

PRESS RELEASE

14 May 2012



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Biesse: approves the results for the quarter ended 31 March 2012

- Growth in consolidated revenues
- Strong recovery in profitability

(€ million)	1 st quarter 2012	1 st quarter 2011
• Consolidated revenues	86.8 (+15.3%)	75.3
• Value Added	33.9	29.8
Percentage of revenues	(39.0%)	(39.5%)
• EBITDA	2.5	0.3
Percentage of revenues	(2.9%)	(0.5%)
• EBIT	-1.0	-2.9
Percentage of revenues	(-1.2%)	(-3.9%)

Pesaro, Monday 14 May 2012 - 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 of 2012**.

The results for the Biesse Group in the period **1/1/12 – 31/3/12** are as follows:

- Net consolidated revenues € 86.8 million (+15.3% compared with the same period of 2011)
- Value Added € 33.9 million (+13.9% compared with the same period of 2011) representing a margin on revenues of 39.0% (39.5% in 2011)
- Gross operating margin (EBITDA) € 2.5 million (positive € 0.3 million in the same period of 2011) representing a margin on revenues of 2.9% (0.5% in 2011)
- Operating profit/loss (EBIT) shows a negative result of € 1.0 million (negative result of € 2.9 million in the same period of 2011) representing a margin on revenues of -1.2%
- Pre-tax loss € 2.4 million (loss of € 4.2 million in the same period of 2011)
- Net Result negative for € 3.0 million (negative € 42 million in the same period of 2011)
- Net Debt € 61.9 million (€ 50.4 million at end-December '11 and € 37.2 million at end- March '11)



The results for the first quarter of 2012 confirmed the same growth trend of the past consecutive nine months; they also confirmed the usual seasonality of the business model (the first quarter is always the “weakest” quarter of the year) which this year were also negatively impacted by unusual factors such as industrial action by transport trade unions, and severe adverse weather conditions (delayed deliveries from suppliers) which reduced the efficiency of the industrial system with repercussions for Group profitability.

In addition, the start-up of the new ERP management system had a temporary structural impact on the smooth operation of certain processes (e.g. the management of spare and replacement parts, a high margin activity), thereby compressing total levels of profitability compared with the results that would be achieved when fully operational.

It should also be noted that there was a continuation of the trend – already evident in the second half of 2011 – of a polarisation of sales towards machines with a lower technological specification (entry level) or plant (engineering) with a high degree of complexity and customisation, with a consequent reduction in the weighting of the mid-range segment which, until recently, represented the greater part of Biesse’s sales.

Group Net Debt at 31 March 2012 was € 61.9 million, representing an increase of € 11.5 million compared with the December 31st 2011.

The cash absorption resulted during the first three months of the current year management of the financial position includes extraordinary factors of € 3.6 million relating to the recent acquisition in China.

As a consequence of maintaining careful control of the components of Net Operating Working Capital, cash absorption in the 1st quarter of 2012 was less than that for the same period of the previous year (€ 11.5 million compared to € 18.3 million).

The localisation of international demand continues to be dominated by Eastern European countries and the Far East, with a material contribution from Latin America and some countries in the Mediterranean basin. The countries of the Eurozone continue to suffer from the negative impact of uncertainty and concern about the economic and political outlook.

The geographical breakdown of consolidated revenues continues to show a further decline in the domestic contribution which contracted to 9.8% compared to 14.7% at end 2011. This was for the first time overtaken by the percentage of sales generated in the B.R.I.C. countries (Brazil-Russia-India-China) which, at 31 March 2012 accounted for 15% of total revenues.

