

Technologies for shaping everyday life



BIESSE

“DO EARLY BIRDS CATCH THE WORMS?”

Milan, July 15th – Banca Akros




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our
international
structure

 **Italy**
Milano-Treviso-Bergamo

 **U.S.A.**
Charlotte. NC
Ft. Lauderdale FL

 **Asia**
Singapore

 **Canada**
Montreal
Toronto

 **China**
Shanghai

 **Germany**
Elchingen
Loehne
Gingen

 **France**
Lyon

 **Spain**
Barcelona

 **Portugal**
Syntra

 **Dubai U.A.E.**

 **India**
Bangalore

 **Indonesia**
Jakarta

 **Malaysia**
Kuala Lumpur

 **Australia**
Sidney
Brisbane
Adelaide
Melbourne
Perth

 **New Zealand**
Auckland

 **Russia**
Moscow

 **Sweden**
Jonkoping

 **Ukraine**
Kiev

 **U.K.**
Daventry

 **Suisse**

Milan, July 15th 2009

W O O D
D I V I S I O N

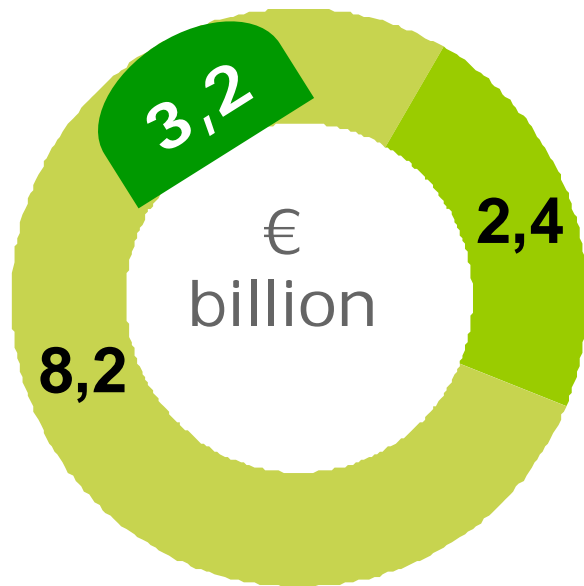
GLASS & STONE
D I V I S I O N




MECHATRONIC
D I V I S I O N



reference markets:
sizes & shares

Primary and Secondary woodworking phases: market size

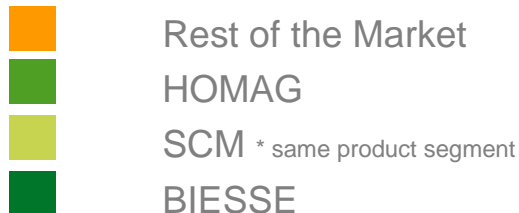
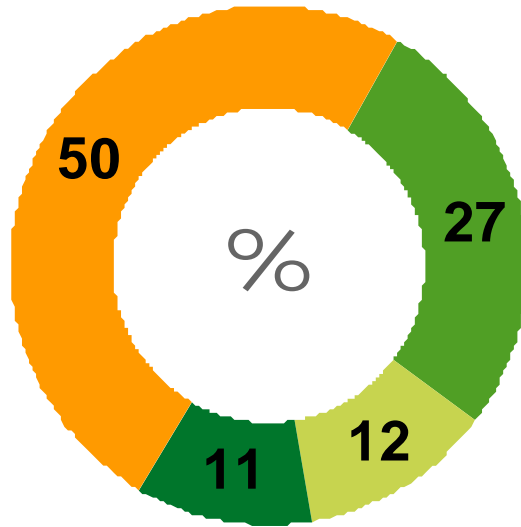


-  Primary phase
-  Secondary phase
-  Value of Biesse reference market

- 8.2 € billion is the secondary woodworking phase
- **3.2 € billion is the part of the secondary woodworking phase where Biesse is insisting**
- 2.4 € billion is the primary woodworking phase estimation

(company evaluation)

BIESSE market share: wood (panel & solid)



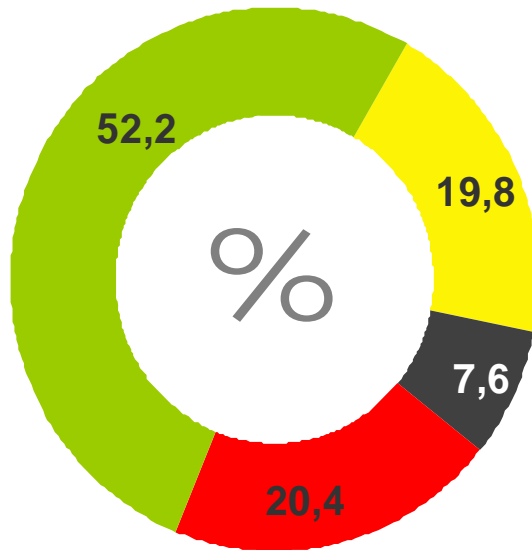
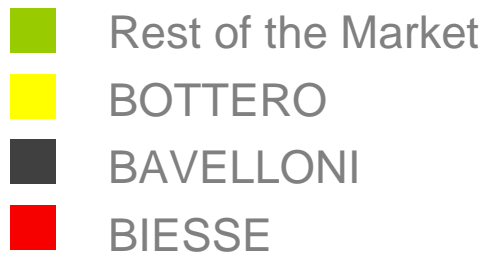
Italian Association: ACIMALL

- Broad array of products ranging from manual to highly automated machinery
- In an effort to increase productivity and flexibility costumers have been shifting toward higher end machinery
- Only four companies/groups have revenues above € 300 mln. (including Weing solid wood specialist)
- The vast majority are family-run companies
- BIESSE & HOMAG are the only listed companies

€3,200,000,000.

Value of reference market
'2nd process' CNC machinery
(company evaluation)

BIESSE market share: glass (internal glass market)



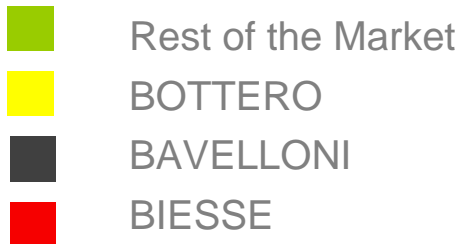
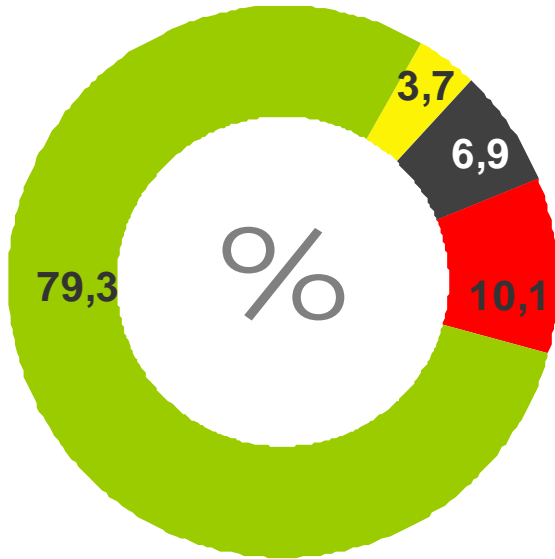
Italian Association: GIMAV

- Basically an "italian manufacturers " market
- Only 2 companies have market shares over 10%
- Biesse S.p.A. and Bavelloni (Kyro Group-Finland) are the only listed companies

€330,000,000.

Value of reference markets

BIESSE market share: stone/marble



Italian Association: Marmomacchine

- Biesse clear worldwide market leader
- Only 1 company (Biesse) has market share over 10%
- Biesse S.p.A. and Bavelloni (Glaston Co.) are the only listed companies

€110,000,000.

Value of reference markets



WOOD
DIVISION



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“Reluctance to invest because of
the missing confidence in the
near future”

and in the meantime....



