

**QUARTERLY
REPORT
AT 30/09/2016**

BIESSE S.p.A.
QUARTERLY REPORT
AT 30 SEPTEMBER 2016

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THE BIESSE GROUP

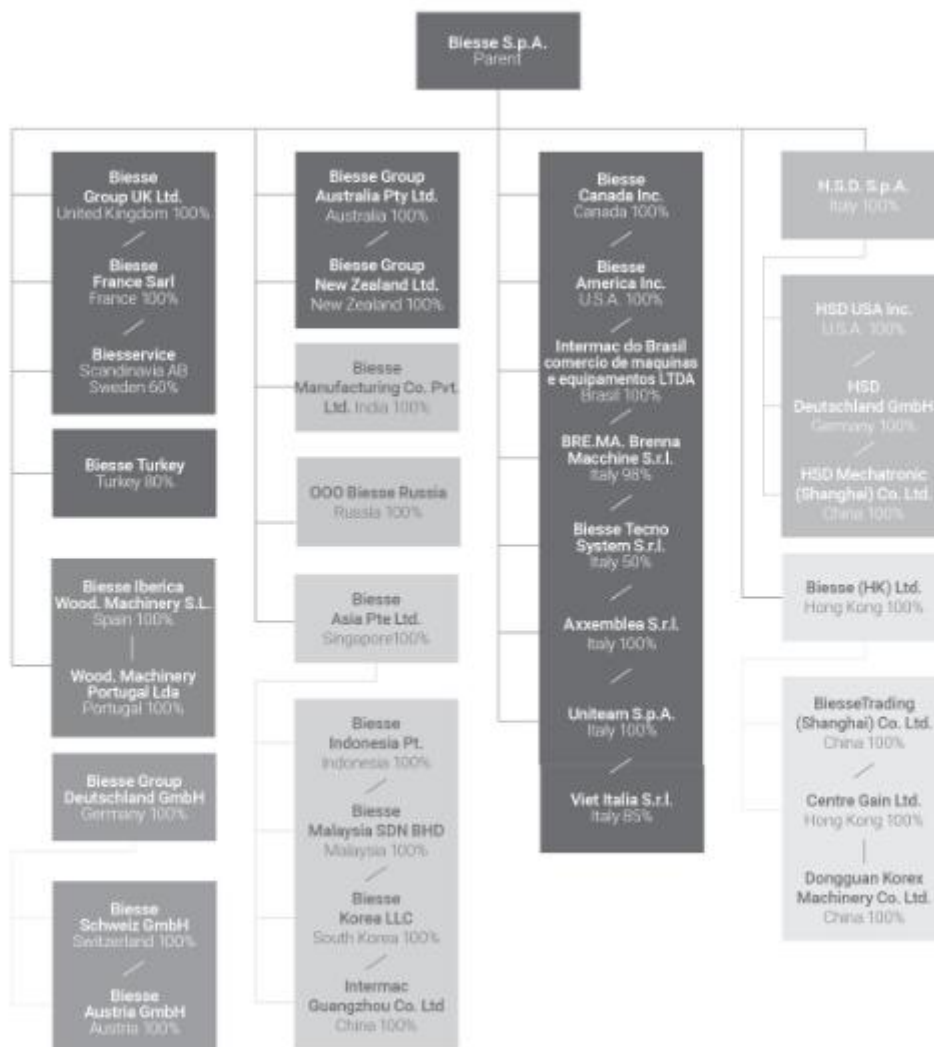
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GROUP STRUCTURE

The following companies belong to the Biesse Group and are included in the scope of consolidation:



Notes: the different colours represent the subgroups of the control chain

NOTES TO THE FINANCIAL STATEMENTS

The Biesse Group's consolidated quarterly report at 30 September 2016, unaudited, has been prepared pursuant to Article 154-ter, paragraph 2 of the Consolidated Law on Finance and in accordance with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS).

Accounting standards and recognition criteria are consistent with those of the 2015 Annual Report, to which reference should be made. Furthermore, it should be noted that:

- the quarterly financial statements have been prepared under the discrete method, according to which the reference period is treated as an accounting period distinct from the annual cycle. In this respect, the income statement items for the period are recognised in the quarterly income statement on an accruals basis;
- the financial statements underlying the consolidation process are those prepared by subsidiaries with reference to the period ended 30/09/2016, adjusted, where necessary, to align them with the Group's accounting policies;
- some of the economic information contained in this report presents interim profitability indicators such as gross operating profit (EBITDA). This indicator is considered by management to be an important parameter for measuring and assessing the Group's operational performance, in that it is not affected by the various methodologies adopted to determine taxable income, by the amount and features of capital employed, or by depreciation and amortisation policies. We should point out, however, that this indicator is not identified as an accounting measure for IFRS purposes, meaning that the criterion used to determine taxable income might not be consistent with what is reported by other groups or companies.

Compared to the financial statements for the year ended 31 December 2015, the scope of consolidation underwent the following changes:

- the setting up of the company OOO Biesse Group Russia 100% owned by Biesse S.p.A., aimed at developing the marketing of products and services in all Group Divisions on the Russian market, as well as providing technical assistance with installation and testing and after-sales services. The company was set up on 31 March 2016 and is based in Moscow (share capital of 10 million roubles);
- the inclusion of the company Uniteam S.p.A. in the scope of consolidation on 19 May 2016, as a result of the acquisition of 100% of the shares of the company by Biesse S.p.A. Uniteam S.p.A. is based in Thiene and produces and sells CNC machines for the furniture industry, for the processing of solid and laminated wood beams (beams, panels and big structures) and for the processing of composite materials (plastic, aluminium, advanced materials etc.). The share capital amounts to €390 thousand.
- The merger through incorporation of the subsidiaries Viet Italia S.r.l. and Pavit S.r.l. completed on 24 June 2016. The accounting effects of the merger arose from 1 July 2016, while the tax effects are backdated to 1 January 2016.

PARENT COMPANY OFFICERS

Board of Directors

Chairman and Chief Executive Officer	Roberto Selci
Chief Executive Officer	Giancarlo Selci
Executive Director	Alessandra Parpajola
Executive Director and Group General Manager	Stefano Porcellini
Executive Director	Cesare Tinti
Independent Director	Salvatore Giordano
Independent Director	Elisabetta Righini

Board of Statutory Auditors

Chairman	Giovanni Ciurlo
Standing Statutory Auditor	Cristina Amadori
Standing Statutory Auditor	Riccardo Pierpaoli
Alternate Statutory Auditor	Silvia Cecchini
Alternate Statutory Auditor	Nicole Magnifico

Control and Risks Committee – Remuneration Committee – Related Party Committee

Salvatore Giordano
Elisabetta Righini

Supervisory Body

Salvatore Giordano
Elisabetta Righini
Domenico Ciccopiedi

Elena Grassetti

Independent Auditors

KPMG S.p.A.

