

Biesse:

Approves Preliminary Consolidated Financial Statements 2012

CONSOLIDATED INCOME STATEMENT

<i>(Euro millions)</i>	<u>2012</u>	<u>2011</u>
Net revenues	383.1	388.5
Gross operating margin (Ebitda)	25.0	22.4
Operating profit (EBIT) <u>before non-recurring expenses</u>	7.0	7.1
EBIT	0.3	5.7
Pre-tax result	-5.1	2.5
Net result	-6.5	-2.4

- Net debt of € **56.2 million** improved by € 10.6 million compared to end-June 2012 and by € 15.8 million compared to end-September 2012. Debt rose by € 5.8 million compared to the position at 31.12.11
- Corporate Governance report for 2012 approved.
- **The Ordinary Meeting of Biesse shareholders is called** for 29 April 2013 at 9.30 in Pesaro in first convocation (and if necessary in second convocation on the following day at the same time and place).

Pesaro, 15 March 2013 - The Board of Directors of Biesse S.p.A. - the company 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 today's meeting in Pesaro has approved the preliminary financial statements for the financial year ended 31.12.2012

The Consolidated Results achieved by the Biesse Group for the 12 months of 2012 are as follows:

- Net revenues €383.1 million (-1.4,% compared with the same period of 2011)
- Value Added €141.3 million (+2.4% compared with the same period of 2011) representing a margin on revenues of 36.9% (35.5% in 2011)
- EBITDA of €25.0 million representing a margin on revenues of 6.5% (5.8% in 2011)
- EBIT of € 0.3 million
 - **EBIT before non-recurring expenses totalled € 7.0 million representing a margin on revenues of 1.8%**
- Negative pre-tax result of € 5.1 million (positive result of €2.5 million in the same period of 2011)
- Negative net result of €6.5 million (negative net result of €2.4 million in the same period of 2011)

Net Financial Position:

The Group Net Financial Position at 31 December 2012 shows Net Debt of € 56.2 million, representing an improvement of €10.6 million compared to the position at end-June 2012 and an improvement of €15.8 million compared to the situation at end-September 2012. During 2012 significant specific investments were made in expanding the Group's production footprint (India-China) and in support of market penetration of new geographically strategic regions (Indonesia–Malaysia–Korea) which –with the addition of the consideration paid for the acquisition in China- resulted in extraordinary cash absorption of €7.1 million. Due also to the cashflow generated by the management of net operating working capital, Group net debt rose compared to December 2011 by just € 5.8 million.

Given the cyclicity that is typical of Biesse's activities and in the context of continuing economic and financial uncertainty, the trend of Group net debt is expected to be positive in 2013.

Geographical breakdown of revenues

The geographical breakdown of Group net sales at the end of 2012 is as follows:

Western Europe 39.6% (44% in 2011) of which **Italy 10.8%** (14.1% in 2011)

Eastern Europe 17.9% (17.5% in 2011)

North America 10.9% (9.5% in 2011)

Asia Pacific 19.2% (18.9% in 2011)

Rest of the World 12.4% (10.1% in 2011)

It should be noted that the **B.R.I.C. countries accounted for 19.4% of net sales in 2012 compared to 15.1% in the previous year**

Ratio(s)

Gross operating margin (EBITDA) / net revenues: 6.5% (5.8% in 2011)

Net Debt / Gross operating margin (EBITDA): 2.2 (2.2 at end-2011)

Net Debt / Shareholders' Funds: 0.49 (0.42 at end-2011)

Capital position:

Group Net Shareholders' Funds at 31 December 2012 was €113.7 million (€120.7 million at 31 December 2011).

Net Invested Capital at end-2012 was €169.9 million (€171 million at 31 December 2011)

Corporate Governance:

Today's meeting of the Board of Directors also approved the Corporate Governance Report of Biesse for the calendar year 2012 in accordance with article 123-bis of the TUF (Consolidated Financial Law), updated on the basis of the latest regulations issued by Borsa Italiana.

Ordinary Meeting of Biesse shareholders:

Having approved the preliminary Financial Statements for 2012, the Board of Directors called for an Ordinary Meeting of Biesse Shareholders on the 29 April at 09.30 (first convocation) with second convocation on the following day if necessary. The agenda for the meeting includes the following item:

- a. Approval of the Financial Statements for the year to 31 December 2012, the Directors' report on operations, the report of the Board of Statutory Auditors and the Independent Auditors' report; and to discuss all matters arising therefrom. Presentation of the Consolidated Financial statements for the year to 31 December 2012;

Three Year Industrial Plan 2013-2015:

On 14 February 2013 the Board of Directors of Biesse approved a new **Three Year Industrial Plan** for the period **2013-2015** with which includes the following economic and financial characteristics:

- **Consolidated revenues** – expected growth (CAGR 3.8%)
- **Value Added** – continued improvement with the margin on revenues rising to > **41% in 2015**
- **EBITDA** - improvement with the margin on revenues rising to > **12% in 2015**
- **EBIT** – strong recovery with the margin on revenues recovering to > **8.5% in 2015**
- **free cashflow** - of ca. € 48 million in the three-year period – **net debt** to fall to less than **€ 8 million in 2015**

The reinforcement of the Group's international vocation, technological and process innovation are the core elements of the Three-Year Plan mainly focused on the recovery of value in the medium term.

