

The board of directors of Biesse S.p.A. has approved the preliminary Consolidated Financial Statements for 2007

BIESSE GROUP

- **THE BOARD HAS APPROVED THE PRELIMINARY FINANCIAL STATEMENTS FOR 2007 SHOWING SIGNIFICANT GROWTH IN REVENUE AND PROFITS.**
 - Net Revenues € 466 million (+17.5% compared to 2006)
 - EBITDA € 79.1 million (+ 20.3% compared to 2006)
 - EBIT € 65.4 million (+ 25.7% compared to 2006)
 - Net Profit € 41.7 million (+29.2% compared to 2006)
 - Positive Net Financial Position of € 1.1 million
 - ROE 27.3% - EPS €1.521
- **THE 2007 CORPORATE GOVERNANCE REPORT HAS BEEN APPROVED**
- **THE ORDINARY SHAREHOLDERS' MEETING IS CONVENED FOR 28 APRIL 2008 AT 10.00 IN FIRST CALL (second call is for the following day at the same time).**
- **THE PROPOSED PAYMENT OF A DIVIDEND OF €0.44 PER SHARE HAS BEEN APPROVED BY THE BOARD (PAYOUT 29%)**

Pesaro, 20 March 2008 - The **Board of Directors of Biesse S.p.A.**, the company from Pesaro which operates in the market for machinery and systems for working wood, glass and stone, quoted on the Star segment of the Italian stock exchange, **has today approved the preliminary Financial Statements for the year to 31 December 2007.**

The Consolidated Financial Statements of the Biesse Group for the 12 months of **2007** showed the following results:

- **Net Revenues** of €466.0 million (+17.5% compared to the same period of 2006);
- **Value Added** of €182.9 million (+18.1% compared to the same period of 2006) equal to a margin of 39.3% of revenues;
- **EBITDA** of €79.1 million (+20.3% compared to the same period of 2006) equal to a margin of 17.0% of revenues;
- **EBIT** of €65.4 million (+25.7% compared to the same period of 2006) equal to a margin of 14.0% of revenues;
- **Pre-tax profit** of €62.7 million (+22.7% compared to the same period of 2006) equal to a margin of 13.5% of revenues;
- **Net Profit** of €41.7 million (+29.2% compared to the same period of 2006) equal to a margin of 8.9% (effective tax rate 33.6%)

At 31 December 2007 the **Net Financial Position of the Biesse Group** was positive and equal to **€1.1 million** down €13 million compared to the amount reported for the same period of the previous year. The result was significantly affected by various extraordinary items which occurred throughout the period and which, in total, amounted to over €40 million (which includes payment for acquisitions and of the extraordinary dividend which was paid out in December '07) which more than offset the positive cash flow generated by ongoing activities.



The board also noted the positive increase in the order portfolio (€138.4 million) at 29 February 2008 up by 10.5% compared to the end of 2007 and up by 5.6% compared to the same period of 2006.

During the same meeting the board approved the **Corporate Governance Report** of Biesse for 2007 which incorporates the stipulations relating to the adoption of the Organizational Model and Supervisory Body in accordance with the provisions of the Italian **Decree Law 231/2001**.

DIVIDEND/SAREHOLDERS' MEETING

In addition to approving the preliminary Financial Statements for 2007 the Board of Directors also discussed the proposed value of the dividend to be paid to Biesse shareholders. Taking into account the positive results achieved in 2007, the Board of Directors of Biesse has decided to approve a dividend of €0.44 per share (payout 29% of the 2007 net profit) which will be submitted for the approval of shareholders at the Ordinary Shareholders' Meeting, which has been convened for 28 April 2008 at 10.00 (first call) or, alternatively, for the 29 April 2008 at the same time (second call). The total payout relating to the distribution of the dividend as proposed would amount to €11.97 million (net of any shares held by Biesse S.p.A as a result of the buy-back program currently underway) and will go ex-dividend of coupon no. 9 on 12 May for payment on 15 May 2008.

SIGNIFICANT POST BALANCE SHEET EVENTS 2007

Three year industrial plan

On 14 February, following the board meeting of the same date, the company announced the principal guidelines of its industrial plan for the three year period 2008-2010 which is primarily based on the realization of important short and medium term projects. In particular the attention and the efforts of the Group will largely be concentrated on technological innovation and the pursuit of ever-higher standards of quality, which will be capable of guaranteeing sustainable and lasting development through gains in efficiency and competitiveness. On these premises, and on the basis of the economic conditions of the sector in which the Group operates, the estimates announced for revenues and profits are as follows:

CONSOLIDATED RESULTS / CAGR 2008-2010

- NET REVENUES: +5.8%
- EBITDA: +7.1%
- EBIT: +8.2%

Buy-back programme

As approved by the shareholders' meeting of 21 January 2008, Biesse has commenced a program to buy-back its own shares which is valid for a period of 18 months for up to 10% of the company's share capital. At the current date Biesse holds 185,016 shares in treasury (6.75% of the maximum mandated by the buy-back program and 0.67% of the issued share capital of Biesse) at an average carrying price of €12.88 per share.

In accordance with paragraph 2, clause 154-bis of the 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.

The Biesse Group

Biesse 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 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 sized enterprises and the design and distribution of single 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 18 associates located in strategic markets.

