

**QUARTERLY  
REPORT  
AT 31 MARCH 2013**



**BIESSE S.p.A.**  
**QUARTERLY REPORT**  
**AT 31 MARCH 2013**

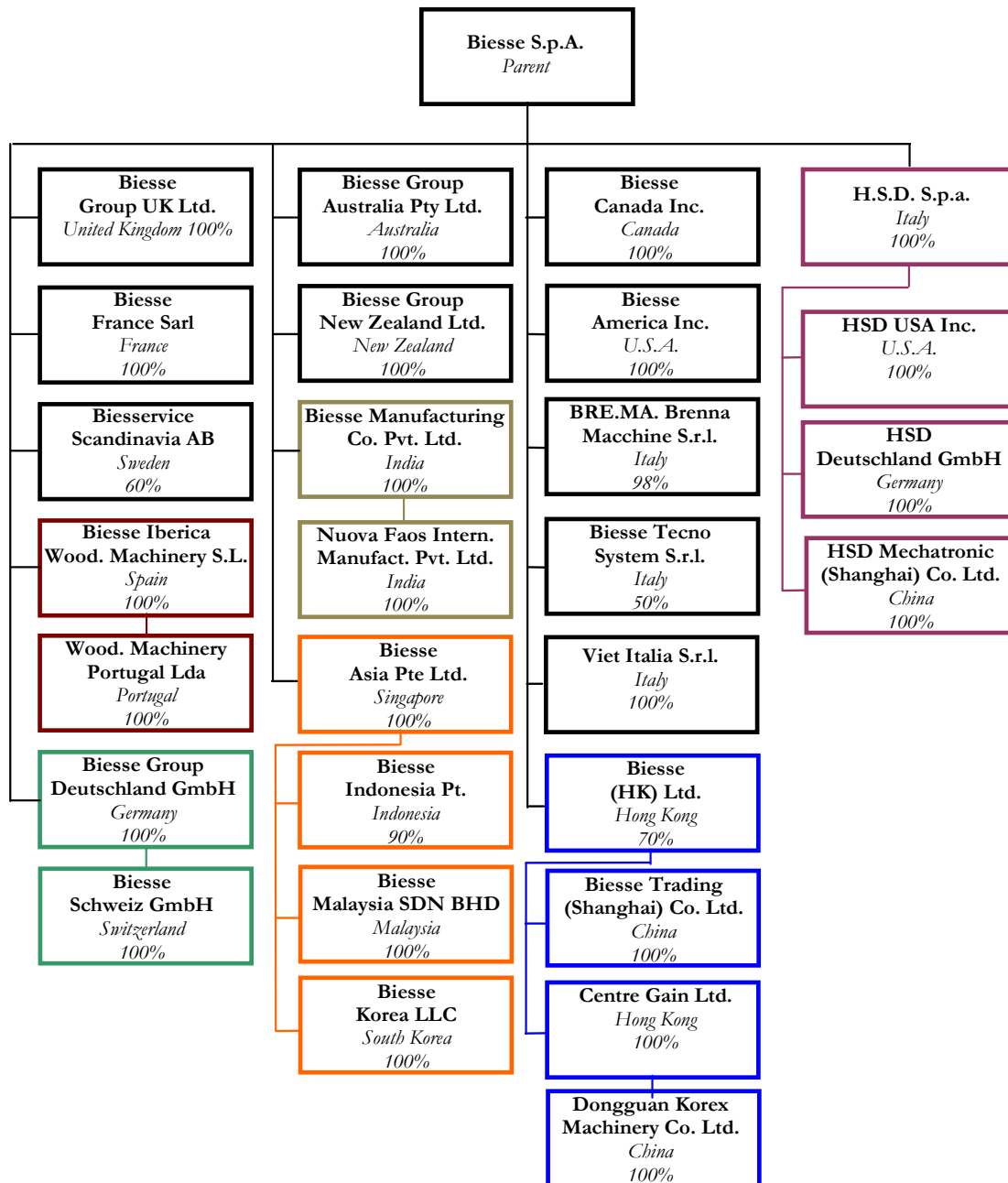
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**CONTENTS**

• 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 10
• Business Sector Review	page 11
• Financial Statements	page 13
• Directors' Report on Operations	page 13
• Explanatory Notes	page 15
• Annex	page 22
• Certification of the Corporate Financial Reporting Manager	page 22

## GROUP STRUCTURE

The following companies form part of the Biesse Group:



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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated quarterly report of the Biesse Group at 31 March 2013, which has not been audited, has been prepared in compliance with IAS and IFRS in force at the date of preparation. The comparison period figures have also been prepared in accordance with IAS/IFRS.

The Quarterly Report has been drawn up in compliance with the requirements of Articles 82 and 82-bis of the “Regulation comprising rules for implementation of Legislative Decree no. 58 of 24 February 1998 concerning issuers” (CONSOB Resolution no. 11971 of 14 May 1999 as subsequently amended) as amended by CONSOB Resolution no. 14990 of 14 April 2005. Based on the aforesaid Article 82, the Quarterly Report has been prepared applying IFRS for measurement purposes according to the provisions of Annex 3D of the aforementioned Regulation. This Quarterly Report has therefore not been prepared pursuant to the accounting standard concerning interim financial reporting (IAS 34 “Interim financial reporting”).

Accounting standards and measurement criteria are consistent with those of the 2012 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 the subsidiaries as at 31/03/2013, adjusted, where necessary, to align them with Group accounting standards and policies.

