

BIESSE: RESULTS OF SECOND QUARTER 2003 APPROVED

Pesaro, 8 August 2003 – The Board of Directors of Biesse Spa – a Pesaro company quoted on the Star segment of the Italian Stock Exchange - approved the quarterly report dated 30 June 2003.

In the second quarter of 2003 (April-June), production value stood at 78.3 million euro, a 16.2% fall compared with the same period in the previous financial year (93.4 million euro), whereas turnover recorded 73.2 million euro, a 19.2% drop compared with 90.6 million euro for the same period in 2002.

However according to the progress report, production value in the first six months of this year shrunk by 8.4% settling at 160.2 million euro whereas turnover fell by 12% to 141.7 million euro.

Added value in the second quarter reached 25.1 million euro, 32.1% of production value, compared with 31.4 million euro of the first quarter of 2002, 33.6% of production value.

In the first six months of 2003, added value stood at 49.5 million euro (30.9% of production value) compared with 52.8 million euro for the first six months of 2002 (30.2% of production value).

Gross operating margin in the second quarter of 2003 recorded 1.9 million euro, compared with 6.8 million euro of the previous financial year, whereas the operating result is on the negative side at 1.6 million euro, compared with the positive result of 4.0 million euro for the same period in the previous financial year.

The progress report for the first half-year indicates a gross operating margin of 2.4 million euro, a drop compared with the 4.4 million euro of 2002's first half-year. The operating result is negative at 4.6 million euro, as opposed to the likewise negative figure of 1.4 million euro in the first half-year of the previous financial year.

The net financial debt at 30 June 2003 stood at 113.4 million euro, slightly worse when compared with the closing figure of the previous quarter (109.7 million euro), but in keeping with the historic trend which sees an increased debt in the first few months of the year followed by a substantial recovery in the last quarter.

"The results obtained in the first part of 2003" commented Chairman Roberto Selci, "are still influenced by the international economic stagnation and also by the still weak trend of the reference sector (glass, wood and marble working machines), which does not yet show any convincing, long-lasting signs of recovery world-wide. However, we are confident that, in spite of this uncertain scenario, the Biesse Group has set off a series of projects aimed at rationalising products and processes, which will enable us to recover profits on sales and slim down the overheads structure. On top of that, the group is putting in on-going efforts to develop new products, which will enable us to broaden positive returns when the market recovers."

During today's meeting of the Board of Directors, Board Member and Managing Director Ms. Anna Gasparucci resigned due to her commitments. The Board of Directors therefore resolved to co-opt Mr. Giancarlo Selci – currently the company's reference shareholder – in the same offices.





Press Release

The Biesse Group operates in the market of machinery and systems involved in processing wood, glass and stone. 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, over the years Biesse has perfected a highly efficient manufacturing process capable of developing products and modular solutions that can meet the varied needs of a broad customer base.

As a multinational with production plants in Italy and Austria, the Biesse Group markets its products through a network of subsidiaries and 22 branch offices located in strategic markets. The branch offices ensure specialized after-sales service to the customers, while also developing and carrying out feasibility studies and market research aimed at developing new products. The Biesse Group has a staff of 2,200 people distributed over its seven manufacturing sites located in Pesaro, Bergamo, Turin, Alfonsine and Lugo (Italy), Schwarzach and Altsch (Austria) and its branch offices in Europe, North and South America, Asia and Oceania.

