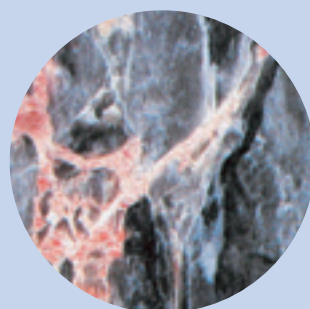


Half-year report as at 30 June 2002

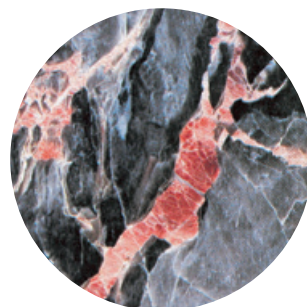




BIESSE Spa

Headquarter in Pesaro
Via della Meccanica, 16
Località Chiusa di Ginestreto
61100 Pesaro Italy

Share Capital Euro 27,393,042
Pesaro Company Register n. 1682



THE BIESSE GROUP

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COMPANY OFFICERS OF THE PARENT COMPANY

Board of Directors

The Board of Directors currently serving is composed of

Giancarlo Selci	Chairman
Anna Gasparucci	Chief Executive Officer
Roberto Selci	Chief Executive Officer
Werner Deuring	Director
Attilio Giampaoli	Director (*)

(*) Independent director, as required by the Code of conduct

Board of Statutory Auditors

The Board of Statutory Auditors currently serving is composed of

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor

THE BUSINESS AND TRADEMARKS OF THE GROUP COMPANIES

The Biesse Group is predominantly involved in the production, sales and marketing and post-sales service of machinery and systems for the wood, glass and marble sector.

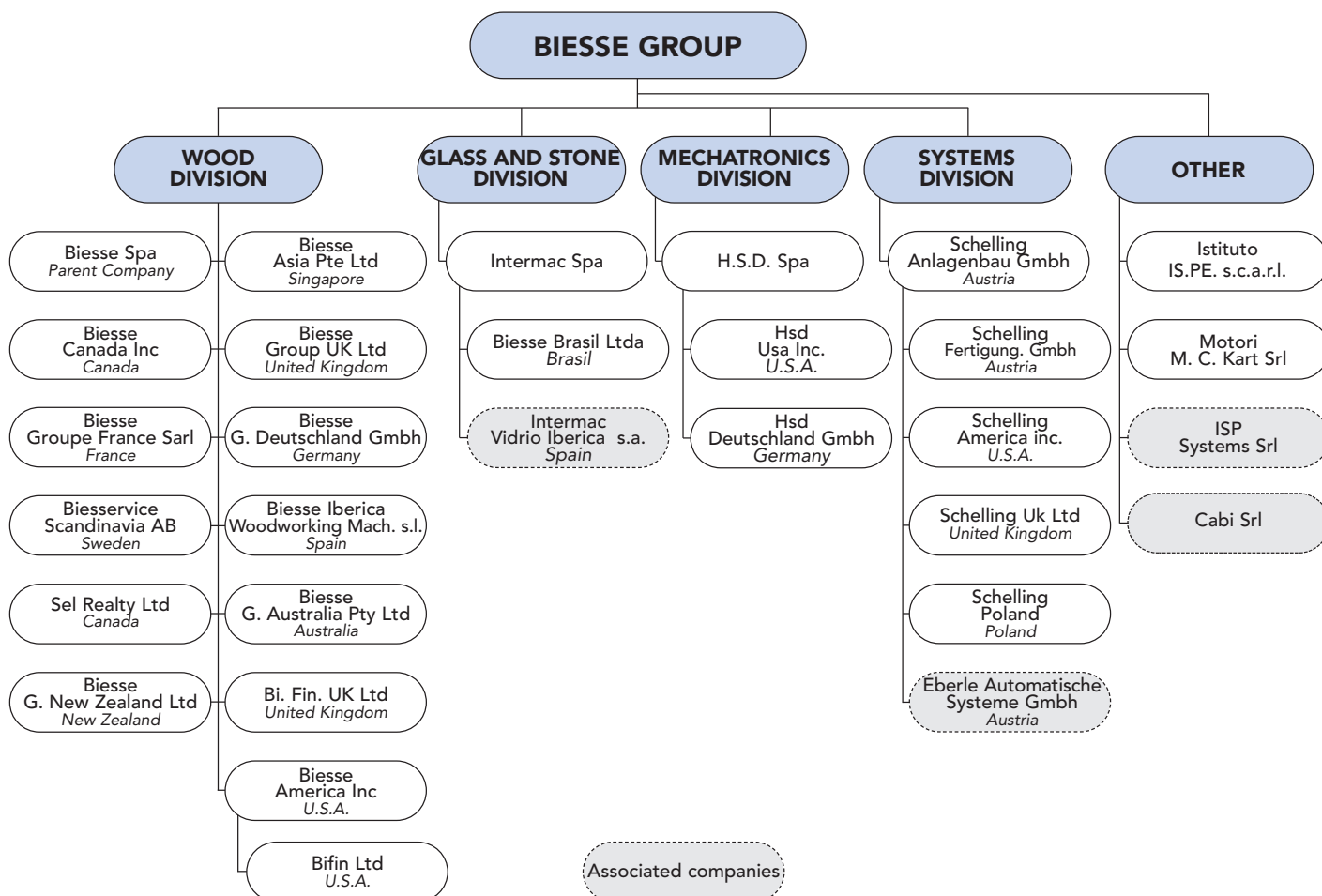
The sales and marketing and services are organised through the direct geographic presence of the Group companies, as well as through a select network of importers, distributors, and agents. The Group is also involved in other businesses, such as precision mechanical manufacturing and the production of mechanical and electronic industrial components.

