

The Board of Directors approves the Consolidated Interim Results to 30 June 2008

**THE BIESSE GROUP CLOSES THE FIRST HALF OF 2008  
WITH REVENUE GROWTH TO € 237.9 MILLION (+5%)**

*Value Added also rose, to € 93.5 million (+1.4%).  
Biesse's profit margins decline affected by the general negative economic  
environment and the first signs of stagnation*

**CONSOLIDATED INCOME STATEMENT – 1ST HALF 2008**

<i>Euro millions</i>	<b>30.06.08</b>	<b>30.06.07</b>	<b>Change %</b>
<b>NET REVENUES</b>	€ 237.9	€ 226.6	<b>+5.0%</b>
<b>EBITDA</b>	€ 34.9	€ 40.9	<b>-14.8%</b>
<b>EBIT</b>	€ 27.2	€ 33.4	<b>-18.6%</b>
<b>NET PROFIT</b>	€ 17.8	€ 19.4	<b>-7.9%</b>

**The Group from Pesaro quoted on the STAR segment of the Italian stock exchange ended the first half with:**

- *Consolidated sales of € 237.9 million, up by 5.0% compared with the first half of 2007; (+ 7.1% to € 242.7 million at constant exchange rates)*
- *Value Added was € 93.5 million (+1.4% compared with the same period of 2007) equal to a margin of 39.3% of revenues; (+5.9% to € 97.7 million at constant exchange rates)*
- *Gross Operating Profit of € 34.9 million (- 14.8%), equal to a margin of 14.7% of net revenues; (-6.4% to € 38.3 million at constant exchange rates)*
- *Operating Profit of € 27.2 million (-18.6%), equal to a margin of 11.4% of net revenues; (-8.5% to € 30.6 million at constant exchange rates)*
- *Consolidated Net Profit of € 17.8 million (-7.9%), equal to a margin of 7.5% of net revenues; (+9.6% to € 21.2 million at constant exchange rates)*
- *The Net Financial Position of Biesse Group at 30 June 2008 was negative at € 8.8 million.*

Pesaro, 8 August 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 taken into account the general economic scenario and the first signs of stagnation that emerged during the first six months of 2008, has approved the Consolidated Financial Statements to 30 June.

The Consolidated Financial Statements relating to the first half of 2008 show the following results:

- Net Revenues of €237.9 million (+5% compared with the same period of 2007);
- Value Added of € 93.5 million (+1.4% compared with the same period of 2007) equal to a margin of 39.3% of revenues;



- Ebitda of €34.9 million (-14.8% compared with the same period of 2007) equal to a margin of 14.7% of revenues;
- Ebit of €27.2 million (-18.6% compared with the same period of 2007) equal to a margin of 11.4% of revenues;
- Pre-Tax Profit of €26.5 million (-20.6% compared with the same period of 2007) equal to a margin of 11.1% of revenues;
- Net Profit of €17.8 million (-7.9% compared with the same period of 2007) equal to a margin of 7.5% of revenues -tax rate 32.7% -

A factor of discontinuity compared with the 1<sup>st</sup> half of 2007 is the absence in the results to 30 June 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.) that accounted for €1.57 million (0.7% of revenues) in the consolidated results of the previous period. A comparison of the margins (in percentage) of the two periods - excluding the impact of curtailment on the 2007 results - indicates a decline of 2.7 percentage points (ebitda and ebit).

In order to obtain a better evaluation of the impact that the stronger 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 with 30 June 2007 - :

- **Net Revenues of €242.7 million (+7.1% compared with the same period of 2007);**
- **Value Added of €97.7 million (+5.9% compared with the same period of 2007) equal to margin of 40.3% of revenues;**
- **Ebitda of €38.3 million (-6.4% compared with the same period of 2007) equal to a margin of 15.8% of revenues;**
- **Ebit of €30.6 million (-8.5% compared with the same period of 2007) equal to a margin of 12.6% of revenues;**
- **Net Profit of €21.2 million (+9.6% compared with the same period of 2007) equal to a margin of 8.7% of revenues.**

#### Net Financial Position

At 30 June 2008 the Net Financial Position of the Biesse Group del Gruppo Biesse was negative at €8.8 million (Net Debt), a deterioration compared with the position at 31 March 2008 and compared with the end of December 2007 of €4.1 million and €9.9 million respectively. In addition to the normal seasonality of the business the net debt at 30 June 2008 was also affected by, amongst other minor extraordinary factors, the payment of the ordinary dividend of €12 million in total and the disbursement of over €3 million relating to the share buy-back programme.