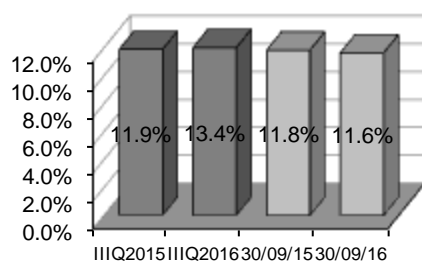
FINANCIAL HIGHLIGHTS

Income Statement

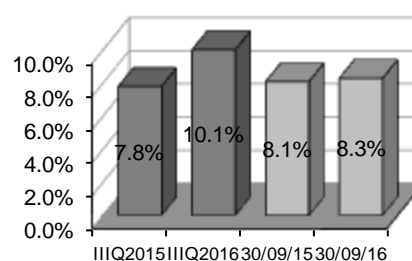
	September 2016	% on sales	September 2015	% on sales	Change %
<i>Euro 000's</i>					
Revenue from sales and services	436,434	100.0%	365,131	100.0%	19.5%
Added value (1)	177,899	40.8%	150,703	41.3%	18.0%
Ebitda (Gross operating profit) (1)	50,766	11.6%	43,159	11.8%	17.6%
Normalised EBIT (Normalised operating profit) (1)	36,924	8.5%	29,726	8.1%	24.2%
EBIT (Operating profit) (1)	36,152	8.3%	29,498	8.1%	22.6%
Profit for the period	20,882	4.8%	14,875	4.1%	40.4%

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Ebitda margin



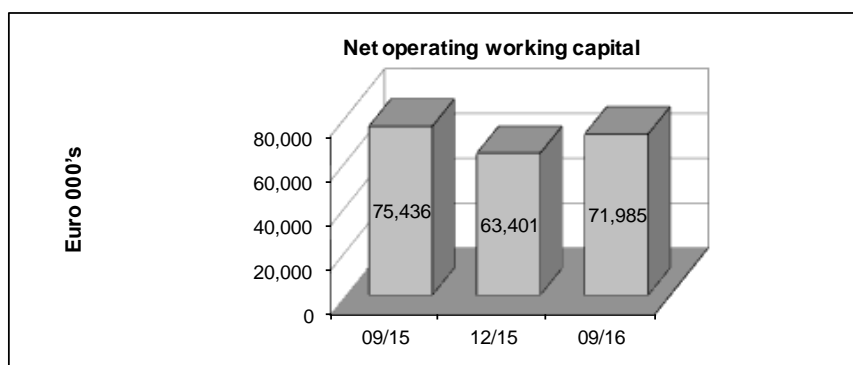
Ebit margin



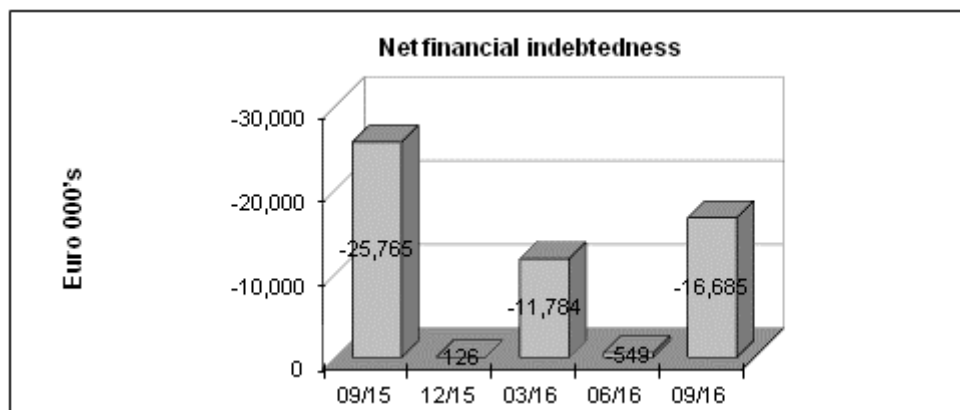
Statement of Financial Position

	30 September 2016	31 December 2015	30 September 2015
<i>Euro 000's</i>			
Net Invested Capital (1)	166,844	141,260	161,449
Equity	150,159	141,386	135,684
Net financial indebtedness (1)	16,685	(126)	25,765
Net operating working capital (1)	71,985	63,401	75,436
Gearing (net financial position/equity)	0.11	(0.00)	0.19
Fixed asset/standing capital ratio	0.92	0.91	0.92

(1) Amounts referring to interim results and to aggregate equity and financial figures. The relevant calculation criteria are provided in the Directors' Report on Operations


Cash flow

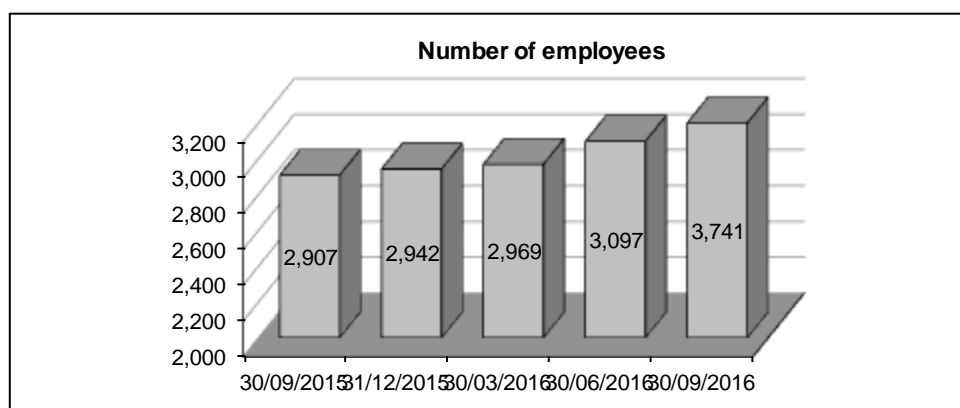
	30 September 2016	30 September 2015
<i>Euro 000's</i>		
EBITDA (Gross operating profit)	50,766	43,159
Change in net working capital	(12,522)	(19,722)
Change in other operating assets/liabilities	(21,374)	(14,339)
Operating cash flow	16,870	9,099
Cash flow used in investment activity	(23,308)	(18,274)
Cash flow	(6,438)	(9,175)
Dividends paid	(10,070)	(9,824)
Treasury shares sold	-	4,498
Exchange rate gains (losses)	(302)	7
Change in net financial indebtedness	(16,810)	(14,494)



Personnel

	30 September 2016	30 September 2015
Number of employees at period end	3,741	2,907

The figures include temporary staff



DIRECTORS' REPORT ON OPERATIONS

At the end of the third quarter of 2016, the Group's position is still positive both in terms of short-term trend (orders received) and results achieved (profitability). Concerning the financial position, the Group's net financial indebtedness amounted to €16.7 million; up from €0.1 million in December 2015 due to non-operating expenses, such as the payment of the 2015 dividend (totalling €9.8 million), to changes in net operating working capital, and to the payment of taxes (of approximately €20 million) in July 2016.

As for the order intake, at the end of September 2016 there was an approximate 12.9% overall increase on the prior-year period (€358 million compared to €316 million for the same period the previous year), confirming the positive trend already seen in the first six months of the year.

This, combined with the sales forecasts for the last quarter of the year, determined the increase in finished and semi-finished product inventories at the end of the period, so as to support sales in the fourth quarter, which is usually the best quarter of the year.

As regards the performance for the period, in the first nine months of 2016 the Group's revenue amounted to €436,434 thousand, sharply up compared to the prior-year period (+19.5%). Thanks to the particularly strong performance of the third quarter, the solid positive trend for the period is confirmed: the Group posted revenues of €152,650 thousand in the period, up 27.7% compared to the prior-year period (€119,578 thousand).

In the first nine months of 2016, added value totalled €177,899 thousand, up 18.0% year-on-year (up 26.1% with reference to the third quarter only).

EBITDA for the first nine months of 2016 totalled €50,766 thousand, up €7,607 thousand compared to the same period the previous year (+17.6%). As a percentage of revenue, it decreased from 11.8% to 11.6%. EBIT improved in the same period as well, rising by €6,654 thousand (€36,152 thousand in 2016 compared to €29,498 thousand in the prior-year period). As a percentage of revenue, it increased from 8.1% to 8.3%.

For 2016, the "non-recurring events" refer to extraordinary product phase outs in application of the agreed upon strategic plan in China and the write-down of development costs concerning projects no longer considered to be strategic.

