

Approval of First Quarter results to 31 March 2015

Compared to the same period of 2014:

- Strong Increase in Group consolidated revenues (+23.1%) and machines Order Inflow (+25.7%)
- Net profit more than doubled (+142.9%)
- Net debt of Euro 12.7 million (-61.6%)

<i>Values in Euro million</i>	31.3.15	31.3.14
Consolidated revenues	112,8	91,6
Gross Operating Profit (EBITDA)	11,6	7,4
Operating Profit (EBIT)	7,6	3,9
Net Profit	3,9	1,6
Net Debt	12,7	33,1

Pesaro, 8 Maggio 2015 - Pesaro, 8 May 2015 - The Board of Directors of Biesse S.p.A. - a company listed in the STAR segment of the Italian stock exchange - has today approved the Consolidated Financial Statements for the 1st Quarter 2015.

The Biesse Group results for the period **1/1/15 – 31/3/15** are as follows:

- Net consolidated revenues of Euro 112.8 million (+23.1% compared with the same period of 2014)
- Value Added of Euro 47.6 million (+24.1% compared with the same period of 2014) representing a margin on revenues of 42.2% (41.9% in 2014)
- Gross Operating Profit (EBITDA) Euro 11.6 million (+57.4% compared with the same period of 2014) representing a margin on revenues of 10.3% (8.1% in 2014)
- Operating Profit (EBIT) Euro 7.6 million (+93.7% compared with the same period of 2014) representing a margin on revenues of 6.7% (4.3% in 2014)

- Pre-Tax profit of Euro 6.4 million (+93.7% compared with the same period of 2014) representing a margin on revenues of 5.7% (3.6% in 2014)
- Net Profit of Euro 3.9 million (+142.9% compared with the same period of 2014) representing a margin on revenues of 3.4% (1.7% in 2014) with an improved tax rate (40%)

Group net debt at 31 March 2015 was Euro 12.7 million, an increase of just Euro 1.5 million – reflecting Biesse’s typical seasonality- compared to 31 December 2014. There was an even greater diminution in the level of net debt compared to the previous year (**- Euro 20.4 million**)

Higher profitability more than compensated for the cash absorption arising from the increase in net working capital (+ Euro 12.6 million compared to December 2014 and + Euro 4.4 million compared to March 2014). There was an improvement in the percentages of consolidated inventories and trade creditors and trade debtors compared to the same period of the previous year. Net Invested Capital was **Euro 147 million**, a reduction compared to the same period of 2014. Shareholders’ Funds at the same date was **Euro 134.3 million** (Euro 114.8 million at 31 March 2014).

Orders

The positive trend in order intake continued for the Group (machinery) through the first quarter of 2015 with a total increase –compared with the same period of the previous year – of **25.7%**. The total order backlog also increased by **36.7%**, the value of which amounted to more than **Euro 124 million**. On the eve of the Wood sector’s most important trade fair (LIGNA – biennial - Hanover 11-15 May) Biesse is preparing to present targeted innovations within an exhibition area (3,700 mq) that is 85% greater than at the previous LIGNA trade fair.

Breakdown

The breakdown of revenues by **business segment**, reveals that the predominance of the wood division (70.9%) remains largely unchanged compared with the glass/stone segment (16.4%) and the mechatronics segment (16.3%).

The geographical breakdown of consolidated revenues shows that the **share of domestic market revenues was 10.3%**, in line with recent indications.

At end-March 2015 the geographical breakdown of revenues by geographical area was as follows:

- Western Europe 39.8% (41.0% in IQ 2014) –Including Italy-
- Eastern Europe 16.0% (19.3% in IQ 2014)

- North America 16.4% (15.1% in IQ 2014)
- Asia Pacific 19.2% (17.7% in IQ 2014)
- Rest of the World 8.6% (6.9% in IQ 2014)

There was a notably strong increase in **North America (+33.3%)** where the strong signals of recovery in the US economy was accompanied by a more favourable recognition of Biesse's product range by US operators. All other geographical regions contributed to the overall improvement in order intake (machinery) except for a few limited areas affected by political-economic turbulence.

Resolutions

The Board of Directors of Biesse S.p.A. –recently re-appointed for the three year period 2015-2017- has appointed Roberto Selci Chairman of the Board of Directors and Giancarlo Selci Chief Executive Officer. Stefano Porcellini was also confirmed as Executive Director and Group General Manager.

"We are happy to report an extremely positive first quarter, - both in terms of growth and profitability – stated Stefano Porcellini, Group General Manager, following the Board Meeting. The order intake in these first few months of the year support estimates of a very positive 2015, in line with or more probably greater than the challenging targets set in the three year plan. All of the Company's Divisions are showing double digit growth with a particularly significant performance by the Glass/Stone Division which is showing growth of +35% compared to the same quarter of 2014. All markets are seeing increasing demand, including Italy, the only exceptions being Brazil and Russia, which are still suffering. On the financial front – Porcellini continued– Net Debt has fallen to Euro 12.7 million compared to Euro 33.1 million at the same point in the previous period of 2014, which is a comforting indication of a further dramatic improvement expected for the full year to end- 2015, despite a doubling in the dividend distributed, which goes ex-dividend on 18 May (0.36 Euro cents per share)."

