



## Press Release

### BIESSE: FINANCIAL STATEMENT PROJECT APPROVED FOR 2005

On 27 March 2006, the Board of Directors of Biesse S.p.A. approved the financial statement project for the year 2005, which showed a substantial growth in consolidated revenues as well as profitability:

- Net Revenues: €335,0 million
- EBITDA: €41.4 million (12.4% of net revenue)
- EBIT: €27.8 million (8.3% of net revenue)
- Pre-tax profit: €24.0 million (7.2% of net revenue)
- Net profit: €16.0 million (4.8% of net revenue)
- Net debt: €23.9 million

- Proposed payment of dividend amounting to €0.18 per share (issue of coupon on 22 May and payment on 25 May 2006) +50% compared the dividend paid the previous year.
- Ordinary shareholders' meeting called for 27 April 2006 at 10:30 a.m. (first instance). In second instance on 28 April 2006 at the same time.
- Approval of the upward trend concerning the objectives for the three-year Industrial Plan 2006-2008.

Pesaro, 27 March 2006 – Today the Board of Directors of Biesse SpA, a company based in Pesaro listed in the STAR segment of the Italian Stock Exchange, approved the consolidated financial statement project for the year 2005.

**The 2005 consolidated results were drawn up according to IAS/IFRS International accounting principles**

As shown in the consolidated balance sheet of the Group, over the period January – December 2005, the results are in line with what already communicated on 14/02/2006 and are as follows:

- Net Revenue €335.0 million (+ 7.8% compared to 2004)
- Value added € 123.8 million (+14.9% compared to 2004) with a 37.0% ratio to net revenue
- EBITDA € 41.4 million (+48.8% compared to 2004) with a 12.4% ratio to net revenue
- EBIT € 27.8 million (+84% compared to 2004) with a 8.3% ratio to net revenue
- Pre-tax profit €24.0 million with a 7.2% ratio on net revenue. ***Subtracting the extraordinary real asset transaction amounting to a total of € 11.3 million from the 2004 results, then the pre-tax profit actually shows an increase of 140.7%***
- Net profit € 16.0 million with a 4.8% ratio to net revenue, 0.58\* EPS (2004 profit amounted to € 7.6 million including the extraordinary real asset transaction)

**The net financial position** at 31 December 05 was negative by €23.9 million with an improvement of €27.5 million in the net debt compared with the same period of 2004 (-53,5%). This extremely positive result was entirely generated by the cash flow that can be attributed to the specific management, which has proved its capacity to bring Biesse gearing to 0.23 at the end of December 2005 (against 0.56 of the end of December 2004).

#### Dividend:

As well as approving the 2005 financial statement Project, the Board of Directors examined the dividend to assign to Biesse Shareholders. The Board of Directors has taken note of the positive results obtained in 2005 and has decided to propose a €0.18 dividend per share (+50% compared to the previous year) to be submitted to the shareholders' approval when they meet for their ordinary meeting called for 27 April 2006 (first instance) and 28 April 2006 (second instance).

The overall disbursement deriving from payment of the dividend as proposed amounts to €4,930,748 and shall be made through issue of coupon on 22 May 2006 for payment on 25 May 2006. The dividend as voted represents over 31% of profit per share obtained in 2005.





### Convocation to the Ordinary Shareholders' Meeting:

As provided for by the Company bylaws, the Board of Directors has called the Ordinary Shareholders' Meeting on 27 April 2006 at 10:30 a.m. and at the same time on the following day in second instance. Beside approval of the balance sheet results for 2005 and pertaining proposal for the payment of dividends to shareholders, the ordinary Shareholders' Meeting shall see to the renewal of the Board of Directors and of the Board of Auditors, the members of which have ended their three-year mandate upon approval of the 2005 financial results project. To this purpose, today's Board of Directors has examined an introductory report on the issue that highlighted the requisites for the renewal of the bodies in question.

### Three-year Industrial Plan:

The flattering results obtained by the Biesse Group over 2005 – with anticipation compared to the objectives indicated in the Three-year Industrial Plan approved last September 2005 - have made it necessary to review the estimations of growth with an up-trend for 2006-2008 three-year period.

The Board of Directors has taken note of the positive results obtained from the updated analysis of Biesse's reference business segment and has re-assessed the financial and economic targets of the group estimating to reach **consolidated revenues ranging € 390 - 393 million in 2008**. As far as profitability is concerned, the new expectations see an **EBITDA and EBIT margins standing at around 15.7-15.9% and 11.7-11.9% respectively for 2008 and a pre-tax profit of about € 45-47 million**. Over the same period, also when taking into account ordinary and extraordinary Capex rates as defined in the Industrial Plan, the cash flow generated should bring Biesse's net debt down to zero and create thus a **Positive Net Financial Position for over €36-38 million at the end of 2008**.

#### *Objectives for the new three-year Industrial Plan:*

*CAGR for the three-year period 2006-2008 (compared with 2005):*

*Net Revenue: +5,5%*

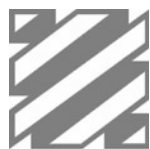
*EBITDA: +14,7%*

*EBIT: +19,1%*

*PRE-TAX PROFIT: +25,5%*

*N.F.P.: DEBT DOWN TO ZERO AT THE END OF 2006/1<sup>st</sup> QUARTER 2007*

*"2005 has certainly proved to be a very significant year for the Biesse Group" is the comment made by Chairman of the Board of Directors of Biesse Roberto Selci, "We have obtained excellent results, above all by creating value for the shareholders; as evidence of the fact that the technological innovation of our products and the efficient increase in productivity have been and will be the major drives to meet the challenges of the world market." The improved economic conditions in Western European Countries, at least for our reference sectors, are certainly a good motive to start the year 2006 with optimism and therefore the whole three-year period to 2008. Over this period we will try and continue to grow internally, while at the same time assessing possible external opportunities provided that they do not compromise the Biesse Group's capacity to increase profitability and value.*



# Press Release



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*The Biesse Group operates in the market of machinery and systems involved in processing wood, glass and marble.*

*The Company offers modular solutions that range from the design of turnkey systems for large furniture manufacturers to individual automatic machines and workstations for small- and medium-sized companies, to the design and sale of individual high-tech components.*

*Thanks to its orientation towards innovation and research, Biesse is able to develop products and modular solutions that can meet the varied needs of a broad customer base.*

*As a multinational with production plants in Italy, the Biesse Group markets its products through a network of subsidiaries and 18 branch offices located in strategic markets.*

*The branch offices ensure specialised after-sales service to the customers, while also carrying out market research aimed at developing new products. The Biesse Group has a staff of 1,900 people distributed over its six manufacturing sites located in Pesaro, Bergamo, Turin, Alfonsine (RA), Anzola (BO), Lugo (RA) and its branch offices in Europe, North America, Asia and Oceania.*

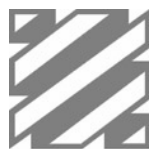
For further information

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