As detailed in the following notes, all the divisions reported excellent results for the first nine months of 2016: the Wood Division grew by 19.2%, the Tooling Division by 25.6% and the Glass & Stone Division del 21.6%, on the back of a change in sales mix by distribution channel (increasing importance of own sales branches, with significant investments in the direct sales force) and by product (high-end items with a greater technological content), and of improvements in production efficiency. The Mechatronics Division too performed strongly, continuing its growth trend in terms of volumes and profits (with a 16.3% increase in sales).

The third quarter helped improve the Group's performance, with EBITDA rising by €6,234 thousand and EBIT by €6,065 thousand.

As for the financial position, the net operating working capital increased by around €8,584 million compared to December 2015, mainly due to the approximately €22.7 million increase in inventories. It should be noted that the company has been building up inventories to support the scheduling of the deliveries planned for the final part of the year, especially as far as the subsidiaries are concerned. This is necessary to meet the year-end targets. In terms of overall working capital, the impact was partially offset by the nearly €32.3 million increase in trade payables, while trade receivables rose by about €18.2 million.

Net operating working capital decreased by approximately €3.5 million year-on-year.

Finally, as at 30 September 2016, the Group's net indebtedness totalled approximately €16.7 million, up

from 31 December 2015 (€0.1 million), but down nearly €9.1 million from 30 September 2015 (€25.8 million), largely as a result of the cash flows resulting from the considerable improvement in operating performance.

GENERAL ECONOMIC OVERVIEW

GLOBAL ECONOMIC TREND

The outcome of the referendum in the United Kingdom has not yet produced significant global effects, but growth in the global economy continues at a moderate rate; the outlook has improved slightly in the emerging countries, while uncertainties remain in the main advanced economies. World trade remains weak, and forecasts on its trend were still revised downwards.

Global growth prospects remain low. According to the latest IMF forecasts, the global GDP will grow by 3.1% and 3.4% in 2016 and 2017 respectively, in line with July estimates. The downwards revision of growth in the United States for the year underway reflects the modest growth of GDP in the second quarter, while the more favourable prospects for Japan benefit from the new budget measures; the forecasts for the Eurozone remained essentially unchanged. As for the emerging economies, whose growth is expected to strengthen after five years of progressive weakness, expectations are confirmed on values which are similar to those indicated in July, with upwards revisions for India and Russia.

SOME MARKET TRENDS

United States

In the United States, GDP increased in the second quarter by 1.4 percent on a year-on-year basis, accelerated compared to the previous period (0.8 percent). The robust expansion of household spending was partially offset by the negative contribution of the change in inventories and the drop in investments in the construction sector. The increase in employment continued during the summer months; available information is consistent with an acceleration of GDP growth in the third quarter.

Japan

In Japan, GDP dropped considerably (from 2.1 to 0.7 percent) in the second quarter, due to the slowdown in private consumption and the decrease in exports. The country's economy remains uncertain, but, at the end of the year underway and in 2017, it should benefit from the stimulus package that was recently approved by the government, accounting for approximately 1.5 percent of the GDP.

United Kingdom

Economic activity in the United Kingdom picked up (from 1.7 to 2.7 percent) thanks to the good domestic demand levels. However, uncertainty continues to run high on the economic repercussions of the exit from the European Union, even if August and September PMIs showed an unexpected upturn in all main sectors.

China

Chinese growth remained stable in the second quarter (6.7 percent compared to the corresponding period last year), continuing to benefit from the expansion of credit and the increase in infrastructure expenditures. However, in the summer months there was a slowdown in investment activity, while industrial activity and retail sales continued to increase at a brisk pace. In India, GDP growth remained sustained (7.1 percent), though decelerated compared to the first quarter.

Eurozone

In the Eurozone, the cyclical expansion continues at a moderate pace, as it has been slowed down on account of the weakness in global demand. Inflation rose slightly, though the overall trend does not show any strong signs of growth and remains a source of concern. Implementation of monetary policy measures continued; these aim to ensure that inflation returns to levels in line with the definition of price stability given by the Governing Council of the ECB.

The GDP in the Eurozone slowed down to 0.3 percent (from 0.5 in the previous period) during the spring months, affected by the slight reduction in domestic demand – the first in over two years. The stagnation of investment and the negative contribution of the change in inventories were joined by the slowdown in household consumption. Foreign trade has once again begun to provide a positive contribution to GDP growth, thanks to the increase in exports which has been more marked than the increase in imports.

The mitigation of the expansionary phase was shared by all major countries. Activity in the second quarter was supported by trade, offsetting the slowdown caused by domestic demand. In Germany, GDP was adversely affected by the drop in investments (-1.5 percent) – the first since the summer of 2014 – while benefitting from the new increase in consumption, which was more marked in the public sector. In France economic activity was slowed down by the negative contribution of the change in inventories (- 0.7 percentage points) and the interruption of the increase in household spending.

In the meeting of 8 September 2016, the Governing Council of the ECB confirmed that the official rates will remain at current levels or lower for an extended period, beyond the horizon of the securities purchase program (currently March 2017 or later, if necessary); it also declared that the considerable degree of monetary support incorporated in the more recent provisions will be maintained and that it is ready to intervene with all instruments available whenever necessary to ensure the return of inflation to a level that is lower than but close to 2%. The Council also tasked the ECB's and the national Central Banks' staff to assess the technical options that ensure orderly implementation of the purchase program.

Italy

After stagnating in the second quarter, GDP returned to slight growth in the third quarter, based on information deduced from available quantitative data more frequent as compared to GDP, and surveys carried out on families and businesses. The performance observed in the spring months was negatively affected by the weakness in domestic demand; on a prospective basis, the lowered risks are due to the world trade dynamics.

After having increased for five consecutive quarters, with a cumulative growth equal to slightly over one percentage point, in the second quarter of the year GDP remained unchanged; in the previous period it had grown by 0.3 percent. The added value declined once again in the industrial sector (- 0.8 percent) after the marked increase in the winter months, whereas it increased in the service sector (0.2 percent, as it had in the previous period) and in construction. In the second quarter, domestic demand slowed down economic activity for the first time since the end of 2014. The negative contribution arising from the lower accumulation of inventories was associated with the slowdown in household spending (0.1 percent, from 0.4) and investments (0.2 percent, from 0.7); the latter is attributable to the performance of the capital goods component. Foreign trade accounted for 0.3 percentage points of GDP, reflecting a marked increase in exports, higher than the increase in imports (2.4 and 1.4 percent, respectively).

In the Update Note of the Economic and Financial Document for 2016 presented on 27 September 2016, the Government revised the estimates for growth in Italy downwards, in line with more recent economic information and the weakness experienced internationally. Based on current legislation, GDP should increase this year by 0.8 percent and decrease in 2017 to 0.6 percent (compared to the forecasted 1.2 percent growth in the spring of both years). The growth trend as emitted by the government for 2017 is at the lower portion of the distribution when compared with the assessments by major private and institutional forecasters; these assessments nevertheless do not include the general negative effects of applying the safeguard clauses, which would result in higher indirect taxes. In its program, the Government forecasts for the upcoming year a stronger expansion compared to the current legal framework (of 0.4 percentage points, to 1.0 percent), which reflects the failure to implement the clauses above and the other interventions that the government intends to carry out with the upcoming budget law.

BUSINESS SECTOR REVIEW

UCIMU – SISTEMI PER PRODURRE

In the third quarter of 2016, the index of machine tool orders, prepared by the Centre for Enterprise Studies & Culture of UCIMU-SISTEMI PER PRODURRE, recorded a 5.8% decrease on the prior-year period.

More specifically, the index of orders from foreign markets was down by 6.8% compared to July-September 2015, while orders from the domestic market increased by 11% compared to the same period

the previous year.

