 4.8 b by the building materials, glass and ceramics machinery sector.**

Recovery Continues in all Sub-Sectors

"...2011 saw continued economic recovery in almost all sub-sectors, though not all at the same speed. Overall, demand for construction machinery worldwide was higher than for building material machinery throughout the entire year. In 2011. Previously reticent investments as a continuing result of the crisis were now being made up for, especially by plant hire firms. ..."

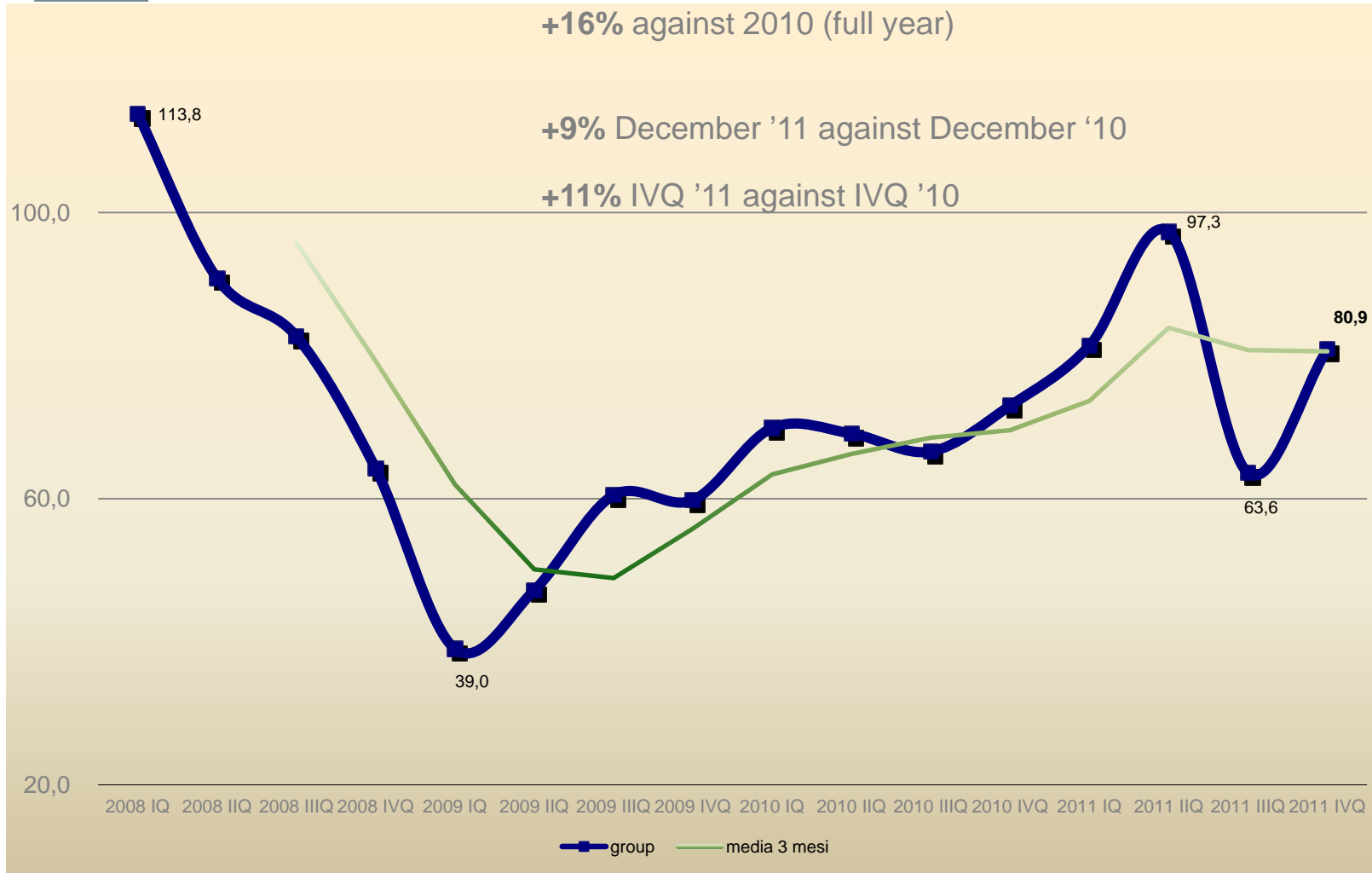
Turnover Forecasts for 2012: Plus 5%

"...given that BRIC countries are still intact as the drivers of growth, the sector anticipates that demand for construction equipment and building material machinery will develop positively in the medium term. This trend is also being felt in terms of order levels. In 2012, however, the German domestic market is likely to see less growth than the previous year..."

