

PRESS RELEASE

12 November 2010



BIESSE

Biesse: approved the Quarterly Report to 30 September 2010

- **IIIQ 2010: significant improvement in revenues and margins**
- **2010 year to date: positive cash flow and solid financial-capital structure**

<i>(values in € mil.)</i>	IIIQ '10	9 months '10
• Consolidated revenues	69.4 (+31.5%)	225.3 (+25.6%)
• Value added <i>As a percentage of revenues</i>	26.9 (38.8%)	86.4 (38.3%)
• EBITDA <i>As a percentage of revenues</i>	2.7 (3.8%)	7.6 (3.4%)
• EBIT	-1.0	-2.7
• Net debt	22.7 (net positive cash flow of € 10 million in 2010)	

Pesaro, 12 November 2010 - The Board of Directors of Biesse S.p.A. - the company listed in the STAR segment of the Italian Stock Exchange – today approved the Results for the 3rd Quarter 2010 and examined the results for the nine month period ended 30 September.

At the same meeting, taking into consideration the resignation of the CEO, Mr. Giovanni Barra, the Board granted the Chairman Biesse Roberto Selci the mandate and powers previously assigned to the said Mr. Giovanni Barra.

The Biesse Board of Directors, due to the short notice, was unable to decide on the replacement of the outgoing Director as it is currently in the process of evaluating the opportunities of selecting the new director. The Board of Directors reserves the right to make this decision at the next meeting.

With regard to the economic and financial results for the period 1/7/10 – 30/9/10, the Biesse Group reported:

- Net Consolidated Revenues of € 69.4 million (+31.5% compared with the same period of 2009)
- Value added of € 26.9 million (+75.3% compared with the same period of 2009) representing a margin on revenues of 38.8% (29.1% in 2009)
- Gross operating margin (EBITDA) € 2.7 million (negative result of € 3.4 million in the same period of 2009) representing a margin on revenues of 3.8%
- Operating result (EBIT) € -1.0 million (negative result of € 7.5 million in the same period of 2009)
- Pre-Tax Result of € - 2.3 million (negative result of € 8.8 million in the same period of 2009)
- Net Result € -2.5 million (negative result of € 72 million in the same period of 2009)



Consequently the results for the nine months ended *30 September 2010* were:

- Net Consolidated Revenues of € 225.3 million (+25.6% compared with the same period of 2009)
- Value added of € 86.4 million (+52.7% compared with the same period of 2009) representing a margin on revenues of 38.3% (31.5% in 2009)
- Gross operating margin (EBITDA) € 7.6 million (negative result of € 11.8 million in the same period of 2009) representing a margin on revenues of 3.4%
- Operating result (EBIT) € -2.7 million (negative result of € 25.2 million in the same period of 2009)
- Pre-tax result of € -4.2 million (negative result of € 27.8 million in the same period of 2009)
- Net Result € -6.2 million (negative result of € 221 million in the same period of 2009)

Biesse's net debt at *30 September 2010* was € 22.7 million, representing an improvement of € 29.7 million compared with the same period of 2009.

Net cash flow in the period of 2010 under review was positive at € 10.0 million deriving entirely from the ordinary activities positively impacted by a better management of the various components of operating net working capital.

The ratio of debt to shareholders' funds (gearing) improved very significantly from 0.40 at end-September 2009 to 0.19 at present (0.26 at end-December 2009).

At *30 September 2010* the year to date value of orders received by the Group rose by 40.1% compared with the figure for the same period of the previous year with a consequent and proportional increase in the production backlog. The increase in order intake was lower than the figure reported for the first half of the year, due both to the typical seasonality of the business and to the year to date comparison with a period (3rd Quarter 2009) which was already positively affected by the recovery in demand.