Massimo Carboniero, the Chairman of UCIMU-SISTEMI PER PRODURRE, stated: "the slight decrease recorded by the index certainly does not please us: some significant foreign markets are dropping – as is the case for the United States, which are focused on the final election rush – some are slowed down, like China, and finally some are experiencing difficulties, like Russia. However, we are not concerned because our history has taught us that Italian manufacturers are able to refocus their offer on more dynamic areas". "In this sense," Massimo Carboniero concluded, "the Industry 4.0 Italian National Plan is indeed an instrument for relaunching the competitiveness of our industrial system. The association fully agrees with the Government's decision to support the manufacturing sector with concrete measures to prop up demand as well as the technology offering. In other words, these measures will reward all virtuous companies: those wishing to invest, that is demand, because they will enjoy significant tax relief, and those wishing to innovate, that is offer, because, as a consequence, they will find a market that is more dynamic and receptive and can count on tax credits for research and development activities".

Acimall

Acimall (the Italian woodworking machinery and tools manufacturers' association) once again uses the usual subdivision between domestic and foreign market to analyse the performance of the orders in the third quarter of 2016.

The customary survey, conducted on a statistical sample representing the entire sector, shows that the Italian woodworking machinery and tools industry grew by 28.8% over the prior-year period. Foreign orders rose by 3.1%.

As for the survey outlining the sector's short-term trend, the indications for the next quarter are generally favourable and the operators are showing moderate optimism.

MAIN EVENTS OF THE PERIOD

January 2016

From 18 to 31 January, Biesse Group organised at its Business Centre in Pesaro the Academy weeks during which the different branches of the Group went to the headquarters for training on the new products and on business strategies.

February 2016

From 2 to 5 February, Biesse Iberica took part in Fimma Valencia with technological solutions developed to meet market demand and marked by the high standards of quality, finish and design that have always characterised Biesse machines.

From 25 to 29 February, Biesse took part in the ninth edition of Indiawood, enjoying great success among visitors. Nearly 50,000 people from all over the world visited the five-day fair. The Biesse stand hosted for the first time in India a 5-axis machining centre, line edge-banding machines and the revolutionary software package CAD/CAM bSuite, confirming Biesse's ability to be close to its customers in the challenge of the fourth industrial revolution.

On 26 February 2016, the Board of Directors of Biesse S.p.A. approved the updating of the business plan for the three-year period 2016-2018.

Based on the initiatives set out in the above business plan and on the assessment of the international macroeconomic situation, the results expected by the Biesse Group in the next three years are as follows:

- higher consolidated revenue at a CAGR of 10.7% (revenue expected in 2018 above €704 million)
- higher Added Value with a three-year CAGR of 11.9% (42.4% record percentage)
- increase in operating margins:
 - EBITDA with a three-year CAGR of 14.3% (EBITDA margin 13.6% in 2018)
 - EBIT with a three-year CAGR of 17.9% (EBIT margin 10.2% in 2018)
- positive free cash flow totalling €82 million in the 2016-2018 period (free cash flow margin 5.6% in 2018)

"The plan is based on the excellent result of the 2015 financial year" - commented the Group General Manager Stefano Porcellini – "a financial year that ends with a record growth in revenue, a sharp increase in profitability and the zeroing of the debt.

March 2016

From 2 to 4 March, Biesse organised the first Inside Solid Wood in which Italian and foreign customers took part, an event entirely dedicated to solid wood throughout all its processing stages: from raw to finish. Thanks to the Biesse machines, the 3, 4, and 5-axis wood processing techniques, as well as Viet most innovative solutions for what concerns high-quality finishing techniques for solid wood products and components for windows and doors through calibration, sanding and brushing, were shown. This event was accompanied by a workshop dedicated to "bSolid 5-axis Evolved Planning" to show the wide potentials of advanced software entirely developed by Biesse, with a special focus on the 5-axis processing.

From 18 to 20 March, the Intermac open house was held, involving customers from all over the world for the glass, stone and metal sectors. This event evolves and grows from year to year, and it is a major investment for the company that thereby confirms its desire to retain a leadership position in the market.

From 28 to 31 March, the Pazhou Complex in Guangzhou, China hosted the CIFM/Interzum Guangzhou 2016, Asia's most important trade fair for the subcontracting and woodworking machinery sector. A total of 1,243 companies from across the globe met over a surface area of 140,000 square metres to present their latest innovations, ranging from raw materials, materials and components for furniture, textiles, padded furniture and woodworking machinery and machines for interior decoration works. Around 67,000 visitors came from over 140 countries and areas to visit the fair.

On 31 March 2016, the company OOO Biesse Group Russia was established, with registered office in Moscow (share capital of 10 million roubles, 100% owned by Biesse S.p.A.). The company aims to develop the marketing of products from the Glass & Stone and Tooling Divisions on the Russian market, as well as to provide technical assistance with installation and testing and after-sales services. To date, the company is still in a start-up phase and its contribution to the Group's results is minimal.

April 2016

From 4 to 6 April, Dubai hosted WoodShow, Middle East's largest international trade fair for the woodworking technology sector. Specialists and operators flocked to Dubai Woodshow from all over the world, a well-established B2B meeting place for the wood industry. The 11th edition provided a perfect platform for suppliers, manufacturers and companies involved in woodworking, giving them full opportunity to present their products, innovative technologies, production plans and machinery on a large scale. Biesse too showed innovative machines and cutting-edge software solutions at the Dubai World Trade Centre, the futuristic site of the fair.

On 6, 7 and 8 April, the new Charlotte Showroom was opened. With a grand opening celebration, Charlotte welcomed the new "Biesse Group Campus", an area that exceeds 20 thousand square metres, designed to showcase the outstanding Biesse and Intermac technology in North America. With a surface area that stretches out over 7,000 square metres, the new showroom is fully equipped with machinery for processing wood panels, solid wood, plastic, non-ferrous metals, glass and stone, all in a convenient location.

From 12 to 17 April, the Biesse Group took part in the 2016 Milan Furniture Fair, Salone del Mobile. Innovation and internationalization were the watchwords for this 55th edition of the international furniture fair, the most important design and furniture trade fair in the world, held in the Milan metropolitan area town of Rho.

The Biesse Group was amongst the leaders of the stand of Acimall, the Italian woodworking machinery and tools manufacturers' association. The key theme of the Acimall stand was "all this depends on us", showing that behind the scenes of many elements that make Italian design an international hallmark of excellence is a woodworking machine, that can transform brilliant creative ideas into reality on a

production level.

Based on the think4ward concept, the company's desire is to support its customers in facing the challenges of the fourth industrial revolution, through an approach that is oriented to innovation and change, simplifying design and production through the use of machines characterised by unmatched speed and ease of use.

On 29 April 2016, the Ordinary Shareholders' Meeting of Biesse S.p.A. approved in second call the 2015 Separate and Consolidated Financial Statements, both prepared in accordance with IASs/IFRSs, and resolved to distribute a €0.36 dividend per share in light of the results achieved in 2015 (ex-dividend date scheduled for 09 May 2016 – record date 10 May 2016), paying a total of €9,857,895.12 – excluding treasury shares.

May 2016

From 24 to 28 May, the 25th edition of Xylexpo 2016 took place in Milan, a biennial trade show for woodworking technologies and components for the furniture industry. In the wake of the outstanding results announced last March at the end of the reporting period, Biesse confirms the stability of its growth with a new record at Xylexpo: the order commitments recorded by the Group grew by 103% compared to the 2015 edition of the same event – an even more significant figure if translated in €20.6 million that these sales generated.

During May and June, several one2one events took place in Biesse Group's showroom in Pesaro: meetings on specific technologies such as edge-banding, nesting, sizing and, in particular, an event dedicated to Systems, where it was possible to see a complete line for the production of furniture in action.

It should be reported that Uniteam S.p.A. was included in the scope of consolidation on 19 May 2016, as a result of the acquisition of 100% of the shares of the company by Biesse S.p.A. Uniteam S.p.A. is based in Thiene and produces and sells CNC machines for the furniture industry, for the processing of solid and laminated wood beams (beams, panels and big structures) and for the processing of composite materials (plastic, aluminium, advanced materials etc.). The share capital amounts to €390 thousand.