Specifically, the Biesse Group operates using the following trademarks:

Biesse	Machinery and systems for manufacturing panels
Selco	Tool machinery and systems for sizing wood boards
Comil	Tool machinery and systems for assembling and packaging furniture
RBO	Handling systems for automatic lines for the furniture industry
Polymac	Machines for edging, sizing, rubber edgebanding, and single head manual borers; unilateral automatic edging machines
Protec	Works centres for numerical controlled milling and drilling
Biesse Edge	Tool machinery and systems for edging
Biesse Engineering	Tool machinery and systems for processing wood
Schelling	Tool machinery and systems for processing wood
Cosmec	Precision mechanical processing.
H.S.D.	Mechanical and electronic components for industry
Sev	Mechanical and electronic components for industry
Cni	Mechanical and electronic components for industry
Intermac	Tool machinery for processing glass and marble
Busetti	Tool machinery and systems for processing glass and marble
Diamut	Tools for machining glass and stone

GROUP COMPANIES

The main companies of the Biesse Group which fall under the consolidation area, grouped by business sector are the following:



In comparison with the Group structure as at December 31st 2001, changes are related to the incorporation of Hsd Deutschland Gmbh, commercial subsidiary of the Mechatronics Division for the German market, by Hsd Spa, and to the acquisition of majority shareholding of Motori MC Kart Srl, Italian industrial manufacturing company, by parent company Biesse Spa.

In comparison with the consolidation area as at December 31th 2001, changes are related to the first consolidation using the line-by-line method of the controlled companies Biesse Group Australia, Biesse Group New Zealand and Hsd Usa.

Shareholdings in affiliated companies Intermac Vidrio Iberica S.a., Cabi Srl, ISP Systems Srl, Eberle Gmbh have been valued at cost, while also shareholdings into Motori M.C. Kart Srl and Hsd Deutschland Gmbh have been valued at cost and not consolidated using the line-by-line method, given their recent incorporation/acquisition.

HALF-YEAR REPORT AS AT 30 JUNE 2002

*Directors' Report
on operations*

GENERAL ECONOMIC CONTEXT

The 1st half 2002 results are still affected by the uncertainty which is pervading from several months the world economy in general and the wood, glass, and stone working machineries sectors in particular. It has to be underlined that, on the other side, encouraging signs of recovery from incoming orders started to come back, especially from north america. This leads to foresee a probable upswing beginning from the end of current year and from year 2003 onwards.

Cyclical figures relating to the first half of current year confirm that the American economy is still showing contrasting signals, with a path which has been defined by FED as of moderate but unsteady growth. This is reflected in the economic superindex tendency, which is growing with several ups and downs, leaving hope for improvement of economic conditions in second part of the year.

Good news from the manufacturing sector, which was heavily hit by the economic downturn, even if investments are hardly trying to recover and consumer low confidence still curbs demand growth. Consumer confidence indicators reached their lowest level in June from last September, due primarily to the worsening future outlook with regards to the stock exchange situation.

Circumstances in the Far East are substantially unchanged, where the crisis in Japan shows no sign of letting up and weakness permeates demand as well as supply.

As far as the Euro area is concerned, confidence is still buoyed by the hopes of latching onto the eventual upswing in the North American economy.