The associates guarantee specialised post-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group has over 2,400 employees in its main production sites in Pesaro, Novafeltria, Alzate Brianza, Bergamo, Turin, Bangalore and the 26 associates/branch offices in Europe, North America, Asia and Australasia. The Group also has no less than 300 resellers and agents which enable it to cover more than 100 countries.

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2007 Income Statement

	DECEMBER 2007	%	DECEMBER 2006	%	DELTA %
<i>Thousand of Euro</i>					
SALES	466.007	100,0%	396.733	100,0%	17,5%
CHANGE IN FINISHED AND SEMI-FINISHED PRODUCTS INVENTORIES	8.245	1,8%	7.998	2,0%	3,1%
OTHER OPERATING REVENUES	8.437	1,8%	6.379	1,6%	32,3%
NET SALES	482.689	103,6%	411.111	103,6%	17,4%
RAW MATERIALS	199.928	42,9%	173.424	43,7%	15,3%
OTHER OPERATING EXPENSES	99.787	42,8%	82.717	20,8%	(79,6)%
ADDED VALUE	182.974	39,3%	154.970	39,1%	18,1%
STAFF COSTS	105.519	22,6%	89.191	22,5%	18,3%
NON RECURRENT REVENUES (CURTAILMENT/TFR REFORM)	(1.660)	(0,4)%	-	-	NA
GROSS OPERATING MARGIN	79.115	17,0%	65.779	16,6%	20,3%
AMORTIZATION EXPENSE	11.816	5,1%	11.052	2,8%	6,9%
ACCRUALS TO PROVISIONS	1.900	0,4%	2.707	0,7%	(29,8)%
Risultato operativo	65.399	14,0%	52.021	13,1%	25,7%
FINANCIAL INCOME AND EXPENSE	(999)	(0,2)%	(1.804)	(0,5)%	(44,6)%
REVENUES AND EXPENSES ON CURRENCY EXCHANGES	(1.709)	(0,4)%	1.141	0,3%	NA
SHARE OF PROFIT/LOSS OF AFFILIATED COMPANIES	34	-	(230)	(0,1)%	(115,0)%
PROFIT (LOSS) BEFORE TAX	62.725	13,5%	51.128	12,9%	22,7%
TAXES	21.057	4,5%	18.870	4,8%	11,6%
PROFIT (LOSS) OF THE PERIOD	41.668	8,9%	32.257	8,1%	29,2%

Balance sheet figures

	DECEMBER 31	DECEMBER 31
	2007	2006
<i>Thousand of Euro</i>		
INTANGIBLE ASSETS	43.146	35.184
BUILDINGS, PLANT AND MACHINERY	57.641	49.703
OTHER NON CURRENT ASSETS	9.285	10.428
REAL ESTATE INVESTMENTS	2.426	2.524
NON CURRENT ASSETS	112.498	97.839
INVENTORIES	104.192	88.182
TRADE RECEIVABLES	109.981	113.153
OTHER RECEIVABLES	8.415	14.262
CASH AND CASH EQUIVALENTS	36.861	36.102
CURRENT ASSETS	259.449	251.699
TOTAL ASSETS	371.947	349.538
SHAREHOLDERS EQUITY	151.699	134.224
MINORITY INTERESTS	794	319
EQUITY	152.493	134.543
BANK LOANS	10.390	8.859
PROVISION FOR EMPLOYEE BENEFITS	13.331	15.929
OTHER PAYABLES	4.967	9.899
NON CURRENT LIABILITIES	28.688	34.687
TRADE PAYABLES	119.464	113.679
OTHER PAYABLES	45.975	53.507
BANK OVERDRAFT, LOANS AND OBLIGATIONS UNDER FINANCE LEASES	25.327	13.122
CURRENT LIABILITIES	190.765	180.308
TOTAL LIABILITIES AND EQUITY	371.947	349.538

Net Financial Position as at December 31st, 2007

	DECEMBER 31	SEPTEMBER 30	JUNE 30	DECEMBER 31
	2007	2007	2007	2006
<i>Thousand of Euro</i>				
FINANCIAL ASSETS:	36.861	22.545	35.705	36.102
<i>CURRENT FINANCIAL ASSETS</i>	<i>50</i>	<i>50</i>	<i>50</i>	<i>50</i>
<i>DERIVATIVES</i>	<i>322</i>	-	-	-
<i>LIQUID ASSETS</i>	<i>36.488</i>	<i>22.495</i>	<i>35.655</i>	<i>36.052</i>
SHORT TERM FINANCIAL DEBTS	(2.756)	(2.545)	(2.554)	(2.336)
SHORT TERM BANK DEBTS	(22.571)	(2.261)	(3.654)	(10.786)
SHORT TERM NET FINANCIAL POSITION	11.534	17.739	29.496	22.980
MEDIUM/LONG TERM FINANCIAL DEBTS	(9.866)	(10.379)	(10.550)	(8.217)
MEDIUM/LONG TERM BANK DEBTS	(524)	(792)	(524)	(642)
MEDIUM/LONG TERM NET FINANCIAL POSITION	(10.390)	(11.171)	(11.074)	(8.859)
TOTAL FINANCIAL POSITION	1.143	6.568	18.422	14.121