June 2016

During June, several open house events were held in the foreign branches and, in particular, on 24 and 25 June in Dongguan at Biesse China and on 30 June and 1 July in Biesse France. During these events, customers were able to visit the showroom and the branch and see how the Made in Biesse technologies are available anywhere near them.

July 2016

From 6 to 9 July, Melbourne hosted Awisa 2016, the Australian trade fair for the cabinet, joinery, furniture, timber and panel industries. Biesse recorded another success, closing with orders amounting to around AUD 10 million. In the 1,200 sq.m of exhibition space at the fair, the Group was able to show to its public 20 innovative machines for processing wood, composite materials and stone, with an increase in visits of around 54% compared to the previous edition.

From 20 to 22 July, one2one Plast Range was held at the Biesse showroom in Pesaro, an event totally focused on the processing of plastic and advanced materials and dedicated to selected customers in order to ensure a deep and direct interaction.

It is worth mentioning that on 24 June 2016 (effective as from 1 July 2016), the deed of merger through incorporation of Pavit S.r.l. into Viet Italia S.r.l. was signed.

August 2016

From 24 to 27 August, the IWF 2016 was held in Atlanta, Georgia. Customers from over 1,000 companies visited Biesse's stand to discover the most innovative technology available in the sector. Taking into account the personal requirements focused on the value of today's market, Biesse showcased over 1,500 sq.m of machinery, focusing on flexibility, productivity and reduction of operating costs, demonstrating

how anyone can seize the multitude of opportunities offered by the Fourth Industrial Revolution. "IWF 2016 exceeded expectations and once again revealed itself to be a record event for Biesse America and Biesse Canada", declared Federico Broccoli, Wood/Sales Division Director & Subsidiaries Division Director/CEO of Biesse America and Biesse Canada. 18 million dollars of finalised orders over a period 4 days provide a tangible indication of the strength of the North American market and the trust that our Customers have in Biesse's cutting-edge technologies. Our sales in North America are continuously increasing, with a double-digit growth that improves the market share and the satisfaction of our Customers. The important investments, like the extremely modern showroom at the Charlotte Campus, are telltale signs of the trust and hope that we place in the North American market, which now accounts for 20% of global sales. Our vision is to continue to support our two North American branches, without changing our objectives and investments, in order to maintain excellent customer service and increase market share."

September 2016

On 3 September, the 80G Festival took place at the Biesse Group campus in Pesaro: this was an event organised for all Italian employees of the Biesse Group, to which approximately 3,500 people attended. The entire Biesse campus was animated with colours and lights for the entertainment of the guests. It was a special evening, in which to celebrate the Group's successes on the occasion of the 80th birthday of its founder, Giancarlo Selci.

From 4 to 7 September, Biesse took part in Trå&Teknik, the main Swedish event for wood manufacturing technologies, held in Gothenborg. The fair was quite successful, with an 18% increase in visitors compared to the 2014 edition. Biesse was present with a stand of over 1,400 sq.m exhibiting 13 technological solutions for woodworking.

In September, HSD participated in IMTS Chicago and AMB Stuttgart, the two main international fairs for machine tools and components for metal working. HSD presented the innovative HST610 2-axis Head with Direct Drive technology, for extremely high-level performance for 5-axis processing, and the extensive range of Electrospindles, with power ranging from 3kw to 50kw and coupling from 1 to 150Nm, and with a wide range of tools and working speeds reaching up to 50,000 RPM – specifically for metal alloys.

From 12 to 16 September, the Subsidiaries meeting was hosted at the Biesse Group headquarters: the directors of the Group's branches from around the world met in Pesaro for a week of discussion, training and debate on sales and marketing.

From 20 to 23 September, the Glasstec trade fair was held in Düsseldorf, Germany. Intermac was present, reinforcing its leadership position through the world premiere launch of the new Master Series machining centres. With totally renewed design, performance and software applications (thanks to bSolid), the next-generation CNCs drew the attention of visitors to the almost 1,000 sq.m stand, projecting Intermac into the future and setting new standards for the glass industry for years to come.

A total of 8 machines were presented at the stand, including the new Genius floating cutting tables, the Vertmax vertical solution and the Primus waterjet cutting systems, which revolutionize the application possibilities of technology to glass processing. Furthermore, Diamut presented a wide range of tools and technologies for glass processing, from milling machines to peripheral wheels, perfectly complementing Intermac technologies to reach the best results.

The SWave – the new cup grinding wheel for bilateral and rectilinear machines, equipped with an exclusive internal cooling system – also made its debut at Glasstec.

From 24 to 25 September, Biesse Group was one of the stops on the educational trip led by the University of Rosenheim. The Rosenheim University of Applied Sciences has been one of the major institutions for the education and training of wood engineers throughout the world over the last 80 years. This year it decided to carry out its annual educational trip at the Biesse Group's headquarters in Pesaro.

Company owners, operational managers, production managers, executive consultants and professors of the woods sector, all intent on discovering and learning, attended the presentation of the group by Federico Broccoli, Wood/Sales Division Director & Subsidiaries Division Director/CEO of Biesse America and Biesse Canada and Raphaël Prati, Marketing and Communications Director, and visited the Biesse Group

showroom to view the most innovative wood technologies.

On the second day of training, the tour stopped at HSD, the business unit specialised in mechatronics located in Gradara, where the over 50 participants from Germany were able to become acquainted with high-tech components such as electrospindles, 5-axis heads, bevel gearboxes and drilling units for numerical control processing centres.

From 28 September to 1 October, Marmomacc was held in Verona. Intermac and Donatoni, together for the first time in a spectacular 1,300 square meters stand, rewrote the history of stone processing technology. The synergy developed over the last year made these companies global leaders in the sector. In the stand, 11 machines were present to show one of the most complete and advanced range of solutions on the market. Innovative solutions for productivity, optimization of scrap, management of just in time orders and a rich exhibition of samples and tools made by Diamut completed the vast assortment of Intermac solutions satisfying even the most complex requests from the market.

October 2016

From 2 to 5 October, Biesse UK participated in W16 Birmingham, the most successful fair with 46% more space than the previous edition and the exhibition of edging and nesting lines, proving that working smart is possible and economical for small and medium sized businesses as well as for large businesses. A total of 19 machines were on display at the Biesse stand, including solutions for small edging, sectioning and CNC centres, targeted mainly to small manufacturers who are just initiating their automated production.

Over 3,000 attendees from all over the world came to the Biesse Group Campus in Pesaro to take part in Inside Biesse, the traditional three-day event dedicated to technological innovation at the service of those who work with wood and advanced materials, held from 13 to 15 October.

Biesse reported an order intake of approximately €10 million, a significant portion of which from the domestic market, reconfirming the economic recovery of Italy. "We had 165% more orders than in the previous event, and 16% more visitors from 5 continents. Geographically Italy has a 37% share, confirming the international nature of the event. It is with great pleasure that we note that a significant percentage of this order intake is focused on Biesse 4.0 technologies" declared with satisfaction Federico Broccoli Wood/Sales Division Director & Subsidiaries Division Director/CEO of Biesse America and Biesse Canada". The theme of this event was "Smart 4 all", which provided visitors an overview of the potential of digitalization for the manufacturing sector. "4.0 ready" machines, installations and software signed Biesse were on display for all large and small businesses willing to gain competitiveness while optimizing their design and production processes. It was also a possible to delve deeper into 4.0 industry issues through a series of seminars held by Accenture, Biesse Systems and Wood-Skin, attended by over 400 customers. "These testimonials proved in many ways how is it possible and convenient to set up a digitalization process within factories while keeping the value and skills of woodworkers high. This is the era of the digitalization of craftsmanship" explained Raphaël Prati, Marketing and Communications Director of Biesse Group.