The Italian Associations (Italy): mechanical industry

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DIVISION

Italian Associations: production trend by sector

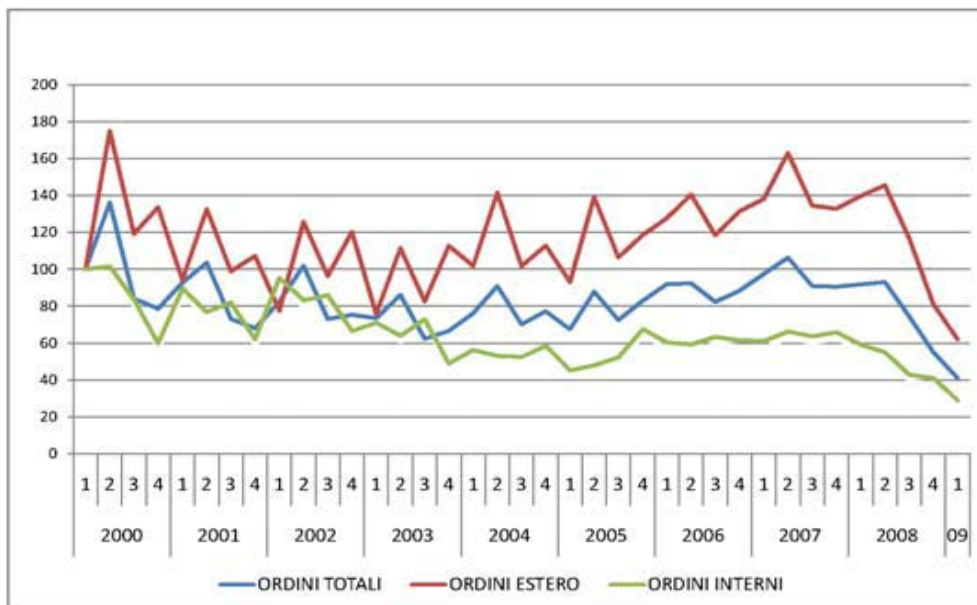
GLASS & STONE
DIVISION

MECHATRONIC
DIVISION

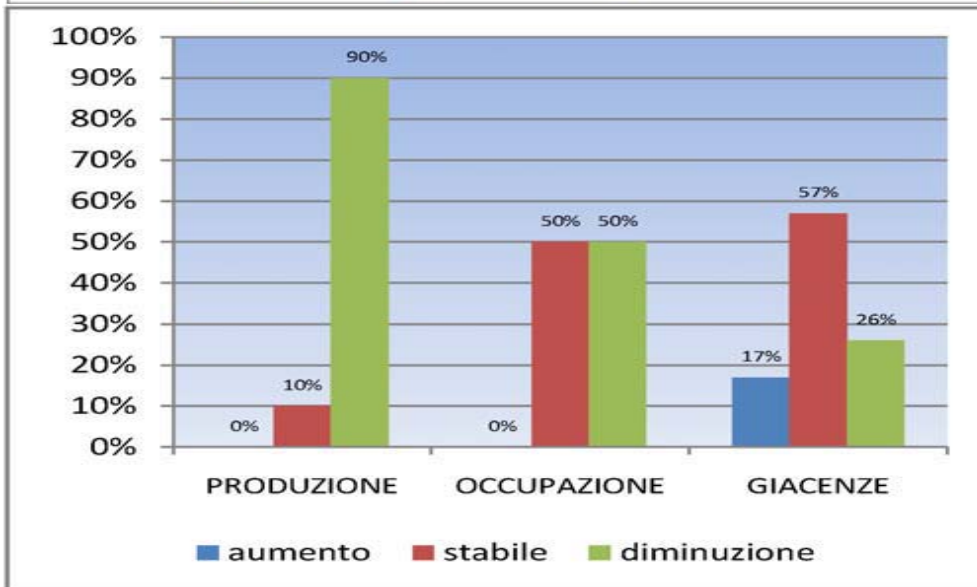
Produzione (milioni di euro)	2006	2007	2008 *	Var. % 07/06	Var. % 08/07
Acimac – Macchine ceramica	1.702	1.938	1.991	13,9	2,7
Acimall – Macchine lavorazione legno	1.820	1.866	1.825	2,5	- 2,2
Acimga – Macchine per grafica e cartaria	1.670	1.680	1.750	0,6	4,2
Acimit – Macchine tessili	2.704	2.794	2.285	3,3	- 18,2
Assocomplast – Macchine materie plastiche e gomma	3.850	4.250	4.100	10,4	- 3,5
Assofluid - Settore oleoidraulico e pneumatico	2.728	3.162	3.197	15,9	1,1
Assomac – Macchine calzature, pelletteria e conceria	500	503	427	0,6	- 15,1
Gimav – Macchine e prodotti lavorazione vetro	1.238	1.370	1.400	10,7	2,2
Marmomacchine – Macchine lavorazione pietre naturali	1.250	1.280	1.277	2,4	- 0,2
Ucima – Macchine confezionamento e imballaggio	3.276	3.610	3.807	10,2	5,5
Ucimu – Macchine utensili, robot e automazione	4.992	5.820	6.110	16,6	5,0
Unacoma – Macchine agricole	11.068	12.227	13.141	10,5	7,5
Totali	36.798	40.500	41.310	10,1	2,0



The “associations” point of view: ACIMALL (Italy)

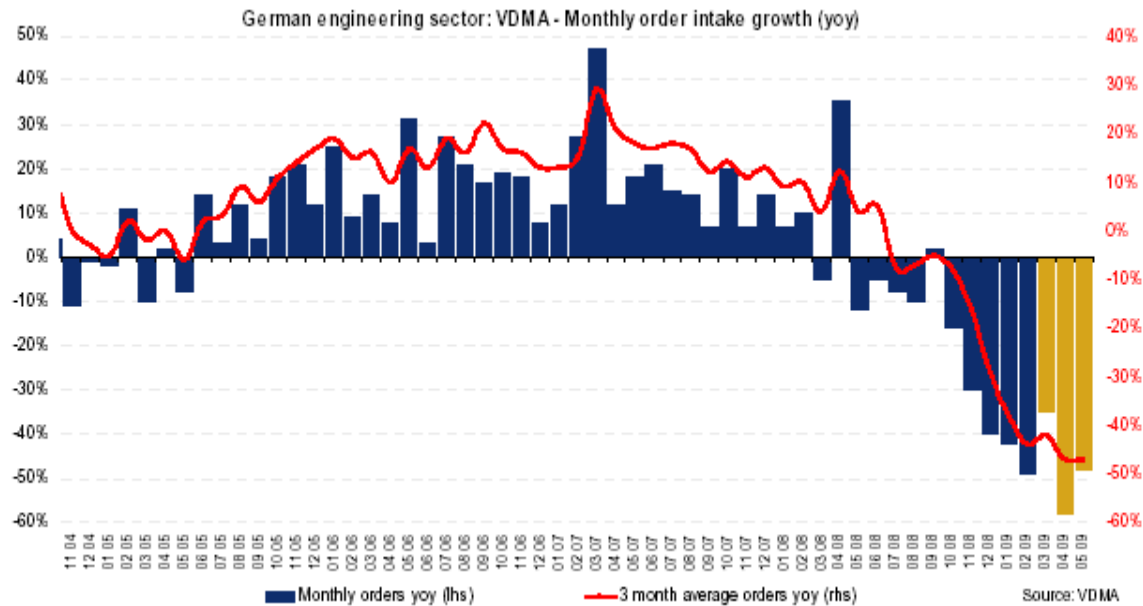


ACIMALL (wood)
analysis for orders intake from
2000y (=100)



ACIMALL (wood)
Sentiment consensus 2° quarter
2009

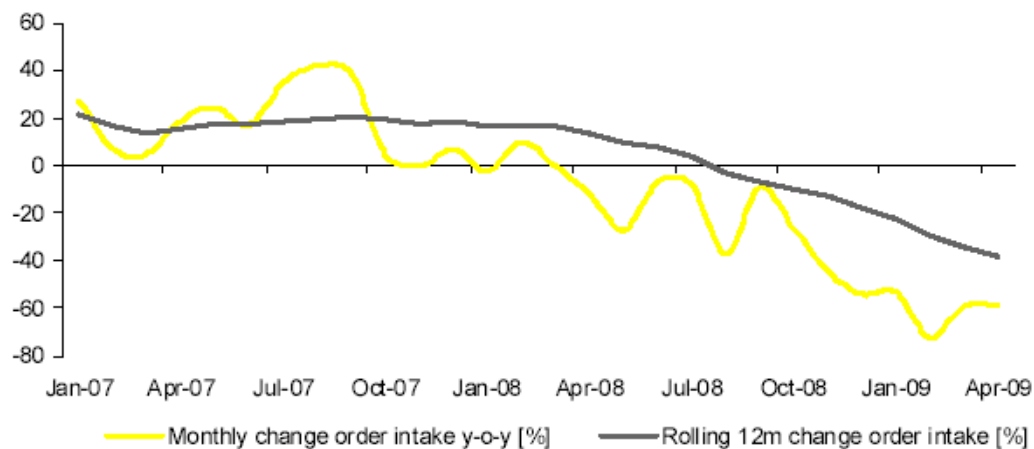
The “associations” point of view: VDMA (Germany)



VDMA (wood)
Orders intake 2004-2009

VDMA order intake tells the story

CHART 6: Order intake: standard woodworking machines



VDMA (wood)
Orders intake standard
woodworking machines



What kind of cycle?



- More than 80% of sales generated by the furniture industry (mainly kitchen)
- Average repurchase time cycle is 8-10 years but thanks to mechanical and software upgrades industrial clients tend to have a short cycle (4-5 years)
- Expected global CAGR rate historically between 2-3% driven by:



1. Economic growth
2. Construction development (housing sector)
3. Increase of furniture spending in emerging markets
4. Progressive migration from solid furniture to lightweight and cheap "ready to assemble" furniture
5. Replacement & restructuring trend



- Export oriented industry
- Progressive concentration of the world players
- Effective price/performance ratio and technology supremacy as winning card to beat the worldwide competition

but even

and Biesse is....



What kind of cycle?

