

# Press release

Biesse S.p.A.'s Board of Directors approves the 2006 draft Financial Statements

**The Biesse Group posts 2006 year-end figures with major growth in consolidated revenues (+18.4%) and all profitability margins) (EBIDTA+58.8%, EBIT+87.2% and Net profit +100.9%)**

Consolidated Income Statement	31.12.06	31.12.05	Variation %
<i>(millions of euro)</i>			
Net revenue	€ 396.7	€ 335.0	+18.4%
EBITDA	€ 65.8	€ 41.4	+58.8%
EBIT	€ 52.0	€ 27.8	+87.2%
Pre-tax profit	€ 51.1	€ 24.0	+113.0%
Net profit	€ 32.2	€ 16.0	+100.9%

***The Board has resolved to pay a dividend of EUR 0.36 per share with a payout equal to 30.6% of net profit in 2006.***

***The Net Financial Position is positive, equal to EUR 14.1 million, improving on the figure of EUR 38 million vs. December 2005.***

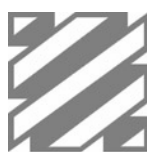
***The Board has also approved the proposal to amend the articles of the company Statute in compliance with provisions of Law 262 of 28 December 2005 and to adopt an organisational model, including the new Code of Ethics of Biesse S.p.A., with reference to Legislative Decree 231/2001.***

***Ordinary and Extraordinary General Meeting of Shareholders convened for 30 April 2007 (first call), with second call, as applicable, on 2 May 2007.***

*Pesaro, 27 March 2007 – The Board of Directors of Biesse SpA, the Pesaro based company operating in the sector of wood, glass and marble processing systems and machinery, listed in the Star segment of the Italian Stock Exchange, met today to approve the draft Consolidated Financial Statements for 2006, which closed with major growth in revenues and profitability, in absolute and percentage terms.*

As indicated in the Group's Consolidated Financial Statements, the following results were posted during the January – December 2006 period, in line with information already disclosed to the market on 14 February 2007, during approval of the 3<sup>rd</sup> Quarter Report. In particular:

- Net revenue amounted to EUR 396.7 million euro (+18.4% compared to 2005)
- Added value was equal to EUR 154.9 million (+25.2% compared to 2005), accounting for 39.1% of net revenue;



## Press release

- EBITDA stood at EUR 65.8 million (+58.8% compared to 2005), accounting for 16.6% of net revenue
- EBIT stood at EUR 52.0 million (+87.2% compared to 2005), accounting for 13.1% of net revenue;
- Pre-tax profit was EUR 51.1 million (+113.0% compared to 2005), accounting for 12.9% of net revenue;
- Net profit was equal to EUR 32.2 million (+100.9% compared to 2005), accounting for 8.1% of net revenue and an EPS of 1.18.

The **Net Financial Position** at 31 December 2006 was positive, equal to EUR 14.1 million, with a variation of EUR 38 million compared to net borrowing at December 2005.

Another positive element was the increase in **the orders portfolio**, which accounted for EUR 131 million at the end of February (+16.9% compared to 31 December 2006 and +33.7% compared to the same period in 2006).

### **Dividend**

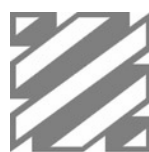
The Board of Directors, acknowledging the positive results achieved in 2006, resolved to propose for approval by the Ordinary General Meeting of Shareholders, a dividend of EUR 0.36 per share. This dividend represents 30.6% of the net profit of Biesse in 2006. The overall outlay derives from payment of the dividend, as proposed, amounting to EUR 10,135,425. The dates proposed by the Board of Directors for detachment of coupon no. 7 and payment of the dividend are 7 May 2007 and 10 May 2007 respectively.