It should be noted that from 1<sup>st</sup> January 2013 the Group will adopt the new version of IAS 19 with retrospective application. Therefore, in compliance with the transition rules envisaged by the same accounting standard, the carrying amount of some items of the income statement at 31 March 2012 and the statement of financial position at 31 December 2012 and at 31 March 2012 have been amended with respect to those included in the previous reports. More specifically:

- In the income statement at 31 March 2012, the item *Personnel expense* changed from € 31,393 thousand to € 31,378 thousand; the item *Gross operating profit (EBITDA)* from € 2,503 thousand to € 2,518 thousand; the item *Net operating loss (EBIT)* from € - 1,053 thousand to € - 1,038 thousand; the item *Pre-tax loss* from € - 2,433 thousand to € - 2,418 thousand; the item *Income taxes* from € - 555 thousand to € - 559 thousand; the item *Loss for the period* from € - 2,988 thousand to € - 2,977 thousand.
- In the statement of financial position at 31 December 2012, the item *Post-employment benefits* changed from € - 10,007 thousand to € - 14,329 thousand; the item *Net deferred tax assets* from € 15,936 thousand to € 17,124 thousand; the item *Other net liabilities* from € - 23,878 thousand to € - 27,012 thousand; the item *Net invested capital* from € 169,447 thousand to € 166,313 thousand; the item *Profit for the previous year and other reserves* from € 92,189 thousand to € 89,015 thousand; the item *Loss for the year* from € - 6,530 thousand to € - 6,487 thousand; the item *Non-controlling interests* from € 208 thousand to € 206 thousand; the item *Equity* from € 113,260 thousand to € 110,126 thousand; the item *Total sources of funding* from € 169,447 thousand to € 166,313 thousand.
- In the statement of financial position at 31 March 2012, the item *Post-employment benefits* changed from € - 10,357 thousand to € - 12,359 thousand; the item *Net deferred tax assets* from € 15,799 thousand to € 16,349 thousand; the item *Other net liabilities* from € - 24,569 thousand to € - 26,021 thousand; the item *Net invested capital* from € 179,292 thousand to € 177,840 thousand; the item *Profit for the previous period and other reserves* from € 92,334 thousand to € 90,872 thousand; the item *Loss for the period* from € -2,970 thousand to € - 2,960 thousand; the item *Non-controlling interests* from € 670 thousand to € 669 thousand; the item *Equity* from € 117,426 thousand to € 115,975 thousand; the item *Total sources of funding* from € 179,292 thousand to € 177,840 thousand.

Compared with the annual report at 31 December 2012, the scope of consolidation has not changed.

## COMPANY OFFICE HOLDERS

### **Board of Directors**

Chairman and Managing Director	Roberto Selci
Managing Director	Giancarlo Selci
Executive Director	Alessandra Parpajola
Executive Director and 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

### **Control and Risk Management Committee – Remuneration Committee**

Leone Sibani  
Giampaolo Garattoni  
Salvatore Giordano

**Supervisory Body**

Leone Sibani

Giampaolo Garattoni

Salvatore Giordano

Demetrio Pensabene

Elena Grasseti

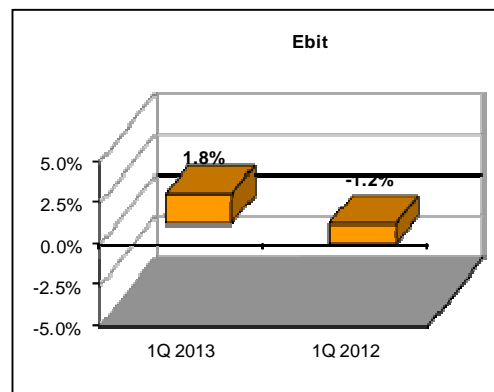
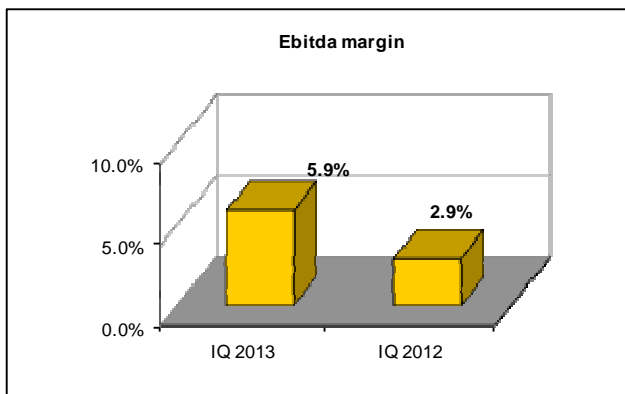
**Independent Auditors**

KPMG S.p.A.

## FINANCIAL HIGHLIGHTS

### Income Statement

	1Q 2013	% of sales	1Q 2012	% of sales	Change %
<i>Euro 000's</i>					
Revenue from sales and services	84,404	100.0%	86,856	100.0%	(2.8%)
Added value	34,006	40.3%	33,896	39.0%	0.3%
Ebitda (Gross operating profit)	4,995	5.9%	2,518	2.9%	98.4%
Ebit (Net operating profit/loss)	1,509	1.8%	(1,038)	(1.2%)	-
Profit/Loss for the period	273	0.3%	(2,977)	(3.4%)	(109.2%)

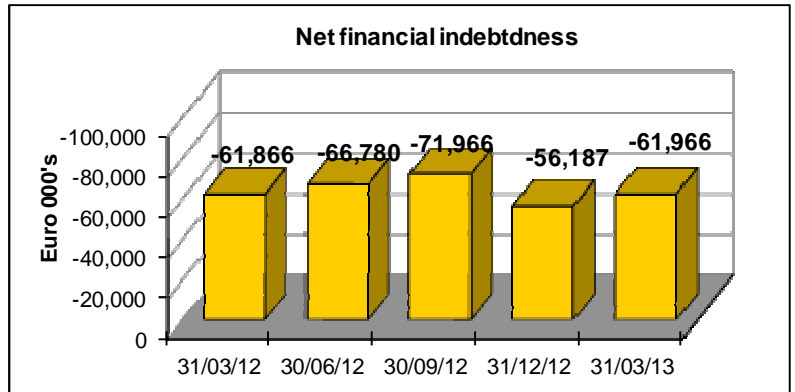
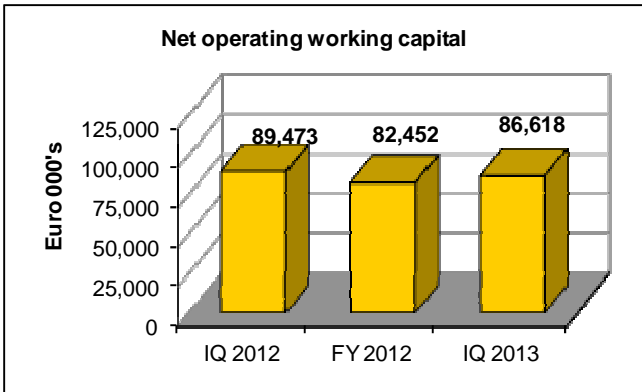