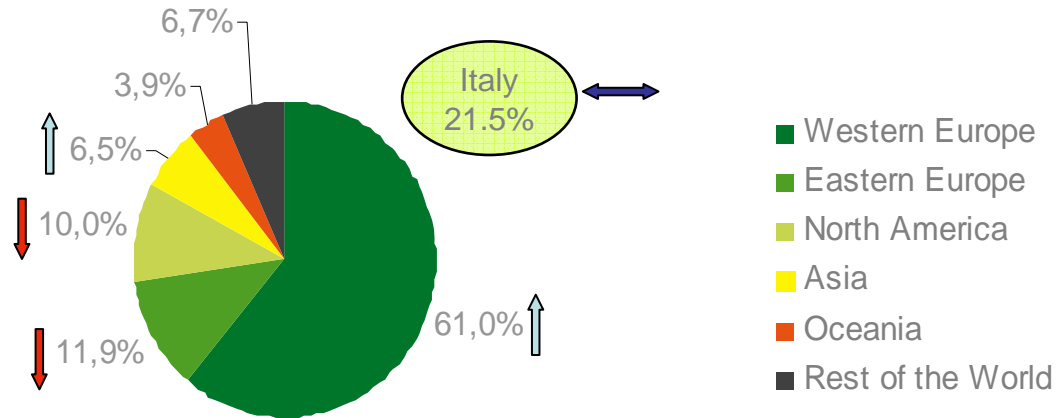


and Biesse is:

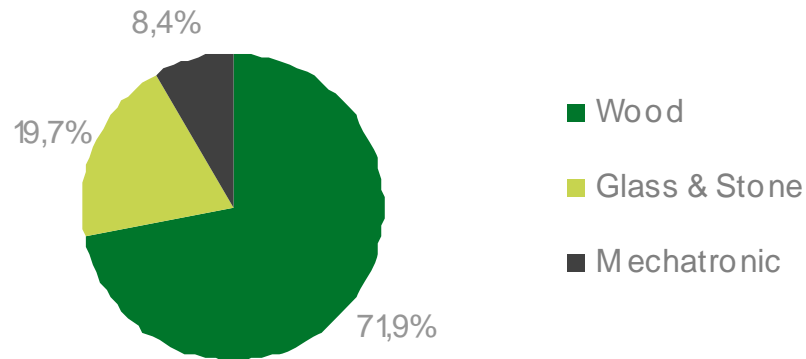
- world leader for CNC machining centres with an increasing chance to widen its market shares in all sectors within the furniture and carpentry industry (machines and systems)
- wide customer base Company (the Ikea sales quote is less than 3%)
- strongly oriented towards R&D investments – not cyclical tendency – to extend innovation & efficiency
- a Group with a global presence in more than 100 countries through its own sales & distribution network (subsidiaries)
- more and more a “total lean Company” with a light and flexible organization all along the production chain

BIESSE sales breakdown (1) by: geography – divisions

sales by geography



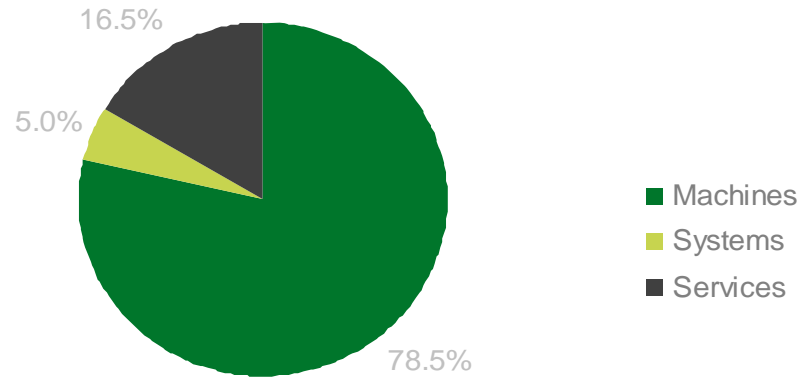
sales by business divisions



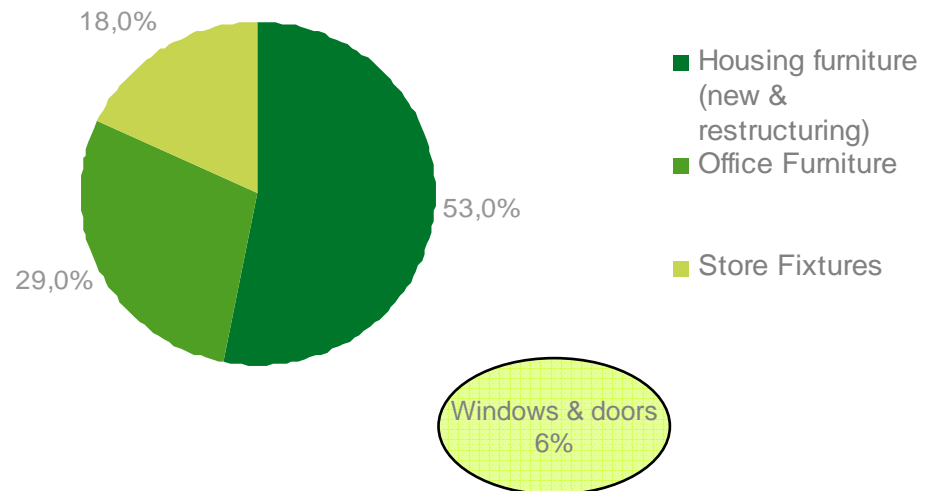
BIESSE sales breakdown (2) by: type – end users market



sales by type



sales by "end users" *





WOOD
DIVISION



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what's going on

*“There’s an improvement of the order interest
machines for clients who want to buy but cannot
yet get bank financing....”*

anonymous german competitor

WOOD
DIVISION

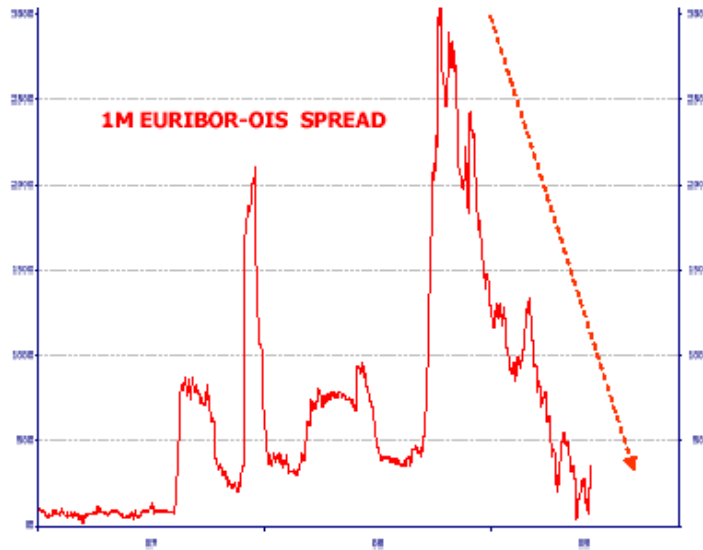
GLASS & STONE
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CREDIT CRUNCH - EUROZONE

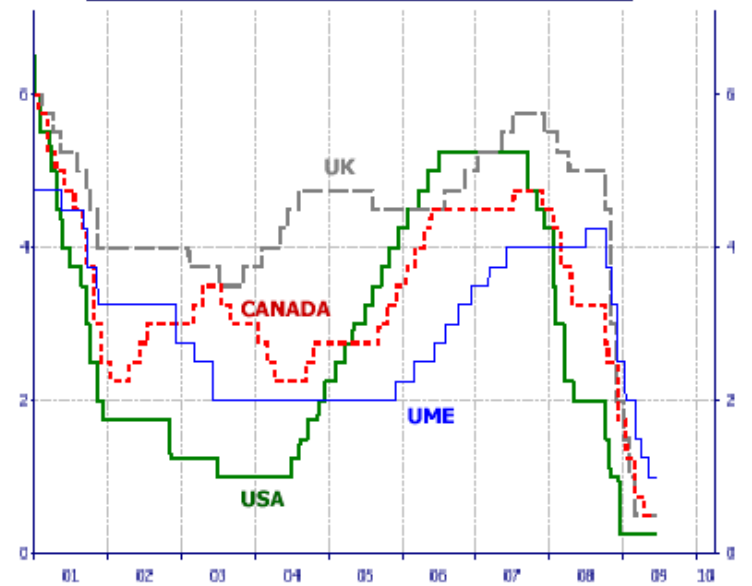
*TENDENZA PROXY CARENZA LIQUIDITA' - indice basato a 100



← Liquidity: almost a "normal situation"

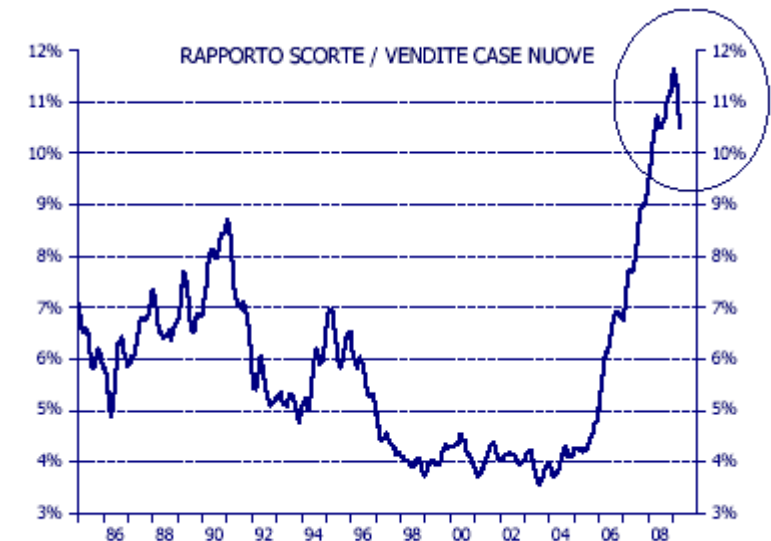
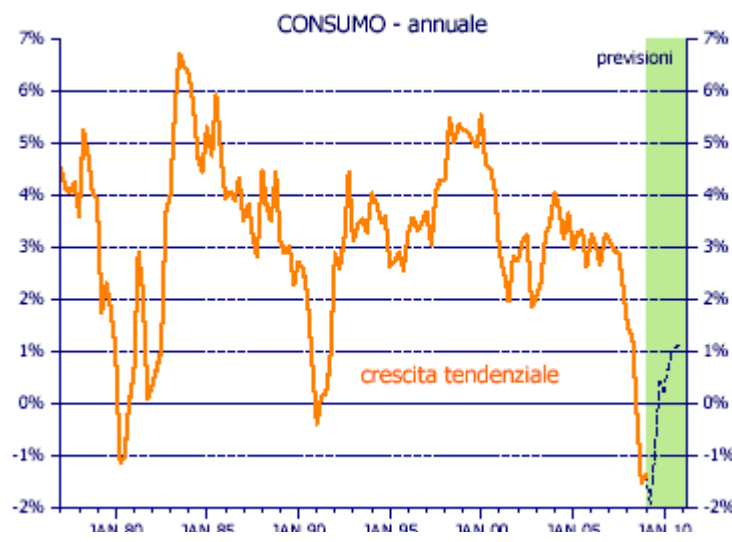
Monetary policy:
after the 1% goal, BCE is following the "credit
easing" address →