### **Ordinary and Extraordinary General Meeting of Shareholders convened**

The Board of Directors of Biesse has convened the Ordinary and Extraordinary General Meeting of Shareholders for 30 April 2007 at 9.30 a.m. and for 2 May 2007 at 9.30 a.m. in second call. During the extraordinary part of the meeting, Shareholders will examine the proposal to amend the Articles of the Company Statute, also to comply with provisions of Law 262 of 28 December 2005, as outlined in the Report examined by the Board of Directors today. In addition to approving the 2006 Financial Statements and proposed dividend, the Ordinary General Meeting of Shareholders will resolve on the continued appointment of the independent auditors Deloitte&Touche for the 2007-2009 three-year period and approval of the new Code of Ethics included in the organisational model pursuant to Legislative Decree 231/2001, adopted by Biesse S.p.A..

### **Significant events after the end of 2006**

- On 19 February 2007 the Biesse Group, through its subsidiary Biesse America Inc, signed a preliminary agreement for acquisition of the company branch "glass/stone machinery distribution and service" of AGM Glass Machinery Inc, which has been distributing the



## Press release

Intermac brand (glass and stone processing machines and systems) in the USA for 20 years.

- Following the positive results achieved by the Group during 2006, the favourable prospects for reference markets and new and ongoing industrial projects, company management informed the market on 14 February of new revised figures for the Group's expected increase in turnover and profit margins for the 2007-2009 period.

**Roberto Selci, Chairman and CEO of Biesse**, commented: *"We are satisfied with the outstanding results achieved during the year which has just ended. The continued improvement in the Group's performance is reflected by the stock trend, with capitalisation of Biesse around to EUR 500 million. The dividend proposed, besides reflecting the excellent stock market performance, is in line with our policy of increasing shareholder payouts over the years. If the current bright economic outlook for our reference markets continues, we are confident that we can achieve the objectives outlined in our new three-year industrial plan. Our strategy, confirmed by the important step taken last February in the US, with the acquisition of AGM, is to operate in order to achieve balanced growth for the Biesse Group, seeking the right opportunities to increase our turnover and the Group's profitability."*

**\*\*\*The Biesse Group** *The Biesse Group operates in the market of machinery and systems for processing wood, glass and marble. Established by Giancarlo Selci in Pesaro in 1969, Biesse SpA has been listed in the Star Segment of the Italian Stock Exchange since 2001.*

*The Company offers modular solutions that range from the design of turnkey systems for large furniture manufacturers to individual automatic machines and workstations for small- and medium-sized companies, to the design and sale of individual hi-tech components. Thanks to its focus on innovation and research, Biesse is able to develop products and modular solutions that can meet the varied needs of a broad customer base.*

*As a multinational, the Biesse Group markets its products through a network of subsidiaries and 18 branch offices located in strategic markets.*

*The branch offices ensure specialised after-sales service to customers, while also carrying out market research aimed at developing new products. The Biesse Group has a staff of approximately 2,060 people distributed over its six manufacturing sites located in Pesaro, Alzate Brianza, Bergamo, Turin, Anzola (Bologna) Lugo (Ravenna) and its branch offices in Europe, North America, Asia and Oceania.*

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**BIESSE** Tecnologie per dare forma al quotidiano

