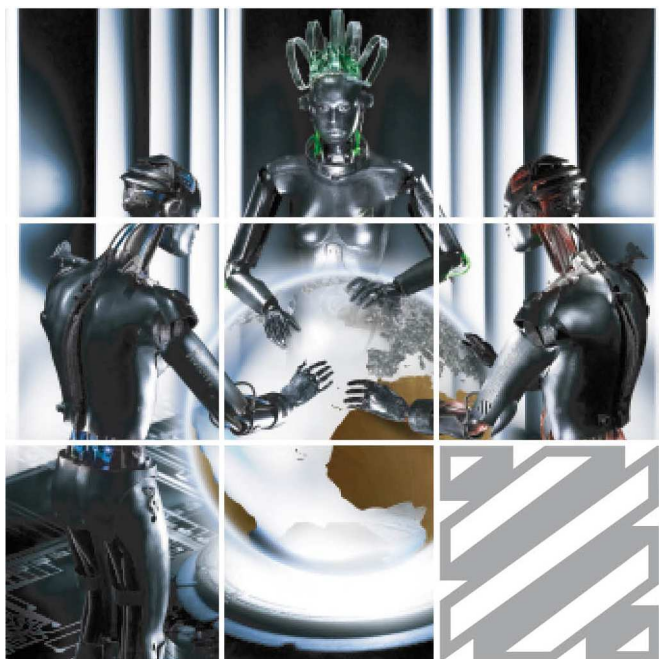


# PRESS RELEASE

14<sup>th</sup> May 2010



**BIESSE**

# BIESSE GROUP

## RESULTS FOR 1<sup>st</sup> QUARTER 2010 APPROVED

- The Board of Directors of Biesse approves the financial statement for the period ended 31 March 2010 characterised by a recovery in margins and a reduction in net debt
- Net positive cashflow of € 2.0 million in the first 3 months of 2010
- Quarterly Order intake +79% compared with the same period 2009

### CONSOLIDATED INCOME STATEMENT RESULTS TO 31 MARCH 2010

<i>Euro million</i>	<b>31.03.10</b>	<b>31.03.09</b>	<b>change %</b>
<b>NET REVENUES</b>	<b>63.1</b>	<b>64.7</b>	<b>-2.4</b>
<b>EBITDA</b>	<b>-1.9</b>	<b>-4.1</b>	<b>+53.6</b>
<b>EBIT</b>	<b>-4.9</b>	<b>-9.4</b>	<b>+48.2</b>
<b>PRE-TAX RESULT</b>	<b>-4.8</b>	<b>-9.3</b>	<b>+48.6</b>
<b>NET RESULT</b>	<b>-4.2</b>	<b>-7.2</b>	<b>+42.4</b>
<b>NET DEBT</b>	<b>30.7</b>	<b>50.5</b>	<b>-39.2</b>

Pesaro, 14<sup>th</sup> May 2010 - The Board of Directors of Biesse S.p.A., the multinational company based in Pesaro which operates in the market for wood, glass and stone working machines and systems and which is quoted on the STAR segment of the Italian Stock Market, during its meeting held today, examined and approved the Financial Statements for the period ended **31 March 2010**.

Despite a slight contraction in revenues compared with the same period of 2009, Biesse achieved a significant improvement in profitability and cash generation in the first quarter of 2010. These results were achieved during a period of the year (January-March) characterised by absorption of liquidity due to re-building of inventories.

The Biesse Group reported the following results for the period to **31 March 2010**:

- **Net Revenues** of € 63.1 million (-2.4% compared with 31 March 2009)
- **Value Added** of € 24.3 million (+11.8% compared with 31 March 2009) representing a margin on revenues of 38.6%
- **EBITDA** negative at - € 1.9 million (+53.6% compared with 31 March 2009) representing a margin on revenues of - 3.0%;
- **EBIT** negative at - € 4.9 million (+48.2% compared with 31 March 2009) representing a margin on revenues of - 7.7%;
- **Pre-Tax Result** negative at - € 4.8 million (+48.6% compared with 31 March 2009) representing a margin on revenues of - 7.6%
- **Net Result** negative at - € 4.2 million (+42.4% compared with 31 March 2009) representing a margin on revenues of - 6.6%



**Group** Net debt at end-March 2010 was **€ 30.7** million (debt/equity 0.50) which represents a significant reduction - **€ 19.8 million** – compared both with the level reported at 31 March 2009 and the Net Financial Position at end-December - **€ 2.0 million** -.