### Statement of Financial Position

	31 March 2013	31 December 2012	31 March 2012
<i>Euro 000's</i>			
Net Invested Capital <sup>(1)</sup>	173,144	166,313	177,840
Equity	111,148	110,126	115,975
Net financial indebtedness <sup>(1)</sup>	61,996	56,187	61,866
Net operating working capital <sup>(1)</sup>	86,618	82,452	89,473
Gearing (net financial position/equity)	0.56	0.51	0.53
Fixed asset/standing capital ratio	0.98	1.00	0.96

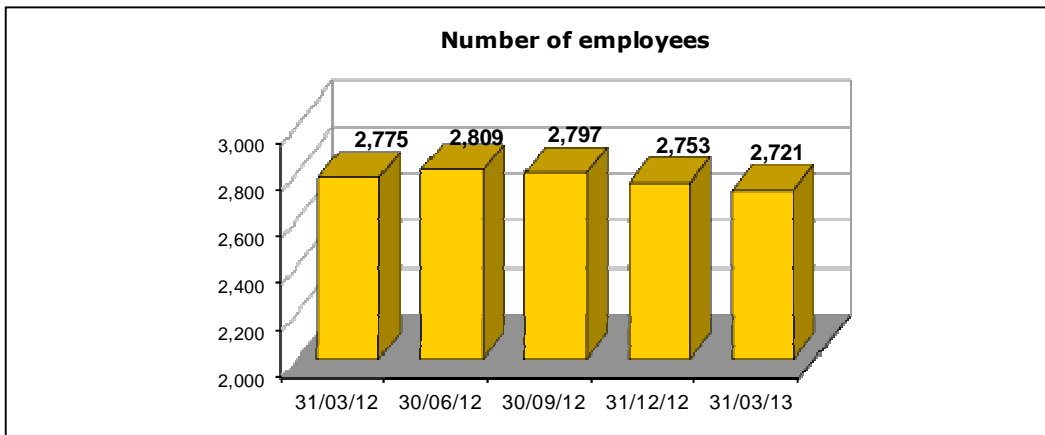
(1) The criteria for determining amounts relating to interim results and aggregate equity and financial data are described in the Directors' Report on Operations and the Notes to the Financial Statements.





*Personnel*

	31 March 2013	31 March 2012
Average number of employees at the end of the reporting period*	2,721	2,775



- *The figures include temporary staff.*

## GENERAL ECONOMIC OVERVIEW

### World economic trend

World economic activity showed signs of recovery in the first few months of the year, especially in the United States and some emerging economies, after its sluggishness in the fourth quarter of 2012. The Purchasing Managers' Index (PMI) for manufacturing output stood at 52.1 in March, up slightly from 51.8 in February, thus signalling expansion in the manufacturing sector for the fifth successive month. Excluding the euro area, the global manufacturing output PMI improved again in March (rising to 53.2 from 52.6 in February). According to the latest projections of the IMF, world GDP growth this year will be about the same as in 2012; it will accelerate in 2014.

Although the short-term downside risks have lessened, fiscal policy developments in the United States and the debt crisis in the euro area remain uncertain. Raw materials prices trended downwards during the first quarter of 2013, thanks to more favourable supply conditions.

In the fourth quarter, world trade recovered to an annual growth rate of 3.5 per cent, from 0.6 per cent in the third quarter, thanks to the expansion of trade among the emerging economies of Asia, which more than offset a contraction in the advanced countries. Preliminary estimates suggest that trade continued to gain pace in the early months of 2013.

In the early months of 2013 global financial markets performed positively overall. Towards the end of March, however, fresh – although up to now relatively limited – tensions resurfaced in connection with doubts over growth in Europe and the banking crisis in Cyprus.

Consumer inflation remains limited in most advanced countries, reflecting the continued weakness in demand. The pressures on consumer prices have intensified in all major emerging economies, partly as a result of past price rises of food goods.

Continue the gradual improvement of conditions in the labour market: the increase in employment was higher than expected, the unemployment rate is further down (at 7.6 per cent in March) as well as requests for aid.

The dynamics of activity in the housing sector remains positive, with the number of real estate transactions and in housing prices increase.

### The euro area

According to the indicators available, the cyclical weakness of economic activity in the euro area abated in the first quarter of this year. Household and business confidence picked up from the lows registered in the fourth quarter; but the outlook remains highly uncertain.

The ECB has maintained an accommodative monetary policy stance. The data now available indicate that area-wide economic activity steadied in the first quarter of 2013. Notwithstanding a slight rebound in the confidence of households and firms from last autumn's lows, the cyclical data confirm the continuing weakness of domestic demand. Contributing factors are uncertainty over the economic outlook, the persistence of problems in access to credit in some countries, and – in the

case of household consumption – the fall in real disposable income. The professional forecasters surveyed by Consensus Economics in April predicted that euro-area GDP will decline by 0.4 per cent on average in 2013, which represents a downward revision from the forecast of broad stability made at the end of last year. These estimates are consistent with the projections of the ECB (released in March) for a contraction of between 0.1 and 0.9 per cent for this year.

### **Italian economy**

Economic activity remained weak in Italy, but became less slack at the beginning of the year. Growth is being affected above all by the drop in households' disposable income and the uncertainty weighing on firms' investment decisions.

Capital expenditure continues to be affected by the uncertain outlook for domestic demand, low levels of capacity utilization and the conditions for obtaining credit.

The latest data suggest that GDP declined in the first quarter of 2013, but at a slower pace, in part thanks to the improvement in foreign trade. Business surveys do not point to any imminent inversion of the cyclical phase; firms' assessments of economic conditions have not improved and consumers remain pessimistic.

