

The Board of Directors of Biesse S.p.A. approves the consolidated results for the six month period to **30 June 2013**

BIESSE

- Consolidated revenues **slightly lower**
- **Recovery** in profitability (EBITDA and EBIT)
- **Positive** net result despite the impact of financial charges and taxes
- **Significant decrease** in Net debt (-23.2% compared to same period of 2012)

CONSOLIDATED INCOME STATEMENT – 1st HALF 2013

Data in € millions	6 months 2013	6 months 2012	change%
Consolidated Net Revenues	180.2	192.1	-6.2%
EBITDA	11.6	9.4	+23.0%
EBIT	5.1	0.9	+459%
Net result	1.1	-3.3	----
Net Financial Position	-51.3	-66.8	-23.2%

Pesaro, 8 August 2013

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 **1.1.2013 – 30.6.2013**:

- Consolidated revenues € 180.2 million (-6.2% compared with the same period of 2012)
- Value Added € 69.4 million (-2.3% compared with the same period of 2012) representing a margin on revenues of 38.5% (37.0% in the first half 2012)
- EBITDA of € 11.6 million (+23.0% compared with the same period of 2012) representing a margin on revenues of 6.4% (4.9% in the first half 2012)
- EBIT of € 5.1 million (positive for € 0.9 million in the same period of 2012) representing a margin on revenues of 2.9% (0.5% in first half 2012)
- Pre-Tax Profit of € 3.8 million (negative result of € 1.5 million in the same period of 2012) representing a margin on revenues of 2.1%
- Net Profit of € 1.1 million (compared to a loss of € 3.3 million in the same period of 2012) representing a margin on revenues of 0.6%

Financial Position

At **30 June 2013, Group net debt was € 51.3 million**, representing a significant reduction compared to the previous reporting period excluding extraordinary components:

- down € 10.7 million compared to 31 March 2013 (-17.2%)
- down € 4.9 million compared to 31 December 2012 (-8.7%)
- down € 15.5 million compared to 30 June 2012 (-23.2%)

Together with the net debt reduction, the Group achieved notable success in lengthening –as forecast- the average duration of its debt to more than twelve months.

The **Net Operating Working Capital** improved and fell by a total of **€ 8.7 million compared to March 2013 and by €4.5 million compared to December 2012**. Despite an increase in inventories, the other components of operating NWC (*trade payables and receivables*) continued to improve – *although in varying degrees*- from the attention given to the efficient management of financial flows.

In the second half of the 2013 financial year, despite the caution necessitated by international political and economic trends, Biesse – *taking into account normal seasonal trends* - expects a further improvement in cash flow generated from its traditional operations.

Group order inflow – geographical breakdown of revenues

Consolidated order inflow in the first six months of the current year rose by 5% compared to the same period of 2012, which was a significant result given that trade associations such as UCIMU (Italian machine tools trade association) ACIMALL (Italian woodworking machinery trade association) and VDMA (German engineering machinery association) reported negative or broadly neutral trends in the period.

The Group's production backlog at 30 June 2013 was € 80.7 million (€ 88.6 million at 30/6/2012 and € 81.5 million at 31/12/12)

The geographical breakdown of consolidated revenues confirms the gradual downsizing in importance of Western Europe (*37.4% compared to 43.2% in June 2012*), which compares with the growing share of Eastern Europe (*18.4% compared to 17.9%*) and of the Asia/Pacific area (*20% compared to 18%*).

There were important positive signals from the North-American market (*13.6% of total revenues compared to 9.4%*) and this was corroborated by the results achieved at the AWFS (*Association of Woodworking & Furnishings Suppliers*) fair held in July in Las Vegas, where, in addition to the good order inflow (*+100% compared to the 2011 edition*), Biesse was given the Visionary Award 2013 for its Air Force System (*cutting edge technology*).

In Western Europe, the domestic market accounted for 12% of revenues, a slight increase compared to the figure at year-end 2012 (*Italy accounted for 10.8% at 31 December 2012*), while a careful evaluation is being made of the possible positive effects deriving from the recently approved incentives (*Article 2 Legislative Decree no. 69*).

At 30 June 2013, the BRIC countries accounted for 20.0% of total consolidated revenues (*18.6% in June 2012 and 19.4% at 31 December 2012*) with Far East Asia and Latin America the leading areas (*in particular China and Brazil*) and it is from these areas, for different reasons, that Biesse expects the greatest contribution to short and medium-term growth.

“The cash generation was extremely positive (over € 4.9 million of cash flow generated compared to € 16.4 million absorbed in the same period of 2012); however, the Income Statement shows considerably room for improvement through a focus on growth”, *commented the Chief Executive Officer, Stefano Porcellini*, “as strong cost containment measures have already been implemented”.