Group orders intake: quarterly trend 2008-2011



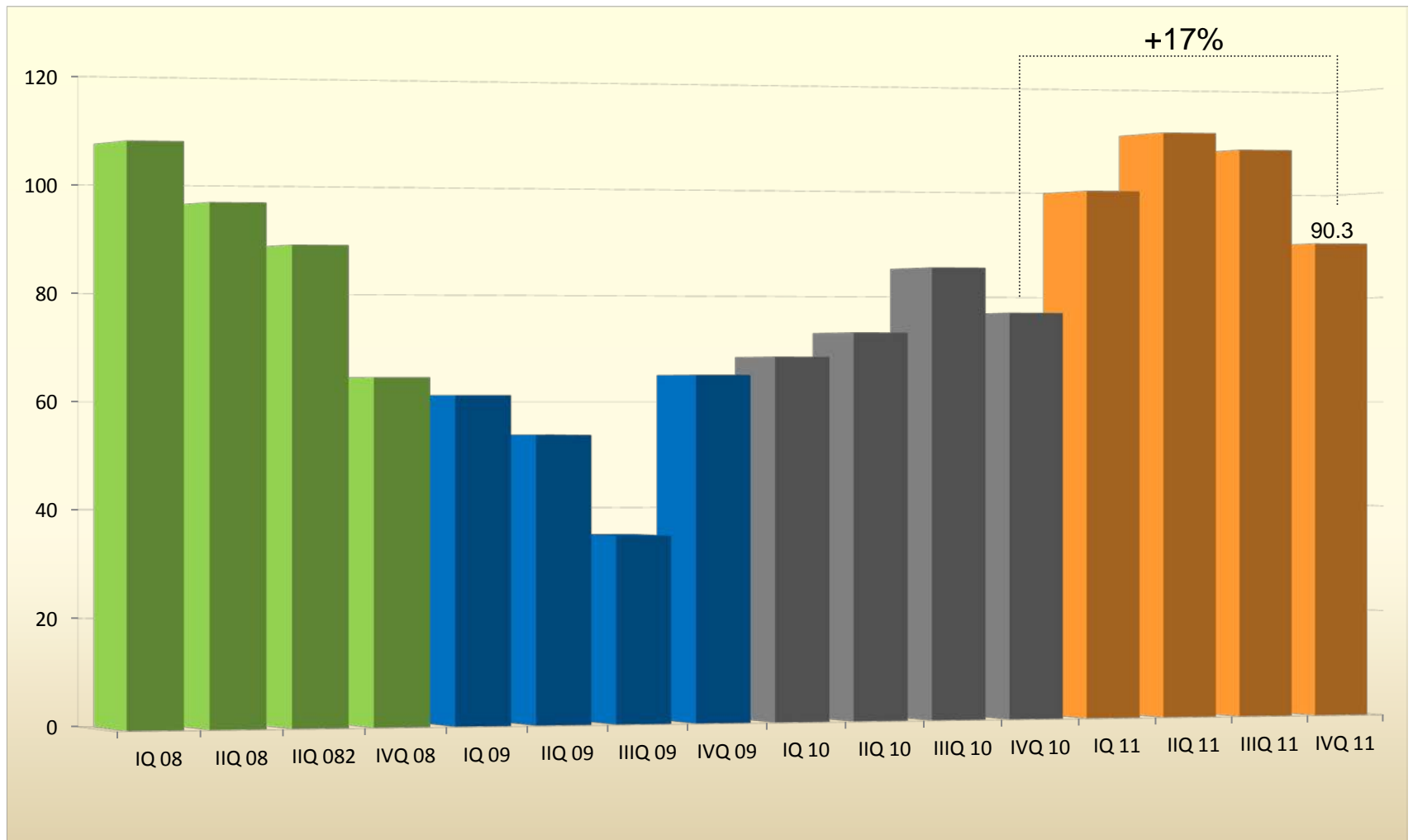
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Group orders backlog: quarterly trend 2008 - 2011



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Main drivers (business plan)



growth:

- increase the consolidated turnover beating the market growth rate expectations - *especially in our business sectors* - catching the positive impulse deriving from the “emerging” countries. (BRIC)
- gain market shares against our competitors in any business area and sector
- reinforce our world-wide sale and distribution network (APAC & Americas)
- open new potential and attractive end markets
- strengthen Biesse reputation in large projects/key customers
- maintain an important R & D through focused investments
- expand the post-sale services improving their quality

efficiency:

- complete and extend the cost cutting activity.
- speed up and increase the reduction of the products/production costs
- simplify/unify of the engineering process for a better standardization of the “offer range”



1. **technology:** mechatronic division as “owner” of the technology evolution and development
2. **product:** innovation trend binded together to consolidation & simplification of the entire products gamma
3. **geographic breakdown:** increase our APAC presence, being in Asia “as a company”
 - direct garrison (localization) in the north/south America
 - progressive integration and management of the “new” chinese acquisition”
4. **systems:** focus on a “dedicated mentality” regarding the systems division potentiality (*“systems are not machines”*)

Factory location: Bangalore (India)



Biesse products: India



Factory location: Dongguan (China)



location:

Chashan Industrial Park, Chashan Town, Dongguan City, Guangdong Province,

(廣東省，東莞市，茶山鎮，茶山工業園)

东莞聚力机械有限公司
中华人民共和国广东省东莞市茶山镇茶山工业园



in the southern part of China.



Dongguan Factory



- The Factory is solely owned by Korex for a remaining term of 43 years.
- The existing floor area is 43,000 m² with a reserved permitted buildable area of 22,000 m². nr. 360 employees
- Only 60% of its production capacity is utilized based on the present operation

Biesse products: China



Expectations



- ❑ INDIA activity: production – sale & sourcing (domestic and export)
- ❑ CHINA activity: productions – sale & sourcing (domestic and export)



Financials:



