

PRESS RELEASE

13 May 2011



BIESSE

BIESSE GROUP

RESULTS FOR 1st QUARTER 2011 APPROVED

- The Board of Directors of Biesse has approved the Consolidated Financial Statements for the period to 31 March 2011 showing significant growth in revenues and improved profitability (positive EBITDA)
- 1st quarter order intake +16.5% compared to the same period of 2010 and +108.6% compared to March 2009

Consolidated Income Statement: results to 31 MARCH 2011

<i>(Values in Euro millions)</i>	31.03.11	31.03.10	change in Euro millions
NET REVENUES	75.3	63.1	+12.2
EBITDA (Gross operating margin)	0.3	-1.9	+2.2
EBIT (Operating result)	-2.9	-4.9	+2.0
PRE-TAX RESULT	-4.2	-4.8	+0.6
NET RESULT	-4.1	-4.2	+0.1
NET DEBT	37.2	30.7	+6.5

Pesaro, 13 May 2011 - The Board of Directors of Biesse S.p.A., the multinational company based in Pesaro which operates in the market for wood, glass and stone processing machinery and systems and which is listed in the STAR segment of the Italian stock exchange, during its meeting held today has examined and approved the Consolidated Financial Statements to **31 March 2011**.

Biesse has achieved a sharp increase in consolidated revenues in the first quarter of 2011 compared to the same period of 2010 and has also improved all the leading indicators of profitability.

The results for the Biesse Group in the period to **31 March 2011** are as follows:

- **Net Revenues** of €75.3 million (+19.3% compared to 31 March 2010)
- **Value Added** of €29.8 million (+22.2% compared to 31 March 2010) representing a margin on revenues of 39.5% (38.6% in 2010)
- **EBITDA** of € 0.35 million (negative € 1.9 million at 31 March 2010) representing a margin on revenues of 0.5%;
- **EBIT** negative for € 2.9 million (negative € 4.9 million at 31 March 2010)
- **Pre-tax Result** negative for € 4.2 million (negative € 4.8 million at 31 March 2010)
- **Net Result** negative for € 4.1 million (negative € 4.2 million at 31 March 2010)

Group net debt at the end of March 2011 was € **37.2** million– € **6.5 million** higher than the figure reported at 31 March 2010 and €**18.3 million** higher than the Net Debt reported at end-December 2010.

While the Group continued to carefully manage the main components of Net Operating Working Capital, the fundamental necessity of building a natural level of inventories, given Biesse's normal seasonality, required the use of liquid funds which consequently led to an increase in net debt.

This trend was also particularly affected by Biesse's decision to reinforce its research and development programme, which for the "Wood" division in particular, will lead to the introduction of new products and technologies – on more than 40% of the range - within the next 6-12 months.



The geographical breakdown of revenues in this initial glimpse into 2011 has remained substantially unchanged compared to the breakdown at the end of 2010:

Western Europe: 43.3% (31.2% at end-2010) of which Italy 13.8%

Eastern Europe: 16.2% (15.6% at end-2010)

North America: 9.5% (9.3% at end-2010)

Asia Pacific: 18.4% (16.7% at end-2010)

Rest of the World: 12.6% (8.7% at end-2010)

Of which

BRIC: 14.2% (14.1% at end 2010)

The breakdown of revenues by the main Business Divisions of the Group shows the continued predominance of the Wood division which represents 55.3% of consolidated revenues. The Glass-Stone division accounts for 14.2% of consolidated revenues while the share represented by the Mechatronics division rose to 16.4%.

The trend of order intake in the 1st quarter of 2011 (machines and systems) continued to provide encouraging signals continuing the recent positive trend (+16.5% compared to March 2010 and + 108.6% compared to 2009) although it is still below the levels of 2008.

The order intake in April 2011 indicates a continuation of the current positive trend (+19.8% on the comparable figures 2011 vs 2010).