In the early months of the year inflation continued the downward trend under way since the end of the third quarter of 2012, reaching 1.8 per cent in March, barely above the euro-area average. The deceleration of prices is attributable above all to the end, in the autumn of 2012, of the impact of the indirect tax increases and the marked easing of pressures from energy goods, as well as the weakness of domestic demand.

### **BUSINESS SECTOR REVIEW**

In the first quarter of 2013, the machine tools order index, prepared by the Business Culture and Research Centre of UCIMU-SISTEMI PER PRODURRE, recorded a 9.8% decrease on the prior-year period, 112.5 in absolute terms.

In particular, the domestic order index fell by 35.9%, compared to the first quarter of 2012; the absolute value of 44.4 is the lowest ever, confirming the strong weakness of the domestic market.

The foreign order book fell by 4.6%. The absolute index, at 151.6, is still above the average but this is not enough to reassure Italian manufacturers witnessing a gradual fall in orders, which have been declining for four consecutive quarters.

The UCIMU-SISTEMI PER PRODURRE association stated that “stagnation of investments in machine tools is a signal of the gradual and relentless loss of competitiveness of the whole country. Without the purchase and replacement of production machinery, the user sectors will not be able to meet the challenge of foreign competitors, whose on-going investments in advanced technologies, although suffering from a slight slow-down, will, in the short term, lead to an alignment of their production capacity and quality of their products with our own”.

2012 was characterised by the negative performance of the technologies for processing wood and its by-products. Final data from ACIMALL's Research Department (the Association for Italian manufacturers of machine tools and woodworking accessories) confirm the challenges faced by the

Italian industry segment that, over the last five years, has registered an overall 30 per cent decline in revenues.

Compared to 2011, production fell by 9.8 per cent, due to a further contraction in the domestic market (-15 per cent) and the fall in exports (-8 per cent). However, this new fall in the main indicators was expected and can be considered as “physiological”, after the jump which exhausted its boost in 2011, a year which ended with “interesting” figures.

Acimall’s analysts claim that exports continue to be crucial and they explain that the 8 per cent decline, albeit significant, must be interpreted in the wider context of 2011, which, as already mentioned, had been particularly favourable for Italian products. Above all, they emphasise that it is certainly not simple for Italian entrepreneurs to operate in constantly fluctuating markets.

The Research Department cannot tell what 2013 has in store for us. Early data apparently point to a potential deterioration of the already negative context, which would result in a crisis for the industry in the context of a wider global economic crisis.

“We are confident that 2013 can be a year of adjustment”, concluded Acimall general manager. “Our participation at LIGNA in Hannover, the largest fair in the sector, will allow to get a clearer picture of the main outlet market trends in the Italian industry, even if in our view we will have to wait until 2014 before talking about ‘recovery’”.

After two years of strong growth, the German machine tool industry is also optimistic for 2013, the year where a modest increase in production (+1 per cent) is expected. “The sector will be back to its previous high from 2008”, reports Martin Kapp, Chairman of VDW (the German machine tool builders’ association), during the annual press conference of the Association at Frankfurt.

Oxford Economics, a partner of VDW for market estimates, forecasts for 2013 that industrial production and investments in plants will start growing a bit more at world level. This, above all, as far as Asia and America are concerned, a bit less for Europe.

For the machine tool industry in Germany, this means stability for orders. The boost should arrive again above all from Asia. Currently, the first economic indicators indicate a recovery for China which lately had ordered 30 per cent less. After reaching its lowest value in August 2012, the Purchasing Manager Index rose, in January 2013, to more than 52 points. Industrial production has also started to grow with two digit rates.

## FINANCIAL STATEMENTS

### *Income Statement at 31 March 2013*

<i>Euro 000's</i>	<b>1Q</b>	<b>% on sales</b>	<b>1Q</b>	<b>% on sales</b>	<b>CHANGE %</b>
	<b>2013</b>		<b>2012</b>		
<b>Net revenue</b>	<b>84,404</b>	<b>100.0%</b>	<b>86,856</b>	<b>100.0%</b>	<b>(2.8)%</b>
Change in inventories, wip, semi-finished and finished goods	3,315	3.9%	9,994	11.5%	(66.8)%
Other revenues	746	0.9%	277	0.3%	-
<b>Value of Production</b>	<b>88,465</b>	<b>104.8%</b>	<b>97,127</b>	<b>111.8%</b>	<b>(8.9)%</b>
Consumption of raw materials, consumables, supplies and goods	(35,484)	(42.0)%	(44,300)	(51.0)%	(19.9)%
Other operating expense	(18,976)	(22.5)%	(18,931)	(21.8)%	0.2%
<b>Added Value</b>	<b>34,006</b>	<b>40.3%</b>	<b>33,896</b>	<b>39.0%</b>	<b>0.3%</b>
Personnel expense	(29,011)	(34.4)%	(31,378)	(36.1)%	(7.5)%
<b>Gross Operating profit</b>	<b>4,995</b>	<b>5.9%</b>	<b>2,518</b>	<b>2.9%</b>	<b>98.4%</b>
Depreciation and amortisation	(3,361)	(4.0)%	(3,277)	(3.8)%	2.6%
Provisions	(125)	(0.1)%	(279)	(0.3)%	(55.2)%
<b>Net Operating profit (loss)</b>	<b>1,509</b>	<b>1.8%</b>	<b>(1,038)</b>	<b>(1.2)%</b>	<b>-</b>
Finance income/expense	(784)	(0.9)%	(884)	(1.0)%	(11.3)%
Net Exchange rate gains (losses)	547	0.6%	(496)	(0.6)%	-
<b>Pre-tax profit/loss</b>	<b>1,271</b>	<b>1.5%</b>	<b>(2,418)</b>	<b>(2.8)%</b>	<b>-</b>
Income taxes	(998)	(1.2)%	(559)	(0.6)%	78.5%
<b>Profit /Loss for the period</b>	<b>273</b>	<b>0.3%</b>	<b>(2,977)</b>	<b>(3.4)%</b>	<b>-</b>

## DIRECTORS' REPORT ON OPERATIONS

The first quarter of 2013 is in line with expectations and confirms for the year underway a further period of transition. It also confirmed the usual seasonality of business model (the first quarter is the “weakest” of the year in terms of turnover). In spite of this, the launch by management of a reorganisation plan and a strategy paying careful attention to operating expenses and their containment has allowed an improvement in gross operating profit (€ 4.9 million in 2013 compared against € 2.5 million during the previous year, equal to + 98.4%). This improvement allows the first quarter of 2013 to close with a profit which, albeit small, proves the reversal in trend underway, and confirms the adequacy of our strategies for making the group safe in a context that “at least in the

short term” still shows a strong uncertainty in the general economic framework and the main business sectors.