As a consequence, Biesse Group performance is still affected by this scenario, even if slowdown in term of turnover is partly offset by efficiency recovery that comes out the Group's reorganization project; results are coming both from the cost of good side and from the fixed costs side. It is also important to underline that these gains are structural and not incidental, and they will broaden Group's recovery in profitability as soon as market conditions will improve definitely.

Report on operations

First half year 2002 revenues amount to Euro 161,202 thousands, down by 8.1% compared with same period of previous year.

In first six months the value of production amounts to Euro 175,066 thousands, down by 11.4% compared with same period of previous year.

Value added is equal to Euro 52,985 thousands, down by 13%; while gross operating margin in first half of year 2002 it is equal to Euro 4,550 thousands, down by 69.7% in comparison with first half of year 2001.

Operating result is negative for the amount of Euro 1,287 thousands, while in the first half of previous year it was positive for the amount of Euro 9,496 thousands.

The result before taxation is negative for the amount of Euro 4,211 thousands, compared with a loss of Euro 819 thousands of previous year.

Comparison with 1st half 2001 Financial Statements is affected by the unexpected slowing down of reference market, which came out after last September. Slowing down started in North America and then spread in all main regional areas, especially in continental Europe. This led to a lack in incoming orders, especially if compared with what had been forecasted, and consequently led to less turnover and worse results.

It also to be reminded that, as in previous years, during the first half of year 2002 Biesse Group stocked its subsidiaries with machine tools to be delivered to end customers and invoiced by those subsidiaries in the following months.

This approach, which results in a surplus of finished products at the beginning of the year, is necessary to ensure that subsidiaries can adequately meet customer demand. The inventory ensures that subsidiaries can complete delivery of orders already placed and paid for and make prompt deliveries of orders in the ensuing months, particularly during August and at the end of the year when the factories of the customer are closed or activities are reduced.

This leads to the fact that during the first half of the year Biesse Group records substantial operating costs, particularly in relation to purchases of raw materials, due to the high production and stock levels required by the Biesse Group business method described above. These costs, as in previous year, have not been offset by net revenues from sales of finished products to end customers of the Biesse Group, which reduced the Biesse Group's gross operating profit and operating profit for this six months period. Management believes, however, that net revenues from sales made during the subsequent quarters of the financial year will offset these operating costs.

Net financial indebtedness has decreased compared to end of year 2001, from Euro 86,079 thousands to Euro 103,842 thousands.

Net financial position at June 30th 2002

Thousands Euros	June 30, 2002	December 31, 2001
Liquid assets	27,349	14,046
Short term financial debts	(1,438)	0
Short term bank debts	(93,954)	(76,952)
Short term net financial position	(68,043)	(62,906)
Medium/long term financial debts	(13,933)	(205)
Medium/long term bank debts	(21,865)	(22,968)
Medium/long term net financial position	(35,798)	(23,173)
Total financial position	(103,842)	(86,079)

Relation with non consolidated subsidiaries, affiliated companies and parent companies, and companies controlled by the latter

The fully owned and non-consolidated subsidiaries are:

- Istituto IS.PE. soc. cons. a r.l., managing the professional and business training activity for all the Group's companies and related transactions are not material;
- Motori MC Kart Srl, operating in the field of services on a contract basis and manufacturing motors, with which Biesse Group companies have had transactions in the first half of year 2002 for a net cost of Euro 2,692 thousands and trade receivables equal to Euro 2,199 thousands and trade payables equal to Euro 1,841 thousands;
- Hsd Deutschland GmbH, subsidiary incorporated at May 2002 for commercial relations and supply services for the Mechatronics Division in electronic spindles and numerical controls on the German market; at the end of June 2002 it was not operative.

The affiliated companies are:

- ISP Systems Srl (owned at 25.93% by Biesse Spa), designing and developing technical innovations for the woodworking machineries, with which Biesse Group companies have had transactions in the first half of year 2002 for revenues of Euro 401 thousands and trade receivables equal to Euro 587 thousands;
- Eberle Automatische Systeme GmbH (owned at 25% by Schelling Anlagenbau GmbH), developing software and without significant transactions with the other companies of the Group;
- Intermac Vidrio Iberica s.a. (owned at 25% by Intermac Spa), managing services for Glass and Stone Division on the Spanish market; related transactions are not material;
- Cabi Srl (owned at 49% by Biesse Spa), designing and developing electronic and pneumatic devices for the woodworking machineries; actually it is running a start-up phase and the transactions with the other companies of the Group are not material.

No material transactions with parent companies and companies controlled by the latter.