consolidated sales

P & L details



EBITDA & EBIT evolution

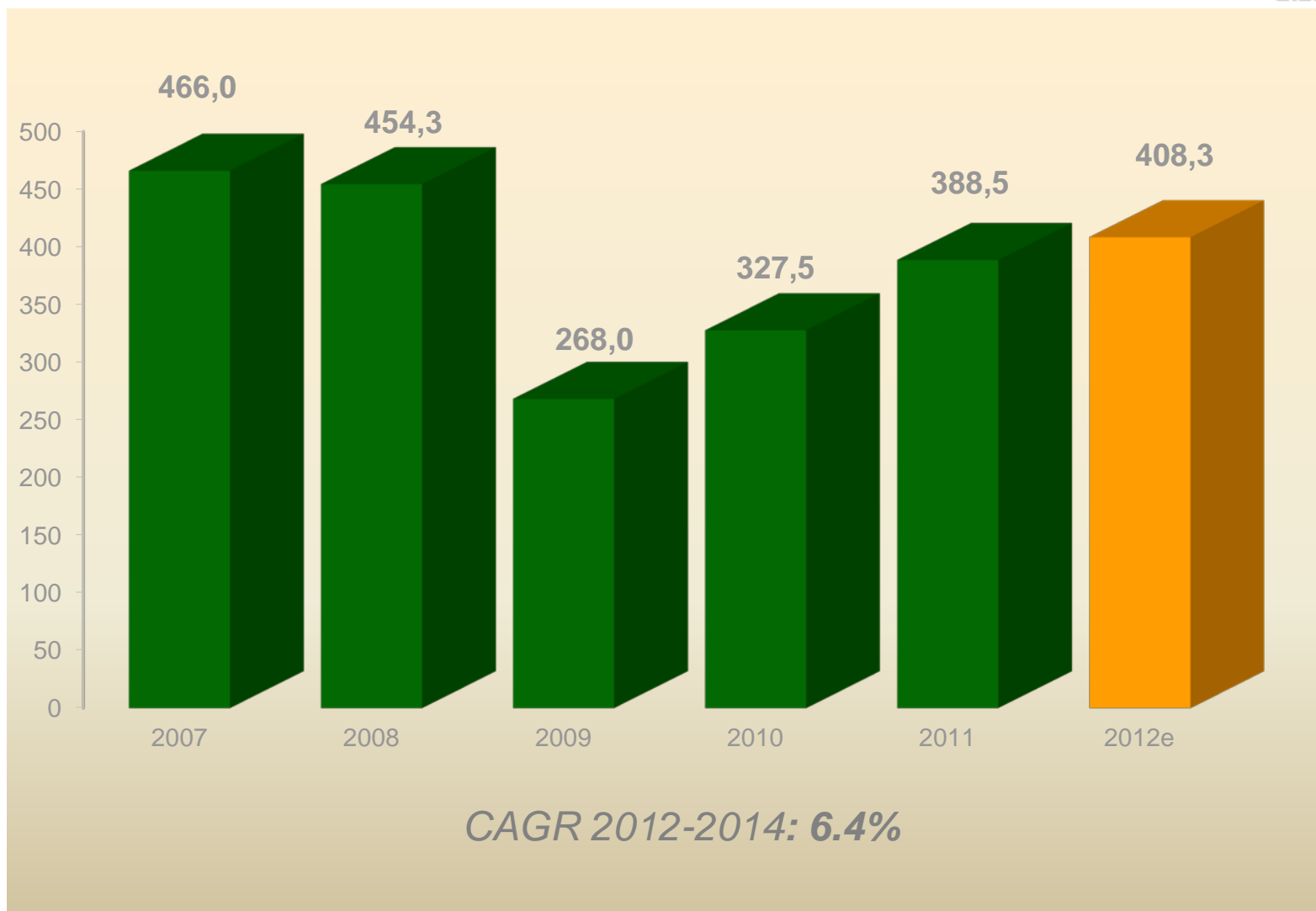
cashflow & net debt

ratios & shareholders

Group consolidated revenues



€mln



Group P&L details



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	FY 2010	1h 2011	FY 2011	FY 2012e	2011 vs 2014
Net Sales	327.5 +22.2%	181.5 +16.5%	388.5 +18.6%	408.3 +5,1%	+79.0 €
Value Added % of net sales	123.4 37.7%	67.4 37.1%	138.0 35.5%	152.1 37.2%	+61.0 €
Labour cost % of net sales	107.7 32.9%	60.2 33.2%	115.6 29.7%	120.1 29.4%	+15.2 €
EBITDA % of net sales	15.7 4.8%	7.2 4.0%	22.4 5.8%	32.0 7.8%	+45.8 €
EBIT % of net sales	0.1 ---%	0.2 0.1%	5.7 1.5%	15.1 3.7%	+45.4 €
EBIT (normal.) % of net sales			7.1 1.8%		

Group Net Operating Working Capital



€mIn

	2010	2011	2012e
<i>Inventories</i> % on net sales	81.3 24.8%	89.9 23.1%	21.2%
<i>Trade receivables</i> % on net sales	90.4 27.6%	110.8 28.5%	26.6%
<i>Trade payables</i> % on net sales	111.1 33.9%	113.1 29.1%	28.1%
<i>N.O.W.C.</i> % on net sales	60.6 18.5%	87.6 22.5%	19.7%