During the course of the first three months of the current year, the attention devoted to management of the main components of the Group's Net Operating Working Capital generated **cash flow of € 9.4 million**.

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In this first glimpse of 2010 the geographical break down of revenues remained broadly unchanged compared with the results to end-2009:

Western Europe: 57.9% (58% at end-2009) of which Italy 24.5%

Eastern Europe: 10.5% (10.4% at end-2009)

North America: 8.5% (8.3% at end-2009)

Asia: 10.2% (7% at end-2009)

Australia & New Zealand: 6.4% (7% at end-2009)

The breakdown of revenues by the Group's main Business Divisions illustrates the continued predominance of the Wood Division which accounted for 67.8% of revenues. The Glass-Stone division contributed 21.7% of consolidated sales, an increase compared to end-2009 (20.6%), while the Mechatronic Division's contribution rose to 18.6%

The trend of order inflow (machinery and systems) showed clear signs of recovery compared with the recent past (+79% compared to March 2009) although it remains significantly below 2008 levels.

In confirmation of the current instability in the markets in which the Group operates, order intake in April 2010 revealed a deceleration in the trend, which put pressure on the percentage gain for the progressive data for 2010 (+60.6% compared with the same period of 2009).



# ACCOUNTING STATEMENTS

## First quarter 2010 Income Statement

	31 March 2010	% on sales	31 March 2009	% on sales	CHANGE %
<i>Euro 000's</i>					
<b>Revenues from sales and services</b>	<b>63,158</b>	<b>100.0%</b>	<b>64,723</b>	<b>100.0%</b>	<b>(2.4)%</b>
Change in inventories, wip, semi-finished and finished goods	5,031	8.0%	350	0.5%	0.0%
Other revenues	419	0.7%	708	1.1%	(40.8)%
<b>Value of Production</b>	<b>68,608</b>	<b>108.6%</b>	<b>65,782</b>	<b>101.6%</b>	<b>4.3%</b>
Consumption of materials, accessory products and goods	29,590	46.9%	28,960	44.7%	2.2%
Other operating expenses	14,662	23.2%	15,042	23.2%	(2.5)%
Staff costs	26,249	41.6%	25,858	40.0%	1.5%
<b>Gross Operating Income</b>	<b>(1,893)</b>	<b>(3.0)%</b>	<b>(4,079)</b>	<b>(6.3)%</b>	<b>(53.6)%</b>
Depreciation and amortisation	2,913	4.6%	3,248	5.0%	(10.3)%
Provisions	81	0.1%	2,118	3.3%	(96.2)%
<b>Net Operating Income</b>	<b>(4,888)</b>	<b>(7.7)%</b>	<b>(9,445)</b>	<b>(14.6)%</b>	<b>(48.2)%</b>
Financial income/expense	(390)	(0.6)%	(672)	(1.0)%	(42.0)%
Foreign exchange gains/losses	482	0.8%	795	1.2%	(39.4)%
<b>Profit (Loss) before tax</b>	<b>(4,796)</b>	<b>(7.6)%</b>	<b>(9,322)</b>	<b>(14.4)%</b>	<b>(48.6)%</b>
Taxes	618	1.0%	2,065	3.2%	(70.1)%
<b>Profit (Loss) of the period</b>	<b>(4,177)</b>	<b>(6.6)%</b>	<b>(7,257)</b>	<b>(11.2)%</b>	<b>(42.4)%</b>



**Net financial position at March 31<sup>st</sup>, 2010**

	<b>31 March</b>	<b>31 December</b>	<b>30 September</b>	<b>30 June</b>	<b>31 March</b>
	<b>2010</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
<i>Euro 000's</i>					
Financial assets:	31,517	31,148	20,778	30,210	19,393
<i>Current financial assets</i>	0	0	231	243	27
<i>Liquidity</i>	31,517	31,148	20,547	29,967	19,366
ST finance lease liabilities	(2,219)	(2,290)	(2,328)	(2,419)	(2,517)
Bank and other ST financial debt	(44,756)	(42,988)	(23,993)	(33,511)	(58,380)
<b>Net Short Term Financial Position</b>	<b>(15,458)</b>	<b>(14,130)</b>	<b>(5,543)</b>	<b>(5,720)</b>	<b>(41,503)</b>
M/L term finance lease liabilities	(5,133)	(5,225)	(6,210)	(6,291)	(7,284)
M/L term bank debt	(10,079)	(13,349)	(40,406)	(44,242)	(1,693)
<b>Net M/L Term Financial Position</b>	<b>(15,211)</b>	<b>(18,575)</b>	<b>(46,616)</b>	<b>(50,533)</b>	<b>(8,977)</b>
<b>Total Net Financial Position</b>	<b>(30,669)</b>	<b>(32,704)</b>	<b>(52,159)</b>	<b>(56,253)</b>	<b>(50,481)</b>