After end of June events and foreseeable evolution

Post balance sheets events were:

- on 28 July 2002, with effects decurring from 1 August 2002 but with fiscal and accounting effects decurring from 1 July 2002, Intermac Spa has been merged into parent company Biesse Spa, as far as it was deliberated by Biesse Spa's General Meeting of Shareholders on 29 April 2002;
- on 30 July 2002 Intermac Spa purchased another 24% stake in Intermac Vidrio Iberica s.a., giving Intermac a 49% shareholding;
- on 10 September 2002 Biesse Spa purchased 80% stake in Sandymac Srl, a newly incorporated Italian company operating in designing, manufacturing and selling woodworking machineries.

As far as the foreseeable evolution of the Group is concerned, we believe that if the recovering signals coming from the market prove to be accurate even in next months, together with the results of the internal razionalization of the Group structure, we believe that the Group can potentially achieve good levels of profitability.

Other information

Buy back plan

According to what approved by ordinary general shareholder meeting on December 17th, 2001, the company has activated a share buy back plan amounting at end of June 2002 to Euro 1,137,425.26, equal to 306,616 ordinary shares at an average buying price of 3.74 Euro. The share buy back plan is still going on even after end of first half 2002.

Significant shareholdings owned by Biesse Group executives

Readers are reminded that with reference to the appointment of Mr. Claudio Granuzzo as General Manager of Biesse Group, on June 6th 2002 an amendment to the original agreement existing between Biesse Spa and Mr. Claudio Granuzzo, as chief executive officer and owner of 20% of share capital of Hsd Spa, signed on October 2nd 2000.

The purpose of the agreement was to assign Mr. Claudio Granuzzo a put option on his shares; the amendment is related to the compensation which will be no more based on cash but on Biesse's shares.

Pesaro, 27 September 2002

*Chairman of the Board of Directors
Giancarlo Selci*

HALF-YEAR REPORT AS AT 30 JUNE 2002

*Consolidated
Accounts
as at 30 June 2002*

HALF-YEAR REPORT AS AT 30 JUNE 2002

BALANCE SHEET

(Thousands of Euros)	30 June 2002	30 June 2001	31 December 2001
ASSETS	404,020	349,930	385,930
B. FIXED ASSETS	128,470	103,203	123,876
I Intangible fixed assets	33,451	27,864	31,986
1 Start-up and expansion costs	220	108	89
2 Research, development and advertising costs	789	835	947
3 Patents and intellectual property rights	271	147	119
4 Concessions, licenses, trademarks and similar	1,370	1,326	1,315
5 Goodwill	9,202	774	7,341
6 Intangible assets under constructions	36	26	12
7 Other intangible fixed assets	830	928	709
8 Consolidation difference	20,732	23,720	21,455
II Tangible fixed assets	89,985	71,976	84,666
1 Land and buildings	47,252	38,731	47,301
2 Plant and machinery	13,465	10,304	14,050
3 Industrial and commercial equipment	3,928	2,607	3,771
4 Other tangible fixed assets	9,111	8,135	9,299
5 Tangible assets under constructions	16,230	12,200	10,245
III Financial fixed assets	5,033	3,362	7,224
1 Shareholding:	510	528	3,817
a Subsidiaries, not consolidated	256	180	3,408
b Affiliates	170	107	170
c Other companies	84	241	239
2 Receivables:	3,285	2,753	3,300
b Receivables from affiliate companies due within one year	120	0	120
d Receivables from others due within one year	0	23	0
d1 Receivables from others due after one year	3,165	2,730	3,180
3 Other securities	101	81	107
4 Own shares (nominal value Euro 303,616)	1,137	0	0
C. CURRENT ASSETS	272,791	244,700	260,689
I Inventories	116,935	112,826	105,604
1 Raw materials, ancillary materials and consumables	59,539	63,798	60,350
2 Semifinished goods	13,689	12,865	12,003
4 Finished products and goods	42,231	35,196	32,619
5 Payments on account	1,476	968	632
II Receivables	132,151	119,783	141,030
1 Trade receivables	110,957	108,854	121,233
2 Trade receivables from subsidiaries	2,221	9	1,347
3 Trade receivables from affiliated companies	688	0	310
4 Trade receivables from parent companies	0	948	17
5 Trade receivables from others	18,285	9,972	18,123
III Financial assets not fixed	9	9	9
2 Shareholding in affiliated companies	9	9	9
IV Cash and cash equivalents	23,695	12,082	14,046
1 Bank and postal deposits	23,539	11,835	13,825
3 Cash	157	248	221
D. PREPAYMENTS AND ACCRUED INCOME	2,759	2,028	1,366
1 Accrued income	396	177	169
2 Prepayments	2,364	1,851	1,197