Group Cashflow – Net Financial Position



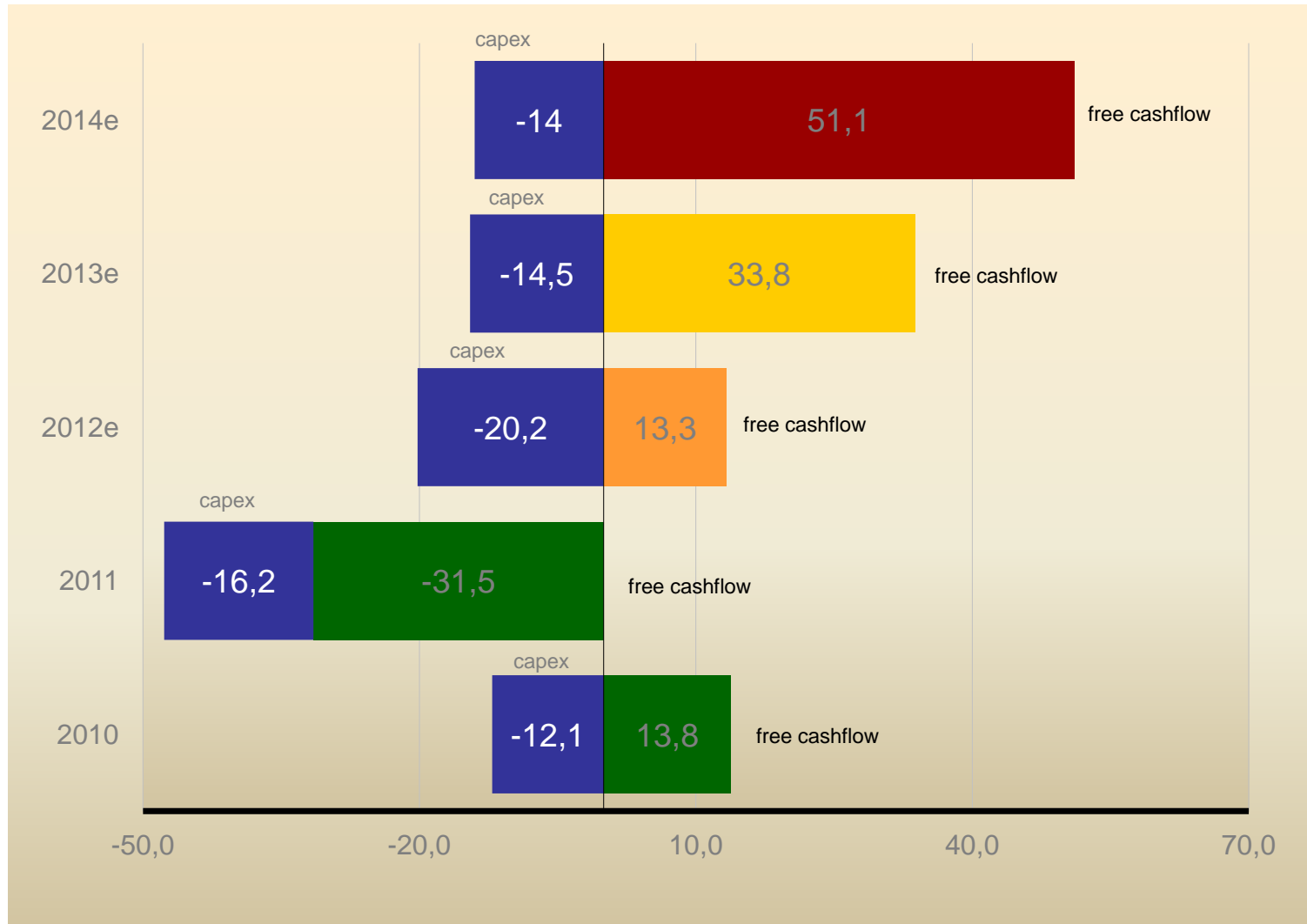
€mn

	FY 2010	FY 2011	2012e	
<i>Gross Cashflow</i>	25.9	-15.3	33.5	2012-2013-2014 +146.9 €
<i>Net total Capex</i> <i>% of net sales</i>	-12.1 3.8%	-16.2 4.2%	-20.2 4.9%	-48.7 €
<i>Free Cashflow</i>	13.8	-31.5	13.3	+98.2 €
<i>N.F.P.</i>	-18.9	-50.4	-37.1	

Group Cashflow: free cashflow & total capex



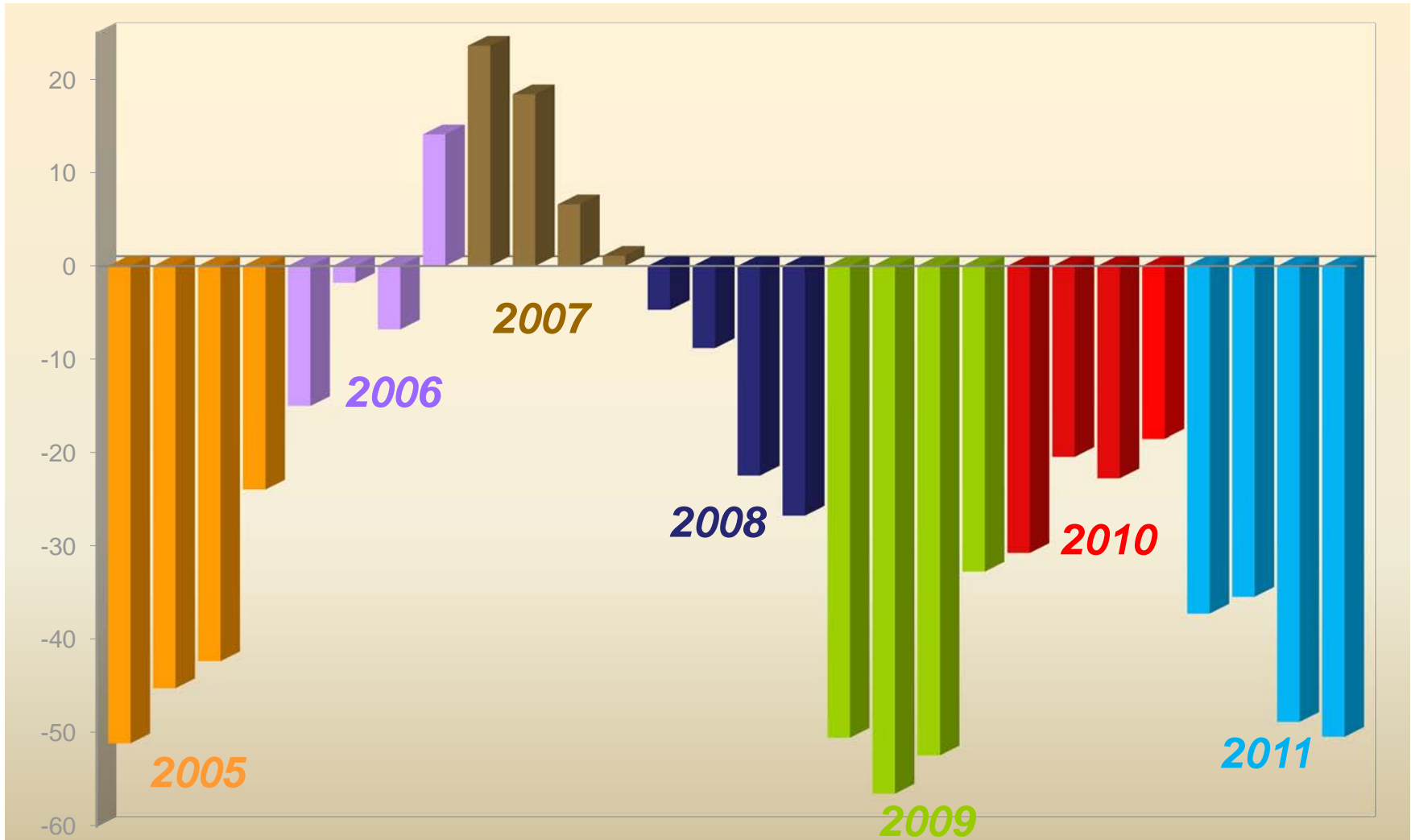
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Net financial position: quarterly trend 2005-2011



