

## **Biesse: Q1 2004 results approved**

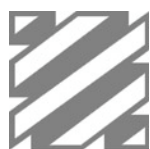
- **Revenues and operating income increased**
- **Pre-tax profit and net financial position improved**

Pesaro 14 May 2004 – Today, the Board of Directors of Biesse S.p.A. - a Pesaro-based company listed in the Star segment of the Italian Stock Exchange, one of the world leading operators in the market of machinery and systems for the processing of wood, glass and stone - approved the following results for Q1 2004:

NOTE: *In order to provide a better understanding of the data presented below, we have inserted comparisons with the same period of 2003, even on a pro-forma basis, so as to harmonise the data pertaining to the extension of the area of consolidation and the final sale of the Austrian Group (Schelling) in December 2003. In particular, the column **31/3/04 pro-forma** reports data net of the impact of the 2 new companies (**CABI srl** and **Sandymac srl**) that have been wholly consolidated as of Q1 2004 (column 31/3/04).*

<i>Euro million</i>	<b>31/3/04</b>	<b>31/3/03</b>	<b>Delta %</b>	<b>31/3/04 pro-forma</b>	<b>31/3/03 pro-forma</b>	<b>Delta %</b>
Sales	66.3	68.5	-3.2%	66.3	63.1	+5.1%
Added value	23.6	24.3	-2.9%	23.4	23.0	+1.8%
EBITDA	3.0	0.5	+500%	3.1	2.6	+19.5%
EBIT	0.3	-2.9	-----	0.4	-0.6	-----
<i>Extraordinary operations</i>	<b>9.7</b>	<b>-0.5</b>				
<b>Profit/Loss before taxes</b>	<b>8.2</b>	<b>-4.8</b>	-----	<b>8.3</b>	<b>-2.1</b>	-----

The improving economic climate worldwide has allowed to Company to essentially maintain revenue levels, despite the de-consolidation of the Austrian group Schelling (Euro 6.3 million) following the sale of the same to third parties, as highlighted in the table below. The breakdown of revenues by division shows a marked increase in the Wood Division (+69.2%), while the breakdown by



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geographical area indicates an increase in Eastern Europe and the Asia-Far East region, even while figures for North America and the EU fell.

The positive effects of corporate structuring and re-organisations were reflected in economic indicators (Added Value – EBITDA – EBIT) that improved substantially both in absolute terms and as a percentage of revenues.

Lastly, profit before taxes include the extraordinary income generated from the sale of non-capital real estate assets during the quarter by Biesse S.p.A. to Bi.Fin srl (holding company of the industrial group).

At March 31, 2004, the net financial position was negative at €91.83 million (debt/equity 0.96), up compared to the same period of 2003 (negative at Euro 109.76 million) and to the figure at 31 December 2003 (negative at Euro 106.75 million). After discounting the effects of the extraordinary transaction involving the sale of real estate, the residual increase in the net financial position generated since the end of fiscal year 2003 (amounting to Euro 14.92 million), despite the fact that Biesse's indebtedness has historically peaked in the early months of the year, is due to the substantial growth in the Company's characteristic operations, that in Q1 2004 considerably set off the said peak in indebtedness.

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<b>Euro million</b>	<b>31/3/04</b>	<b>31/12/03</b>	<b>31/3/03</b>	<b>31/12/02</b>
NFP	-91.8	-106.7	-109.7	-86.0

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Roberto Selci, Chairman of the Company's Board, commented that: *"While Biesse S.p.A.'s first positive results must not be construed too enthusiastically, especially since the global recovery has only started to show the initial signs of fledgling recovery, the future in terms of higher volumes and profitability, looks much more promising than in the last months of the previous year. The actions undertaken by the Company, as in the pasts, focus on enhancing its competitive edge and efficiency, with a view to meeting expectations of positive results, already by the end of the fiscal year underway. Accordingly, the Company's primary target for the two year period 2004-2005, is to pursue corporate restructuring directed at reducing overhead costs and improving production processes. In light of the reassuring results obtained in this first quarter, net of the negative impact of Schelling, we feel confident that performance in 2004 will live up to expectations in terms of growth in volumes and therefore of increased value, for our shareholders."*

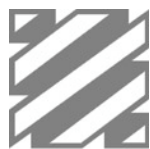
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*The Biesse Group operates in the market of machinery and systems involved in processing wood, glass and stone.*

*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 high-tech components.*

*Thanks to its orientation towards innovation and research, Biesse can develop products and modular solutions that can meet the varied needs of a broad customer base.*

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



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*The branch offices ensure specialized after-sales service to the customers, while also developing and carrying out feasibility studies and market research aimed at developing new products.*

*The Biesse Group has a staff of 1,866 people distributed over its seven manufacturing sites located in Pesaro, Bergamo, Turin, Alfonsine, Anzola and Lugo (Italy), Dongguan (China) and its branch offices in Europe, North America, Asia and Oceania.*