For example, thanks to reorganisation plan underway, to the increase in the utilisation of welfare support provisions granted and agreements signed by the social partners for the one-off reduction of the variable components for this year, personnel expense recorded a fall during the quarter (€ 29 million in 2013 compared with € 31.4 million of the previous year, equal to -7.5%).

Added value is in line with the same period of the previous year (€ 34 million of 2013 compared with € 33.9 million in 2012), but there are differences in terms of sale mix (for example the increase in service revenues) and production incidence, less focused on stock generation.

The Group’s net debt at 31 March 2013 was equal to around € 62 million, an increase of around € 5.8 million compared with 31 December 2012 (the data in each case is normal compared to the change in the equal period last year when the debt had grown to € 11.5 million).

Thanks to a careful management of the Net Operating Working Capital, the absorption of liquidity in IQ 2013 was less than that achieved in the same period of last year (€ 5.8 million compared with € 11.5 million), pointing out, however, that the figure of the previous year included extraordinary components amounting to around € 3.6 million.

Net revenues in the first quarter of 2013 showed a slight drop of 2.8% compared with the same period of 2012, falling from € 86,856 thousand to € 84,404 thousand. The reduction affects essentially the Wood Division which records an 8.1% decrease compared with the same period of 2012. This reduction is partially offset by the increases recorded by the other Divisions, in particular Glass/Stone and Mechatronics recorded significant increases (respectively +14.3% and +10.5% compared with the figures for the first quarter of 2012). For further details, refer to the paragraph entitled *Segment reporting - Breakdown by division*.

As for the equity and financial position, net operating working capital increased by around 4.1 million compared with the figure of December 2012, due to the increase in inventory of € 5.8 million and the decrease in trade payables of € 5.9 million, partially offset by the significant reduction in trade receivables of € 7.6 million. However, the figure indicates an improvement compared with the same period of 2012 (equal to € 8.5 million giving a change of € 2.9 million) confirming the greater attention paid to working capital dynamics already shown starting from the last quarter of the previous year.

Net debt was up by € 5.8 million compared with the figure of December 2012, increasing from € 56.2 million to € 62 million, while it is in line with the same period of the previous year (equal to € 61.9 million). The change compared with the end of year figure is mainly linked to the ordinary phenomena concerning absorption of net working capital.

## **MAIN EVENTS**

### **January 2013**

In January 2013, the new ERP, Oracle’s E-Business Suite Manufacturing module, went live. The operation involved the Mechatronics division and specifically HSD S.p.A.. This is the last module required for the full implementation of the ERP. The operation is the pilot project for the implementation of the module in the other companies of the group.

### **February 2013**

On 14 February 2013, the Board of Directors of Biesse S.p.A. approved the new Three-Year Business Plan for the 2013-2015 period. As a consequence of the projects and 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: 3.8%)
- higher added value (over 41% as a percentage of revenue in 2015)
- recovering operating profits:
  - (EBITDA:12% as a percentage of revenue in 2015)
  - (EBIT: 8.5% as a percentage of revenue in 2015)
- three-year free cashflow € 48 million.

### **March 2013**

Further integrating and improving the use of the ERP, Oracle's E-Business Suite, to its full potential, a reporting project was started, in collaboration with the consulting company Deloitte, aimed at creating a Business Intelligence tool and supporting ERP data processing and analysis.

### **April 2013**

On 30 April 2013, the Ordinary Shareholders' Meeting of Biesse S.p.A. approved the Separate and Consolidated Financial Statements for 2012, both of which were prepared in accordance with IAS/IFRS. The same Shareholders' Meeting also approved the 2012 Remuneration Report of the Biesse Group as per article 123-ter, paragraph 3 of Legislative Decree 58/98.

### **May 2013**

From 6-10 May, Biesse took part in Hannover (Germany) in the International Fair for the wood and furniture industry "LIGNA 2013" - the most important event in the world for the wood and furniture industry and for woodworking - where all the most important suppliers of technologies in the sector are represented.

Establishment of INTERMAC GUANGZHOU COMPANY LIMITED with the aim of fostering and developing, through a dedicated company, trading of products of the Glass/Stone Division within the Chinese market, it is expected that the company will begin operations in the second half of the year.

## **EXPLANATORY NOTES**

Net revenues during the first three months of 2013 amounted to € 84,404 thousand, down slightly (2.8%) compared with the previous year (€ 86,856 thousand), but in line with expectations for the period.

As for the geographic distribution of sales (for a detailed analysis refer to the tables below in segment reporting), in the first 3 months of 2013, we noted a significant decrease in the Western Europe area (equal to -25.1%), resulting in a reduction in its overall weight (from 50.9% to 39.2%). Vice versa, the other areas recorded increases, in particular North America (+50.9%), the Rest of the World (+22.3%) and Eastern Europe (+19.5%), while Asia/Oceania (+1.7%) essentially confirmed the figure of 2012.

As for the analysis of sales by segment, the Wood Division recorded a negative performance (-8.1%), resulting in a reduction in its overall weight (from 74.5% to 70.5%). The Tooling (a slight

decrease of 3.2%) and Components (+2.5%) Divisions were essentially stable, while the Glass/Stone (+14.3%) and Mechatronics (+10.5%) Divisions increased significantly.