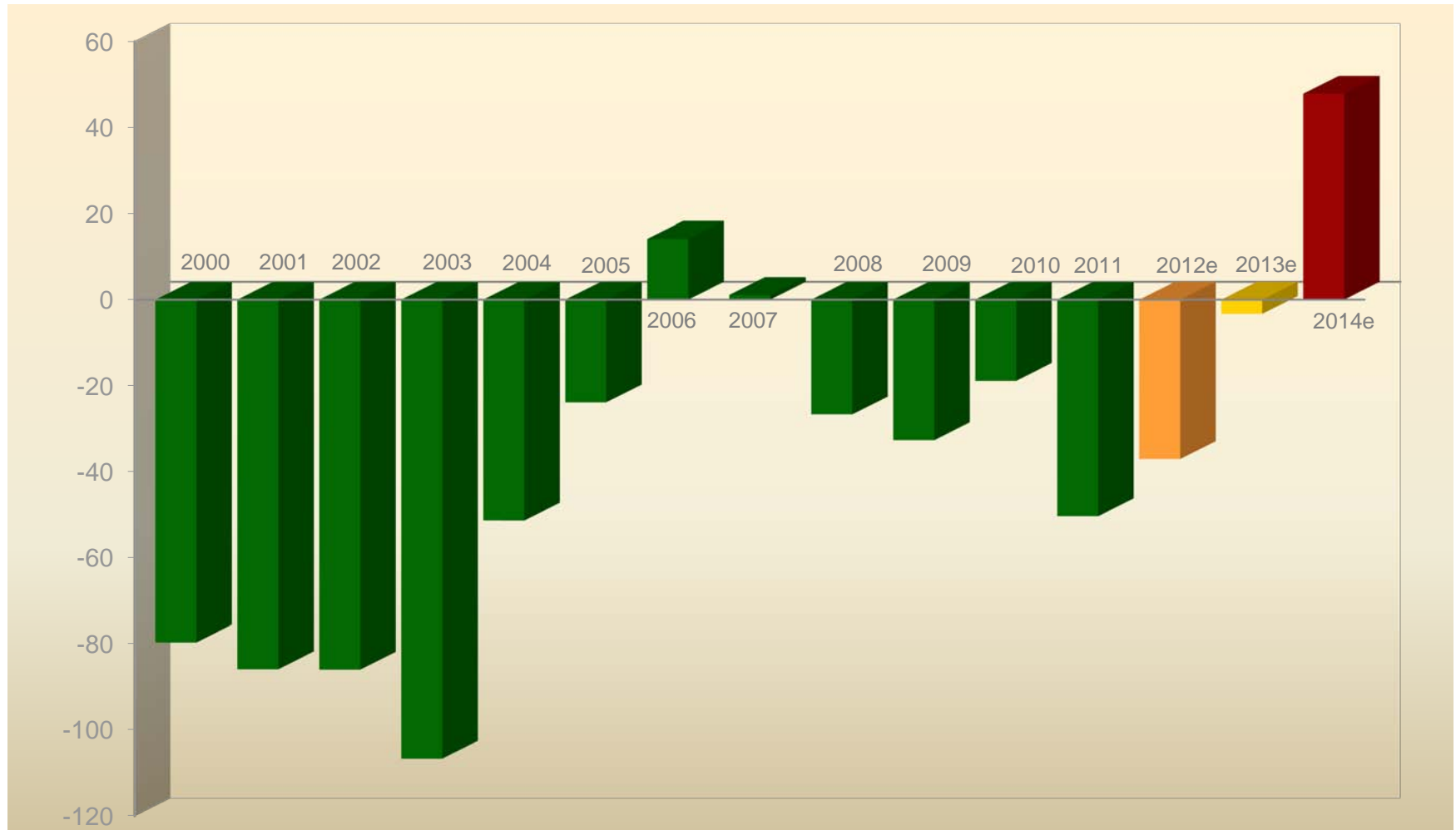
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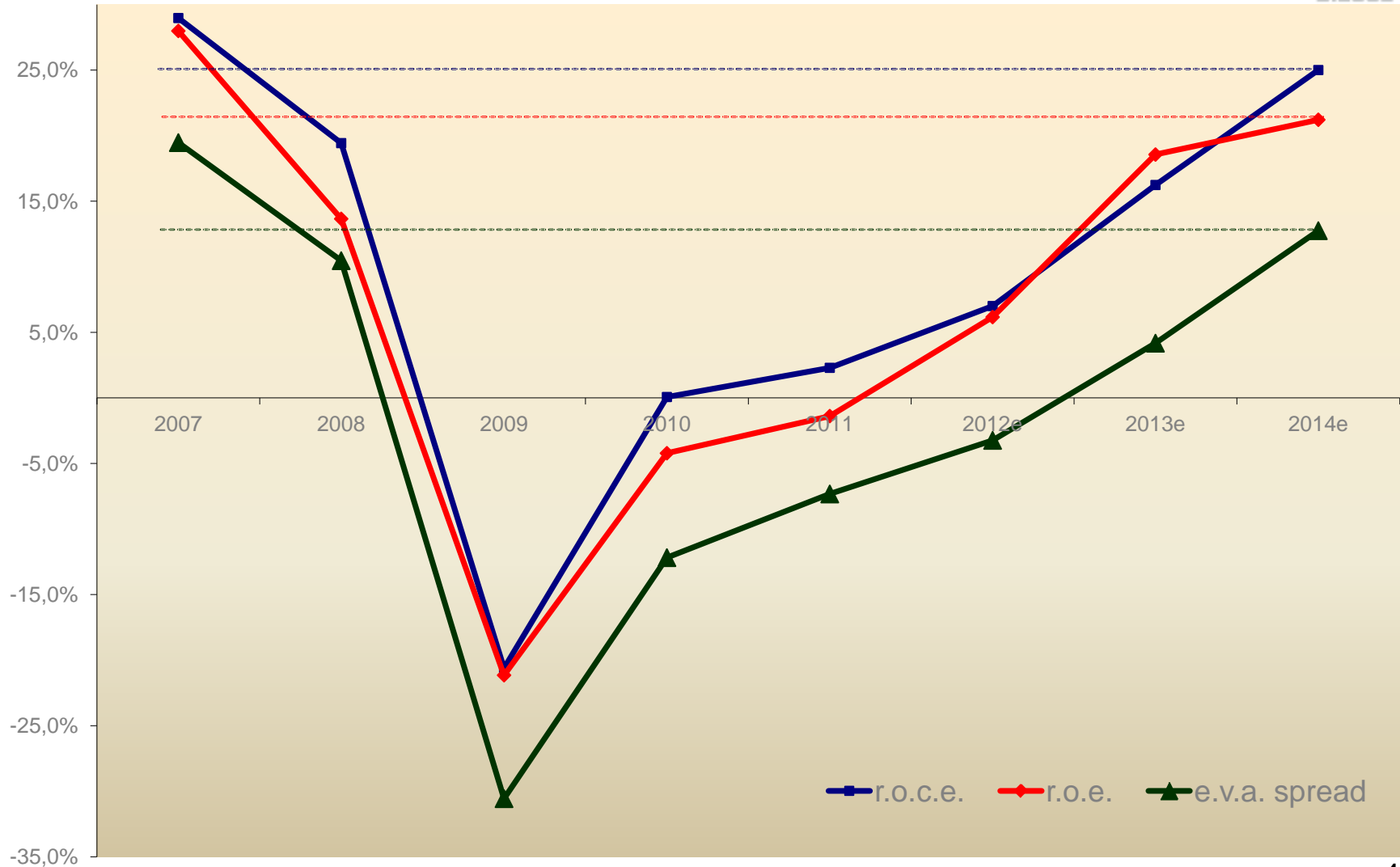
Net financial position: yearly trend & forecast