POLITICA MONETARIA



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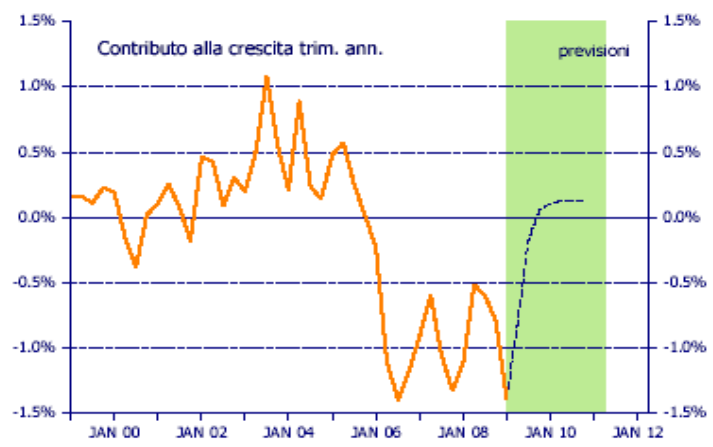
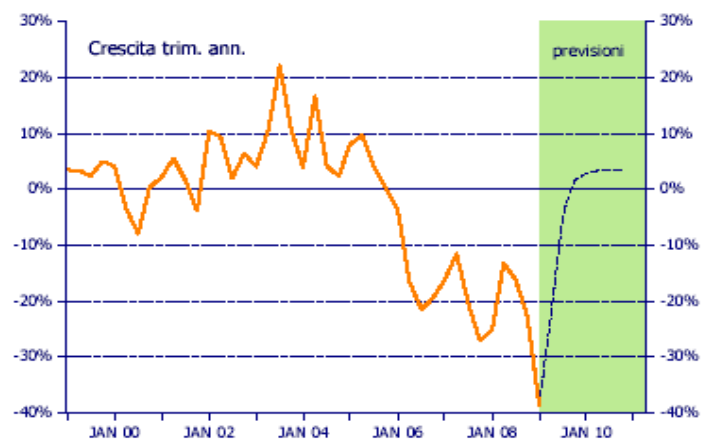
GLASS & STONE
DIVISION



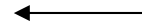
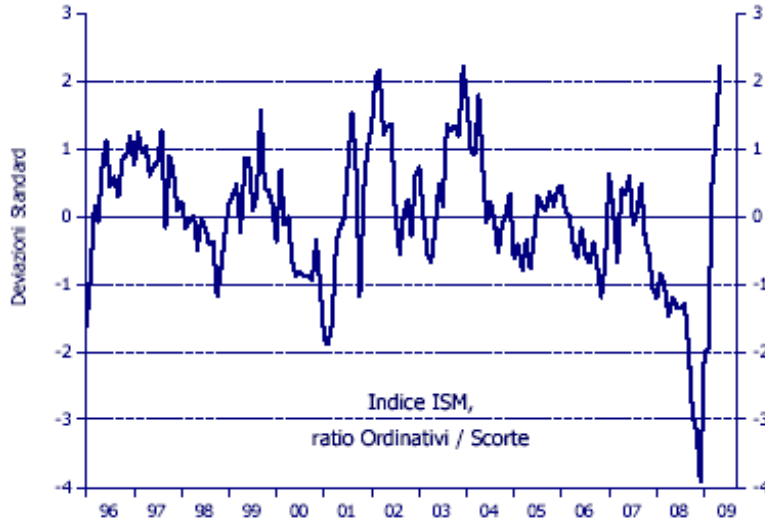
USA - INVESTIMENTI RESIDENZIALI

MECHATRONIC
DIVISION

BIESSE

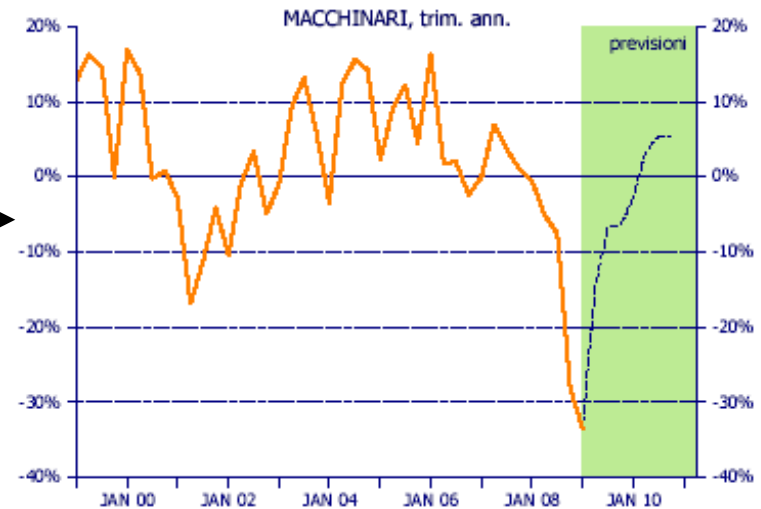


Milan, July 15th 2009: U.S.A.



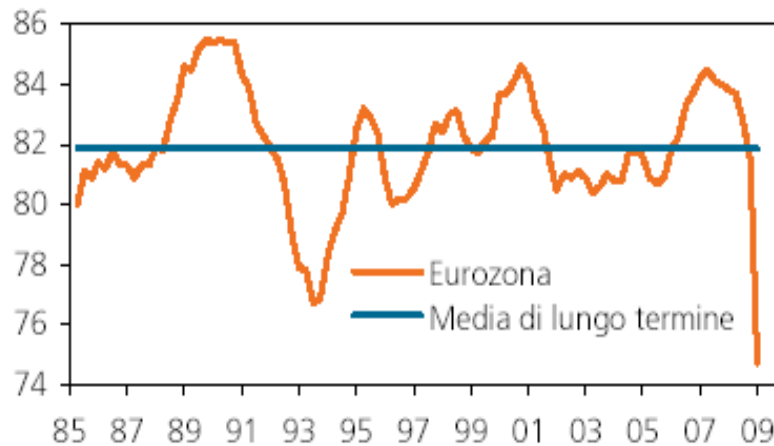
Strong ISM index main driven by an extraordinary drop of stocks

Still negative the impact of the voice "capital goods" investments



La crisi ha creato un eccesso di capacità produttiva

Grado di utilizzo degli impianti

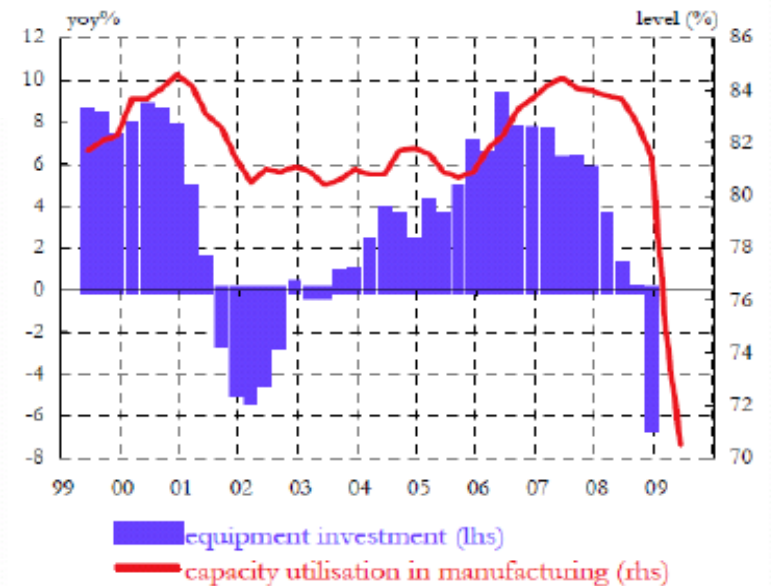


Fonte: Commissione UE, Bloomberg

Lowest levels in capacity utilisation drive down the investments →

← long term trend :
production capacity & utilisation

Equipment investment and capacity utilisation



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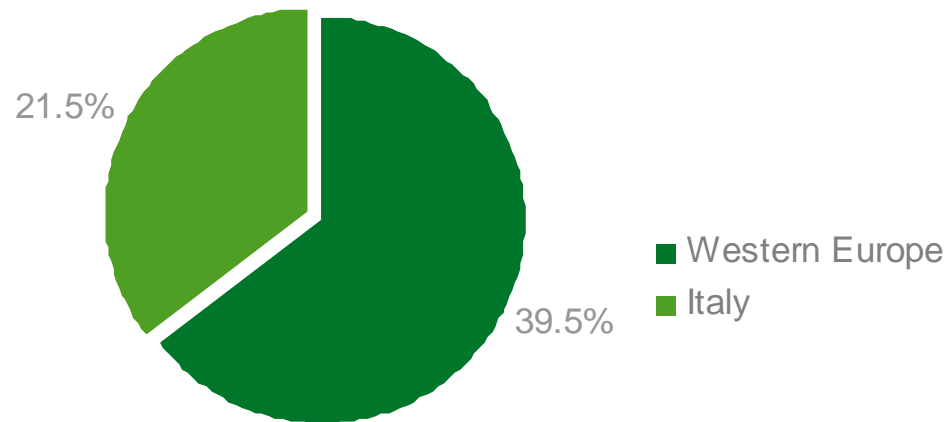


Tremonti-ter : temporary stimulus package to increase capital goods investment

- validity: 12 months (July 1st 2009 – June 30th 2010)
- terms: 50% IRES discount regarding capital goods (machinery)
- beneficiaries: 6,600 producers (Federmacchine source)
- sales impact: 15% the expected improvement of the domestic 2009 turnover



today...



