

BIESSE:

RESULTS FOR THE 3RD QUARTER 2006 APPROVED

PROPOSED DISTRIBUTION OF SPECIAL DIVIDEND

NOMINATION OF NEW BOARD MEMBERS

CONVENTION OF SHAREHOLDERS' MEETING FOR 14TH DEC. 2006

SUMMARY:

The Biesse S.p.A. Board of Directors has approved the Report for the 3rd Quarter 2006, characterised by:

- Net revenue € 87.6 million (+13.5% compared to 2005)
- Operating results: € 13.1 million (+99.3% compared to September 2005)
- Net profit: € 7.4 million (+88.1% compared to September 2005)
- Net Financial Position: negative by € 6.8 million

Progressive situation for 2006:

- Net Revenue: € 264.4 million (+16.5% compared to 30/9/05)
- Added Value: € 108.4 million (41% of net revenue)
- EBITDA: € 43.6 million (16.5% of net revenue)
- EBIT: € 32.8 million (12.4% of net revenue)
- Pre-tax profit: € 31.8 million (12.1% of net revenue)
- Net profit: € 20.4 million (7.7% of net revenue)

• Proposed distribution of a special dividend of € 0.18 per share, to be subjected to approval by the forthcoming Meeting of Shareholders, convened for December 14th, 2006, at 10.00 a.m. for the first time of asking, and for the second time of asking on the following day at the same time.

- Nomination of new Members of the Biesse Board of Directors

Pesaro, 13th November 2006 – Today the Board of Directors of Biesse SpA, a company with headquarters in Pesaro listed in the Star segment of the Italian Stock Exchange, approved the results for the 3rd quarter 2006 *inclusive of the effects, although marginal, deriving from consolidation of Bre.Ma S.r.L. for the period since acquisition of that company (1st August 2006).*

The following results were recorded for the 3rd Quarter 2006:

- Net revenue € 87.6 million (+13.5% compared to the same period of 2005)
- Added Value € 36.7 million (+29.0% compared to the same period of 2005, when the ratio to net revenue was 36.9%), with a 41.9% ratio to net revenue
- EBITDA € 16.0 million (+63.0% compared to the same period of 2005, when the ratio to net revenue was 12.7%), with a 18.3% ratio to net revenue
- EBIT € 13.1 million (+99.3% compared to the same period of 2005, when the ratio to net revenue was 8.5%), with an 14.9% ratio to net revenue
- Pre tax profit € 12.3 million (+110.1% compared to the same period of 2005, when the ratio to net revenue was 7.6%), with a 14.1% ratio to net revenue
- Net profit € 7.4 million (+88.1% compared to the same period of 2005, when the ratio to net revenue was 5.1%), with a 8.5% ratio to net revenue





Press release

During the period **January – September 2006** the following were recorded:

- Net revenue € 264.4 million (+16.5% compared to the same period of 2005)
- Added Value € 108.4 million (+24.5% compared to the same period of 2005, when the ratio to net revenue was 38.4%), with a 41% ratio to net revenue
- EBITDA € 43.6 million (+69.1% compared to the same period of 2005, when the ratio to net revenue was 11.4%), with a 16.5% ratio to net revenue
- EBIT € 32.8 million (+111.3% compared to the same period of 2005, when the ratio to net revenue was 6.9%), with an 12.4% ratio to net revenue
- Pre tax profit € 31.8 million (+141.7% compared to the same period of 2005, when the ratio to net revenue was 5.8%), with a 12.1% ratio to net revenue
- Net profit € 20.4 million (+141.5% compared to the same period of 2005, when the ratio to net revenue was 3.7%), with a 7.7% ratio to net revenue

The Wood Division remains by far the most significant business sector for the Biesse Group, with 73.4% of overall revenue, while the geographical breakdown of sales confirms a particularly significant growth in North America (+45% compared to September 2005) and in Western Europe (+20.3% compared to September 2005). The contribution provided by Italy is also positive, and represents on its own 22% of the overall revenue.

The Net Financial Position at September 30, 2005 was negative by € 6.8 million, worsening with respect to June 2006 due to the impact of the debt deriving from consolidation of Bre.Ma S.r.L. (€ 1.3 million) and payment of the first instalment of the price for purchase of 60% of the Brianza company in question (€ 3.85 million) and due to a normal and seasonal cash absorption in connection with the company inventories. Net of the events described above, the Group's net indebtedness is therefore more or less unchanged with respect to the previous Quarter, while compared to the same period of 2005 there is an improvement of € 35.5million.