The figure relating to the change in inventories of finished and semi-finished goods amounted to € 3,315 thousand (€ 9,994 thousand in the previous year), showing an improvement in production management as it is focused more on sales to end clients compared with stock (increase in inventories of finished goods equal to € 1.3 million in the first quarter of 2013 compared with an increase equal to € 5.5 million in the same period of the previous year).

The value of production in the first three months of 2013 was therefore equal to € 88.4 million, a fall of 8.9% compared with the first quarter of 2012 (when the figure amounted to € 97.1 million). This trend shows an improvement in consumption and purchases compared with the previous year.

The cost of raw materials restated as a percentage of the value of production (instead of net revenues) shows a substantial improvement (it is in fact equal to 40.1%, compared with 45.6% of 31 March 2012), mainly attributable to the different product mix, the increase in production efficiency and purchases.

	1Q 2013	%	1Q 2012	%
<i>Euro 000's</i>				
<b>Value of Production</b>	<b>88,465</b>	<b>100.0%</b>	<b>97,127</b>	<b>100.0%</b>
Consumption of raw materials and goods	35,484	40.1%	44,300	45.6%
Other operating expenses	18,976	21.5%	18,931	19.5%
<i>Service costs</i>	16,199	18.3%	16,072	16.5%
<i>Use of third parties assets</i>	1,826	2.1%	1,926	2.0%
<i>Sundry operating expense</i>	950	1.1%	933	1.0%
<b>Added Value</b>	<b>34,006</b>	<b>38.4%</b>	<b>33,896</b>	<b>34.9%</b>

With regard to other operating expenses, the overall figure remains more or less unchanged (in absolute value) with respect to first quarter of 2012, recording however a slight increase (+2%) in percentage terms as a result of the reduction in revenues.

The main individual items (service costs, use of third party assets and other operating expense) confirm the figures recorded in 2012 in absolute value.

Personnel expense amounted to € 29,011 thousand, down by € 2,367 compared to the figure at 31 March 2012 (€ 31,0378 thousand, -7.5% compared to the prior-year period).

The decrease is mainly linked to the fixed component (€ -1,619 thousand, -5.6% over the same period of 2012) mainly to be attributed to the reorganisation plan underway and the greater use of welfare support provisions.

The remaining part of the reduction refers to the decrease in the variable component (€ -541 thousand, -26.2% over the same period 2012), as a consequence of the corporate policy to reduce premiums and bonuses achieved through agreements with the social partners.

Finally there was a slight increase in capitalisations of salaries and wages referring to the internal resources employed in research and development, a signal of the group's attention to renewing the



products portfolio (€ 1,415 thousand in the first quarter of 2013, compared with a figure in 2012 equal to € 1,309 thousand), the sign unchanged importance not to affect the development of new technologies and products.

Gross operating profit at 31 March 2013 was equal to € 4,995 thousand, a significant improvement compared with the previous year (equal to € 2,518 thousand), with a recovery of profitability equal to € 2,477 thousand; this shows a significant reversal in trend, a strong signal of the efficacy of the strategies underway for cost containment and efficiency improvement.

Depreciation and amortisation increase by € 84 thousand (2.6%), rising from € 3,277 thousand to € 3,361 thousand: depreciation totalled € 1,619 thousand (up by 4.3%), while amortisation amounted to € 1,742 thousand (up by 1%).

Provisions totalled € 125 thousand, down by € 154 thousand compared to the first quarter of 2012 (€ 279 thousand).

The resulting EBIT amounted to € 1,059 in the quarter, posting an important improvement on the first quarter of 2012 (a loss of € 1,038 thousand).

As for financial operations, interest expense totalled € -784 thousand (improvement compared to the previous year of € -884), while exchange differences amounted to € 547 thousand (€ -496 thousand in the prior-year period). The pre-tax profit was, therefore, € 1,271 thousand (a loss of € 2,418 thousand at the end of March 2012).

The estimated balance of tax items was negative by a total of € 998 thousand.

Therefore, there was an estimated net profit for the first three months of 2013 of € 273 thousand.

*Net financial position at 31 March 2013*

	31 March 2013	31 December 2012	30 September 2012	30 June 2012	31 March 2012
Euro 000's					
Financial assets:	22,221	17,004	21,350	19,659	22,035
<i>Current financial assets</i>	849	849	714	712	700
<i>Cash and cash equivalents</i>	21,372	16,156	20,636	18,946	21,335
Short term finance lease payables	(273)	(270)	(266)	(261)	(444)
Short term bank loans and borrowings and loans and borrowings from other financial backers	(79,182)	(67,055)	(87,356)	(78,715)	(68,969)
<b>Short Term Net Financial Indebtedness</b>	<b>(57,235)</b>	<b>(50,321)</b>	<b>(66,272)</b>	<b>(59,317)</b>	<b>(47,378)</b>
Medium/Long term finance lease payables	(2,175)	(2,245)	(2,314)	(2,381)	(2,447)
Medium/Long bank loans and borrowings	(2,586)	(3,621)	(3,380)	(5,082)	(12,040)
<b>Medium/Long Term Net Financial Indebtedness</b>	<b>(4,762)</b>	<b>(5,866)</b>	<b>(5,694)</b>	<b>(7,463)</b>	<b>(14,487)</b>
<b>Total Net Financial Indebtedness</b>	<b>(61,996)</b>	<b>(56,187)</b>	<b>(71,966)</b>	<b>(66,780)</b>	<b>(61,866)</b>

At the end of March 2013, the Group's net debt was equal to 62 million Euro (gearing = 0.56), about € 5.8 million worse than the final figure at the end of 2012, but in line with the same period of the previous year.

The figure was mainly affected by the trend in net working capital which, in the same period, decreased by around € 4.1 million. In addition to the seasonality of the business which normally involves a worsening in cash generation in the first quarter of the year, debt level was affected by other factors such as the purchase of licences for the implementation of the new ERP system model and costs for new products' development.

The net financial position was negatively affected by exchange differences for € 63 thousand.