#### Business

The breakdown of revenues by Division was broadly unchanged and reflected a slight increase in the share of the Glass-Stone segment (17.9%) relative to the Wood Division. The latter, at 73.7% of group revenues, nevertheless remains the business of reference for the Biesse Group and, net of intragroup eliminations, the Mechatronic Division represents 8.4% of consolidated revenues.

The geographical breakdown reveals an increase in the share of net revenues accounted for by Western Europe (51.9%) compared with the same period of 2007, while the share relating to Eastern Europe rose by 1% (20.2%). The North American share was lower (11.4% compared with 14.5% in the previous semester) and was adversely impacted by the strength of the Euro against the Dollar.

#### Sector analysis

All of the economic indicators relating to the European manufacturing sector have deteriorated reaching, in some areas, levels that are below those recorded even in the macro-economic period post 11 September 2001. Euro area PMI, Italian Isee, the French INSEE and the German IFO and Zew are all showing values that would normally be consistent with phases of recession and which put Euro area GDP growth in doubt. There is still no real good news from the American economy which is struggling to recover the necessary consumer confidence to reverse the negative trend of consumption, which has also been slowed by the now chronic weakness of the US currency.

According to data provided by **Acimall**, the trade association for woodworking machinery and accessories, (the most relevant for the consolidated revenues of Biesse's Wood Division) total orders in the second quarter of '08 fell by 12.5% compared with the same period of 2007. The same organization indicated a decline in orders of 5.8% in the first quarter of 2008 largely attributable to a fall in domestic



demand.

#### Significant events occurring after 30 June 2008

On 31 July, Biesse announced the signing of an exclusive option to acquire, by September 2009, 60% of B.H.T. s.r.l., a company operating in the design, construction, installation and management of safety glass processing (tempering furnaces). The operation is consistent with the Glass Division's growth and development programme, also by external means, to progressively broaden the product range offered through focused and synergistic integration of technologies that complement those that company already possesses.

Also on 31 July, the management of Biesse reviewed its guidance for 2008: it expects an increase in consolidated revenues (1-1.5% on 2007) and a contraction of profit levels. In particular, Biesse expects to end 2008 with lower Gross Operating Profit and Operating Profit of respectively about 16-17% and 19-20% compared with the results for 2007. Net Profit for the period ending 31 December 2008 is expected to be about €35 million.

#### Buy Back

The buy-back programme approved in January 2008 by Biesse S.p.A. continues and the mandate is valid for 18 months.

At 7 August 2008 the company held no. 644,919 shares (2.35% of the share capital) with a total disbursement of €6.2 million (average carrying price €9.816 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.***

*"Our reference markets cannot be immune to what is happening at a global level," stated Roberto Selci, Chairman of Biesse S.p.A "and the results achieved in these first six months confirm to us the difficulty in maintaining the rates of growth achieved by Biesse in the recent past, both at the level of revenues and profits. The continuing deterioration of the international economic climate, which is particularly negative in some countries of Western Europe and in the United States of America, led us to review our expectations for the short term in line with our prudent approach to evaluating the prospects for Biesse. We definitely want to maintain this attitude especially now, as we perceive a greater requirement for transparency and clearly of our targets and company strategies. We're extremely confident that Biesse will complete the significant industrial projects we planned, having a firm willingness to take advantage of every possible opportunity for development and growth, even in adverse circumstances and economic conditions such as those existing at the present time."*

#### 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 2,500 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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## ACCOUNTING STATEMENTS

