

The B.o.D. of Biesse approves the Consolidated Interim Report for the six month period to 30 June 2015

results compared to 30 June 2014:

- **strong increase in consolidated revenues and operating profit**
- **net profit more than doubled**
- **debt declines despite the dividends** (Euro 9.8 million paid in May 2015)

<i>Euro million</i>	IH 2015	IH 2014	
consolidated net revenues	245.5	201.1	+22.1%
ebitda	28.9	16.9	+70.7%
ebit	20.2	9.7	+108.1%
net profit	10.5	3.9	+166.7%
net debt	19.0	28.6	-33.5%

Pesaro, 5 August 2015 – The Board of Directors of Biesse S.p.A. – the multinational company based in Pesaro which operates in the wood, glass and marble processing machinery sector and which is listed in the STAR segment of the Italian Stock Exchange - at today's meeting approved the **Consolidated Interim Report** for the six month period 1.1.2015 – 30.6.2015:

income statement

- **consolidated revenues of** € 245.5 million (+22.1% compared to the same period of 2014)
- **value added of** € 101.9 million (+27.7% compared to the same period of 2014) with a margin on revenues of 41.5% (39.7% in the same period 2014)
- **ebitda** of € 28.9 million (+70.7% compared to the same period of 2014) with a margin on revenues of 11.8% (8.4% in the same period 2014)
- **ebit** of € 20.2 million (+108.1% compared to the same period of 2014) with a margin on revenues of 8.2% (4.8% in the same period 2014)
- **pre-tax profit of** € 18.4 million (+116.7% compared to the same period of 2014) with a margin on revenues of 7.5% (4.2% in the same period 2014)
- **net profit of** € 10.5 million (+166.7% compared to the same period of 2014) with a margin on revenues of 4.3% (2.0% in the same period 2014)

financial position

At 30 June 2015, the Group net debt was € 19 million, an increase compared to the figure at December 2014 and at March 2015 that mainly reflects the dividend distribution to Biesse shareholders (May 2015 – payment of Euro 9.8 million):

- + Euro 6.3 million compared to **31 March 2015**
- + Euro 7.7 million compared to **31 December 2014**
- - Euro 9.6 million compared to **30 June 2014**
- - Euro 32.3 million compared to **30 June 2013**

Gearing ratio fell to 0.14x (0.25x in June 2014) with net debt consisting of some residual committed loans that originally had maturities of over 18 months. The debt/ebitda ratio was 1.14x (1.71x in June 2014) while ROE was 0.08x (0.04x in June 2014).

- Consolidated **net equity** was Euro 132.0 million (Euro 112.1 million in June 2014)
- Consolidated **net invested capital** was Euro 151.0 million (Euro 140.7 million in June 2014)

The operative net working capital was Euro 8.4 million higher than at **June 2014** but was **Euro 1.4 million lower than at March 2015**. At 30 June 2015, operative net working capital represented **27.2%** (6 months basis) of consolidated revenues (29.1% in June 2014)

The improvement in trade receivables/payables (DSO 59 days – DPO 118 days) was largely due to the focus on financial flows and to the increased reliability of Biesse products.

Group order intake/portfolio – breakdown by segment and by geographic area

The consolidated orders intake in the first six months of the current financial year remained solid and sustained despite various political and economic uncertainties and the consequent increase in volatility.

At 30 June 2015, the orders intake showed a year-on-year **increase** of almost **13%** and even if –although- it's quite difficult to certify, there is concrete evidence that the overall world market shares of all the Biesse business divisions have grown.

The revenues and the orders intake of Biesse outperformed the average results of the three main reference trade associations (UCIMU machine tools - ACIMALL woodworking machinery - VDMA machines/engineering). **The outlook** for investments in durable goods remains **positive** but shows different characteristics with more positive forecasts for the immediate future for UCIMU and ACIMALL (Italy) than for VDMA (Germany).

The Group manufacturing backlog at 30 June 2015 was **Euro 139.6 million**, an increase of 29.5% over the same period of the preceding financial year.

The order breakdown by **business segment** indicates that –as usual- the best performance came from the wood **division** (72.7%) compared to both the Glass/Stone segment (14.9%) and the **Mechatronics** segment (15.8%).

The **geographic breakdown** of consolidated revenues shows that the share generated by Western Europe grew (+27.2%) compared to the same period of the last financial year (41.7% of the consolidated revenues) and that within this figure, the domestic component was 14% (10.3% at June 2014 and 10.4% at December 2014).

There was a decrease (-2.8%) in the share of revenues from Eastern Europe (16.9% of the consolidated revenues) due to political and economic problems while there was an improvement (+24.8%) from Asia Pacific (19.5% of the consolidated revenues) and, in particular (+35.0%), from North America (14.6% of the consolidated revenues).

The gratifying results and success of the **AWFS Fair in Las Vegas (Wood sector 22-25 July)** was especially noteworthy in the United States and confirms not only the healthy state of the US economy but also the ability of Biesse to obtain a record orders intake level. This result also reflects the targeted investments made in infrastructures (show-rooms) and personnel that are part of the Industrial Plan strategies.

"The figures for this semester are quite positive; *-commented the Executive Director Mr Stefano Porcellini-* "and we are, therefore, very satisfied that this year (2015) is emerging as a record year for the Group turnover. The above is happening despite the economic and political instability in various parts of the world, which makes growing the business difficult: Brazil, Russia and North Africa remain weak whilst there are worries from the Chinese financial markets turbulences that could have an impact on the real economy in the whole Asia.