*Summary Statement of Financial Position*

	31 March	31 December	31 March
Euro 000's	2013	2012	2012
Intangible assets	47,589	47,616	48,694
Property, plant and equipment	61,368	62,102	63,079
Financial assets	929	1,153	2,615
<b>Non current assets</b>	<b>109,886</b>	<b>110,872</b>	<b>114,388</b>
Inventories	96,094	90,321	96,194
Trade receivables	91,940	99,455	109,260
Trade payables	(101,416)	(107,323)	(115,981)
<b>Net Operating Working Capital</b>	<b>86,618</b>	<b>82,452</b>	<b>89,473</b>
Post-employment benefits	(13,700)	(14,329)	(12,359)
Provision for risk and charges	(10,557)	(11,703)	(9,718)
Other net payables	(16,500)	(18,104)	(20,293)
Net deferred tax assets	17,397	17,124	16,349
<b>Other net liabilities</b>	<b>(23,360)</b>	<b>(27,012)</b>	<b>(26,021)</b>
<b>Net Invested Capital</b>	<b>173,144</b>	<b>166,313</b>	<b>177,840</b>
Share capital	27,393	27,393	27,393
Profit/loss for the previous year and other reserves	83,271	89,015	90,872
Profit /Loss for the year	281	(6,487)	(2,960)
Non controlling interests	203	206	669
<b>Equity</b>	<b>111,148</b>	<b>110,126</b>	<b>115,975</b>
Bank loans and borrowings and loans and borrowings from other financial backers	84,217	73,191	83,901
Other financial assets	(849)	(849)	(700)
Cash and cash equivalents	(21,371)	(16,156)	(21,335)
<b>Net financial indebtedness</b>	<b>61,996</b>	<b>56,187</b>	<b>61,866</b>
<b>Total sources of funding</b>	<b>173,144</b>	<b>166,313</b>	<b>177,840</b>

Compared with the figure at December 2012, as far as intangible assets are concerned, investments amounted to € 1.9 million (mainly attributable to R&D capitalisations of new products for € 0.7 million and to costs incurred for the purchase of licences relating to the new additional model of the “Oracle Flow Manufacturing” ERP system for around € 1 million). Such investments are more or less the same amount as the relevant amortisation for the period and consequently the net value remains substantially unchanged.

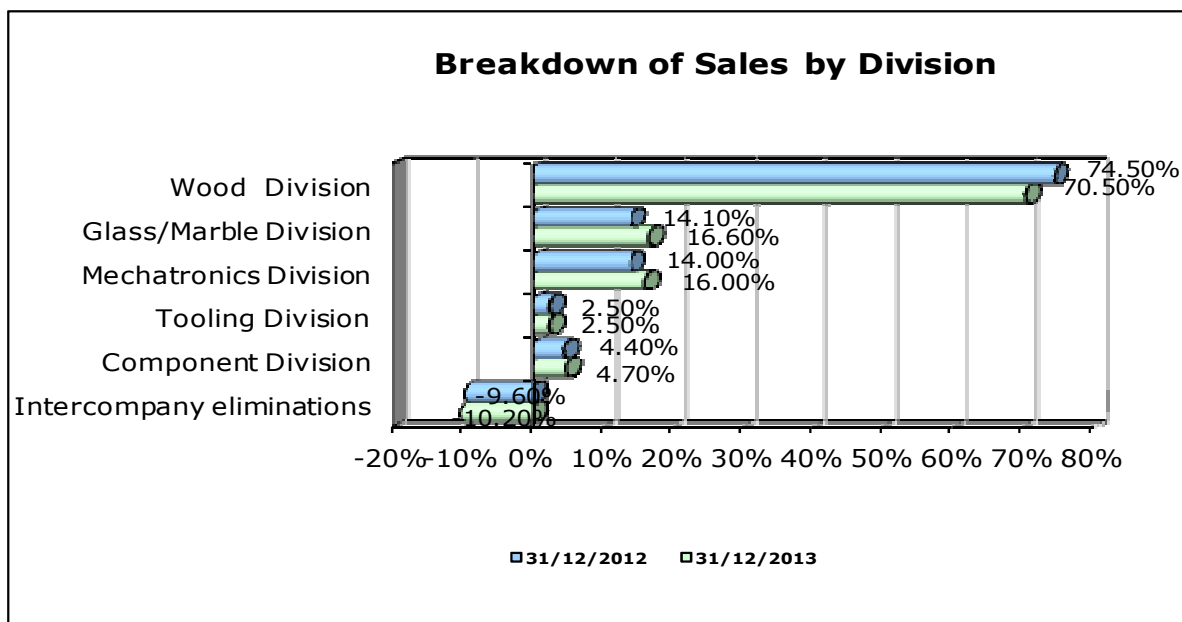
Concerning tangible assets, the net change is a decrease of € 734 thousand as a result of depreciation for the period.

As for the items included under Net Operating Working Capital, inventories increased by € 5,773 thousand compared with the figure of December 2012, while they are in line with the same period of the previous year. The change with respect to the figure of December 2012 is mainly caused by the physiological increase in the first quarter of the year in inventory of finished goods equal to € 2,492 thousand and raw materials and semi-finished goods for € 2,745 thousand. However it should be noted that during first quarter of 2013 there was an improvement in the stock management dynamics compared to the same period of the previous year, when change in inventories of work in progress, semi-finished and finished goods totalled € 9,994 thousand, due to increased production dedicated to stocks.

Vice versa the remaining items relating to trade receivables and payables improved the Net Operating Working Capital figure compared with the figure at December 2012. In fact the decrease in trade receivables of € 7,515 thousand largely offsets the decrease in trade payables of € 5,907 thousand. The overall change in Net Operating Working Capital was negatively affected by exchange differences to the tune of € 992 thousand.