### Condensed Income Statement at June 30<sup>th</sup>. 2008

€' 000	30 June 2008	% on revenues	30 June 2007	% on revenues	Δ %
<b>Revenues from sales and services</b>	<b>237.971</b>	<b>100.0%</b>	<b>226.592</b>	<b>100.0%</b>	<b>5.0%</b>
Variation of stocks of products being manufactured. semi finished and finished products	15.111	6.4%	17.791	7.9%	(15.1)%
Other revenue and income	1.923	0.8%	2.671	1.2%	(28.0)%
<b>Value of production</b>	<b>255.004</b>	<b>107.2%</b>	<b>247.054</b>	<b>109.0%</b>	<b>3.2%</b>
Raw materials. ancillary materials and consumables	114.310	48.0%	107.678	47.5%	6.2%
Other operating expenses	47.137	19.8%	47.117	20.8%	0.0%
<b>Added value</b>	<b>93.557</b>	<b>39.3%</b>	<b>92.260</b>	<b>40.7%</b>	<b>1.4%</b>
Personnel expenses	58.645	24.6%	52.876	23.3%	10.9%
Curtailment / TFR reform	0	0.0%	(1.574)	(0.7)%	(100.0)%
<b>Gross operating margin</b>	<b>34.912</b>	<b>14.7%</b>	<b>40.958</b>	<b>18.1%</b>	<b>(14.8)%</b>
Depreciation	6.635	2.8%	5.559	2.5%	19.4%
Provisions	1.032	0.4%	1.922	0.8%	(46.3)%
<b>Operating result</b>	<b>27.245</b>	<b>11.4%</b>	<b>33.477</b>	<b>14.8%</b>	<b>(18.6)%</b>
Financial income and expenses	(743)	(0.3)%	(475)	(0.2)%	56.6%
Foreign exchanges gains and losses	29	0.0%	360	0.2%	(91.9)%
Share of profit of associates	0	0.0%	63	0.0%	(100.0)%
<b>Pre-tax income</b>	<b>26.531</b>	<b>11.1%</b>	<b>33.425</b>	<b>14.8%</b>	<b>(20.6)%</b>
Taxes for the period	8.692	3.7%	14.046	6.2%	(38.1)%
<b>Results for the period</b>	<b>17.839</b>	<b>7.5%</b>	<b>19.378</b>	<b>8.6%</b>	<b>(7.9)%</b>

## Summary of Balance Sheet Figures

€ '000	30 June	31 December
	2008	2007
Intangible assets	45.349	43.146
Tangible assets	59.229	57.641
Other non-current assets	9.691	9.285
Real estate investments	0	2.426
<b>Non-current assets</b>	<b>114.269</b>	<b>112.498</b>
Inventories	119.375	104.192
Sales receivables	108.138	109.981
Other receivables	9.032	8.415
Cash and cash equivalents	29.882	36.861
<b>Current assets</b>	<b>266.427</b>	<b>259.449</b>
<b>TOTAL ASSETS</b>	<b>380.696</b>	<b>371.947</b>
Group shareholders' equity	153.688	151.699
Minority interests	348	794
<b>Total equity</b>	<b>154.036</b>	<b>152.493</b>
Non current bank loans and obligations under finance leases	9.055	10.390
Retirement benefit obligations	13.618	13.331
Other payables	5.077	4.967
<b>Non-current liabilities</b>	<b>27.751</b>	<b>28.688</b>
Trade payables	120.345	119.464
Other payables	49.445	45.975
Current bank loans and obligations under finance leases	29.120	25.327
<b>Current liabilities</b>	<b>198.910</b>	<b>190.765</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>380.696</b>	<b>371.947</b>

**Net financial position**

€ '000	30 June 2008	31 March 2008	31 December 2007	30 June 2007
Short term investments:	29.313	30.498	36.861	35.705
- <i>Receivables from others within 12 months (immediately payable)</i>	562	110	372	50
- <i>Cash and Cash equivalents</i>	28.751	30.388	36.488	35.655
Short-term receivables for financial leases	(2.735)	(2.757)	(2.756)	(2.554)
Short-term bank receivables and other financial receivables	(26.373)	(22.390)	(22.571)	(3.654)
<b>Short term net financial position</b>	<b>206</b>	<b>5.351</b>	<b>11.534</b>	<b>29.496</b>
Medium/long term receivables for financial leases	(8.614)	(9.640)	(9.866)	(10.550)
Medium-long term payables to banks	(442)	(442)	(524)	(524)
<b>Medium/long term net financial position</b>	<b>(9.055)</b>	<b>(10.082)</b>	<b>(10.390)</b>	<b>(11.074)</b>
<b>Net financial position</b>	<b>(8.850)</b>	<b>(4.731)</b>	<b>1.143</b>	<b>18.422</b>