

Biesse: approves the results for the first quarter ended 31 March 2013

- strong recovery in profitability
- return to net profit

(values in € million)	1Q 2013	1Q 2012
• Consolidated revenues	84.4	86.8
• Value Added	34.0	33.9
Percentage of revenues	(40.3%)	(39.0%)
• EBITDA	5.0	2.5
Percentage of revenues	(5.9%)	(2.9%)
• EBIT	1.5	-1.0
Percentage of revenues	(1.8%)	(-1.2%)
• Net Result	0.3	-2.9

Pesaro, 15 May 2013 - The Board of Directors 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 of 2013**.

The results for the Biesse Group in the first quarter of 2013 are as follows:

- Net consolidated revenues of € 84.4 million (-2.8% compared with the same period of 2012)
- Added value of € 34.0 million (+0.3% compared to the same period of 2012) representing a margin on revenues of 40.3% (39.0% in 2012)
- Gross operating margin (EBITDA) of € 5.0 million (+98.4% compared with the same period of 2012), representing a margin on revenues of 5.9% (2.9% in 2012)
- Operating profit (EBIT) of € 1.5 million (compared to a negative figure of € 1.0 million in the same period of 2012), representing a margin on revenues of 1.8%
- Pre-tax profit of € 1.3 million (a pre-tax loss of € 2.4 million in the same period of 2012), representing a margin on revenues of 1.5%
- Net profit of € 0.3 million (compared to a loss of € 2.9 million in the same period of 2012), representing a margin on revenues of 0.3%

At **31 March 2013**, Group net debt was € 62.0 million, an increase of € 5.8 million compared to the figure at 31 December 2012 but practically unchanged on the figure at the end of the first quarter of the previous year.

As a result of the improved profitability and a careful focus on the components of Net Operating Working Capital, the cash absorption in 1Q13 was lower than that in 1Q12 (€ 5.8 million compared to a € 11.5 million) even net of extraordinary items.

Following the board meeting, Mr Stefano Porcellini, the Chief Executive Officer of Biesse, commented "We derive cautious satisfaction from this return to net profit (the last time the Group generated a net profit in the first quarter of the year was 31 March 2008) but are well aware that we are just at the start of a journey to return to pre-crisis growth rates and profitability. We are currently focusing new efforts on increasing revenues and our market share having spent an initial phase focusing on the reduction of our structural costs. Without incisive actions on products, marketing and the distribution network, the effort made on costs – which must continue – would be fruitless. We are still faced with weak demand, especially in Europe, but we should highlight the good results obtained at the Hanover Trade Fair (preliminary agreements for ca. € 10.0 million of potential contracts in the five days of the fair) which leads us to hope that innovation can still generate sales even in a period of stagnation. Good results also came from the launch of the B-Solid software for the Rover workingcentres and from the AirForce system on the BSEdge edging machines."

Geographic breakdown of sales

The international demand remains primarily from Eastern Europe and the Far East, with a noteworthy amount also from Latin America and some Mediterranean rim countries. The Eurozone continues to suffer and remains negatively affected by economic and political worries and uncertainties.

The geographic breakdown of consolidated revenues shows that 12.2% was generated on the domestic market (9.8% in the first quarter 2012). A total of 18.6% of Biesse Group revenues came from the BRIC countries (Brazil-Russia-India-China) compared to 15% in the first quarter of the previous financial year.