Milan, July 15th 2009: Italy

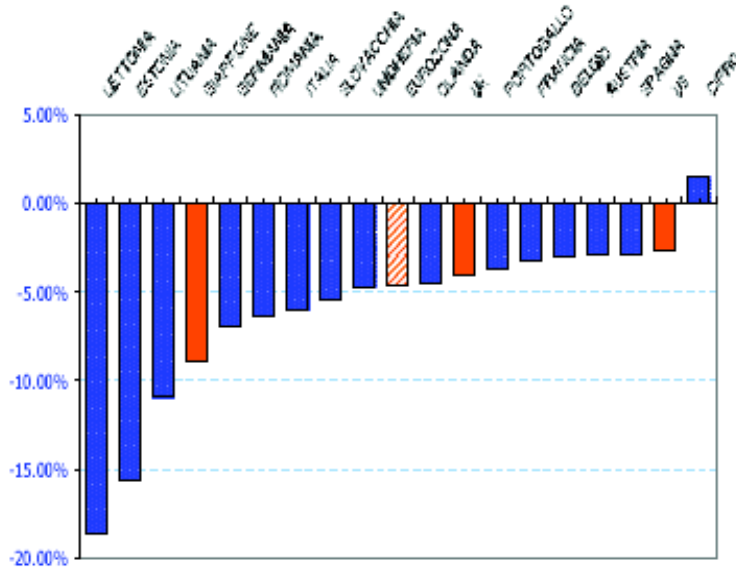
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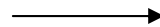
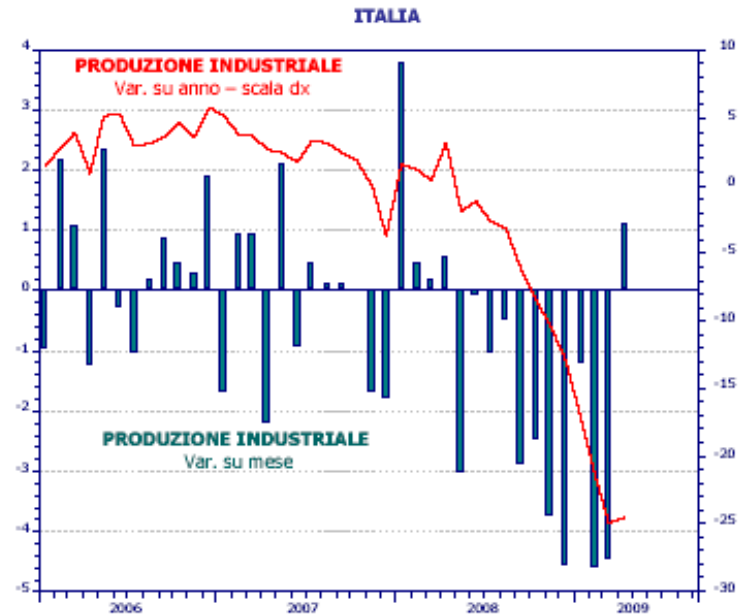


VARIAZIONI SULL'ANNO PRECEDENTE



Growth rate by country: year on year gap

Italian industrial production:





“Seize Advantage in a Downturn”



Biesse projects:

One Lean Company



Biesse projects: One Lean Company



ORACLE



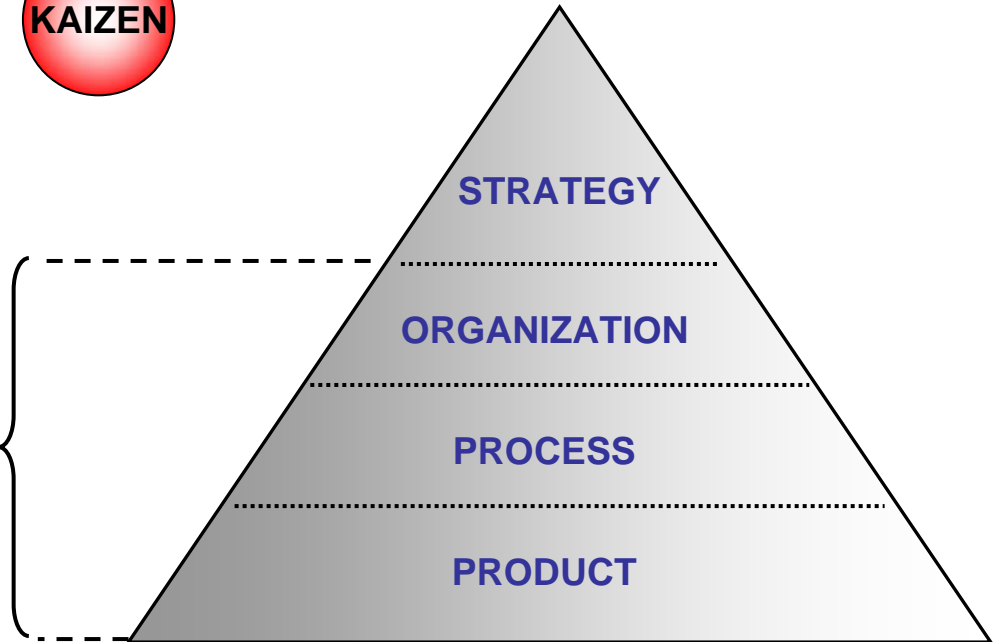
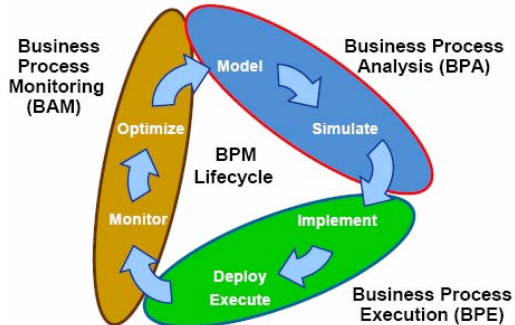
KAIZEN