From 19 to 26 October, Biesse participated in the K Fair, the world's leading trade fair for plastics and composite materials, showing its own innovations for advance material processing. Two years ago, Biesse renewed its range of technologies for advanced materials with ad hoc solutions for a growing sector, offering its customers a complete and integrated range of machining centres, sizing centres, waterjet cutting systems and sanding machines for all the stages of advanced material processing. K visitors were able to see 4 highly performing machines in operation: the Rover Plast B FT machining centre with gantry structure and FT surface, precise and flexible for every type of work, and the extremely performing Selco Plast WN6 panel saw with one cutting line, which has been designed and created for medium sized lots. The new Brema Plast Eko 2.1 system is available for drilling. This is the only vertical machining centre with a patent pending, featuring specific accessories for working on advanced materials. Compact and versatile, it allows work to be carried out on items of different thicknesses and sizes. Among the new items is the Materia CL machining centre, which is the result of the collaboration with Uniteam, a Vicenza-based company with many years of experience in wood construction, advanced materials and special applications, which was recently acquired by the Group, further strengthening Biesse's potential in the plastic and composite materials sector. The CL material can satisfy a broad range of high speed

manufacturing requirements, carrying out 5-axis modelling and processing on thermoformed elements and molds.

From 22 to 26 October, Biesse participated in the Tüyap Wood Processing Machinery exhibition in Istanbul, the major event for woodworking machinery in the area.

In proof of the Group's continuous commitment to standing by its customers from the initial training phase on, Biesse sponsored the "Adventure of Wood Design Symposium" conference held in Tüyap 2016, during which various sector players presented different aspects of woodworking, from design to industrial planning to new market trends. Mauro Pede, Biesse Systems Manager and Giulio Masotti, CEO of Wood-Skin, both Biesse partners for some time now, were among the speakers.

Biesse took part in the latest Lesdrevmash, an exhibition specialised in woodworking machinery, held in Moscow at Expocenter, from 24 to 27 October. This was the first exhibition in which Biesse took part as OOO Biesse Group, the new local branch. At the 400 sq.m Biesse stand, located at the entrance to the Italian pavilion, all the various technologies were on exhibit: from the Selco SK4 panel saw with Twin Pusher to the Akron 1440 edge-banding machine, the Eko 2.1 boring machine and the new 5-axis Rover A Smart and Rover J with flat table. The exhibition was more successful and achieved a better result than the previous year, in terms of visitors as well as sales.

From 25 to 29 October, Intermac participated in Euroblech, the 24th International Sheet Metal Working Technology Exhibition, which was held in Hanover, Germany. In its stand, Intermac exhibited one of the most advanced ranges for waterjet cutting systems for metal sheets. Primus 324 has a double 3+5-axis cutting head and is a true technological gem. The 5-axis operating unit is equipped with a C-axis with infinite rotation (European patent) which allows for seamless execution of the most complex cuts. To complete the offer, Primus is equipped with ICam software with a highly intuitive and extremely powerful interface, which provides additional satisfaction for the many Intermac Primus users worldwide.

FINANCIAL STATEMENTS

Income Statement for the third quarter of 2016

	3Q 2016	% on sales	3Q 2015	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	152,650	100.0%	119,578	100.0%	27.7%
Change in inventories, wip, semi-finished and finished goods	(1,360)	(0.9)%	(1,364)	(1.1)%	(0.3)%
Other revenue	433	0.3%	580	0.5%	(25.4)%
Revenue	151,722	99.4%	118,794	99.3%	27.7%
Consumption of raw materials, consumables, supplies and goods	(63,494)	(41.6)%	(46,258)	(38.7)%	37.3%
Other operating expense	(26,713)	(17.5)%	(23,755)	(19.9)%	12.5%
Added Value	61,515	40.3%	48,780	40.8%	26.1%
Personnel expense	(41,071)	(26.9)%	(34,570)	(28.9)%	18.8%
Gross Operating profit	20,444	13.4%	14,211	11.9%	43.9%
Depreciation and amortisation	(4,535)	(3.0)%	(3,911)	(3.3)%	16.0%
Provisions	224	0.1%	(753)	(0.6)%	-
Normalised Operating profit	16,133	10.6%	9,547	8.0%	69.0%
Impairment losses and non recurring items	(750)	(0.5)%	(229)	(0.2)%	-
Operating profit	15,383	10.1%	9,318	7.8%	65.1%
Net finance expense	(366)	(0.2)%	(434)	(0.4)%	(15.9)%
Net exchange rate losses	(126)	(0.1)%	(819)	(0.7)%	(84.6)%
Pre-tax profit	14,891	9.8%	8,064	6.7%	84.7%
Income taxes	(5,757)	(3.8)%	(3,690)	(3.1)%	56.0%
Profit for the period	9,134	6.0%	4,375	3.7%	108.8%

Income Statement at 30 September 2016

	September 2016	% on sales	September 2015	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	436,434	100.0%	365,131	100.0%	19.5%
Change in inventories, wip, semi-finished and finished goods	14,223	3.3%	15,216	4.2%	(6.5)%
Other revenue	2,674	0.6%	2,559	0.7%	4.5%
Revenue	453,332	103.9%	382,906	104.9%	18.4%
Consumption of raw materials, consumables, supplies and goods	(187,962)	(43.1)%	(156,337)	(42.8)%	20.2%
Other operating expense	(87,471)	(20.0)%	(75,865)	(20.8)%	15.3%
Added Value	177,899	40.8%	150,703	41.3%	18.0%
Personnel expense	(127,132)	(29.1)%	(107,544)	(29.5)%	18.2%
Gross Operating profit	50,766	11.6%	43,159	11.8%	17.6%
Depreciation and amortisation	(13,151)	(3.0)%	(11,681)	(3.2)%	12.6%
Provisions	(691)	(0.2)%	(1,752)	(0.5)%	(60.6)%
Normalised Operating profit	36,924	8.5%	29,726	8.1%	24.2%
Impairment losses and non recurring items	(773)	(0.2)%	(229)	(0.1)%	-
Operating profit	36,152	8.3%	29,498	8.1%	22.6%
Net finance expense	(1,143)	(0.3)%	(791)	(0.2)%	44.5%
Net exchange rate losses	696	0.2%	(2,218)	(0.6)%	-
Pre-tax profit	35,705	8.2%	26,489	7.3%	34.8%
Income taxes	(14,824)	(3.4)%	(11,614)	(3.2)%	27.6%
Profit for the period	20,882	4.8%	14,875	4.1%	40.4%

Net revenue for the first nine months of 2016 was equal to €436,434 thousand, up 19.5% compared to 30 September 2015 (€365,131 thousand). This trend was confirmed by the third quarter's positive performance: net revenue amounted to €152,650 thousand, sharply up (+27.7 %) compared to the prior-year period (€119,578 thousand).

The breakdown of sales by segment shows how, in comparison to the same period in 2015, all the divisions have posted increases; the Wood Division increased by 19.2% but, in particular, we highlight the results of the Tooling Division and the Glass & Stone Division, which posted improvements of +25.6% (with revenues that increased from €7,394 thousand to €9,283 thousand) and +21.6% (with revenues increasing from €56,469 thousand to €68,683 thousand) respectively, while the Mechatronics Division has experienced a 16.3% increase.

The breakdown of sales by geographic area compared to the previous year shows that the performance was particularly good in Western Europe, up 29.5%, increasing its own weight in terms of consolidated sales (from 39.7% to 43.0%), thereby confirming that the Group's market of reference has been conquered also through the overtaking of the market shares of German competitors. North America also posted a good performances (+13.5%), though its weighting decreased from 18.1% to 17.2%. Finally, the Asia - Oceania area recorded a significant increase of 24.8%. Worthy of mention is the decrease in the Rest of the World (-12.6% compared with the prior-year period).