BALANCE SHEET

(Thousands of Euros)	30 June 2002	30 June 2001	31 December 2001
LIABILITIES	404,020	349,930	385,930
A. SHAREHOLDERS' EQUITY	133,768	148,571	141,512
GROUP SHAREHOLDERS' EQUITY	132,999	147,799	140,820
I Share capital	27,393	27,393	27,393
II Premium reserve	85,520	89,506	89,506
IV Legal reserve	3,797	3,797	3,797
IV Own shares reserve	1,137	0	0
VII Other reserve	19,401	28,177	26,726
IX Result of the period (1)	(4,249)	(1,074)	(6,602)
Shareholders' equity pertaining to minorities interests	769	772	692
Share capital and reserves pertaining to minorities interests	731	517	517
Result of the period pertaining to minorities interests	38	255	175
B. PROVISIONS FOR RISKS AND CHARGES	6,098	4,409	7,491
1 Provision for pension retirement and similar	993	968	920
4 Provision for risks	2,713	759	3,799
5 Provision for warranty products	2,377	2,682	2,771
6 Provision for exchange rates fluctuation	14	1	1
C. STAFF SEVERANCE INDEMNITY RESERVE	11,925	9,205	11,076
D. PAYABLES	250,102	183,580	223,062
3 Payables to banks	115,819	47,345	99,920
a due within one year	93,954	24,577	76,952
b due after one year	21,865	22,767	22,968
4 Payables to other financial institutions	15,372	215	205
a due within one year	1,438	215	205
b due after one year	13,933	0	0
5 Advances	12,362	13,180	7,488
a due within one year	12,362	13,180	7,488
6 Trade payables	74,106	100,662	84,574
a due within one year	72,943	99,921	83,292
b due after one year	1,163	741	1,282
8 Payables to subsidiary companies	1,841	0	44
a due within one year	1,841	0	44
9 Payables to affiliate companies	49	0	61
a due within one year	49	0	61
10 Payables to parent companies	0	875	133
a due within one year	0	875	133
11 Tax payables	8,131	4,910	5,048
a due within one year	8,058	4,852	4,977
b due after one year	73	58	71
12 Payables to social security	3,088	2,993	4,946
a due within one year	3,088	2,993	4,946
13 Other payables	19,333	13,400	20,643
a due within one year	18,141	13,194	20,436
b due after one year	1,191	207	207
E. ACCRUED EXPENSES AND DEFERRED INCOME	2,127	4,164	2,790
1 Accrued expenses	508	1,833	397
2 Deferred income	1,619	2,332	2,393
MEMORANDUM ACCOUNTS	48,725	73,672	79,845
2 Leasing commitments	11,172	7,344	12,755
5 Guarantees and endorsement	14,513	11,907	14,002
6 Bills in circulation	9,005	10,378	9,935
7 Other memorandum accounts	14,035	44,042	43,152

(1) Results of the period end of June 2001 and end of June 2002 are before income taxes