“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, Dr. Cristian Berardi, declares that the company accounting information contained in the present communication corresponds to the results contained in the group's records, books and accounts.”

FINANCIAL STATEMENTS

Income Statement at 31 December 2012

	31 December 2012	% on sales	31 December 2011	% on sales	change %
<i>Euro 000's</i>					
Net revenue	383,061	100.0%	388,530	100.0%	(1.4)%
Change in inventories, wip, semi-finished and finished goods	6,623	1.7%	1,499	0.4%	-
Other revenue	3,648	1.0%	2,129	0.5%	71.3%
Value of Production	393,333	102.7%	392,158	100.9%	0.3%
Consumption of raw materials, consumables, supplies and goods	(167,255)	(43.7)%	(172,781)	(44.5)%	(3.2)%
Other operating expense	(84,725)	(22.1)%	(81,379)	(20.9)%	4.1%
Added Value	141,353	36.9%	137,998	35.5%	2.4%
Personnel expense	(116,327)	(30.4)%	(115,580)	(29.7)%	0.6%
Gross Operating profit	25,026	6.5%	22,418	5.8%	11.6%
Depreciation and amortisation	(15,107)	(3.9)%	(13,096)	(3.4)%	15.4%
Provisions	(2,916)	(0.8)%	(2,254)	(0.6)%	29.4%
Normalised Operating profit	7,003	1.8%	7,069	1.8%	(0.9)%
Impairment losses and non recurring items	(6,735)	(1.8)%	(1,314)	(0.3)%	-
Operating profit	269	0.1%	5,755	1.5%	(95.3)%
Finance income/expense	(3,666)	(1.0)%	(2,394)	(0.6)%	53.1%
Exchange rate losses	(1,722)	(0.4)%	(861)	(0.2)%	100.0%
Pre-tax profit(loss)	(5,119)	(1.3)%	2,500	0.6%	-
Income taxes	(1,444)	(0.4)%	(4,947)	(1.3)%	(70.8)%
Loss for the year	(6,563)	(1.7)%	(2,446)	(0.6)%	-

Summary Statement of Financial Position

	December	December
	2012	2011
Euro 000's		
Intangible assets	48,052	48,027
Property, plant and equipment	62,102	63,652
Financial assets	1,153	1,140
Non current assets	111,308	112,819
Inventories	90,321	88,459
Trade receivables	99,455	112,207
Trade payables	(107,323)	(113,124)
Net Operating Working Capital	82,452	87,542
Post-employment benefits	(10,007)	(10,544)
Provision for risk and charges	(11,703)	(9,438)
Other net receivables/payables	(18,104)	(24,778)
Net deferred tax assets/liabilities	15,936	15,437
Other net assets/liabilities	(23,877)	(29,323)
Net Invested Capital	169,882	171,038
Share capital	27,393	27,393
Profit/loss for the previous period and other reserves	92,115	95,028
Loss for the period	(6,151)	(2,438)
Non controlling interests	339	680
Equity	113,696	120,663
Due to bank and other financial institutions	73,191	73,629
Other financial assets	(849)	(650)
Cash and cash equivalents	(16,156)	(22,604)
Net financial indebtedness	56,187	50,375
Total sources of funding	169,882	171,038

Net financial position at 31 December 2012

	31 December 2012	30 September 2012	30 June 2012	31 March 2012	31 December 2011
<i>Euro 000's</i>					
Financial assets:	17,004	21,350	19,659	22,035	23,254
<i>Current financial assets</i>	849	714	712	700	650
<i>Cash and cash equivalents</i>	16,156	20,636	18,946	21,335	22,604
ST finance lease liabilities	(270)	(266)	(261)	(444)	(464)
Bank and other ST financial debt	(67,055)	(87,356)	(78,715)	(68,969)	(45,400)
Short Term Net Financial Indebtedness	(50,321)	(66,272)	(59,317)	(47,378)	(22,610)
M/L term finance lease liabilities	(2,245)	(2,314)	(2,381)	(2,447)	(2,519)
M/L term bank debt	(3,621)	(3,380)	(5,082)	(12,040)	(25,245)
M/L Term Net Financial Indebtedness	(5,866)	(5,694)	(7,463)	(14,487)	(27,765)
Total Net Financial Indebtedness	(56,187)	(71,966)	(66,780)	(61,866)	(50,375)

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. The Biesse Group has almost 2,800 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its associates/branch offices in Europe, North America, the Middle East, Asia and Australasia. The Group also has more than 300 resellers and agents enabling it to cover more than 100 countries.

Alberto Amurri

Investor Relations & Group Financial Manager
www.biesse.com

tel. +39 0721 439107 +39 335 1219556
alberto.amurri@biesse.com