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"

FINANCIAL STATEMENTS

Income Statement for the quarter ended 31 March 2013

<i>Euro 000's</i>	1Q		1Q		CHANGE %
	2013	% on sales	2012	% on sales	
Net revenue	84,404	100.0%	86,856	100.0%	(2.8)%
Change in inventories, wip, semi-finished and finished goods	3,315	3.9%	9,994	11.5%	(66.8)%
Other revenues	746	0.9%	277	0.3%	-
Value of Production	88,465	104.8%	97,127	111.8%	(8.9)%
Consumption of raw materials, consumables, supplies and goods	(35,484)	(42.0)%	(44,300)	(51.0)%	(19.9)%
Other operating expense	(18,976)	(22.5)%	(18,931)	(21.8)%	0.2%
Added Value	34,006	40.3%	33,896	39.0%	0.3%
Personnel expense	(29,011)	(34.4)%	(31,378)	(36.1)%	(7.5)%
Gross Operating profit	4,995	5.9%	2,518	2.9%	98.4%
Depreciation and amortisation	(3,361)	(4.0)%	(3,277)	(3.8)%	2.6%
Provisions	(125)	(0.1)%	(279)	(0.3)%	(55.2)%
Net Operating profit (loss)	1,509	1.8%	(1,038)	(1.2)%	-
Finance income/expense	(784)	(0.9)%	(884)	(1.0)%	(11.3)%
Net Exchange rate gains (losses)	547	0.6%	(496)	(0.6)%	-
Pre-tax profit/loss	1,271	1.5%	(2,418)	(2.8)%	-
Income taxes	(998)	(1.2)%	(559)	(0.6)%	78.5%
Profit /Loss for the period	273	0.3%	(2,977)	(3.4)%	-

Summary Statement of Financial Position

	31 March	31 December	31 March
Euro 000's	2013	2012	2012
Intangible assets	47,589	47,616	48,694
Property, plant and equipment	61,368	62,102	63,079
Financial assets	929	1,153	2,615
Non current assets	109,886	110,872	114,388
Inventories	96,094	90,321	96,194
Trade receivables	91,940	99,455	109,260
Trade payables	(101,416)	(107,323)	(115,981)
Net Operating Working Capital	86,618	82,452	89,473
Post-employment benefits	(13,700)	(14,329)	(12,359)
Provision for risk and charges	(10,557)	(11,703)	(9,718)
Other net payables	(16,500)	(18,104)	(20,293)
Net deferred tax assets	17,397	17,124	16,349
Other net liabilities	(23,360)	(27,012)	(26,021)
Net Invested Capital	173,144	166,313	177,840
Share capital	27,393	27,393	27,393
Profit/loss for the previous year and other reserves	83,271	89,015	90,872
Profit /Loss for the year	281	(6,487)	(2,960)
Non controlling interests	203	206	669
Equity	111,148	110,126	115,975
Bank loans and borrowings and loans and borrowings from other financial backers	84,217	73,191	83,901
Other financial assets	(849)	(849)	(700)
Cash and cash equivalents	(21,371)	(16,156)	(21,335)
Net financial indebtedness	61,996	56,187	61,866
Total sources of funding	173,144	166,313	177,840

Net financial position at 31 March 2013

	31 March 2013	31 December 2012	30 September 2012	30 June 2012	31 March 2012
Euro 000's					
Financial assets:	22,221	17,004	21,350	19,659	22,035
<i>Current financial assets</i>	849	849	714	712	700
<i>Cash and cash equivalents</i>	21,372	16,156	20,636	18,946	21,335
Short term finance lease payables	(273)	(270)	(266)	(261)	(444)
Short term bank loans and borrowings and loans and borrowings from other financial backers	(79,182)	(67,055)	(87,356)	(78,715)	(68,969)
Short Term Net Financial Indebtedness	(57,235)	(50,321)	(66,272)	(59,317)	(47,378)
Medium/Long term finance lease payables	(2,175)	(2,245)	(2,314)	(2,381)	(2,447)
Medium/Long bank loans and borrowings	(2,586)	(3,621)	(3,380)	(5,082)	(12,040)
Medium/Long Term Net Financial Indebtedness	(4,762)	(5,866)	(5,694)	(7,463)	(14,487)
Total Net Financial Indebtedness	(61,996)	(56,187)	(71,966)	(66,780)	(61,866)



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. The Biesse Group has almost 2,800 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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