HALF-YEAR REPORT AS AT 30 JUNE 2002

INCOME STATEMENTS

(Thousands of Euros)	30 June 2002	30 June 2001	31 December 2001
INCOME STATEMENT			
A. VALUE OF PRODUCTION	175,066	197,578	376,791
1 Revenues from sales and services	161,202	175,410	353,760
2 Change in work in progress and semifinished goods	10,859	20,276	16,754
4 Increase in assets value for internal work	47	41	82
5 Other revenues and income	2,958	1,851	6,195
B. COSTS OF PRODUCTION	(176,353)	(188,083)	(362,885)
6 Raw materials, ancillary materials and consumables	(82,053)	(102,336)	(180,738)
7 Services	(33,034)	(34,894)	(71,090)
8 Use of third parties assets	(4,330)	(3,258)	(7,160)
9 Personnel expenses	(48,435)	(45,876)	(90,569)
9a Wages and salaries	(36,644)	(34,723)	(68,457)
9b Social security charges	(9,832)	(9,488)	(18,411)
9c Severance indemnity	(1,678)	(1,510)	(3,330)
9d Pension retirement and similar	(95)	0	0
9e Other personnel expenses	(187)	(156)	(371)
10 Amortizations, depreciations and write-downs	(5,720)	(5,287)	(11,011)
10a Amortisation of intangible fixed assets	(1,928)	(1,600)	(3,260)
10b Depreciation of tangible fixed assets	(3,625)	(3,329)	(7,172)
10d Write-downs of receivables included in current assets	(166)	(358)	(580)
11 Changes in raw material, ancillary mat. and consumables	161	7,146	4,271
12 Provision for risks	(62)	0	0
13 Other provisions	(56)	(237)	(514)
14 Other operating expenses	(2,825)	(3,340)	(6,075)
A-B. DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	(1,287)	9,496	13,907
C. FINANCIAL INCOME AND CHARGES	(973)	(3,339)	(4,491)
15 Income from equity investments	1,013	54	103
16 Other financial income	2,757	3,504	5,139
17 Interest and other financial charges	(4,743)	(6,897)	(9,733)
D. VALUE ADJUSTMENTS OF FINANCIAL ASSETS	(6)	0	0
19 Write-downs	(6)	0	0
E. EXTRAORDINARY INCOME AND CHARGES	(1,945)	(6,975)	(15,408)
20 Extraordinary income	77	32	69
21 Extraordinary charges	(2,022)	(7,007)	(15,478)
D+E.TOTAL EXTRAORDINARY INCOME AND CHARGES	(1,951)	(6,975)	(15,408)
PRE-TAX INCOME	(4,211)	(819)	(5,993)
22 Income taxes (1)	0	0	(434)
RESULT OF THE PERIOD (1)	(4,211)	(819)	(6,427)
Result of the period pertaining to minority interests	38	255	175
Result of the period pertaining to the Group	(4,249)	(1,074)	(6,602)

(1) Results of the period end of June 2001 and end of June 2002 are before income taxes

Il Presidente del Consiglio d'Amministrazione
Giancarlo Selci

NOTES TO THE CONSOLIDATED ACCOUNTS

*for the
1st half of 2002*

GENERAL PREPARATION CRITERIA

The consolidated report of the Biesse Spa as of 30 June 2002 has been prepared in accordance with the standards issued by Commissione Nazionale per le Società e la Borsa (Consob) in its regulation included in decision n°11971 of May 14th, 1999, as amended by decision n°12475 of April 6th, 2000. Thus the consolidated accounts and those of the parent company Biesse Spa (see annexes) are presented, while the notes are referred only to the consolidated accounts.

The Half Year Report has been prepared in accordance with Italian Law and contains also a cash flow statement.

The result of the period, as allowed, is shown before taxes.

CONSOLIDATION AREA

The consolidated accounts of the Biesse Group include the half year financial and economic position of the parent company and those of the Italian and foreign companies for which the Biesse Spa directly or indirectly holds the majority of the voting rights during the shareholders' meetings. The companies included in the consolidated accounts as of 30 June 2002 using the line-by-line consolidation method are the following:

Company and headquarters	Currency	Share Capital	Direct	Indirect	Intermediary	Biesse Group
Parent company						
Biesse Spa Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PS)	Euro	27,393,042				
Italian subsidiary companies:						
H.S.D. Spa Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PS)	Euro	1,000,000	80.00%			80.00%
Intermac Spa Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PS)	Euro	1,250,000	100.00%			100.00%