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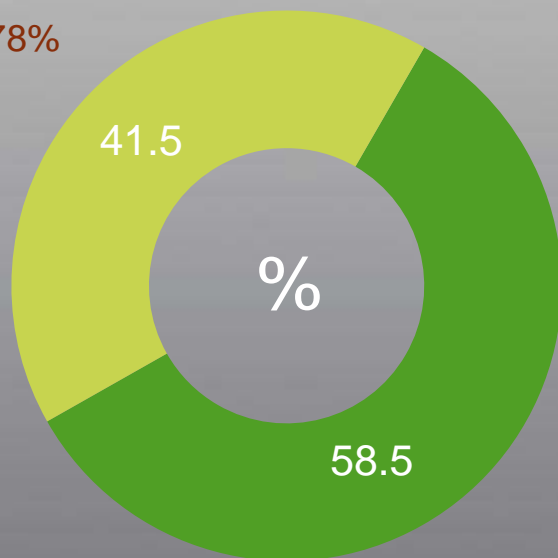




Group ratios: 2007-2014e



shareholders breakdown > 2%

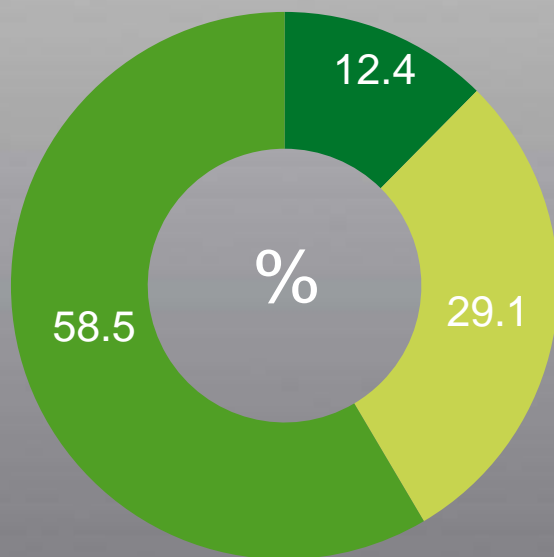
treasury shares: 1.78%



-  Bi.Fin s.r.l. (Selci family)
-  free float*

* Including treasury shares -

shareholders breakdown “by type”

