

## **BIESSE ANALYST MEETING**

*On the occasion of the international woodworking trade fair Xylexpo 2008 (Milano, 27-31 May 2008), the management of Biesse Group meets financial analysts and investors to illustrate 1Q results and strategy for the three year period 2008-2010*

Milan, 27 May 2008 – On the occasion of the 21st Xylexpo wood technology trade fair, Xylexpo 2008 (Milan, 27-31 May 2008), **the management of the Biesse Group, headed by Chairman Roberto Selci, today met with financial analysts and investors in Milan to illustrate the key elements of the strategy and industrial project of the company from Pesaro** – which is amongst the world leaders in the production of machines and integrated systems for working wood, glass and stone, which has been quoted on the Star segment of the Italian stock exchange since June 2001.

*"We are very satisfied with what we have achieved thus far" **Roberto Selci** "and we are continuing to look ahead with reasonable confidence to the next three years during which we want to confirm our undisputed status in the vanguard of the market. We are working to make the results achieved over time sustainable into the future and we are counting on achieving the challenging objectives established for 2010 by which time we believe that we should be able to guarantee the completion of all the programmes and industrial projects detailed in our three year plan. The secret of our success is to consider Biesse the ideal partner for its clients, not simply a supplier. We have won their confidence thanks to our strong focus on technical innovation for which we expect to allocate 3.5% - 3.8% of our consolidated revenues on an ongoing basis."*

Over the past three years the Biesse Group has increased its revenues by 50% and ended 2007 with record revenues of € 466 million, high profitability and a positive net financial position arising from significant and continuous cash generation. In the first quarter of 2008 consolidated revenues rose by 13.2% compared with the same period of 2007 with an increase in net profit of 6.5% and an order book of € 128.4 million (+2.4% compared with December 2007).

*"Our export share of revenues is stable at about 80% and we are present in all those countries which are strategically important in order to take advantage of development opportunities" explained **Roberto Selci** "Besides Western Europe – where we already generate 50% of our consolidated revenues – and North America, we are currently particularly focusing on Eastern Europe, including Russia, North Africa, the Middle East, South East Asia, China, not forgetting the potential of Latin America".*

**The relocation of production to Bangalore, in India**, which will be operational by the end of 2008, involved an investment of € 2.5 million for the Group. Biesse will produce woodworking machines at Bangalore with high performance and European technology at competitive prices, for both the local market and the Asian market.

**The opening of the Group towards new market segments for Top category and Entry Level products** is part of the strategy contained in the recently approved Industrial Plan. For the entry level in particular, Biesse today presented **BiesseArtech** at the Xylexpo 2008 trade fair, the new Easy Tech product range aimed at workshops and small-medium businesses in the wood sector. The new BiesseArtech range therefore offers a specific sector of the market the promise of revolutionary production times and processes. It offers a vast range of machines with Biesse technology and high performance capacity but, at the same time, ease of operation in all stages of panel processing, while retaining the same standards of quality available to large industrial users.

*"We are aware that the world economy is going through a period that is not particularly easy but, with all necessary caution, we think we are heading in the right direction to reach our medium term growth objectives" continued **Roberto Selci** " and in order to keep following this direction we have decided to make further investments which will allow us to be even more competitive in the next five years." Significant investments such as that aimed at revolutionizing the entire production and organisational process through the introduction of Lean Manufacturing. We are investing to innovate, improving our processes further and to be prepared for the challenges of the future".*

Putting the rationalization and restructuring plan into effect inside Biesse thanks to the introduction of the **Lean Manufacturing** methodology inspired by the Toyota Production System has allowed the Group to change its internal organizational and logistic-production processes. The application of this methodology, which began in 2004, will allow the **transformation of Biesse into a Lean Company by 2010** through the elimination of inefficiencies and all production and organizational waste. Once fully operational the new organisational model will guarantee the reinforcement of Biesse's leadership position thanks to a flexible production system which is capable of beating in time with the market. The objective, therefore, is to pursue full client satisfaction and, as a result, increase our own cash generation through lower working capital as a proportion of revenues. (2010 target 18%).

Finally, on the occasion of today's meeting with the financial community and the opening of the Xylexpo 2008 trade fair, the management of the Group presented its **new advertising campaign**. *"In this case too it is a choice that is, in many respects, revolutionary at least for our sector" concluded **Roberto Selci**. "We have united art and industry with the aim of differentiating ourselves distinctly from the image presented by our competitors and to reinforce recognition of our brand. Our new image proposes something unique and strong, through the fusion of human know-how, high technology and the vast range of solutions Biesse offers to its clients."*

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#### **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 2,450 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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