

Biesse: draft 2002 annual report approved

Pesaro, 27 March 2003 – Today, the Board of Directors of Biesse S.p.A. has approved the annual report for the year ended 31 December 2002. Biesse is an Italian company with headquarters in Pesaro. It is listed on the Star segment of the Italian stock exchange, and is one of the world's most important operators on the market of machines and systems for the processing of wood, glass and marble.

The Group's consolidated annual report for to the period January-December 2002 shows turnover of €370.7 million, up 4.8% compared to €353.8 million in 2001. EBITDA was €22.3 million (6.1% of the value of production) compared to €25.4 million in 2001 (6.7% of the value of production). Operating profit was €8.0 million (2.2% of the value of production) compared to €13.9 million in 2001 (3.9% of the value of production).

Revenues broken down by Group division are as follows:

- Wood Division €259.8 million (+13.5%)
- Glass and Stone Division €55.7 million (+5.5%)
- Mechatronics Division €23.4 million (+7.3%)
- Systems Division €41.9 million (+30.4%)

FY 2002 closed with a Group net loss of €5.7 million, compared to a loss for 2001 amounting to €6.4 million.

This result was affected by the €2 million provision to the restructuring fund for the charges to be borne for the corporate restructuring process started last year and aimed at increasing efficiency and cutting structural costs.

Consolidated net financial position improved from a qualitative point of view and showed an expense balance of €85.9% million, substantially unaltered compared to December 2001.

The Board of Directors also decided to propose to the Shareholders' General Meeting the distribution to shareholders of a dividend of €0.09 per share that will become payable on 17 July 2003 (with detachment as of 14 July 2003), taking into account that the loss posted by the Parent Company Biesse Spa is due exclusively to extraordinary items. The payment of dividends will take place drawing from the Parent Company's available reserves.

The results for 2002 were greatly affected by the market slowdown that started in Q4 2001, which also negatively influenced the first half of 2002. The market recovery that started in the second half of the year – especially in emerging Asian, European and Middle Eastern markets – and correction actions taken during the year enabled the company to achieve a partial profitability recovery in the last part of the year.

General Manager Claudio Granuzzo stated "*The current macroeconomic scenario does not allow us to make any middle-term forecasts. In such a difficult moment for the world economy, it is necessary to remain focused and boost efficiency by intervening both on corporate processes and cost structures*".



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 2200 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.