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



ACCOUNTING STATEMENTS

First quarter 2011 Income Statement

	31 March 2011	% on sales	31 March 2010	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenues from sales and services	75,318	100.0%	63,158	100.0%	19.3%
Change in inventories, wip, semi-finished and finished goods	13,650	18.1%	5,031	8.0%	-
Other revenues	696	0.9%	419	0.7%	66.1%
Value of Production	89,663	119.0%	68,608	108.6%	30.7%
Consumption of materials, accessory products and goods	(42,143)	(56.0)%	(29,590)	(46.9)%	42.4%
Other operating expenses	(17,750)	(23.6)%	(14,662)	(23.2)%	21.1%
Value Added	29,770	39.5%	24,356	38.6%	22.2%
Staff costs	(29,420)	(39.1)%	(26,249)	(41.6)%	12.1%
Gross Operating Income	350	0.5%	(1,893)	(3.0)%	--
Depreciation and amortisation	(2,985)	(4.0)%	(2,913)	(4.6)%	2.5%
Provisions	(310)	(0.4)%	(81)	(0.1)%	-
Net Operating Income	(2,946)	(3.9)%	(4,888)	(7.7)%	(39.7)%
Finance income/expense	(558)	(0.7)%	(390)	(0.6)%	43.1%
Gains (Losses) on exchange rate differences	(701)	(0.9)%	482	0.8%	--
Profit (Loss) before tax	(4,206)	(5.6)%	(4,796)	(7.6)%	(12.3)%
Imposte 'Taxes	39	0.1%	618	1.0%	(93.7)%
Profit (Loss) of the period	(4,167)	(5.5)%	(4,177)	(6.6)%	(0.2)%

Net financial position at March 31th, 2011

	31 March 2011	31 December 2010	30 September 2010	30 June 2010	31 March 2010
<i>Euro 000's</i>					
Financial assets:	24,866	25,812	24,786	29,799	31,517
<i>Liquidity</i>	24,866	25,812	24,786	29,799	31,517
ST finance lease liabilities	(2,215)	(2,217)	(2,188)	(2,185)	(2,219)
Bank and other ST financial debt	(47,943)	(33,535)	(33,796)	(35,770)	(44,756)
Net Short Term Financial Position	(25,292)	(9,940)	(11,198)	(8,156)	(15,458)
M/L term finance lease liabilities	(2,973)	(2,998)	(4,040)	(4,120)	(5,133)
M/L term bank debt	(8,984)	(5,983)	(7,463)	(8,116)	(10,079)
Net M/L Term Financial Position	(11,957)	(8,981)	(11,503)	(12,236)	(15,211)
Total Net Financial Position	(37,250)	(18,921)	(22,700)	(20,392)	(30,669)



Balance sheet figures

	31 March	31 December	30 September	30 June	31 March
	2011	2010	2010	2010	2010
<i>Euro 000's</i>					
Intangible fixed assets	44,784	44,281	43,083	43,156	41,737
Tangible fixed assets	54,163	55,834	56,220	58,022	57,243
Non current assets	20,151	20,033	19,485	20,329	20,876
NON CURRENT ASSETS	119,098	120,149	118,787	121,506	119,857
Inventories	96,949	81,326	76,535	70,921	69,856
Trade receivables	81,747	90,390	77,709	89,243	73,443
Other receivables	19,109	14,892	10,860	8,105	10,397
Cash and equivalents	24,866	25,812	24,786	29,799	31,517
CURRENT ASSETS	222,671	212,419	189,890	198,068	185,214
TOTAL ASSETS	341,770	332,568	308,678	319,574	305,070
Net Equity of the Group	118,036	122,695	121,623	125,414	123,475
Minority interests	372	220	296	372	405
NET EQUITY	118,409	122,914	121,919	125,786	123,880
Bank debt and M/L term finance leases	11,957	8,981	11,503	12,236	15,211
Retirement benefit liabilities	10,923	10,855	11,518	11,252	11,624
Other payables and M/L term liabilities	3,177	3,781	3,262	3,603	3,527
NON CURRENT LIABILITIES	26,058	23,616	26,283	27,090	30,363
Trade payables	108,205	111,134	92,177	95,817	73,149
Other short term payables	38,939	39,152	32,315	32,925	30,704
Bank debt and short term finance leases	50,158	35,752	35,984	37,955	46,975
CURRENT LIABILITIES	197,303	186,038	160,475	166,697	150,828
TOTAL LIABILITIES AND NET EQUITY	341,770	332,568	308,678	319,574	305,070



The Biesse Group 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 June 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 associates located in strategic markets.

The 30 directly controlled subsidiaries guarantee specialized after-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. At end 2010 the Biesse Group had 2,368 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore and its associates/branch offices in Europe, North America, the Middle East, Asia and Australasia. The Group also has no fewer than 300 resellers and agents enabling it to cover more than 100 countries.

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