New processes
New organization
New I.T. systems

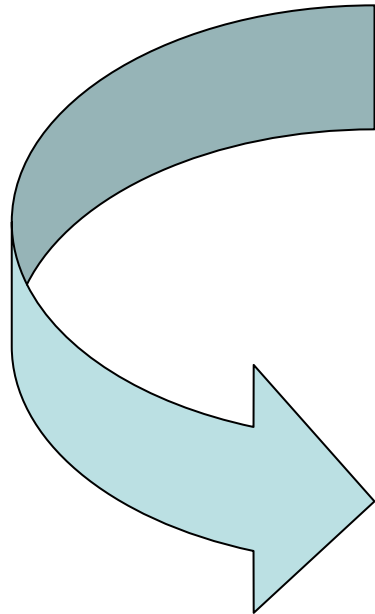
B.P.R.
Business Process Reengineering

BIESSE
=
ONE
LEAN COMPANY

Biesse projects: One Lean Company



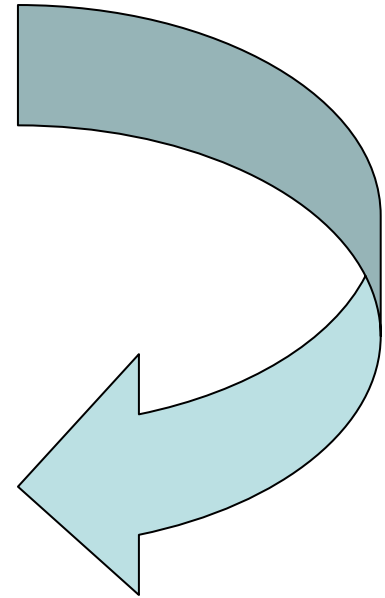
Biesse lean company



2009



2010-2011



Milan, July 15th 2009



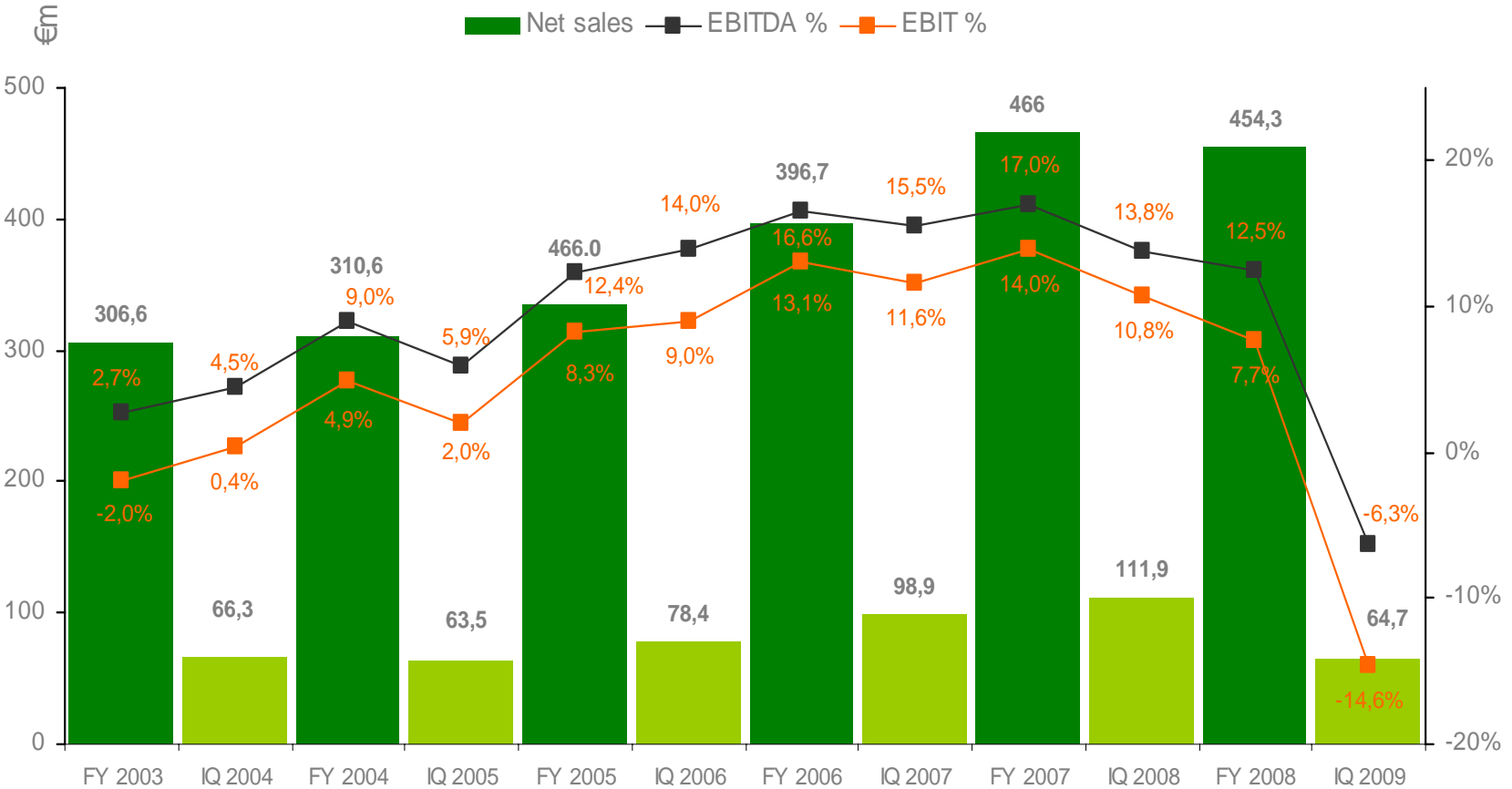
financials:

Biesse main economic figures:

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Biesse labour cost details:

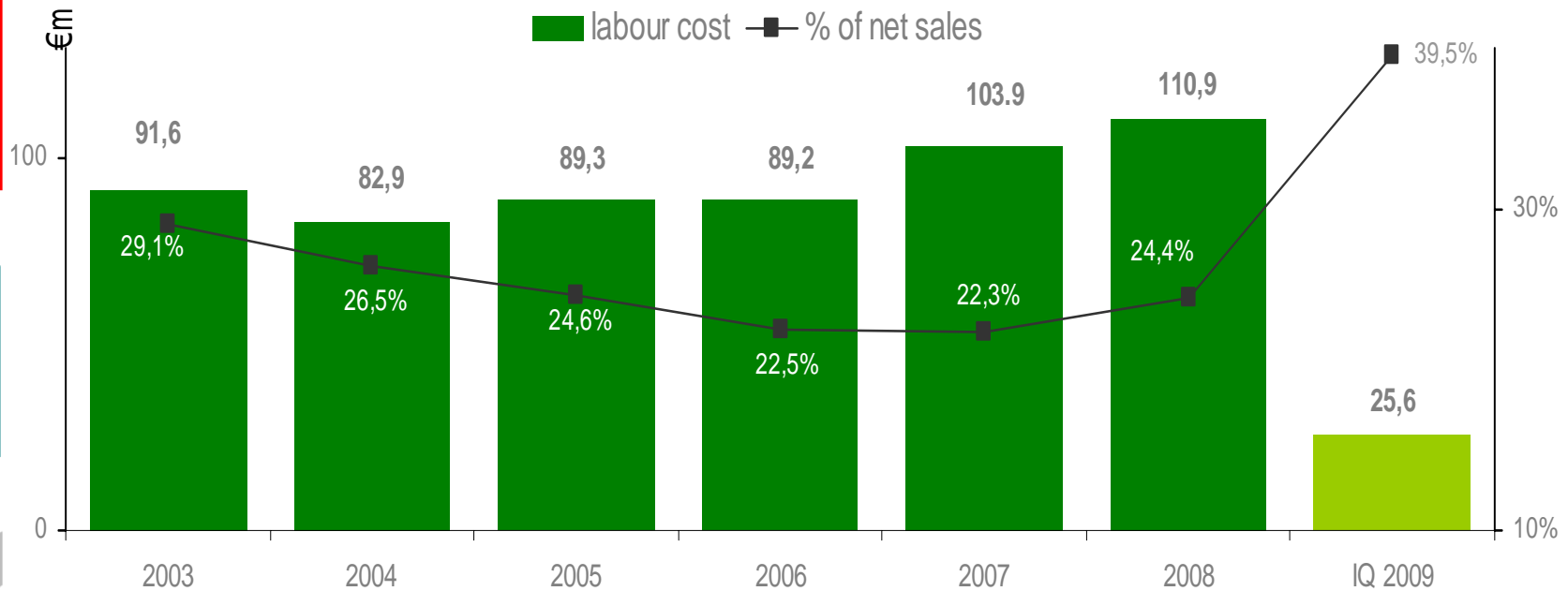


nr. of employees:

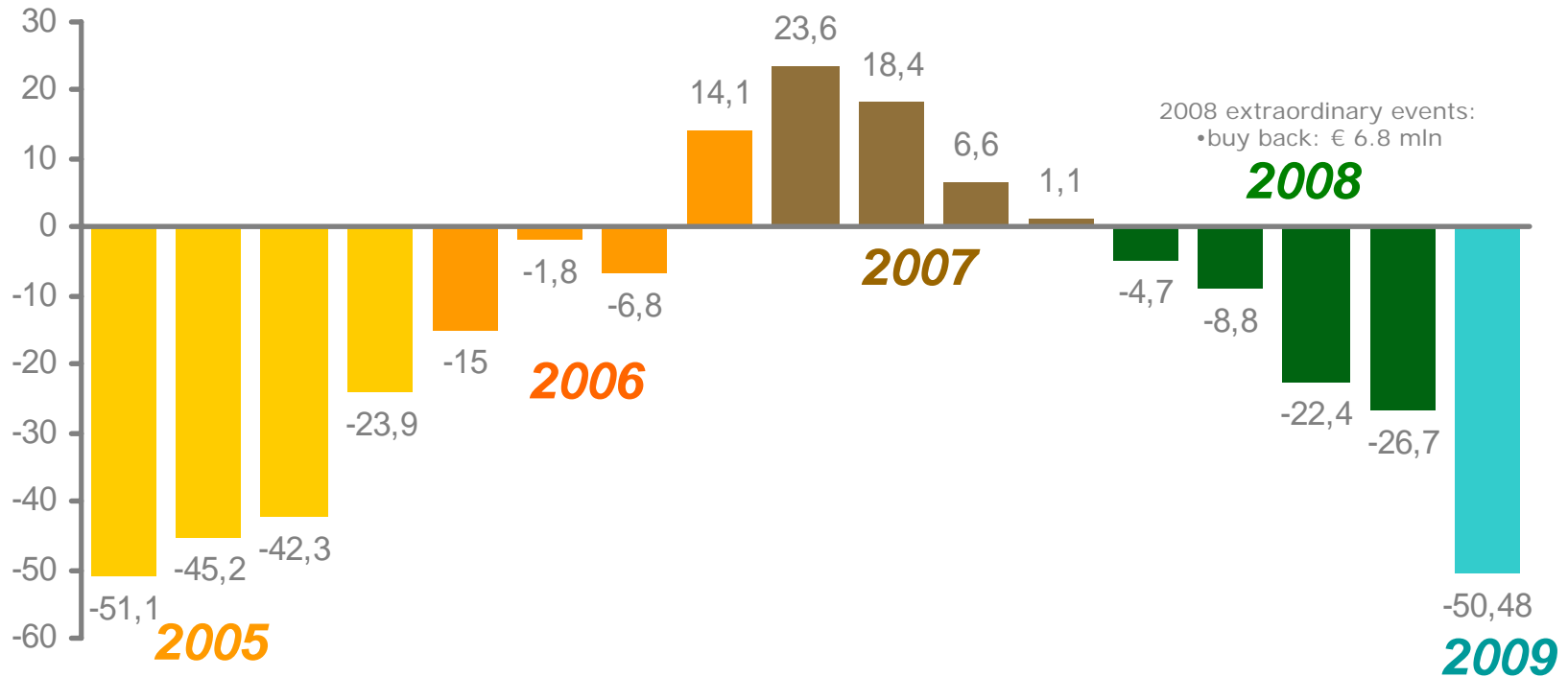
December 2008: 2,483

March 2009: 2,420

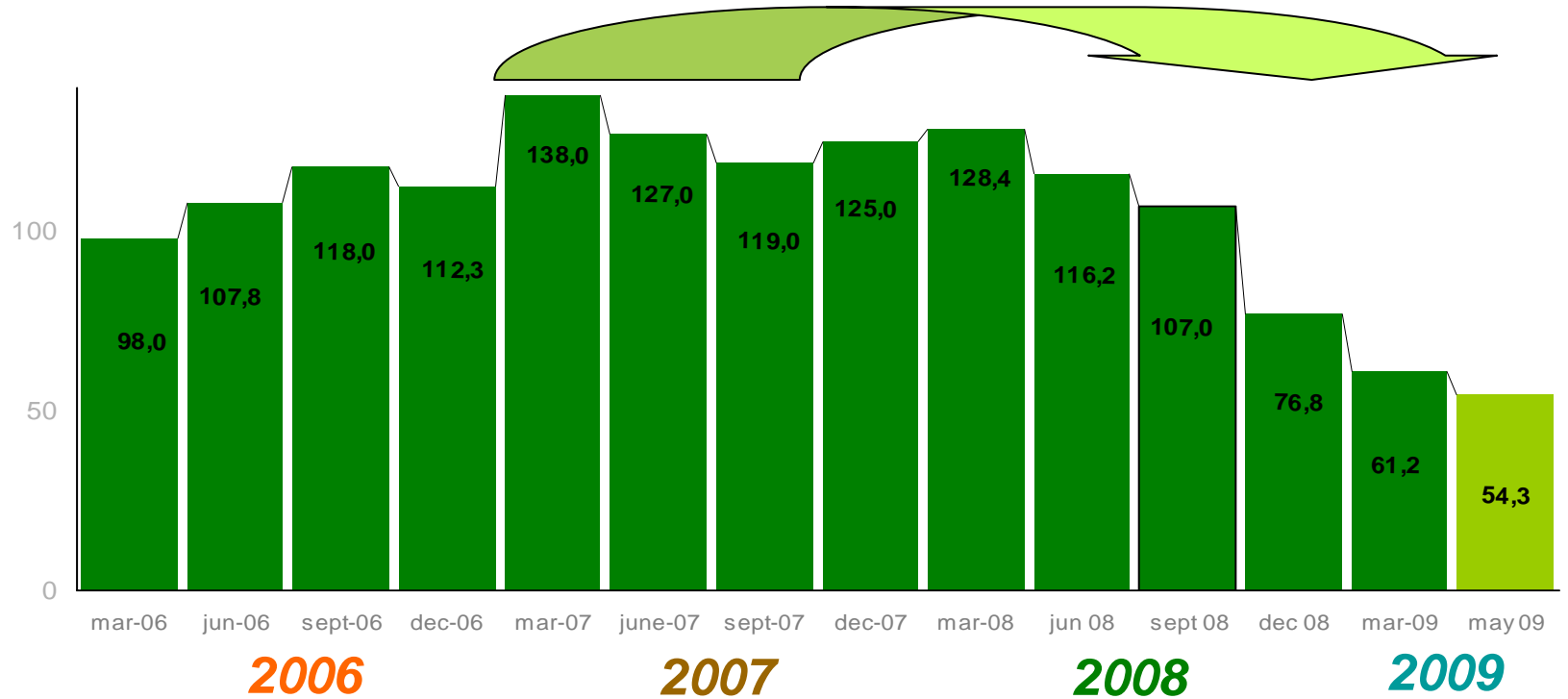
May 2009: 2,389



Biesse Net Financial Position: quarterly trend



Backlog (machines & systems): what ahead



Incoming orders:
6 months 2009

Incoming orders:
6 months 2008

-58.1%

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GLASS & STONE
D I V I S I O N

MECHATRONIC
D I V I S I O N



Financials trend:

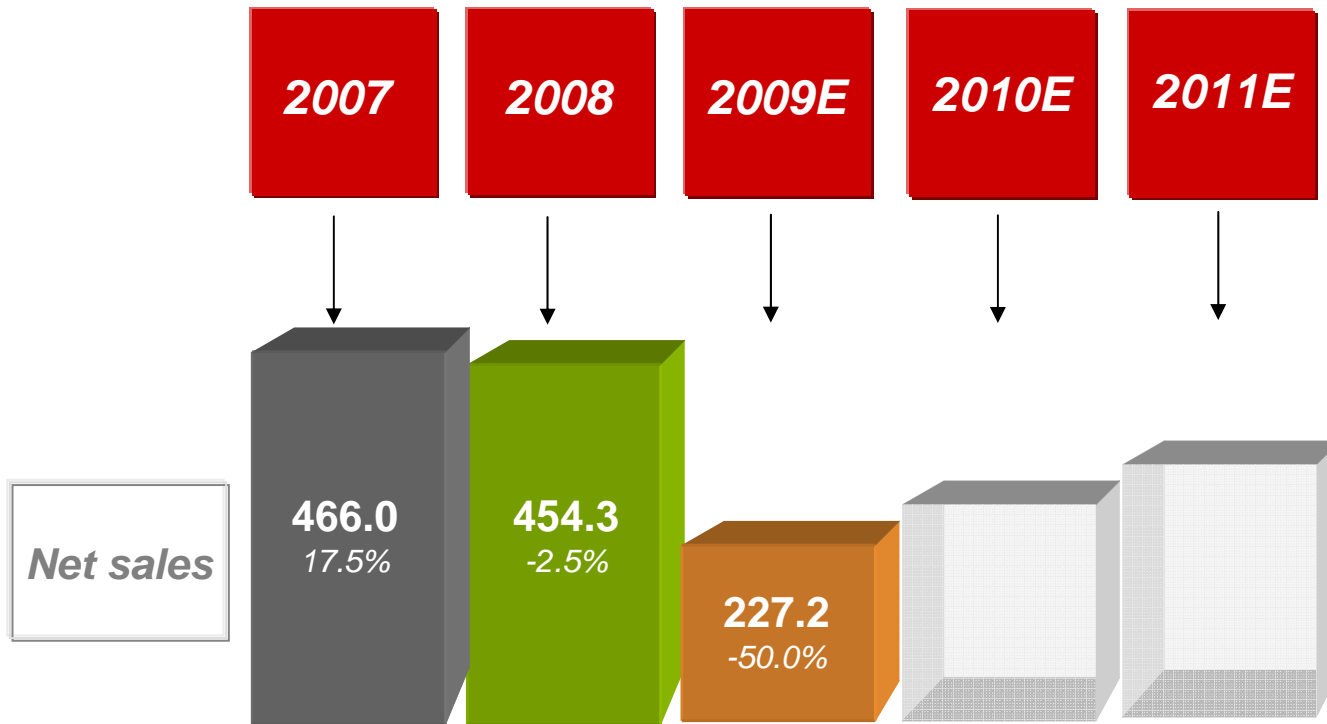
*“Predictions are very difficult,
especially about the future”*

Niels Bohr – Nobel Prize in Physics

Updating the 2009: consolidated revenues



€MIL



Updating the 2009: P&L details



	€MIL	2007	2008	2009E
<i>Value Added</i>		183.0 39.0%	167.5 36.9%	73.9 32.5%
<i>Labour cost</i>		103.9 22.3%	110.9 24.4%	81.9 36.0%
<i>EBITDA</i>		79.1 17.0%	56.6 12.5%	-7.9 -3.5%
<i>EBIT</i>		65.4 14.0%	35.0 7.7%	-27.1 -11.9%
<i>EBIT normalized</i>	2008: impairment test depreciation (€ 4.2m) + receivables extra-fund for potential risks increase (€ 3.2)		42.4 9.3%	-21,1 -9.2%
<i>Net result</i>		41.7 8.9%	19.7 4.3%	-30.9 ---