In the second half –*Mr Stefano Porcellini continues-* we will perform well due to the excellence of our people, products and services. The considerable investments made in innovation, quality, sales network and marketing over the last two years are giving the expected results."

"In accordance with paragraph 2, clause 154-bis of the 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."

Consolidated income statement for the first semester to 30 June 2015

	1H 2015	% on sales	1H 2014	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	245,553	100.0%	201,127	100.0%	22.1%
Change in inventories, wip, semi-finished and finished goods	16,579	6.8%	7,431	3.7%	123.1%
Other revenue	1,979	0.8%	741	0.4%	-
Revenue	264,112	107.6%	209,299	104.1%	26.2%
Consumption of raw materials, consumables, supplies and goods	(110,079)	(44.8)%	(86,470)	(43.0)%	27.3%
Other operating expense	(52,110)	(21.2)%	(42,988)	(21.4)%	21.2%
Added Value	101,923	41.5%	79,841	39.7%	27.7%
Personnel expense	(72,974)	(29.7)%	(62,879)	(31.3)%	16.1%
Gross Operating profit	28,949	11.8%	16,961	8.4%	70.7%
Depreciation and amortisation	(7,770)	(3.2)%	(6,359)	(3.2)%	22.2%
Provisions	(999)	(0.4)%	(735)	(0.4)%	35.9%
Normalised Operating profit	20,180	8.2%	9,867	4.9%	104.5%
Impairment losses and non recurring items	-	-	(168)	(0.1)%	(100.0)%
Operating profit	20,180	8.2%	9,699	4.8%	108.1%
Net finance expense	(357)	(0.1)%	(822)	(0.4)%	(56.6)%
Net exchange rate losses	(1,398)	(0.6)%	(374)	(0.2)%	-
Pre-tax profit/loss	18,425	7.5%	8,503	4.2%	116.7%
Income taxes	(7,925)	(3.2)%	(4,566)	(2.3)%	73.6%
Profit/Loss for the period	10,500	4.3%	3,937	2.0%	-

Condensed statement of financial position to 30 June 2015

	30 June	31 December	30 June
	2015	2014	2014
<i>Euro 000's</i>			
Intangible assets	57,173	52,584	50,281
Property, plant and equipment	66,194	61,865	60,540
Financial assets	1,225	1,478	1,180
Non current assets	124,592	115,927	112,002
Inventories	124,368	98,051	98,678
Trade receivables	99,654	80,714	78,561
Trade payables	(157,168)	(123,153)	(118,788)
Net Operating Working Capital	66,853	55,612	58,451
Post-employment benefits	(13,478)	(14,484)	(13,499)
Provision for risk and charges	(9,979)	(8,915)	(10,251)
Other net payables	(28,135)	(25,253)	(18,897)
Net deferred tax assets	11,186	11,576	12,857
Other net liabilities	(40,405)	(37,076)	(29,791)
Net Invested Capital	151,040	134,464	140,662
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	93,963	81,834	80,609
Profit/Loss for the period	10,530	13,766	3,915
Non-controlling interests	159	200	186
Equity	132,046	123,192	112,103
Bank loans and borrowings and loans from other financial backers	66,183	65,630	57,919
Other financial assets	(17)	(1,048)	(1,044)
Cash and cash equivalents	(47,172)	(53,310)	(28,315)
Net financial indebtedness	18,994	11,272	28,560
Total sources of funding	151,040	134,464	140,662

Net debt at 30 June 2015

	30 June 2015	31 March 2015	31 December 2014	30 September 2014	30 June 2014
<i>Euro 000's</i>					
Financial assets:	47,189	60,297	54,359	29,913	29,359
<i>Current financial assets</i>	17	26	1,048	1,095	1,044
<i>Cash and cash equivalents</i>	47,172	60,271	53,310	28,818	28,315
Short term finance lease payables	(408)	(412)	(301)	(297)	(293)
Short term bank loans and borrowings and loans from other financial backers	(31,640)	(29,402)	(20,511)	(29,673)	(28,816)
Short Term Net Financial Indebtedness	15,141	30,484	33,547	(58)	250
Medium/Long term finance lease payables	(1,672)	(1,769)	(1,659)	(1,736)	(1,812)
Medium/Long bank loans and borrowings	(32,463)	(41,380)	(43,159)	(26,520)	(26,998)
Medium/Long Term Net Financial Indebtedness	(34,135)	(43,149)	(44,818)	(28,256)	(28,810)
Total Net Financial Indebtedness	(18,994)	(12,665)	(11,272)	(28,313)	(28,560)

BIESSE S.p.A. - The Biesse Group operates in the market for machinery and systems for working wood, glass, marble, stone, plastic and metal and is a world leader in technology for this sector. The company designs, manufactures

and distributes machinery, integrated systems and software for the furniture industry, infrastructure (doors and windows) and components for the construction, naval and aerospace industries.

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 Biesse Group markets and distributes its products through a network of subsidiaries and associates located in leading strategic markets. The Group uses over 200 registered patents and its 30 directly controlled subsidiaries to 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 approximately 2,940 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.

Alberto Amurri

IR & Financial Manager Biesse S.p.A.

biessegroup.com section: Investor Relations

Tel: +39 0721439107 +39 335 1219556

alberto.amurri@biesse.com