Inventories increased by €22.7 million overall compared to 31 December 2015. The change is due to the €3.3 million increase in semi-finished products, to the €13.7 million increase in raw materials, and to the €5.5 million increase in inventories of finished goods. The increase is due to the need to cope with deliveries forecast for the next few months in order to accomplish the year-end targets.

The value of production for the first nine months of 2016 amounted to €453,332 thousand, up 18.4% from €382,906 thousand as at September 2015.

The quarterly analysis shows that the stock production remained unchanged compared to the same period the previous year (in the third quarter of 2015, inventories of finished and semi-finished products declined by €1,364 thousand); overall, the value of production thus increased by €70,426 thousand (+18.4%) compared with the same period in 2015.

The analysis of consumption and other operating expenses as a proportion of the value of production, rather than of revenue, shows an increased adsorption of raw materials (41.5% compared to 40.8% at 30 September 2015).

Other operating expenses, although they were up in absolute terms, fell from 19.8% to 19.3%. This item is mainly attributable to Service (+ €10,838 thousand), which consists of both "variable" cost items (for example: outsourced processing, third party technical services, sales commissions and transport fees) and "fixed" cost items (travel and lodging expenses, trade fairs and maintenance).

	September 2016	%	September 2015	%
<i>Euro 000's</i>				
Revenue	453,332	100.0%	382,906	100.0%
Consumption of raw materials and goods	187,962	41.5%	156,337	40.8%
Other operating expense	87,471	19.3%	75,865	19.8%
Service costs	76,517	16.9%	65,680	17.2%
Use of third party assets	6,520	1.4%	6,298	1.6%
Sundry operating expense	4,433	1.0%	3,888	1.0%
Added Value	177,899	39.2%	150,703	39.4%

In the first nine months of 2016, added value totalled €177,899 thousand, up 18% compared to the same period the previous year (€150,703 thousand). As a percentage of revenue, it dropped from 41.3% to 40.8%.

In the first nine months of 2016, personnel expense amounted to €127,132 thousand, up €19,588 thousand (+18.2%) compared to the prior-year period (€107,544 thousand). The increase was largely attributable to the fixed costs represented by wages and salaries (+ €18,261 thousand, +18.0% year-on-year) and the variable costs related to performance and other bonuses (+ €1,485 thousand, +22.0% on the prior-year period). The increase in personnel expense was due to the increase in staff.

At 30 September 2016, EBITDA for the first nine months was positive to the tune of €50,766 thousand, compared to €43,159 thousand at 30 September 2015. In the third quarter of 2015, it amounted to €20,444 thousand, compared to €14,211 thousand in the same period the previous year.

For 2016, the "non-recurring events" refer to extraordinary product phase outs in application of the agreed upon strategic plan in China and the write-down of development costs concerning projects no longer considered to be strategic.

Depreciation and amortisation grew overall by 12.6%, from €11,681 thousand to €13,151 thousand: the change is mainly attributable to the €643 thousand increase in property, plant and equipment (from €5,095 thousand to €5,738 thousand, up 12.7%). The share related to intangible assets increased by €827 thousand (from €6,586 thousand to €7,413 thousand, up 12.6%).

Provisions totalled €691 thousand, down from €1,752 thousand in the first nine months of 2015, mainly due to the adjustment to the product warranty provision.

As regards financing activities, finance expense amounted to €1,143 thousand, up 44.5% compared to the same period in 2015 (€791 thousand).

Exchange rate risk management in the first nine months resulted in gains of €696 thousand, compared to the €2,218 thousand loss in the prior-year period.

Pre-tax profit amounted to €35,705 thousand.

The estimated balance of tax items was negative to the tune of €14,824 thousand. The impact relating to current taxes was a negative €16,972 thousand (IRAP – regional business tax: €2,096 thousand; IRES – corporate income tax: €11,018 thousand; taxes from foreign jurisdictions: €3,981 thousand; prior years' taxes: €71 thousand; other taxes: -€194 thousand), while deferred taxes totalled €2,148 thousand.

Therefore, profit for the first nine months of 2016 amounted to €20,882 thousand.

Net financial position at 30 September 2016

	30 September	30 June	31 March	31 December	30 September
	2016	2016	2016	2015	2015
<i>Euro 000's</i>					
Financial assets:	33,432	41,200	35,599	51,571	44,525
<i>Current financial assets</i>	17	30	16	17	16
<i>Cash and cash equivalents</i>	33,414	41,170	35,582	51,553	44,508
Short term finance lease payables	(137)	(137)	(457)	(489)	(422)
Short term bank loans and borrowings and loans from other financial backers	(40,331)	(26,750)	(27,069)	(28,209)	(36,503)
Short-Term Net Financial Position	(7,037)	14,314	8,072	22,873	7,600
Medium/Long-term finance lease payables	(54)	(92)	(1,236)	(1,514)	(1,555)
Medium/Long-term bank loans and borrowings	(9,594)	(14,770)	(18,621)	(21,234)	(31,810)
Medium/Long-term Net Financial Indebtedness	(9,648)	(14,863)	(19,857)	(22,748)	(33,365)
Total Net Financial Indebtedness	(16,685)	(549)	(11,784)	126	(25,765)

Group net financial indebtedness at 30 September 2016 amounted to €16.7 million, up €9.1 million compared to the same period of 2015. In the 9 months of the year under way – net of the payment of dividends to shareholders, the balance of non-operating items and also with account taken of the normal seasonality of the business – operations used €16.8 million of liquidity.

The Group's gearing as at 13 September 2016 is 0.11 compared to 0.19 in September 2015.

Net invested capital amounted to €166.8 million, Equity amounted to €150.2 million, Net Operating Working Capital amounted to €72.0 million.

Net Operating Working Capital has increased in absolute terms since the beginning of the year (cash absorption) by €8.6 million (12.3% as at 30/9/16, calculated as the expected value of Net Operating Working Capital/consolidated revenues over the 12 months).

Group DSO has improved (55 days), while DPO has remained essentially constant (at 113 days) as at the end of September 2016.

The value of the inventory has increased (+€22.7 million compared to December 2015), though the percentage has dropped (30.7% as at 30/9/2016 compared to 33.8% in the same period in 2015, calculated as the expected value of inventory/consolidated revenues at 9 months).

Summary Statement of Financial Position

	30 September	31 December	30 September
	2016	2015	2015
<i>Euro 000's</i>			
Intangible assets	62,618	58,943	57,397
Property, plant and equipment	76,112	69,861	67,150
Financial assets	2,412	1,580	1,543
Non current assets	141,141	130,385	126,090
Inventories	134,029	111,374	123,600
Trade receivables	123,608	105,371	97,074
Trade payables	(185,653)	(153,344)	(145,238)
Net Operating Working Capital	71,985	63,401	75,436
Post-employment benefits	(14,524)	(13,536)	(13,279)
Provision for risk and charges	(11,144)	(11,731)	(10,427)
Other net payables	(33,555)	(37,202)	(25,954)
Net deferred tax assets	12,940	9,943	9,584
Other net liabilities	(46,282)	(52,526)	(40,077)
Net Invested Capital	166,844	141,260	161,449
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	101,673	92,746	93,554
Profit for the period	20,899	20,971	14,515
Non-controlling interests	195	275	222
Equity	150,159	141,386	135,684
Bank loans and borrowings and loans from other financial backers	50,116	51,445	70,290
Other financial assets	(17)	(17)	(16)
Cash and cash equivalents	(33,414)	(51,553)	(44,508)
Net financial indebtedness	16,685	(126)	25,765
Total sources of funding	166,844	141,260	161,449

Compared to 31 December 2015, net intangible assets increased by €3.7 million. This was mainly due to the R&D capitalizations of new products (approximately €6.7 million), the new ICT investments (approximately €1.1 million), and the increase in goodwill following the acquisition of Uniteam S.p.A. (€1.2 million). The amount was provisionally allocated in the Wood segment.