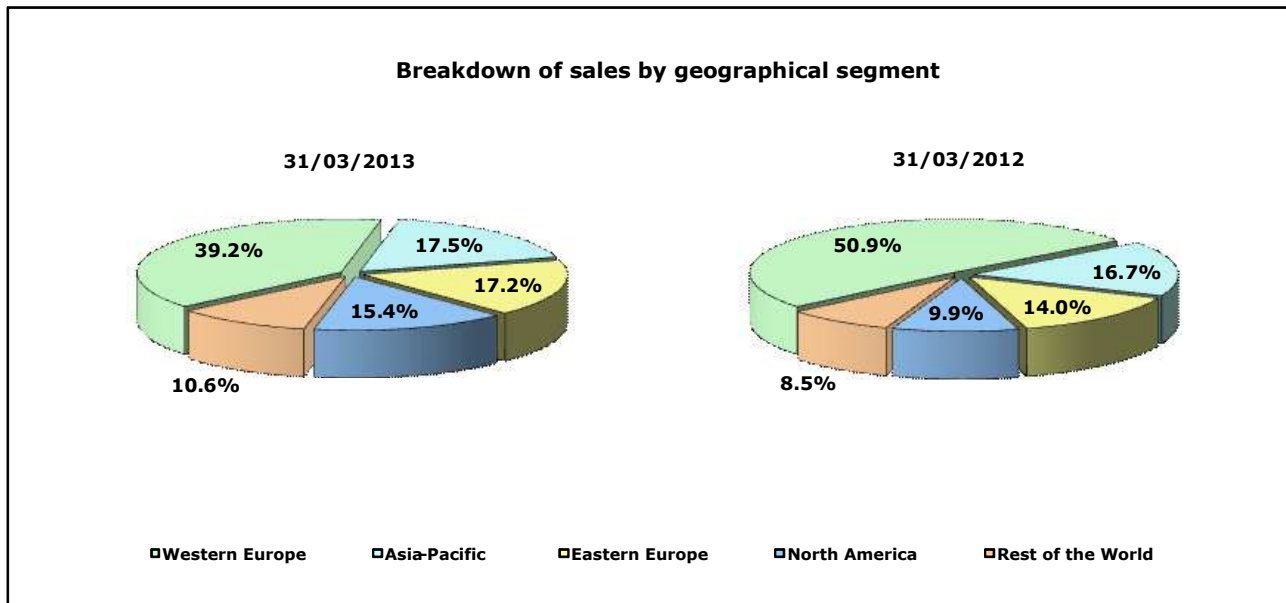
*Segment reporting - Breakdown by division*

€ '000	1Q		1Q		Var % 2013/2012
	2013	%	2012	%	
Wood Division	59,465	70.5%	64,727	74.5%	-8.1%
Glass/Marble Division	13,980	16.6%	12,234	14.1%	14.3%
Mechatronics Division	13,475	16.0%	12,190	14.0%	10.5%
Tooling Division	2,137	2.5%	2,207	2.5%	-3.2%
Components Division	3,926	4.7%	3,829	4.4%	2.5%
Intercompany eliminations	-8,579	-10.2%	-8,330	-9.6%	3.0%
<b>Total</b>	<b>84,404</b>	<b>100.0%</b>	<b>86,856</b>	<b>100.0%</b>	<b>-2.8%</b>



*Segment reporting - Breakdown by geographical segment*

€ '000	1Q 2013	%	1Q 2012	%	Var % 2013/2012
Western Europe	33,107	39.2%	44,197	50.9%	-25.1%
Asia-Pacific	14,788	17.5%	14,547	16.7%	1.7%
Eastern Europe	14,522	17.2%	12,148	14.0%	19.5%
North America	13,007	15.4%	8,620	9.9%	50.9%
Rest of the World	8,980	10.6%	7,344	8.5%	22.3%
<b>Total</b>	<b>84,404</b>	<b>100.0%</b>	<b>86,856</b>	<b>100.0%</b>	<b>-2.8%</b>



Pesaro, 15 May 2013

The Chairman of the Board of Directors  
Roberto Selci

## ANNEX

	1Q 2013	% on sales	1Q 2012	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	84,404	100.0%	86,856	100.0%	(2.8)%
Other revenues	746	0.9%	277	0.3%	-
<b>Net Revenues</b>	<b>85,150</b>	<b>100.9%</b>	<b>87,133</b>	<b>100.3%</b>	<b>(2.3)%</b>
COGS	(40,558)	(48.1)%	(42,259)	(48.7)%	(4.0)%
<b>Gross Profit</b>	<b>44,593</b>	<b>52.8%</b>	<b>44,874</b>	<b>51.7%</b>	<b>(0.6)%</b>
Overhead	(10,587)	(12.5)%	(10,978)	(12.6)%	(3.6)%
<b>Value Added</b>	<b>34,006</b>	<b>40.3%</b>	<b>33,896</b>	<b>39.0%</b>	<b>0.3%</b>
Staff costs	(29,011)	(34.4)%	(31,378)	(36.1)%	(7.5)%
<b>Gross Operating Income (EBITDA)</b>	<b>4,995</b>	<b>5.9%</b>	<b>2,518</b>	<b>2.9%</b>	<b>98.4%</b>
Depreciation and amortisation	(3,361)	(4.0)%	(3,277)	(3.8)%	2.6%
Provisions	(125)	(0.1)%	(279)	(0.3)%	(55.2)%
<b>Net Operating Income (EBIT)</b>	<b>1,509</b>	<b>1.8%</b>	<b>(1,038)</b>	<b>(1.2)%</b>	<b>-</b>
Financial revenues and expenses	(784)	(0.9)%	(884)	(1.0)%	(11.3)%
Net exchange rate gains (losses)	547	0.6%	(496)	(0.6)%	-
<b>Profit (Loss) before tax</b>	<b>1,271</b>	<b>1.5%</b>	<b>(2,418)</b>	<b>(2.8)%</b>	<b>-</b>
Taxes	(998)	(1.2)%	(559)	(0.6)%	78.5%
<b>Profit (Loss) of the period</b>	<b>273</b>	<b>0.3%</b>	<b>(2,977)</b>	<b>(3.4)%</b>	<b>(109.2)%</b>

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

The Corporate Financial Reporting Manager 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.

15 May 2013

Manager charged with preparing  
the company's financial reports

Cristian Berardi