NOTES TO THE CONSOLIDATED ACCOUNTS

Company and headquarters	Currency	Share Capital	Direct	Indirect	Intermediary	Biesse Group
Foreign subsidiary companies:						
Biesse America Inc, 4110 Meadow Oak Drive Charlotte NC 28208 – USA	US \$	1,000,000	100.00%			100.00%
Biesse Canada Inc. 1845 Rue Jean Monnet – Terrebonne (Quebec) – Canada	CAN \$	180,000	100.00%			100.00%
Biesse Asia Pte. Ltd. 100 Cecil Street – The Globe Singapore	S \$	1,150,000	100.00%			100.00%
Biesse Group UK Ltd. Lampport Drive Daventry Northampt. - United Kingdom	£ STG	1,000	100.00%			100.00%
Biesse Groupe France Sarl Parc d’Affaires de la Vallée de l’Ozon Chapotin – Chaponnay – France	Euro	144,000	100.00%			100.00%
Biesse Group Deutschland GmbH Gewerberstrasse, 6 – Elchingen (Ulm) Germany	Euro	1,432,600	100.00%			100.00%
Biesservice Scandinavia AB Maskinvagen 1 – Lindas – Sweden	SKR	200,000	60.00%			60.00%
Biesse Iberica Woodworking Machinery s.l. Cl. Pedrosa C., 9 - Barcellona – Spain	Euro	1,033,741	100.00%			100.00%
Biesse Brasil Ltda Rua Lapò, 975 - Curitiba Paraná - Brasil	Rlb	400,000		99,99%	Intermac Spa	99,99%
Biesse Group Australia Pty Ltd. 3 Widemere Road Wetherill Park Australia	Aud	800,00	100.00%			100.00%
Biesse Group New Zealand Ltd. P. O. Box 71045 - Rosebank Auckland New Zealand	Nzd	200,000	100.00%			100.00%
Hsd Usa Inc. 233 Peachtree Street, Suite 2308 Harris Tower, Atlanta - USA	Usd	250,000		80.00%	Hsd Spa	80.00%
Sel Realty Ltd. 1845 Rue Jean Monnet Terrebonne (Quebec) - Canada	CAN \$	100	100.00%			100.00%
Bi. Fin. UK Ltd. Lampport drive Daventry Northampt. - United Kingdom	£ STG	600,000	100.00%			100.00%
Bifin Ltd. 233, Peachtree St., NE Harris Tower - Atlanta, GA 30303 USA	Usd	10,000		100.00%	Biesse America Inc.	100.00%
Schelling Anlagenbau GmbH Gebhard-Schwarzler Strasse 34 Schwarzach - Austria	Euro	1,000,000	100.00%			
Schelling Fertigungstechnik GmbH Grosse Wies 21 - Altach - Austria	Euro	37,000		100.00%	Schelling Anlagenbau GmbH	100.00%
Schelling America Inc. 3201 Glenwood Ave. - Wake County Raleigh, North Carolina – USA	US \$	1,000		100.00%	Schelling Anlagenbau GmbH	100.00%
Schelling Uk Ltd. Schelling House, West Yorkshire, Sandbeck Way, Wetherby - United Kingdom	£ STG	1,000		100.00%	Schelling Anlagenbau GmbH	100.00%
Schelling Polska OdD Sp Zo.o. Ul. Pradzynskiego 24, PL - 63-000 Sroda Wlkp Poland	Zpl	388,000		100.00%	Schelling Anlagenbau GmbH	100.00%

The only variation in the scope of consolidation compared with 31 December 2001 is the inclusion of the companies Biesse Group Australia Pty Ltd., Biesse Group New Zealand Ltd. e Hsd Usa Inc. The aforementioned companies were valued at cost as at 31 December 2001, given their recent incorporation and the unavailability of the 2001 financial statements by the preparation of the 2001 consolidated financial statements (Biesse Group Australia Pty Ltd. and Biesse Group New Zealand Ltd.) and the relatively small revenue contribution (HSD Usa Inc.).

Equity investments in non-consolidated fully owned subsidiaries

Equity investments in fully owned subsidiaries excluded from the comprehensive consolidation are recorded in the financial statements according to the cost adjusted for write downs method, under article 2426 of the Civil Code.

Company and headquarters	Currency	Share Capital	Direct	Indirect	Intermediary	Biesse Group
IS.PE soc. cons. a r.l. Via della Meccanica 16, Loc. Chiusa di Ginestreto - Pesaro (Italy)	Euro	10,920	66.66%	33.34%	Intermac Spa	100.00%
Motori MC Kart Srl Strada Montefeltro s.n., - Pesaro (Italy)	Euro	101,490	51.00%			51.00%
HSD Deutschland GmbH Immenreich 6, Gingen, Fils Germany	Euro	25,000		40.00%	Hsd Spa	40.00%

In particular, the equity investment in the subsidiary company Istituto IS.PE. mentioned previously, has not been fully consolidated since the company is involved in training activities, and is therefore not homogeneous with the industrial activities carried out by the Group. Furthermore, its very modest volumes of business made the full consolidation of this company irrelevant.

The equity investment in the subsidiary company Motori MC Kart, purchased on 11 April 2002 and making outsourcing activities for Biesse Spa, has not been fully consolidated, given the unavailability of the financial statements by the preparation of the consolidated financial statements.

The equity investment in the subsidiary company Hsd Deutschland GmbH, owned by 50% from the subsidiary company Hsd Spa, has not been fully consolidated since the company was set up on 3 May 2002 and has a volume of activity immaterial with respect of the fair representation of the economic and financial Group position.

