

## **Biesse: Draft Financial Statements for 2003 Approved**

*Pesaro, 25 March 2004* – The Board of Directors of Biesse S.p.A. – a company with headquarters in Pesaro listed on the Star segment of the Italian Stock Exchange and one of the world leading operators in the market of machinery and systems for the processing of wood, glass and stone – approved the draft Financial Statements for FY 2003.

As shown in the **consolidated financial statements**, in the period from January to December 2003 the Group recorded the following results:

- **Total revenues** amounted to €306.7 million (-17.3% compared to 2002)
- **Added value** was positive at €99.8 million (-17% compared to 2002) with a ratio to the value of production of 31.7% (33% in 2002)
- **Gross operating profit (EBITDA)** decreased to €8.2 (-63.3% compared to 2002), with a ratio to the value of production of 2.6% compared to 6.1% in the previous year
- **Operating loss (EBIT)** was €5.9 million (positive at €8 million at December 2002), with a ratio to value of production of -1.9% (+2.2% in 2002)

**The net financial position** at 31 December 2003 was negative at €106.7 million and, although it showed an increasing trend compared to Q3 2003 (- €14 million), it was €20.7 million lower compared to the end of 2002. This result is due to ordinary operations absorbing liquid assets as a consequence of the negative economic trend and to the impact of €8 million residual investments in assets and R&D capex on extraordinary operations.

Besides the general economic situation that clearly influenced Biesse S.p.A.'s results, FY 2003 was also strongly influenced by the final transfer of the Austrian company Schelling Anlagenbau GmbH that had the following effects:

- Capital loss due to the write-off of the equity investment €27 million
  - Other extraordinary charges for €3.3 million
  - Net loss of €11.9 million
- partially offset by a capital gain of €2.7 million for the free reacquisition of 1,188,510 shares previously held by Werner Deuring Privatstiftung.

FY 2003 therefore ended with a pre-tax loss of €43.7 million that, after deferred tax assets amounted to 41.3 million compared to a net loss of €5.7 million for FY 2002.

The Board of Directors also resolved to propose to the General Shareholders' Meeting the distribution of a €0.09 dividend per share to be paid on 15 July 2004 (ex coupon as of 12 July 2004) because the loss of Biesse S.p.A. is due for a large amount to the above-mentioned extraordinary components. The payment of dividends will be made through the use of the available reserves of the Parent Company.

*"The continuing unfavourable macro-economic trend at international level has had clear negative effects on our industry sector, and continues to hinder our recovery by not allowing us to fully benefit from the restructuring and efficiency-recovery actions that were implemented in 2003 and planned for the forthcoming years. Biesse's sales reduction is absolutely in line – if not lower – than the figures previously made public by the Italian category of this industry sector (ACIMALL).*



## Press Release



*This is comforting, particularly given the trend reversal that the Group has experienced in obtaining Italian and foreign orders in the closing months of 2003 and the early weeks of 2004. We feel that 2004, above all after the transfer of Schelling, will be the year that Biesse puts its accounts back in the black," stated Roberto Selci, Chairman of the Board of Directors.*

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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.*

*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.*