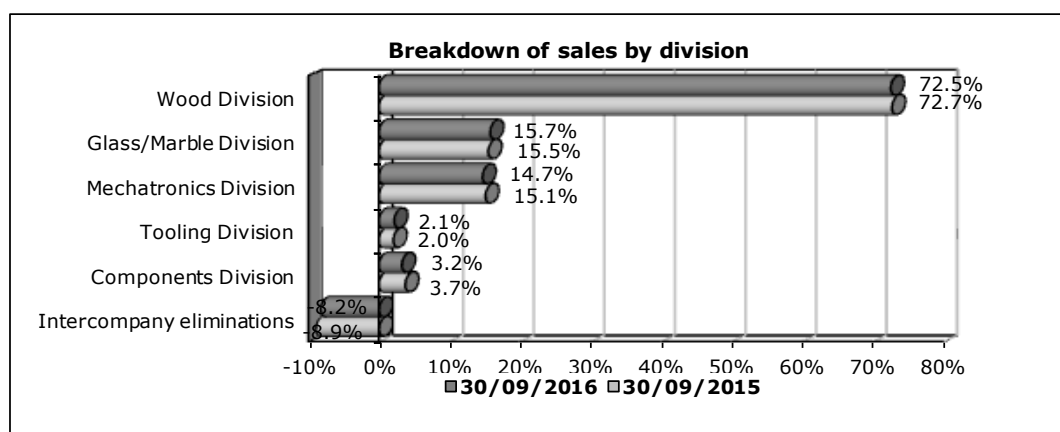
Compared to 31 December 2015, net intangible assets rose by €6.3 million. Besides the amounts concerning the regular replacement of work equipment, the Group bolstered the Biesse America branch (€1.5 million for the opening of the new showroom in Charlotte, North Carolina) and the HSD branches (€1.6 million).

Overall, inventories were up €22,656 thousand from 31 December 2015. This was mainly due to the €13,659 thousand increase in raw materials and the €5,476 thousand increase in finished products, so as to support the scheduling of the deliveries planned for the last months of the year and thus accomplish the 2016 targets.

Concerning the other items of Net Operating Working Capital, down by nearly €8,584 thousand compared to 31 December 2015, trade payables grew by €32,308 thousand (related to the increase in turnover) and trade receivables by €18,237 thousand.

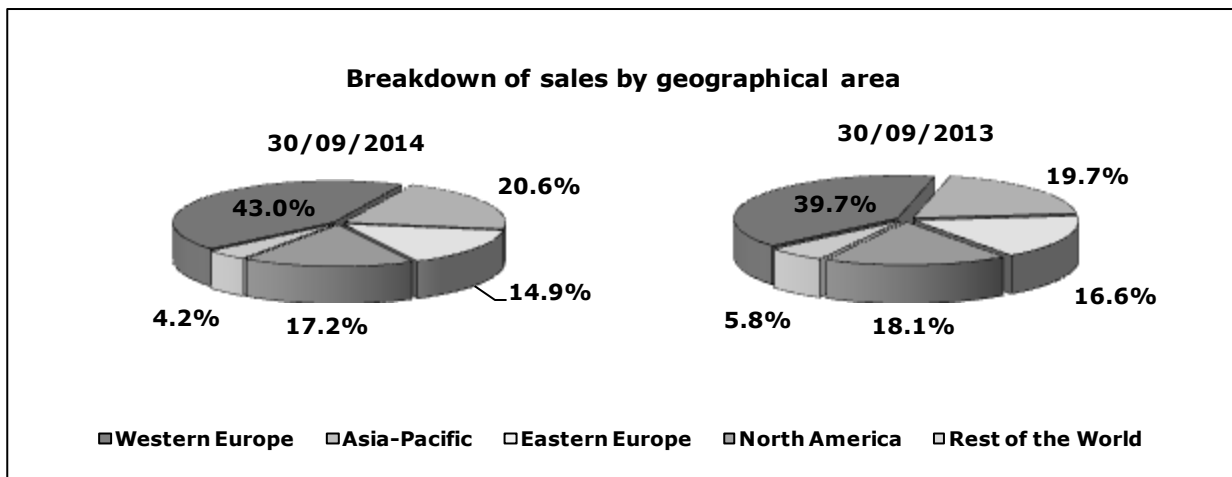
Segment reporting - Breakdown of revenue by division

	September 2016	%	September 2015	%	CHANGE %
<i>Euro 000's</i>					
Wood Division	316,375	72.5%	265,337	72.7%	19.2%
Glass/Marble Division	68,683	15.7%	56,469	15.5%	21.6%
Mechatronics Division	63,950	14.7%	54,984	15.1%	16.3%
Tooling Division	9,283	2.1%	7,394	2.0%	25.6%
Components Division	14,091	3.2%	13,492	3.7%	4.4%
Intercompany eliminations	(35,948)	(8.2)%	(32,544)	(8.9)%	10.5%
Total	436,434	100.0%	365,131	100.0%	19.5%



Segment reporting - Breakdown of revenue by geographical area

	September 2016	%	September 2015	%	CHANGE %
<i>Euro 000's</i>					
Western Europe	187,856	43.0%	145,092	39.7%	29.5%
Asia-Pacific	89,911	20.6%	72,057	19.7%	24.8%
Eastern Europe	65,197	14.9%	60,789	16.6%	7.3%
North America	75,030	17.2%	66,097	18.1%	13.5%
Rest of the World	18,440	4.2%	21,096	5.8%	(12.6)%
Total	436,434	100.0%	365,131	100.0%	19.5%



Pesaro, 11 November 2016

The Chairman of the Board of Directors
Roberto Selci

ANNEX

	September 2016	% on sales	September 2015	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	436,434	100.0%	365,131	100.0%	19.5%
Other revenues	2,674	0.6%	2,559	0.7%	4.5%
Net Revenues	439,109	100.6%	367,690	100.7%	19.4%
COGS	(210,632)	(48.3)%	(174,743)	(47.9)%	20.5%
Gross Profit	228,480	52.4%	192,948	52.8%	18.4%
Overhead	(50,581)	(11.6)%	(42,244)	(11.6)%	19.7%
Added Value	177,899	40.8%	150,703	41.3%	18.0%
Personnel expense	(127,132)	(29.1)%	(107,544)	(29.5)%	18.2%
Gross Operating Income (EBITDA)	50,766	11.6%	43,159	11.8%	17.6%
Depreciation and amortisation	(13,151)	(3.0)%	(11,681)	(3.2)%	12.6%
Provisions	(691)	(0.2)%	(1,752)	(0.5)%	(60.6)%
Normalised Operating profit	36,924	8.5%	29,726	8.1%	24.2%
Impairment losses and non recurring items	(773)	(0.2)%	(229)	(0.1)%	-
Net Operating Income (EBIT)	36,152	8.3%	29,498	8.1%	22.6%
Financial revenues and expenses	(1,143)	(0.3)%	(791)	(0.2)%	44.5%
Net exchange rate losses	696	0.2%	(2,218)	(0.6)%	-
Pre-tax profit	35,705	8.2%	26,489	7.3%	34.8%
Taxes	(14,824)	(3.4)%	(11,614)	(3.2)%	27.6%
Profit for the period	20,882	4.8%	14,875	4.1%	40.4%

Certification pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance

Pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, the Manager in charge of corporate financial reporting declares that the accounting information contained herein corresponds to the Company's documentary evidence and accounting books and records.

Manager in charge of
financial reporting
Cristian Berardi