**Income Statement at December 31<sup>st</sup>, 2006**

<i>(thousand of Euro)</i>	<b>FY 2006</b>	<b>%</b>	<b>FY 2005</b>	<b>%</b>	<b>Δ %</b>
<b>Revenues from sales and services</b>	<b>396,733</b>	<b>100.0%</b>	<b>335,011</b>	<b>100.0%</b>	<b>18.4%</b>
Change in work in progress and semi finished goods	7,998	2.0%	(1,837)	(0.5)%	n/a
Other revenues and income	6,379	1.6%	5,439	1.6%	17.3%
<b>Value of production</b>	<b>411,110</b>	<b>103.6%</b>	<b>338,613</b>	<b>101.1%</b>	<b>21.4%</b>
Raw materials	(173,424)	(43.7)%	(144,807)	(43.2)%	19.8%
Other operating expenses	(82,715)	(20.8)%	(70,005)	(20.9)%	18.2%
<b>Added value</b>	<b>154,971</b>	<b>39.1%</b>	<b>123,801</b>	<b>37.0%</b>	<b>25.2%</b>
Personnel expenses	(89,191)	(22.5)%	(82,365)	(24.6)%	8.3%
<b>Gross operating margin</b>	<b>65,780</b>	<b>16.6%</b>	<b>41,436</b>	<b>12.4%</b>	<b>58.8%</b>
Amortizations expense	(11,052)	(2.8)%	(10,889)	(3.3)%	1.5%
Accruals to provisions	(2,707)	(0.7)%	(2,764)	(0.8)%	(2.1)%
<b>Operating result</b>	<b>52,021</b>	<b>13.1%</b>	<b>27,783</b>	<b>8.3%</b>	<b>87.2%</b>
Financial income and expense	(1,804)	(0.5)%	(2,787)	(0.8)%	(35.3)%
Revenues and expenses on currency exchanges	1,141	0.3%	(714)	(0.2)%	n/a
Share of profit/loss of affiliated companies	(230)	(0.1)%	(279)	(0.1)%	(17.6)%
<b>Income before tax</b>	<b>51,128</b>	<b>12.9%</b>	<b>24,003</b>	<b>7.2%</b>	<b>113.0%</b>
<i>Taxes for the period</i>	(18,871)	(4.8)%	(7,949)	(2.4)%	137.4%
<b>Result of the period</b>	<b>32,257</b>	<b>8.1%</b>	<b>16,054</b>	<b>4.8%</b>	<b>100.9%</b>

**Balance sheet figures**

<i>(thousand of Euro)</i>	<b>December 31 2006</b>	<b>December 31 2005</b>
Intangible assets	35,184	23,673
Tangible assets	49,702	59,572
Other non current assets	10,428	9,100
Real estate investments	2,524	0
<b>Non-current assets</b>	<b>97,838</b>	<b>92,345</b>
Inventories	88,182	72,798
Trade receivables	113,153	96,987
Other receivables	14,263	8,437
Cash and cash equivalents	36,102	31,210
<b>Current assets</b>	<b>251,700</b>	<b>209,432</b>
<b>TOTAL ASSETS</b>	<b>349,538</b>	<b>301,777</b>
Shareholders' equity	134,223	105,293
Minority interest	320	343
<b>Total equity</b>	<b>134,543</b>	<b>105,636</b>
Bank overdrafts, loans and obligations under finance leases	8,859	31,296
Retirement benefit obligation	15,929	15,090
Other payables	9,899	9,772
<b>Non-current liabilities</b>	<b>34,687</b>	<b>56,158</b>
Trade payables	117,029	83,672
Other payables	50,157	32,495
Bank overdrafts, loans and obligations under finance leases	13,122	23,816
<b>Current liabilities</b>	<b>180,308</b>	<b>139,983</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>349,538</b>	<b>301,777</b>

**Net financial position at December 31<sup>st</sup>, 2006**

<i>(thousand of Euro)</i>	<b>December 31 2006</b>	<b>September 30 2006</b>	<b>June 30 2006</b>	<b>December 31 2005</b>
Financial assets:	36,102	23,592	38,672	31,210
- <i>Liquid assets</i>	36,052	23,529	38,609	31,210
- <i>Short term financing credits due by parent company</i>	50	63	63	0
Short term financial debts	(2,336)	(6,027)	(3,079)	(3,266)
Short term bank debts	(10,786)	(14,444)	(17,685)	(20,550)
<b>Short term net financial position</b>	<b>22,980</b>	<b>3,121</b>	<b>17,908</b>	<b>7,394</b>
Medium/long term financial debts	(8,217)	(9,240)	(12,546)	(13,942)
Medium/long term bank debts	(642)	(686)	(7,129)	(17,354)
<b>Medium/long term net financial position</b>	<b>(8,859)</b>	<b>(9,926)</b>	<b>(19,675)</b>	<b>(31,296)</b>
<b>Total financial position</b>	<b>14,121</b>	<b>(6,805)</b>	<b>(1,767)</b>	<b>(23,902)</b>