FINANCIAL STATEMENTS

Income Statement at 31 March 2015

	1Q 2015	% on sales	1Q 2014	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	112,794	100.0%	91,635	100.0%	23.1%
Change in inventories, wip, semi-finished and finished goods	7,246	6.4%	7,711	8.4%	(6.0)%
Other revenue	466	0.4%	443	0.5%	5.1%
Revenue	120,506	106.8%	99,789	108.9%	20.8%
Consumption of raw materials, consumables, supplies and goods	(48,943)	(43.4)%	(40,901)	(44.6)%	19.7%
Other operating expense	(23,940)	(21.2)%	(20,527)	(22.4)%	16.6%
Added Value	47,623	42.2%	38,362	41.9%	24.1%
Personnel expense	(35,986)	(31.9)%	(30,967)	(33.8)%	16.2%
Gross Operating profit	11,637	10.3%	7,395	8.1%	57.4%
Depreciation and amortisation	(3,795)	(3.4)%	(3,185)	(3.5)%	19.2%
Provisions	(229)	(0.2)%	(278)	(0.3)%	(17.7)%
Operating profit	7,613	6.7%	3,931	4.3%	93.6%
Finance income/expense	(81)	(0.1)%	(301)	(0.3)%	(73.2)%
Net exchange rate losses	(1,083)	(1.0)%	(302)	(0.3)%	-
Pre-tax profit/loss	6,448	5.7%	3,329	3.6%	93.7%
Income taxes	(2,581)	(2.3)%	(1,736)	(1.9)%	48.7%
Profit/Loss for the period	3,867	3.4%	1,592	1.7%	142.9%

Net financial indebtedness at 31 March 2015

	31 March 2015	31 December 2014	30 September 2014	30 June 2014	31 March 2014
<i>Euro 000's</i>					
Financial assets:	60,297	54,359	29,913	29,359	27,975
<i>Current financial assets</i>	26	1,048	1,095	1,044	1,039
<i>Cash and cash equivalents</i>	60,271	53,310	28,818	28,315	26,936
Short term finance lease payables	(412)	(301)	(297)	(293)	(452)
Short term bank loans and borrowings and loans from other financial backers	(29,402)	(20,511)	(29,673)	(28,816)	(41,587)
Short Term Net Financial Indebtedness	30,484	33,547	(58)	250	(14,065)
Medium/Long term finance lease payables	(1,769)	(1,659)	(1,736)	(1,812)	(2,121)
Medium/Long bank loans and borrowings	(41,380)	(43,159)	(26,520)	(26,998)	(16,936)
Medium/Long Term Net Financial Indebtedness	(43,149)	(44,818)	(28,256)	(28,810)	(19,057)
Total Net Financial Indebtedness	(12,665)	(11,272)	(28,313)	(28,560)	(33,122)

Summary Statement of Financial Position

	31 March 2015	31 December 2014	31 March 2014
<i>Euro 000's</i>			
Intangible assets	54,837	52,584	48,447
Property, plant and equipment	65,574	61,865	60,566
Financial assets	1,733	1,478	1,034
Non current assets	122,144	115,927	110,046
Inventories	117,680	98,051	96,960
Trade receivables	84,937	80,714	72,315
Trade payables	(134,374)	(123,153)	(105,420)
Net Operating Working Capital	68,243	55,612	63,855
Post-employment benefits	(14,407)	(14,484)	(12,444)
Provision for risk and charges	(9,614)	(8,915)	(9,023)
Other net payables	(30,505)	(25,253)	(18,431)
Net deferred tax assets	11,142	11,576	13,897
Other net liabilities	(43,385)	(37,076)	(26,002)
Net Invested Capital	147,002	134,464	147,900
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	102,874	81,834	85,647
Profit/Loss for the period	3,874	13,766	1,567
Non-controlling interests	196	200	170
Equity	134,337	123,192	114,778
Bank loans and borrowings and loans from other financial backers	72,962	65,630	61,096
Other financial assets	(26)	(1,048)	(1,039)
Cash and cash equivalents	(60,271)	(53,310)	(26,936)
Net financial indebtedness	12,665	11,272	33,122
Total sources of funding	147,002	134,464	147,900

“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 Gruppo Biesse, Dr. Cristian Berardi, declares that the company accounting information contained in the present communication corresponds to the results contained in the group’s records, books and accounts.”

BIESSE S.p.A.

The Biesse Group 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 June 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 associates located in leading strategic markets.

The 30 directly controlled subsidiaries guarantee specialized after-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group currently has more than 2,880 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its associates/branch offices in Europe, North America, Latin America the Middle East, Asia and Australasia. The Group also has more than 300 resellers and agents enabling it to cover more than 100 countries.

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