

BIESSE: DRAFT BALANCE SHEET FOR 2004 APPROVED

-The Board of Directors of Biesse S.p.A. has approved the draft balance sheets for the year 2004:

- Net Revenue: €312.5 million
- EBITDA: €25.8 million (8.2% of net revenue)
- EBIT: €13.5 million (4.3% of net revenue)
- Pre-tax profit: €16.8 million (5.4% of net revenue)
- Net profit: €4.9 million
- Net Debt: €44.7 million
- Proposed dividend payment of €0.12 per share voted (dividend coupons drawn on 16th May and payable on 19th May 2005)

-Increase in the number of components in the Biesse Board of Directors voted, and new board member nominated

-Proposed modification of the company statutes (art.1-4-10-12) to be voted, in compliance with the provisions of Decree Law No. 6/2003 and subsequent modifications

-Ordinary and Special Meeting of Shareholders convened on 27th April 2005, at 10 a.m. (first convocation). Second convocation is for 28th April 2005 at the same time.

Pesaro, 30th March 2005 – 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 draft balance sheet for the year 2004.

Results for 2004:

As seen in the consolidated financial statement for the Group, in the period January-December 2004 the following results were achieved, in line with the release issued on 14/2/05:

- Net revenue €312.5 million (+2% compared to 2003)
- Value Added € 108.8 million (+9% with respect to 2003), with a 34.8% ratio to net revenue
- EBITDA € 25.8 million (+216.6% with respect to 2003), with a 8.3% ratio to net revenue
- EBIT € 13.5 million (loss of €5.9 million for 2003), with a 4.3% ratio to net revenues
- Pre-tax profit € 16.8 million (loss of €43.7 million for 2003), with a 5.4% ratio to net revenues
- Net profit €4.9 million*, with a 1.6% ratio to net revenues

Due to the considerable change in the consolidation area for the year 2004 with respect to 2003, the **pro-forma*** results were also calculated for this reference period.

- Net revenue €312.1 million (+12,2% compared to 2003)
- Value Added € 107.4 million (+16% with respect to 2003), with a 34,4% ratio to net revenue
- EBITDA € 25.7million (+83.4% with respect to 2003), with a 8.2% ratio to net revenue
- EBIT € 13.6 million (+975.2% with respect to 2003), with a 4.4% ratio to net revenue
- Pre-tax profit €17 million (loss of €5.8 million for 2003), with a 5.5% ratio to net revenues
- Net profit €5 million, with a 1.6% ratio to net revenues

*As regards determination of the net profit, it must be specified that the total "tax" of €12 million is made up of "current tax" for a total of €4.5 million (of which IRAP €4 million) while the remaining amount of €7.5 million comprises almost exclusively the reversal of "deferred tax due" already set down in the 2003 balance sheet.

The Net Financial Position at December 31, 2004 was negative by €44.7 million, with an improvement of €62 million (-58.1%) in the net debt as compared with the same period of 2003. This extremely positive result has only been influenced in part by the cashflow generated by extraordinary transactions completed during 2004 (net cash-in €23.9 million) and, together with the generation of cash deriving from management characteristics, it has brought the Biesse gearing at end December 2004 down to 0.50 (1.23 at end December 2003).



Press release



From a point of view of the Biesse Business Divisions, the sales breakdown indicates that leadership has been maintained by the Wood sector (74.5%), which is far and away the most important in terms of volume and income generation. It is followed by the Glass/Marble division and the Mechatronic division, which represent 19.3% and 13.1% of income, respectively (6.9% represented by interdivisional elision).



From a point of view of distribution of sales by geographic area, it is necessary to note the progressive readjustment of volumes for European Union member states (32% in 2004) in favour of "emerging" countries (37.6% in 2004), with particular reference to countries in Eastern Europe and those of the Far East and Oceania. The figures for North America are substantially unchanged (14.4% in 2004), and have suffered as a result of the weakness of the Dollar, whereas there is an evident drop in the value of sales in Italy, which in 2004 have dropped to 16% of total Group earnings.

International accounting principles:

As regards use of the international accounting standards (IAS), during 2004 the Biesse Group started a project aimed at studying these new principles and the impact that these changes would have on the consolidated financial statement. More specifically, individual IAS/IFRS principles were analysed, and the differences with respect to the principles currently in use noted, modifications being made to the processes in cases where the information required to draw up the balance sheets according to the new principles required these to be implemented. Quantification of the effects deriving from application of the new principles is still being completed, but Biesse estimates that it will mainly be restricted to evaluation of intangibles and retirement bonus, with effects that will not be significant as a whole either on the results for the year or on the net equity.

The Biesse Group expects to comply with the recommendations made by Consob, as regards consolidated statements starting mid-2005.

Dividend:

As well as approving the draft balance sheet for 2004, the Board of Directors also voted on the dividend to be assigned to Biesse shareholders. After an initial proposal of € 0.09 per share, the Board of Directors, after noting the positive results achieved in 2004, decided to vote a special extra-dividend of € 0.03, bringing the total dividend to be approved by the Ordinary Shareholders' Meeting convened for the forthcoming date of 27th April 2005 (first convocation) and otherwise for the 28th April 2005 (second convocation) up to € 0.12.

The overall disbursement deriving from payment of the proposed dividend amounts to € 3,169,900.80 net of the shares held by the company (treasury shares), and dividend coupons will be issued on 16th May for payment on 19th May 2005.

Nomination of new Board Member:

The Biesse Board of Directors, after a vote to increase the number of its members up to 6 (six) and verifying compliance with the necessary requirements, proposed nomination of Mrs. Alessandra Parpajola as the new non-independent board member, and will address its explanatory report, complete with Mrs. Parpajola's curriculum vitae (also available on the Biesse web site) to the forthcoming Shareholders' Meeting.

Modifications to the company statute:

In compliance with Decree Law No. 6 dated 17th January 2003 and subsequent modifications and additions, the Board of Directors voted to put certain modifications forward for approval by the Special Meeting of Shareholders, said modifications relating in particular to articles No. 1 (company headquarters-secondary offices), No. 4 (capital stock), No. 10 (convocation of meetings), art. 12 (meetings), in the Biesse company statute.



Press release



"In the light of the results achieved we cannot fail to consider the year 2004 as a success, as, thanks also to various special events, it has marked the Biesse Group's return to net profits" is the comment made by Biesse's Managing Director, Roberto Selci. "With these positive starting points we can face up with determination to a 2005 that is as yet hard to interpret, still characterised by a world economy that, at least for the time being, is incapable of drawing up the prospects of recovery that were glimpsed during 2004. We therefore remain cautious regarding our ability to increase sales volumes beyond the estimates that have already been communicated during recent meetings with the financial community, and intend to focus our attention and our efforts on recovering efficiency and profitability, so as that Biesse generates even more revenue and value for shareholders in 2005".

Note:

** **pro-forma due to the change in the consolidation area for the years 2003-2004** (figures for 2003 do not include the results of the Schelling Group, transferred by Biesse in December 2003, whereas figures for 2004 are posted net of the results of the subsidiary companies CABI srl, Sandymac srl-Intermac Vidrio Iberica S.A.)*

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 with production plants in Italy and China, 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 1,843 people distributed over its six manufacturing sites located in Pesaro, Bergamo, Turin, Alfonsine, Anzola and Lugo (Italy), Dongguan (China) and its branch offices in Europe, North and South America, Asia and Oceania.

For further information

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