“Moreover, these 6 months have produced a net profit following four consecutive financial years of losses and this is certainly worth emphasising. We shall now,” continued Mr Porcellini, “redouble our efforts to grow our market shares whilst focusing on innovation, marketing and network development – areas in which several organisational steps have already been taken. As regards technology, it is worth highlighting the extraordinary success of the B-Solid software for the Rover work centres and the AirForce system on BSEdge edging machinery, which won the Visionary Award at the AWFS Show in Las Vegas.”

“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, 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”

Income Statement for the six month period ended 30 June 2013

	1H 2013	% on sales	1H 2012	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	180,251	100.0%	192,086	100.0%	(6.2)%
Change in inventories, wip, semi-finished and finished goods	6,908	3.8%	8,595	4.5%	(19.6)%
Other revenues	1,376	0.8%	746	0.4%	84.4%
Value of Production	188,535	104.6%	201,427	104.9%	(6.4)%
Consumption of raw materials, consumables, supplies and goods	(78,955)	(43.8)%	(88,503)	(46.1)%	(10.8)%
Other operating expense	(40,205)	(22.3)%	(41,902)	(21.8)%	(4.0)%
Added Value	69,374	38.5%	71,021	37.0%	(2.3)%
Personnel expense	(57,800)	(32.1)%	(61,612)	(32.1)%	(6.2)%
Gross Operating profit	11,574	6.4%	9,410	4.9%	23.0%
Depreciation and amortisation	(6,501)	(3.6)%	(6,940)	(3.6)%	(6.3)%
Provisions	(138)	(0.1)%	(1,084)	(0.6)%	(87.2)%
Normalised Operating profit	4,935	2.7%	1,386	0.7%	-
Impairment losses and non recurring items	213	0.1%	(465)	(0.2)%	-
Net Operating profit (loss)	5,149	2.9%	921	0.5%	-
Finance income/expense	(1,224)	(0.7)%	(1,705)	(0.9)%	(28.2)%
Net Exchange rate gains (losses)	(141)	(0.1)%	(674)	(0.4)%	(79.1)%
Pre-tax profit/loss	3,784	2.1%	(1,459)	(0.8)%	-
Income taxes	(2,623)	(1.5)%	(1,824)	(0.9)%	43.8%
Profit/Loss for the period	1,162	0.6%	(3,283)	(1.7)%	-

Summary Balance Sheet as at 30 June 2013

	30 June	31 December	30 June
	2013	2012	2012
<i>Euro 000's</i>			
Intangible assets	47,621	47,616	50,170
Property, plant and equipment	59,397	62,102	64,309
Financial assets	912	1,153	1,278
Non current assets	107,930	110,872	115,756
Inventories	97,364	90,321	97,963
Trade receivables	89,978	99,455	111,436
Trade payables	(109,439)	(107,323)	(117,592)
Net Operating Working Capital	77,904	82,452	91,807
Post-employment benefits	(13,285)	(14,329)	(13,893)
Provision for risk and charges	(10,991)	(11,703)	(9,936)
Other net payables	(17,600)	(18,104)	(19,104)
Net deferred tax assets	17,378	17,124	17,225
Other net liabilities	(24,497)	(27,011)	(25,709)
Net Invested Capital	161,336	166,313	181,855
Share capital	27,393	27,393	27,393
Profit/loss for the previous year and other reserves	81,298	89,015	90,294
Profit/Loss for the period	1,157	(6,487)	(3,270)
Non controlling interests	206	206	658
Equity	110,054	110,126	115,075
Bank loans and borrowings and loans and borrowings fro	79,963	73,191	86,438
Other financial assets	(890)	(849)	(712)
Cash and cash equivalents	(27,791)	(16,156)	(18,946)
Net financial indebtedness	51,282	56,187	66,780
Total sources of funding	161,336	166,313	181,855

Net Financial Position as at 30 June 2013

	30 June 2013	31 March 2013	31 December 2012	30 September 2012	30 June 2012
<i>Euro 000's</i>					
Financial assets:	28,681	22,221	17,004	21,350	19,659
<i>Current financial assets</i>	890	849	849	714	712
<i>Cash and cash equivalents</i>	27,791	21,372	16,156	20,636	18,946
Short term finance lease payables	(277)	(273)	(270)	(266)	(261)
Short term bank loans and borrowings and loans and bo	(50,624)	(79,182)	(67,055)	(87,356)	(78,715)
Short Term Net Financial Indebtedness	(22,220)	(57,235)	(50,321)	(66,272)	(59,317)
Medium/Long term finance lease payables	(2,105)	(2,175)	(2,245)	(2,314)	(2,381)
Medium/Long bank loans and borrowings	(26,958)	(2,586)	(3,621)	(3,380)	(5,082)
Medium/Long Term Net Financial Indebtedness	(29,062)	(4,762)	(5,866)	(5,694)	(7,463)
Total Net Financial Indebtedness	(51,282)	(61,996)	(56,187)	(71,966)	(66,780)

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 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. As at end 2012 Biesse Group has 2,700 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its associates/branch offices in Europe, North 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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