

PRESS RELEASE

7 August 2009



BIESSE

*The Board of Directors approves the Consolidated Half-Year results to 30 June 2009
and updates the
three-year 2009-2011 Business Plan*

**BIESSE GROUP: FIRST-HALF 2009 CLOSES WITH
CONSOLIDATED REVENUES OF €126.6 MILLION (-46.8%)**

CONSOLIDATED INCOME STATEMENT – FIRST-HALF 2009

<i>Euro million</i>	30.06.09	30.06.08
NET REVENUES	€ 126.6	€ 237.9
EBITDA	€ -8.4	€ 34.9
EBIT	€ -17.7	€ 27.2
NET PROFIT/LOSS	€ -14.8	€ 17.8

The Group, listed on the STAR segment of Borsa Italiana ends the first-half 2009 with:

- Consolidated revenues of €126.6 million, down 46.8% year-on-year;
- Value Added of €41.2 million (-56.1% year-on-year), a margin on sales of 32.5%;
- A negative Gross operating result of €8.4 million (positive for €34.9 million in first-half 2008);
- A negative net operating result of €17.7 million (positive for €27.2 million in first-half 2008);
- Consolidated net loss of €14.8 million (net profit of €17.8 milioni in first-half 2008);
- Gruppo Biesse had net debt of €56.5 million at 30 June 2009 (€8.8 million at 30 June 2008)

Pesaro, 7 August 2009 – The Board of Directors of Biesse S.p.A., a company registered in Pesaro and active in the sector of wood, glass and stone-working machinery, following a review of the events of the first-half 2009, approved the Consolidated Financial Statements to 30 June 2009.

The Consolidated Financial Statements for the first-half 2009 show the following results:

- Consolidated revenues of €126.6 million, down 46.8% year-on-year;
- Value Added of €41.2 million (-56.1% year-on-year), a margin on sales of 32.5%;
- A negative Gross operating result of €8.4 million (positive for €34.9 million in first-half 2008);
- A negative net operating result of €17.7 million (positive for €27.2 million in first-half 2008);
- Pre-tax loss of €19.0 million (pre-tax profit of €26.5 million in first-half 2008);
- Consolidated net loss of €14.8 million (net profit of €17.8 million in first-half 2008).

Net debt

At 30 June 2009, Gruppo Biesse had net debt of €56.5 million, an increase compared to the figures for 31 March 2009 and 31 December 2008 of €6.0 million and €29.8 million respectively. With no material extraordinary items, the cash absorption in the first six months of 2009 reflects the trend in net working capital, although from the start of the second quarter there was a significant change in this trend, particularly in the item "inventories". In terms of the quality of the debt, Biesse S.p.A. successfully finalised the consolidation and requalification process for its credit lines with new unsecured financing for a total of €60 million with no contractual obligations and/or financial covenants attached.



Business

The breakdown of sales was once again dominated by the Wood Division which remains the leading division of the Biesse Group accounting for 70.9% of revenues. In percentage terms the Wood Division sales contribution appeared to fall compared with the same period of 2008 while the share attributable to the Glass/Stone Division is increasing up to 21.4%. Net of intercompany eliminations, the Mechatronic Division represented 7.6% of revenues with an increased proportion of its share of sales attributable to third parties.

The geographical breakdown shows growth in net sales to Western Europe (61.4%) within which the domestic market showed a stable contribution at about 21% of total sales. A decline was expected in North American sales (9.4% compared with 11.4% in the first half of 2008) which was also affected by the strength of the Euro against the Dollar. The proportion of sales to Eastern Europe also declined (10.8%) and was impacted by a significant decline in countries linked to the Russian economy. However, a positive result was achieved in several areas (Asia, Middle East and Latin America) characterised by expansionary economic and financial policies. Finally, the contribution from Australia and New Zealand was substantially stable representing a total of 4.8% of Consolidated Revenues.

Sector Analysis

According to data published by Acimall – the national trade association for the woodworking machinery sector- the difficulties experienced by the sector during this phase were unfortunately fully confirmed by the economic data relating to the second quarter of 2009.