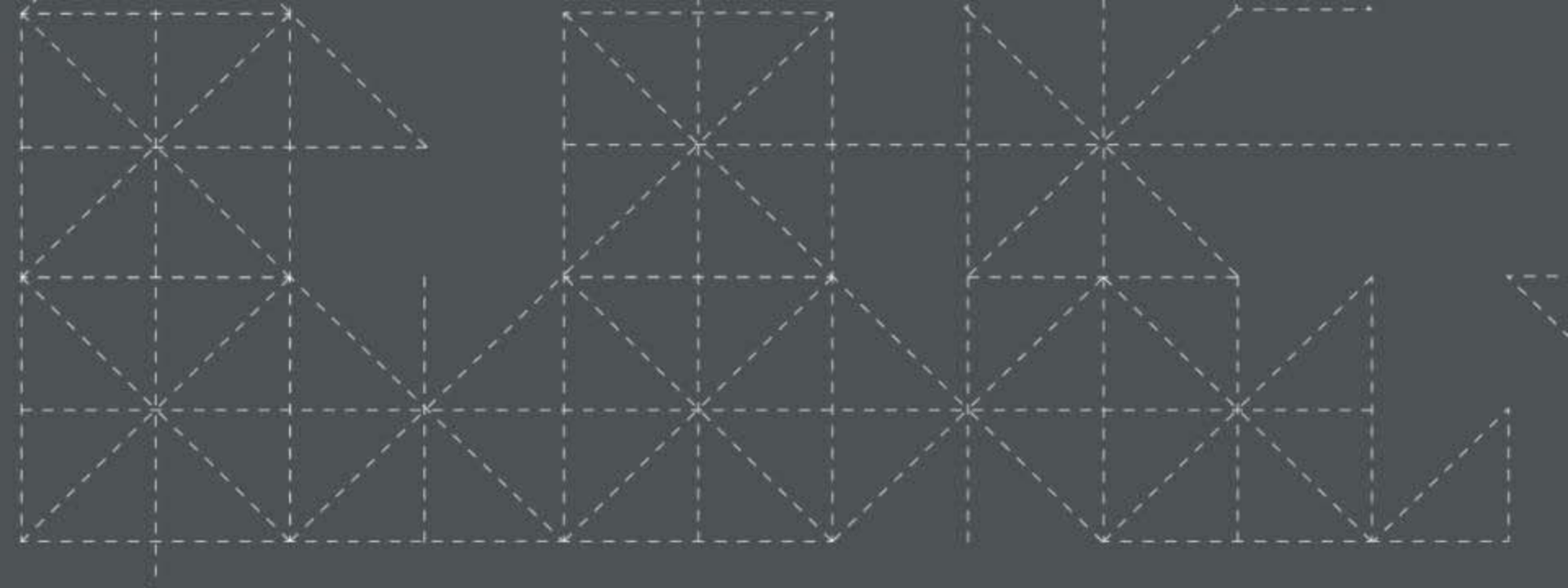


- retail
- institutional
- Selci family



disclaimer

- ➔ This presentation has been prepared by Biesse S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.
- ➔ For further details on the Biesse S.p.A., reference should be made to publicly available information, including the Quarterly Reports, the Annual Reports and the Three Years Business Plan.
- ➔ Statements contained in this presentation, particularly the ones regarding any Biesse S.p.A. possible or assumed future performance, (business plan) are or may be forward looking statements and in this respect they involve some risks and uncertainties.
- ➔ Any reference to past performance of the Biesse S.p.A. shall not be taken as an indication of future performance.
- ➔ This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- ➔ By attending the presentation you agree to be bound by the foregoing terms.



