

Consolidated Quarterly Results to 30 September 2008 Approved

**BIESSE GROUP:
REVENUES RISE BY 2.5%
IN THE FIRTS NINE MONTHS OF 2008
MARGINS AND NET PROFIT DOWN**

REVENUES OF € 106.8 MILLION IN THIRD QUARTER OF 2008

Consolidated Income Statement - for 9 months 2008

<i>Euro millions</i>	30.09.08	30.09.07	change %
NET REVENUES	344.7	336.3	+2.5
EBITDA	48.4	59.3	-18.3
EBIT	37.4	48.8	-23.3
PRE-TAX PROFIT	36.0	47.3	-23.9
NET PROFIT	23.8	28.1	-15.3

Consolidated Income Statement - 3rd quarter 2008

<i>Euro millions</i>	30.09.08	30.09.07	change %
NET REVENUES	106.8	109.7	-2.7
EBITDA	13.5	18.3	-26.0
EBIT	10.2	15.3	-33.4
PRE-TAX PROFIT	9.5	13.9	-31.7
NET PROFIT	5.9	8.7	-31.7

- Net Financial Position of the Biesse Group at 30 September 2008 is negative at €22.4 million (-€ 8.8 million at end June '08)
- Estimates of revenues and margins for 2008 have been updated

Pesaro, 12 November 2008 – The Board of Directors of Biesse S.p.A., the company which operates in the market for machinery and systems for working wood, glass and stone, having evaluated the general economic environment, has approved its **Consolidated Results for the period to 30 September**.

Biesse Group's Consolidated results for the **first nine months of the 2008 financial year** are as follows:

- Net Revenues of € 344.7 million (+2.5% compared with the same period of 2007);
- Value Added of € 133.3 million (-0.8% compared with the same period of 2007) equal to a margin of 38.7% of revenues;
- Ebitda of € 48.4 million (-18.3% compared with the same period of 2007) equal to a margin of 14.1% of revenues;
- Ebit of € 37.4 million (-23.3% compared with the same period of 2007) equal to a margin of 10.9% of revenues;
- Pre-Tax Profit of € 36.0 million (-23.9% compared with the same period of 2007) equal to a margin of 10.4% of revenues;
- Net Profit of € 23.8 million (-15.3% compared with the same period of 2007) equal to a margin of 6.9% of revenues (Tax Rate 33.8%)



technologies for shaping everyday life

The Consolidated results of the Biesse Group for the **3rd Quarter of the 2008 financial year** are as follows:

- Net Revenues of €106.8 million (-2.7% compared with the same period of 2007);
- Value Added of € 39.8 million (-5.5% compared with the same period of 2007) equal to a margin of 37.3% of revenues;
- Ebitda of € 13.5 million (-26.0% compared with the same period of 2007) equal to a margin of 12.7% of revenues;
- Ebit of € 10.2 million (-33.4% compared with the same period of 2007) equal to a margin of 9.6% of revenues;
- Pre-Tax Profit of € 9.5 million (-31.7% compared with the same period of 2007) equal to a margin of 8.9% of revenues;
- Net Profit of € 5.9 million (-31.7% compared with the same period of 2007) equal to a margin of 5.6% of revenues.

A factor of discontinuity compared with the same period of 2007 is the absence in the results to 30 September 2008 of –non-recurring income- deriving from curtailment (the effect of actuarial adjustments relating to the application of the 2007 reform of the T.F.R. employment termination indemnity) that accounted for € 1.57 million (0.7% of revenues) in the consolidated results of the previous period.

In order to obtain a better evaluation of the impact that the strength of the Euro has had on the consolidated results of Biesse, the theoretical elimination of exchange rate differences with the principal foreign currencies in which the group's business is conducted generates the following results – **at constant exchange rates compared to 30 September 2007** - :

- Net Revenues of € 351.9 million (+4.6% compared with the same period of 2007);
- Value Added of € 138.9 million (+3.4% compared with the same period of 2007) equal to a margin of 39.5% of revenues;
- Ebitda of € 53.1 million (-10.4% compared with the same period of 2007) equal to a margin of 15.1% of revenues;
- Ebit of € 42.0 million (-13.8% compared with the same period of 2007) equal to a margin of 12.0% of revenues;
- Net Profit of € 28.3 million (+0.8% compared with the same period of 2007) equal to a margin of 8.1% of revenues.

Net Financial Position

At **30 September 2008** the Net Financial Position of the Group was negative at **€ 22.4 million**, deteriorating by €13.6 million and of € 23.5 million respectively compared with the values reported at 30 June 2008 and at the end of 2007. In addition to the normal seasonal factors that typically affect the 3rd Quarter, the net debt position at **30 September 2008** was also affected by extraordinary factors relating to the first nine months of 2008 (*dividends of € 12 million and buy back of over € 68 million*).