"In these nine months we have gradually consolidated unquestionably positive results, – stated Roberto Selci, Chairman of Biesse, following the meeting of the Board of Directors - "solid figures that, while still far from satisfactory to us, confirm that Biesse is capable of capitalising fully on the demand coming from our principal business sectors. We are particularly proud of our cash generation so far and above all of the measures taken to ensure that we continue to do so in the future. The trend of order intake continues to fluctuate and remains volatile despite the improvement in the international macro-economic environment; we will apply the necessary solutions and adopt any effective operating instrument to stimulate demand in the markets in which we operate. I am working, together with Group management, to determine a new Three-year Industrial Plan for the period 2011-2013 which will be, after the recent changes in top management, strongly characterised by significant projects to broaden the distribution network and by substantial investment in research and development, even though this may partially affect our results in the very short term."



ACCOUNTING STATEMENTS

Third quarter 2010 Income Statement

	III Quarter 2010	% on sales	III Quarter 2009	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	69,445	100.0%	52,801	100.0%	31.5%
Change in inventories, wip, semi-finished and finished goods	1,473	2.1%	(2,812)	(5.3)%	--
Other revenues	1,565	2.3%	867	1.6%	80.5%
Value of Production	72,482	104.4%	50,857	96.3%	42.5%
Consumption of materials, accessory products and goods	(29,525)	(42.5)%	(23,307)	(44.1)%	26.7%
Other operating expenses	(16,008)	(23.1)%	(12,180)	(23.1)%	31.4%
Value Added normalized	26,949	38.8%	15,369	29.1%	75.3%
Staff costs	(24,285)	(35.0)%	(18,203)	(34.5)%	33.4%
Gross Operating Income normalized	2,664	3.8%	(2,833)	(5.4)%	--
Non recurring expenses	(0)	(0.0)%	(542)	(1.0)%	(100.0)%
Gross Operating Income	2,664	3.8%	(3,375)	(6.4)%	--
Depreciation and amortisation	(3,292)	(4.7)%	(3,372)	(6.4)%	(2.4)%
Provisions	(340)	(0.5)%	(787)	(1.5)%	(56.8)%
Net Operating Income	(970)	(1.4)%	(7,534)	(14.3)%	(87.1)%
Finance income/expense	(699)	(1.0)%	(606)	(1.1)%	15.3%
Gains (Losses) on exchange rate differences	(626)	(0.9)%	(656)	(1.2)%	(4.6)%
Profit (Loss) before tax	(2,295)	(3.3)%	(8,796)	(16.7)%	(73.9)%
Taxes	(194)	(0.3)%	1,593	3.0%	(112.2)%
Profit (Loss) of the period	(2,490)	(3.6)%	(7,203)	(13.6)%	(65.4)%



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30 September 2010 Income Statement

	30 September 2010	% on sales	30 September 2009	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	225,325	100.0%	179,411	100.0%	25.6%
Change in inventories, wip, semi-finished and finished goods	4,526	2.0%	(10,144)	(5.7)%	--
Other revenues	2,552	1.1%	2,710	1.5%	(5.8)%
Value of Production	232,404	103.1%	171,977	95.9%	35.1%
Consumption of materials, accessory products and goods	(96,291)	(42.7)%	(73,010)	(40.7)%	31.9%
Other operating expenses	(49,743)	(22.1)%	(42,409)	(23.6)%	17.3%
Value Added normalized	86,369	38.3%	56,558	31.5%	52.7%
Staff costs	(78,752)	(35.0)%	(67,255)	(37.5)%	17.1%
Gross Operating Income normalized	7,617	3.4%	(10,696)	(6.0)%	--
Non recurring expenses	(0)	(0.0)%	(1,132)	(0.6)%	(100.0)%
Gross Operating Income	7,617	3.4%	(11,828)	(6.6)%	--
Depreciation and amortisation	(9,052)	(4.0)%	(9,928)	(5.5)%	(8.8)%
Provisions	(1,282)	(0.6)%	(3,467)	(1.9)%	(63.0)%
Net Operating Income	(2,719)	(1.2)%	(25,254)	(14.1)%	(89.2)%
Finance income/expense	(1,504)	(0.7)%	(2,067)	(1.2)%	(27.2)%
Gains (Losses) on exchange rate differences	43	0.0%	(479)	(0.3)%	--
Profit (Loss) before tax	(4,180)	(1.9)%	(27,801)	(15.5)%	(85.0)%
Taxes	(2,049)	(0.9)%	5,741	3.2%	--
Profit (Loss) of the period	(6,229)	(2.8)%	(22,059)	(12.3)%	(71.8)%