**Balance sheet figures**

	31 March 2010	31 December 2009	30 September 2009	30 June 2009	31 March 2009
<i>Euro 000's</i>					
Intangible fixed assets	41,737	41,073	41,057	40,865	40,303
Tangible fixed assets	57,243	57,431	58,369	60,152	61,007
Non current assets	20,876	18,849	16,266	14,006	12,561
<b>NON CURRENT ASSETS</b>	<b>119,857</b>	<b>117,353</b>	<b>115,692</b>	<b>115,023</b>	<b>113,871</b>
Inventories	72,244	65,654	83,733	93,622	103,947
Trade receivables	71,055	74,895	63,950	69,732	78,847
Other receivables	10,397	10,648	9,166	10,633	12,787
Other current financial assets	0	0	231	243	27
Cash and equivalents	31,517	31,148	20,547	29,967	19,366
<b>CURRENT ASSETS</b>	<b>185,214</b>	<b>182,345</b>	<b>177,627</b>	<b>204,197</b>	<b>214,974</b>
<b>TOTAL ASSETS</b>	<b>305,070</b>	<b>299,698</b>	<b>293,319</b>	<b>319,220</b>	<b>328,845</b>
Net Equity of the Group	123,475	126,334	130,851	138,229	145,777
Minority interests	405	517	432	556	890
<b>NET EQUITY</b>	<b>123,880</b>	<b>126,850</b>	<b>131,283</b>	<b>138,785</b>	<b>146,667</b>
Bank debt and M/L term finance leases	15,211	18,575	46,616	50,533	8,977
Retirement benefit liabilities	11,624	11,857	12,033	11,975	12,314
Other payables and M/L term liabilities	3,527	3,334	3,431	3,717	4,515
<b>NON CURRENT LIABILITIES</b>	<b>30,363</b>	<b>33,765</b>	<b>62,080</b>	<b>66,225</b>	<b>25,807</b>
Trade payables	73,149	60,977	47,989	50,080	65,702
Other short term payables	30,704	32,828	25,646	28,200	29,773
Bank debt and short term finance leases	46,975	45,278	26,321	35,930	60,897
<b>CURRENT LIABILITIES</b>	<b>150,828</b>	<b>139,083</b>	<b>99,956</b>	<b>114,211</b>	<b>156,371</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>305,070</b>	<b>299,698</b>	<b>293,319</b>	<b>319,220</b>	<b>328,845</b>

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***In accordance with paragraph 2, clause 154-bis del T.U.F. (Testo Unico Finanziario-Consolidated Financial Law), the manager responsible for the preparation of the company accounting records of Biesse Group, Stefano Porcellini, declares that the company accounting information contained in the present communication corresponds to the results contained in the group's records, books and accounts***



**The Biesse Group**

**Biesse operates in the market for machinery and systems for working wood, glass, marble and stone. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse S.p.A. has been listed on the STAR sector of Borsa Italiana since 2001.**

*The Company offers modular solutions from the design of turnkey plants for large furniture manufacturers to individual automatic machines and work stations for small and medium enterprises and the design and distribution of individual highly technological components.*

*As a result of its attention to research and innovation, Biesse can develop modular products and solutions capable of responding to a vast range of requirements from clients.*

*A multinational company, the Biesse Group distributes its products through a network of subsidiaries and 20 associates located in strategic markets.*

*The associates guarantee specialized post-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group has over 2,290 employees in its main production sites in Pesaro, Alzate Brianza, Bergamo, Bangalore and the 30 associates/branch offices in Europe, North America, Asia and Australasia. The Group also has no fewer than 300 resellers and agents enabling it to cover more than 100 countries.*

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