30 September 2006	€ -6.80 million
30 June 2006	€ -1.80 million
31 March 2006	€ -15.1 million
31 December 2005	€ -23.9 million
30 September 2005	€ -42.3 million

The Board of Directors has furthermore decided to propose for approval by the forthcoming Meeting of Shareholders, convened for December 14th, 2006, at 10.00 a.m. for the first time of asking, and for the second time of asking on the following day at the same time and in the same place, distribution of a special dividend of € 0.18 per share that, if approved by the Meeting, will be paid out on 21st December 2006 with issue of dividend coupon No. 6 on 18th December 2006.

Distribution of the special dividend has been made possible by the consistent equity and financial situation of Biesse S.p.A. and the Group which, at consolidated level, had as at 30th September liquid assets amounting to € 23.6 million and an overall financial indebtedness of € 30.1 million, against a net Group shareholders' equity of € 127.9 million.

The prospect of constant generation of cash make a partial balancing of the financial structure advisable, in order to reduce the average weighted cost of capital.

The economic results achieved so far, and above all those foreseen for the immediate future, also make it possible to remunerate Biesse shareholders by distribution of special profits (ordinary dividend of € 0.18 paid on May 2006 last).

Payment of the dividend involves an outlay of Euro 4,930,747.56, to be taken from the Parent Company's special reserve fund, which contains resources available to cover this financial outlay.



Press release



Having duly noted the resignation tendered recently by Ing. Innocenzo Cipolletta from his positions in Biesse, the Board of Directors has co-opted Dr. Stefano Porcellini as new member of the Board of Directors, even accepting the proposal made by the majority shareholder Bi.Fin s.r.l.. The Board of Directors has given Dr. Stefano Porcellini specific tasks and powers, while maintaining his current position of Group C.F.O.



Furthermore, the Board of Directors, subject to an increase (from 6 to 7 members) of the total number of members of the Board of Directors itself, voted to propose Avv. Salvatore Giordano as a new Independent Member of the Board of Directors bringing back to nr 3 independent members of the Board.

The Chairman of the BoD and the Chairman of the Board of Auditors have carried out the necessary controls to ascertain fulfilment of the requirements necessary to qualify as independent on the part of Avv. Salvatore Giordano, who has presented a declaration according to point 3 of the Self-regulatory Code adopted by the Committee for Corporate Governance and to ex. Art. 2.2.3 paragraph 3 letter k) of the regulations for markets organised and managed by Borsa Italiana S.p.A..



Avv. Giordano has been General Manager of Confindustria Pesaro-Urbino and Councillor for Assindustria Consulting since January 1991.

Because of his professional training and the working experience he has matured, Avv. Giordano undoubtedly possesses all the characteristics necessary to give a valuable contribution within the BoD of Biesse S.p.A., also in his role as an Independent Member whose attention is particularly directed to the needs of Company Governance.

Consequently, Avv. Salvatore Giordano will enter into the Internal Auditing and Remuneration Committee.

Nomination of Avv. Salvatore Giordano and Dr. Stefano Porcellini as new members of the Board of Directors, with specific approval by the Biesse Board of Auditors, will be on the agenda at the forthcoming Meeting of Shareholders on 14th December 2006.

"We are passing through a period of strong growth, expressed in an obvious manner by the results achieved as at 30th September 2006." is the comment made by the Chairman of Biesse, Roberto Selci, following the meeting of the B.o.D., "The features and elements making up this period of expansion are such that I think Biesse will continue to benefit from it in full during the immediate future. Although we are without doubt counting on the positive trend of our main reference markets, we are likewise hopeful that the choices we have made, including those made most recently, will guarantee us a competitive advantage that will translate into an increase in Biesse market share in all business areas. The prospects are therefore encouraging, and in favour of our reaching the end of this financial year at levels that have never before been achieved by the Biesse Group, and I believe that the special dividend proposed by today's meeting of the B.o.D. for approval by the forthcoming Meeting of Shareholders can be seen as the just reward for the shareholders who have put their faith in us, and given us our capacity."



Press release



The Biesse Group operates in the market of machinery and systems involved in processing wood, glass and marble.

The Company offers modular solutions that range from the design of turnkey systems for large furniture manufacturers to individual automatic machines and workstations for small- and medium-sized companies, to the design and sale of individual high-tech components.

Thanks to its orientation towards innovation and research, Biesse is able to develop products and modular solutions that can meet the varied needs of a broad customer base.

As a multinational, the Biesse Group markets its products through a network of subsidiaries and 18 branch offices located in strategic markets.

The branch offices ensure specialised after-sales service to the customers, while also carrying out market research aimed at developing new products. The Biesse Group has a staff of approximately 2,100 people distributed over its seven manufacturing sites located in Pesaro, Alzate Brianza, Bergamo, Turin, Lugo (RA) and its branch offices in Europe, North America, Asia and Oceania.

For further information

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