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Balance sheet figures

	30 September 2010	30 June 2010	31 March 2010	31 December 2009	30 September 2009
<i>Euro 000's</i>					
Intangible fixed assets	43,083	43,156	41,737	41,073	41,057
Tangible fixed assets	56,220	58,022	57,243	57,431	58,369
Non current assets	19,485	20,329	20,876	18,849	16,266
NON CURRENT ASSETS	118,787	121,506	119,857	117,353	115,692
Inventories	76,535	70,921	69,856	63,242	81,462
Trade receivables	77,709	89,243	73,443	77,307	66,224
Other receivables	10,860	8,105	10,397	10,648	9,394
Cash and equivalents	24,786	29,799	31,517	31,148	20,547
CURRENT ASSETS	189,890	198,068	185,214	182,345	177,627
TOTAL ASSETS	308,678	319,574	305,070	299,698	293,319
Net Equity of the Group	121,623	125,414	123,475	126,334	130,883
Minority interests	296	372	405	517	400
NET EQUITY	121,919	125,786	123,880	126,850	131,283
Bank debt and M/L term finance leases	11,503	12,236	15,211	18,575	46,616
Retirement benefit liabilities	11,518	11,252	11,624	11,857	12,033
Other payables and M/L term liabilities	3,262	3,603	3,527	3,334	3,431
NON CURRENT LIABILITIES	26,283	27,090	30,363	33,765	62,080
Trade payables	92,177	95,817	73,149	60,977	47,989
Other short term payables	32,315	32,925	30,704	32,828	25,646
Bank debt and short term finance leases	35,984	37,955	46,975	45,278	26,321
CURRENT LIABILITIES	160,475	166,697	150,828	139,083	99,956
TOTAL LIABILITIES AND NET EQUITY	308,678	319,574	305,070	299,698	293,319



Net financial position at September 30th, 2010

	30 September	30 June	31 March	31 December	30 September
	2010	2010	2010	2009	2009
<i>Euro 000's</i>					
Financial assets:	24,786	29,799	31,517	31,148	20,547
<i>Liquidity</i>	24,786	29,799	31,517	31,148	20,547
ST finance lease liabilities	(2,188)	(2,185)	(2,219)	(2,290)	(2,328)
Bank and other ST financial debt	(33,796)	(35,770)	(44,756)	(42,988)	(23,993)
Net Short Term Financial Position	(11,198)	(8,156)	(15,458)	(14,130)	(5,774)
M/L term finance lease liabilities	(4,040)	(4,120)	(5,133)	(5,225)	(6,210)
M/L term bank debt	(7,463)	(8,116)	(10,079)	(13,349)	(40,406)
Net M/L Term Financial Position	(11,503)	(12,236)	(15,211)	(18,575)	(46,616)
Total Net Financial Position	(22,700)	(20,392)	(30,669)	(32,704)	(52,390)

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 the Biesse Group, 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.

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 20 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 over 2,300 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore and its associates/branch offices in Europe, North America, the Middle East, Asia and Australasia. The Group also has no fewer than 300 resellers and agents enabling it to cover more than 100 countries.

Alberto Amurri

I.R. & Group Financial Manager

www.biessegroup.comcontacts: www.biesse.com

tel. +39 0721 439107

+39 335 1219556

alberto.amurri@biesse.it**BIESSE**