Summary Balance Sheet data

At **30 September 2008** the Group Net Equity is € 157.0 million increased for € 3.8 million compared to the same period of 2007.

Sector analysis

According to data published by Acimall, - the Italian national trade association for woodworking machinery -, the negative phase that has characterised the sector since the start of the year has accelerated in the third quarter, exacerbated by the global financial and economic crisis the real scale of which became evident in the month of September.

The results of this regular survey – conducted on a statistical sample representing the entire sector– leave no room for doubt: the Italian woodworking machinery and tools industry recorded a decline of 18.1% compared with the period for August-September 2007. This figure represents the total of the decline in foreign markets (down 13.2%) and the severe contraction that affected the Italian market (down 32.6% compared with the same period of 2007).

The qualitative survey summarises the responses of those interviewed: 49% of respondents report a static production trend, 48% report declines and just 3% report growth.

The forecasts for the forthcoming period, determined on the basis of an objective assessment of the sector scenario and the more general economic climate, do not give grounds for optimism. According to 18 % of the respondents, orders from abroad remain stable, 70% of respondents expect further declines and 12% of respondents expect growth (a negative balance of -58). With regard to the domestic market, none of the respondents expect growth; 36 % of respondents expect conditions to remain similar to the existing situation, while 64 % fear further deterioration (a negative balance of -64).

Buy Back

With regard to the buy back programme approved by Biesse S.p.A. in January, at the balance sheet date (30 September 2008), the company held no. 711,359 shares (2.60% of the share capital) with a total disbursement of € 6.8 million (average carrying price of € 9.6139 per share).

2008 Forecasts

Taking into consideration the current level of the order backlog and in the light of the results achieved in the first nine months, expectations for the 2008 financial year are for consolidated revenues of close to € 460 million, slightly below the level of the previous year. Other estimates have also been updated: Gross Operating Margin (EBITDA margin of between 12.7-12.9%), Operating Result (EBIT margin between 9.7-9.9%) and Net Profit (net margin of 5.8-6.0%). Consequently, the net debt of the Group at 31 December 2008 should be about € 30 million.

In order to confront the marked slowdown in the economy and the consequent decline of global demand, Biesse has, during the course of today's meeting of the Board of Directors, approved initiatives to recover efficiency and profitability. These initiatives, which are aimed in particular at reducing general and personnel costs, will take advantage of all available options for flexibility. Beginning from the end of the current month, in addition to other initiatives to reduce personnel costs (*use of holiday time*), Biesse will activate a temporary lay-off scheme (Cassa Integrazione Guadagni ordinaria) which will involve both direct and indirect employees of the Italian companies which form part of the Group.

Due to changes in the regulatory disciplines relating to conditions for the quotation of issuers controlling non-EU companies, the company declares that it is in compliance with the provisions laid down in articles 36 and 37 of Consob Regulation no. 16191 in application of the regulations of the Decree Law of 24 February 1998, no. 58 regarding markets.

It is also to be noted that the draft parent company and consolidated financial statements to 31.12.2008 will be made available within seventy-five (75) days from the end of the financial year, with the consequent dispensation from the publication of interim fourth quarter accounts in accordance with article 2.2.3, third paragraph, section a), of the Regulation of Markets Organised and Managed by Borsa Italiana S.p.A. as approved by the General Meeting of Borsa Italiana of 6 June 2008 and approved by Consob in resolution no. 16615 of 9 September 2008.

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 the Biesse Group, 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 grave problems relating to the continuing deterioration of the global macro-economic situation are now a concrete fact capable of negatively impacting on all of the sectors in which we operate. If to this we add the devastating psychological impact related to turbulence in the financial markets, and in particular in the credit market, it is not hard to predict a period of severe instability and uncertainty", stated Roberto Selci, Chairman of Biesse S.p.A "I am however convinced that Biesse Group is suitably prepared to withstand this scenario and is in a good position to compete on all international markets. We have a clear programme of initiatives that we are putting into operation to confront a possible contraction in our revenues over the next twelve months. We will adopt those that we believe to be suitable counter-measures to safeguard the value of Biesse, action aimed both at stimulating demand and client confidence and containing costs. The financial markets are already gradually assimilating and discounting a recession of "historic" proportions, but, from our perspective, one gets the impression that the scale of the difficulties to be overcome in going through this critical period can not yet be fully estimated. It is, nevertheless, historically proven that our Group has always been able to extract clear competitive advantages from recessionary periods and, in general, from periods of difficulty in the markets in which we operate. I am convinced that the ever greater flexibility of our organisational structure and the new production concepts recently introduced will help us to reinforce our global leadership even in this particularly challenging environment."

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 to support new product development. The Biesse Group has over 2,500 employees in its main production sites in Pesaro, Novafeltria, Alzate Brianza, Bergamo, Turin, Bangalore and the 30 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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