In the period April-June 2009, according to Acimall, there was a decline of 53.8% in orders compared with the same quarter of 2008; this figure reflects the reduction in orders from abroad, equal to -58.5%, and domestic demand which fell by 35.6%.

Prices, in the period under review, fell slightly (-0.1%), while those interviewed reported that at the 30 June 2009 the period of production guaranteed by the order backlog was 1.2 months.

Order intake in the second quarter of 2009 as reported by UCIMU, the association of Italian producers of machine tools, robots and automated equipment, revealed a decline of 63.1% compared with the same period of 2008. The absolute value of the reference index was 47.9 (base 2005=100); indicating that it would be necessary to go back 26 years to find a result that is worse than the current figure.

The monthly orders/sales report of the German association VDMA on the sub-segment "Holzbearbeitungs-maschinen" (wood processing machinery), in the second quarter of 2009, revealed a dramatic -63% in cumulative orders received (but, -41% just for the month of June 2009, the "best" month of the year) and a fall of -58% in aggregate revenues (-57% in the month of June 2009), with the pre-existing support of the order backlog now exhausted.

Buy Back

As reported on 22 July, the buy-back programme approved by Biesse S.p.A in January 2008 has now expired having had a total duration of 18 months.

At the end of the period the company held no. 486,359 shares (1.78% of the share capital) which were included in the balance sheet at an average carrying price of € 9.6139.

Events occurring after 30 June 2009

The Board of Directors of Biesse, analysing the relevant macro-economic situation and its possible impact on its business trend, decided to review the principal guidelines contained in the Three Year Industrial Plan and their impact on the economic and financial forecasts for the period 2009-2011 in accordance with the guidance for the period communicated during the event organised by Banca Akros in Milan on the 15 July 2009.

On the basis of the information available and despite the high degree of uncertainty and volatility pertaining to all the reference markets, the Biesse Group has made the following amendments to its Industrial Plan originally approved on 16 March 2009:

Net consolidated revenues: CAGR 2009-2011 -10% (2011 net revenues of : € 325-330 million)

ebitda: CAGR 2009-2011 -20% (EBITDA margin 2011: 8.5-9.0%)

ebit: CAGR 2009-2011 -24% (EBIT margin 2011: 4.5-5.0%)

Gross cashflow for the three years 2009-2011: positive for > € 20 million

Net Financial Position 2009: negative for € 50-55 million (N.F.P. 2011: negative for € 40-45 milioni di Euro)

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



"Beyond the approval of the results relating to the first six months of 2009, which are substantially in line with the sentiment evident in our global reference markets", stated **Roberto Selci, Chairman of Biesse S.p.A** "the Board of Directors has today approved new guidance for the three year period 2009-2011 which is consistent with the gradual developments in the macro-economic trend. While during the period just ended we have witnessed the first positive effects of our policy of structural cost containment, we are conscious of the need to increase our efforts in this direction while simultaneously taking dramatic steps above all with regard to cash generating activities and the capital structure. The fall in orders intake that has characterised the last 8-9 months has been so severe that it has forced us to amend significantly our expectations for the immediate future even in the light of some modest signs of a recovery in demand. In particular we noted a revitalization of the sale activities in almost all the geographical areas where we insist – with the only exception of the U.S.A. market- able to let us see a rebuilding mood of confidence in our sectors. The global economic recovery, which is expected to occur between the first and second semesters of 2010, though certainly assisted by policies or fiscal stimuli introduced in support of capital investment (e.g. Tremonti-ter), cannot do without more constant and extensive financial support from credit institutions. We have never disguised the importance of placing particular emphasis on this problem since the alleviation of tension in the issue of credit to our clients is, and will be, a determining strategic factor in overcoming this critical period."

The Biesse Group

Biesse 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 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 associates guarantee specialized post-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, Novafeltria, Alzate Brianza, Bergamo and Bangalore and the 30 associates / branch offices in Europe, North America, Asia and Australasia. The Group also has no less than 300 resellers and agents which enable it to cover more than 100 countries.

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