“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, Stefano Porcellini, declares that the company accounting information contained in the present communication corresponds to the results contained in the group’s records, books and accounts”



ACCOUNTING STATEMENTS

First quarter 2012 Income Statement

<i>Euro 000's</i>	31 March 2012	% on sales	31 March 2011	% on sales	CHANGE %
Net revenue	86,856	100.0%	75,318	100.0%	15.3%
Change in inventories, wip, semi-finished and finished goods	9,994	11.5%	13,650	18.1%	(26.8)%
Other revenue	277	0.3%	696	0.9%	(60.2)%
Value of Production	97,127	111.8%	89,663	119.0%	8.3%
Consumption of raw materials, consumables, supplies and goods	(44,300)	(51.0)%	(42,143)	(56.0)%	5.1%
Other operating expense	(18,931)	(21.8)%	(17,750)	(23.6)%	6.7%
Added Value	33,896	39.0%	29,770	39.5%	13.9%
Personnel expense	(31,393)	(36.1)%	(29,420)	(39.1)%	6.7%
Gross Operating profit	2,503	2.9%	350	0.5%	-
Depreciation and amortisation	(3,277)	(3.8)%	(2,985)	(4.0)%	9.8%
Provisions	(279)	(0.3)%	(310)	(0.4)%	(10.0)%
Net Operating profit (loss)	(1,053)	(1.2)%	(2,946)	(3.9)%	(64.3)%
Finance income/expense	(884)	(1.0)%	(558)	(0.7)%	58.4%
Exchange rate gains (losses)	(496)	(0.6)%	(701)	(0.9)%	(29.2)%
Pre-tax loss	(2,433)	(2.8)%	(4,206)	(5.6)%	(42.2)%
Income taxes	(555)	(0.6)%	39	0.1%	-
Loss for the period	(2,988)	(3.4)%	(4,167)	(5.5)%	(28.3)%



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Balance sheet figures

<i>Euro 000's</i>	31 March 2012	31 December 2011	31 March 2011
Intangible assets	48,694	48,027	44,784
Property, plant and equipment	63,079	63,652	54,163
Financial assets	2,615	1,140	747
Non current assets	114,388	112,819	99,694
Inventories	96,194	88,459	96,949
Trade receivables	109,260	112,207	81,747
Trade payables	(115,981)	(113,124)	(108,205)
Net Operating Working Capital	89,473	87,542	70,491
Post-employment benefits	(10,357)	(10,544)	(10,923)
Provision for risk and charges	(9,718)	(9,438)	(8,113)
Other net receivables/payables	(20,293)	(24,778)	(12,354)
Net deferred tax assets/liabilities	15,799	15,437	16,863
Other net assets/liabilities	(24,569)	(29,323)	(14,527)
Net Invested Capital	179,292	171,038	155,658
Share capital	27,393	27,393	27,393
Profit/loss for the previous period and other	92,334	95,028	94,605
Loss for the period	(2,970)	(2,438)	(3,962)
Non controlling interests	670	680	372
Equity	117,426	120,663	118,408
Due to bank and other financial institutions	83,901	73,629	62,116
Other financial assets	(700)	(650)	0
Cash and cash equivalents	(21,335)	(22,604)	(24,866)
Net financial indebtedness	61,866	50,375	37,250
Total sources of funding	179,292	171,038	155,658



Net financial position at March 31th, 2012

	31 March 2012	31 December 2011	30 September 2011	30 June 2011	31 March 2011
<i>Euro 000's</i>					
Financial assets:	22,035	23,254	26,580	29,523	24,866
<i>Current financial assets</i>	700	650	2,794	453	0
<i>Cash and cash equivalents</i>	21,335	22,604	23,786	29,069	24,866
ST finance lease liabilities	(444)	(464)	(1,438)	(1,452)	(2,215)
Bank and other ST financial debt	(68,969)	(45,400)	(49,510)	(56,366)	(47,943)
Short Term Net Financial Indebtedness	(47,378)	(22,610)	(24,368)	(28,295)	(25,292)
M/L term finance lease liabilities	(2,447)	(2,519)	(2,565)	(2,660)	(2,973)
M/L term bank debt	(12,040)	(25,245)	(21,852)	(4,426)	(8,984)
M/L Term Net Financial Indebtedness	(14,487)	(27,765)	(24,417)	(7,086)	(11,957)
Total Net Financial Indebtedness	(61,866)	(50,375)	(48,785)	(35,381)	(37,250)

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 more than 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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