Updating the 2009: personnel cost evolution

WOOD DIVISION

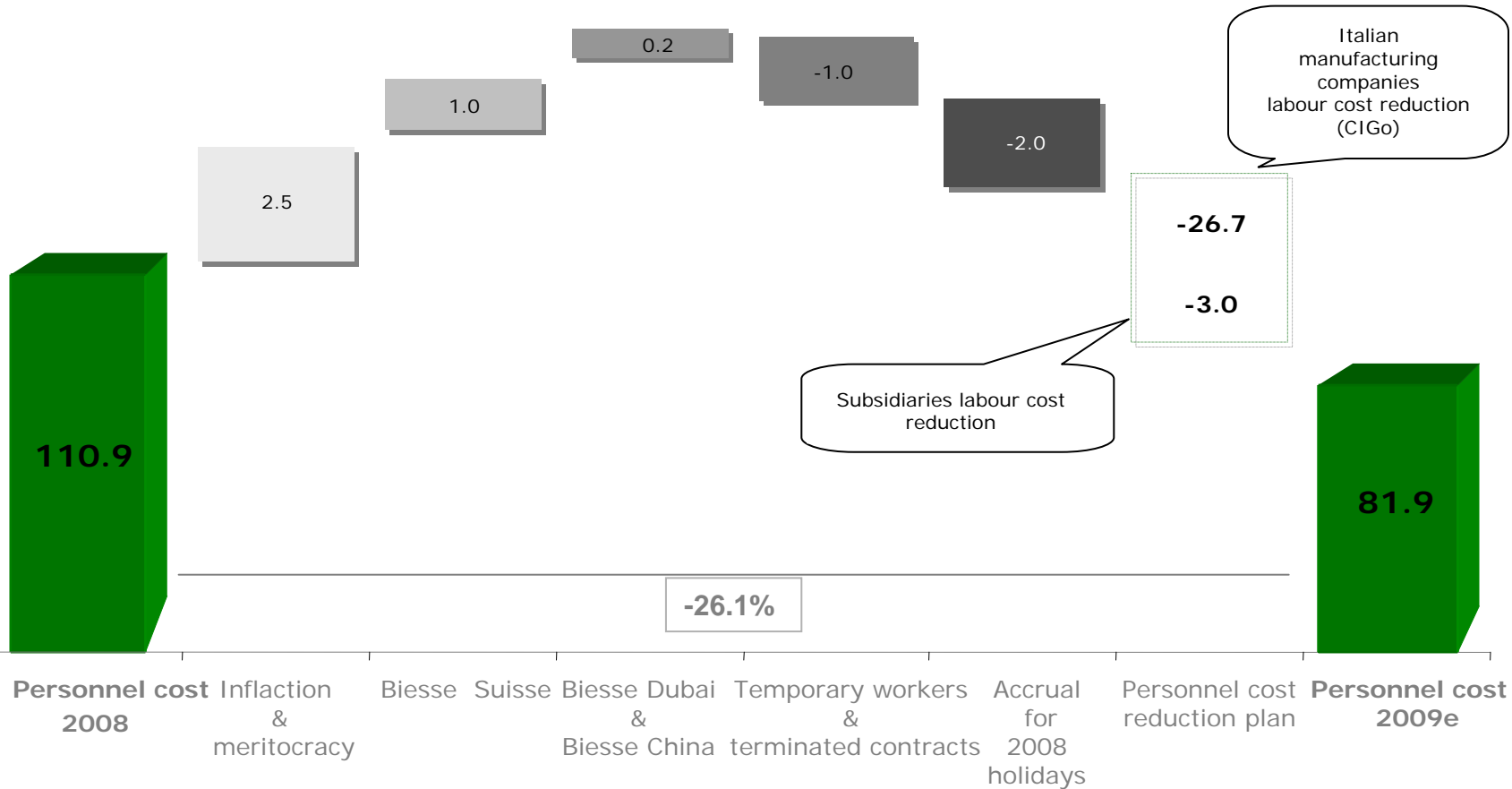
GLASS & STONE DIVISION

MECHATRONIC DIVISION



€/MIL

Personnel cost evolution 2008-2009



Updating the 2009: Cashflow – Net Financial Position



€MIL

	2007	2008	2009E
Gross Cashflow	37.2	8.7	-20.2
Capex (tangibles&intangibles)	-26.8	-17.4	-9.1
Free Cashflow	10.7	-8.7	-29.3
N.F.P.	1.1	-26.7	-56.0

- 2008: buy back effected for € 6.8 mil.
- 2009e: no dividend payment
- 2009e: buy back plan expiring in July on hold

- New M/T facilities for 60 € mil. obtained
- 70% of the outstanding Group financial liabilities is more than 12 month expiry

Updating the 2009: Net Operating Working Capital



€MIL



	2007	2008	2009E
<i>Inventories</i> % on net sales	104.2 22.3%	103.7 22.8%	67.5 29.7%
<i>Trade receivables</i> % on net sales	110.0 23.6%	99.8 21.9%	75.0 33.0%
<i>Trade payables</i> % on net sales	119.5 25.6%	98.6 21.7%	37.0 16.3%
<i>Delta</i> N.O.W.C.	-7.1	-10.2	-0.5

Milan, 15th July 2009



...watching the peers

Updating the Homag and Biesse outlook



Biesse

	2008	2009E
Net Sales	454.3	227.2
EBITDA %	12.5%	-3.5%
EBIT %	7.7%	-11.9%
Gearing	0.2	0.6
Net debt/ebitda	0.5	-8.1

Homag

	2008	2009E
Net Sales	872.0	560.0
EBITDA %	10.4%	1.6%
EBIT %	6.7%	-2.7%
Gearing	0.6	0.8
Net debt/ebitda	1.5	14.1

Milan, 15th July 2009

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Milan, 15th July 2009

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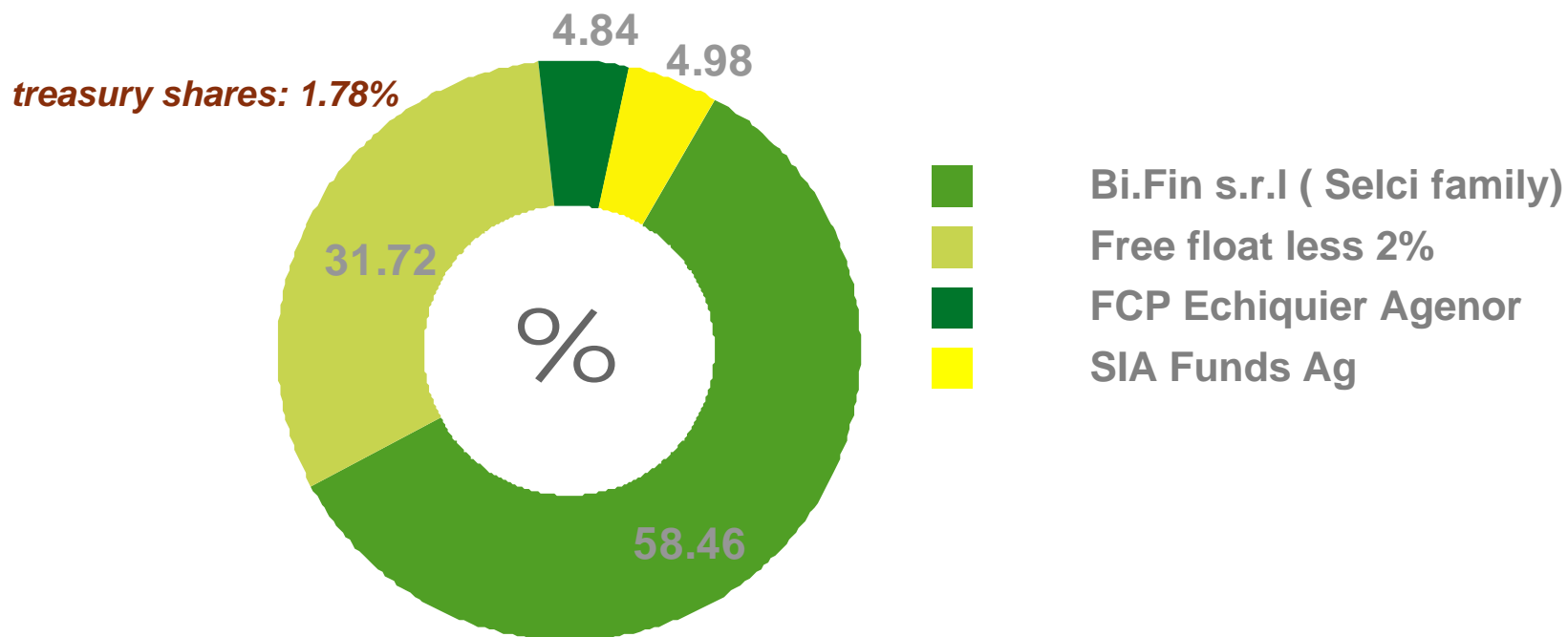
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shareholding structure

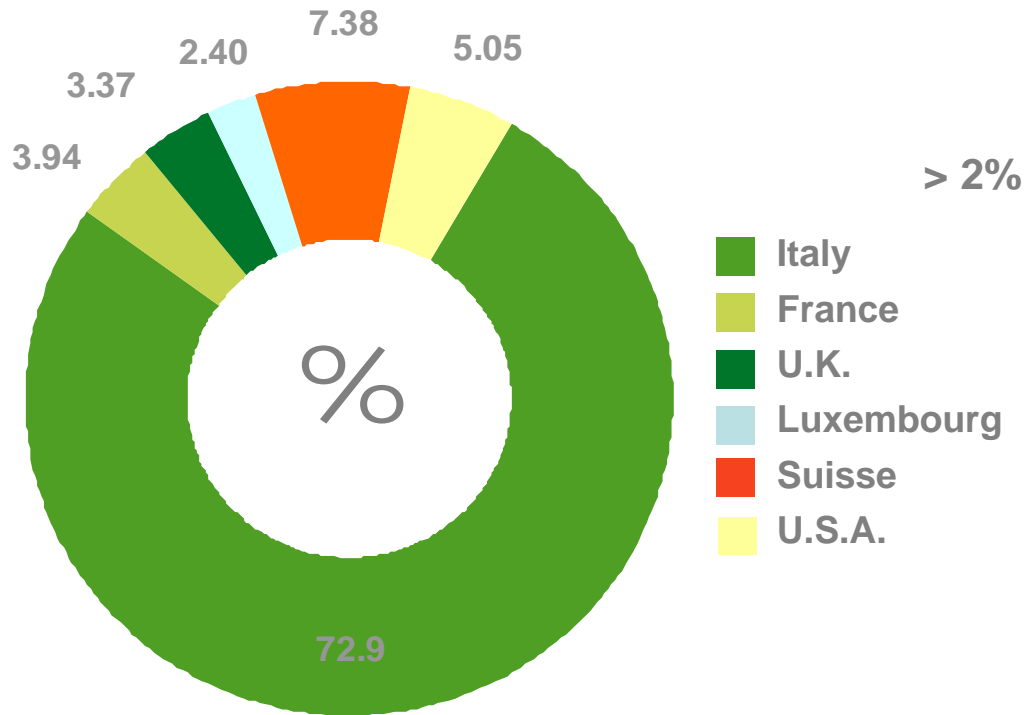
Biesse shareholding structure: 2009 update



(Consob source)

Biesse shareholding structure: 2009 update

geographical breakdown



(company source - Istifid)



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e-mail: alberto.amurri@biesse.it