appendix

Wood: products evolution



Numeric controlled machining center Rover A edge



Numeric controlled machining center Rover A 5 axes



Autoamtic edgebanding machine Akron 1300



Multicenter Uniprof WMS



Wood: products evolution



Vertical drilling machine Skipper V31



automatic calibrating/sanding machines



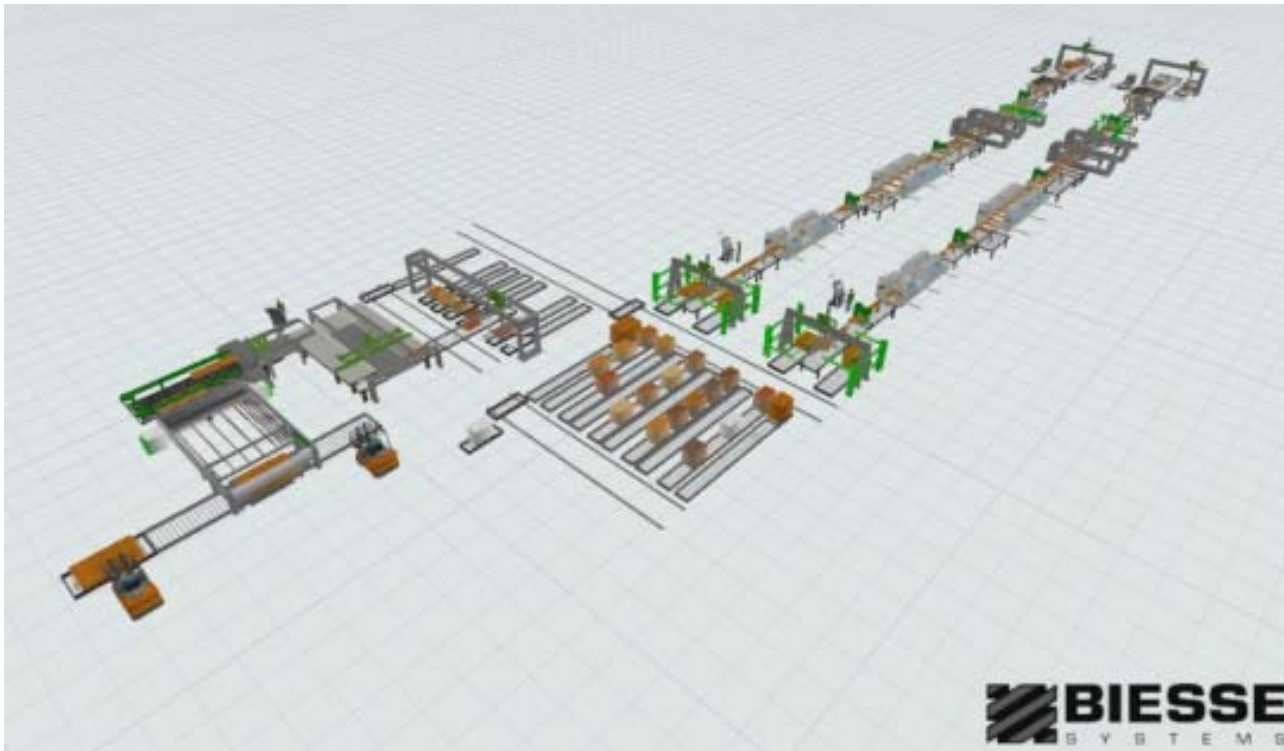
Panel sizing center WNT 630



Wood: products evolution Biesse Systems



- The Biesse Group has strengthened Biesse Systems with the addition of new highly specialised project management and engineering personnel
- Aim: to reinforce the design and development of plant/lines and to improve the competitive position



Glass & Stone: products evolution



Genius LM-A for building (Glass)



Master series (Stone)



Primus series waterjet machinery (metal)



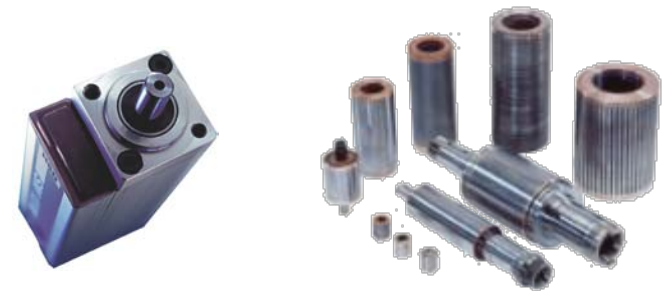
Mechatronic: products evolution



Automatic and manual Electrospindle for wood, plastic, glass, marble, metal



Smart Motors, Brushless Motors and Rotor/Stator



Boring Units and Right Angle Head for wood, plastic, glass, marble



5 Axis Technology



China transaction remind:



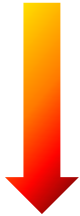
acquisition objectives & drivers

target company

local outlook

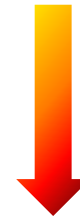
sinergies

potentiality



Biesse objectives

- Acquire Brand
- Manufacturing Base
- Market share
- Development capability
- Strong partnerships



Biesse drivers

- Woodworking machines low-end Brand
- Wide & well supported manufacturing district
- 2-3 % of local market share
- Know how and development capability
- Reliable partner & management team



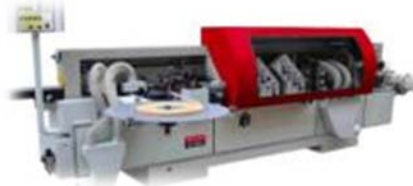
the existing business:

- manufacturing of “entry level” to “middle range” furniture machineries up to European standard of quality;
- the products are sold to customers in the territories of China, Europe and Russia and other such as Middle East, North America, South Africa and India.

the existing markets:

- China (50%);
- Europe and Russia (40%) ;
- others such as Middle East, North America, South Africa and India (10%)

Target companies: existing products (extract)



Target companies: factory equipment





China:

- the world's third largest nominal GDP at 33.54 trillion yuan (US\$4.91 trillion).
- increase on demand for new commercial and residential premise:- lead to domestic demand for furniture in the Mainland China – hence the demand for woodworking machineries.
- In the year of 2008, the recorded demand of woodworking machineries was over 10 trillion with an estimated increase of 10% per annum.

Outlook: woodworking market analysis



Turnover - Value /000 Euros	2010	2011
TOTAL	108,000	120,000
BIESSE	5,800	10,000
Mkt share	5.4%	8.3%

Turnover - Value /000 Euros	2010	2011
TOTAL Market of Reference*	250,000	375,000

- sector potential high growth rate
- best competitor (Homag) performing more than € 100 mln turnover in 2011



The “new” Group will be benefited from:

- technology: enlargement of the whole products gamma “Made in China” due to the increasing utilization of the Biesse technology.
- manufacturing knowledge and management experience: improve the quality of the products with the Biesse experience being a worldwide leader (manufacturer & distributor).
- distribution: use of the high potential China Distribution Networks – Biesse & Wellex - to increase sales and profits concerning the entire products gamma, including turnkey factories and engineered systems.



Alberto Amurri

Group Financial Manager

&

Head of Investor Relations Dept.

Via della Meccanica 16

61122 Pesaro

ITALY

<http://www.biesse.com/Corporate/en/InvestorRelations.cms>

Tel: +39 0721 439107 / Mob: +39 335 1219556

e-mail: alberto.amurri@biesse.com