Equity investments in affiliated companies

Company and headquarters	Currency	Share Capital	Direct	Indirect	Intermediary	Biesse Group
CABI Srl Nuova Strada di Lottizzazione, s.n. Località Selva Grossa (PU) - (Italy)	Euro	99,000	49%			49%
Intermac Vidrio Iberica S.A. C/Muntaner 531, 3-4 Barcelona - Spain	Euro	60,102		25%	Intermac Spa	25%
Eberle Automatische Systeme GmbH Stieglingen 7a, 6850 Dorunbirn Austria	Euro	36,336		25%	Schelling Anlagenbau GmbH	25%
I.S.P. Systems Srl Via F.lli Rosselli 46 - Pesaro (Italy)	Euro	14,040	25.92%			25.92%

No companies have been consolidated using the proportional consolidation method.

Equity investments in other companies

Equity investments in other companies are recorded in the financial statements according to the cost adjusted for write downs method, under article 2426 of the Civil Code, as further indicated in the details of the investments of these notes.

- Tecnomarche Scrl
- Banca delle Marche Spa
- Formark Srl
- Cosmob Spa
- Consorzio Internazionale Marmi Macchine Carrara
- Caaf Interregionale Dip. Srl
- Consorzio Energia Assindustria Pesaro-Urbino

ASSESSMENT CRITERIA

The interim financial statements used for the consolidation procedures of the parent company and the subsidiary companies included in the consolidation area are those of 30 June 2002 of the individual companies.

These financial statements have been suitably reclassified and adjusted in order to standardise them with the accounting principles and the evaluation criteria of the parent company in case of significant differences. The structure adopted for the consolidated interim financial statement is the one envisaged for industrial companies.

The consolidated interim financial statements have been prepared adopting the same evaluation criteria, the same accounting principles as per the financial year consolidated financial statements.

The evaluation of the financial statement items has been done using the guidance of the general criteria of prudence and competence, considering the future prospect of continuing the business.

CONSOLIDATION PRINCIPLES AND CURRENCY CONVERSION CRITERIA

In preparing the consolidated interim financial statements, assets and liabilities, as well as income and charges of the companies included in the consolidation have been reported in full. The payables and receivables, the income and charges, and the gains and losses originating from intra-group transactions have been eliminated. Departing from this general rule and in consideration of the modest relevance of the associated effects and the difficulty in reconstruction, the company did not eliminate the income deriving from goods in inventory sold by the Hsd Spa company to the other companies included in the Biesse Group, since these are semi-finished goods included in the works in progress.

The capital gains and losses deriving from intra-group sales of instrumental assets are included, wherever deemed significant.

The accounting value of the equity investments in companies included in the consolidation was zeroed out by the corresponding fractions of the shareholders' equity of subsidiaries. The difference between the book value of the equity investments, zeroed out, and the corresponding quota of shareholders' equity, is entered as an adjustment to the consolidated shareholders' equity. In the case of acquisitions, the difference mentioned above is charged to the asset and liability elements of the companies included in consolidation. Any surplus, if negative, is recorded under the item called "Consolidation Reserve", or, when it refers to expectations of unfavourable economic results, under the item called "Consolidation reserve for future risks and charges"; any positive surplus is recorded with the intangible fixed assets, as "Consolidation difference".

The amount of the share capital and the reserves of the subsidiary companies corresponding to equity investments pertaining to minority interests is recorded under an item in the shareholders' equity called "Share capital and reserves pertaining to minority interests"; the part of the consolidated economic results corresponding to the equity investments of minority interests is recorded under the item "Net income for the year pertaining to minority interests".

The interim financial statements of the foreign companies included in the consolidation area, originally expressed in foreign currency, have been converted into Euro by using the following conversion method:

Balance sheets:

Every account of the balance sheet has been converted by applying the exchange rate valid at the close of the period, with exception made for postings to the shareholders' equity which have been converted at the historic exchange rate.

Income statements:

Every account of the income statement has been converted by applying the average exchange rate of the period.

The differences in exchange rate originating from the conversion in Euro of the interim financial statements expressed in foreign currency have been charged to the item under the Consolidated shareholders' equity included among the Other Reserves such as "Reserves of the differences in conversion".

NOTES TO THE CONSOLIDATED ACCOUNTS

The average exchange rates and at the end of the periods are the following:

Currency	1H 2002		FY 2001		1H 2001	
	Average exchange rate	30 June 2002	Average exchange rate	31 December 2001	Average exchange rate	30 June 2001
US Dollaro / Euro	0.9064	0.9975	0.8896	0.8813	0.8830	0.8480
Canadian Dollar / Euro	1.4166	1.5005	1.3832	1.4077	1.3608	1.3146
Singapore Dollar / Euro	1.6405	1.7586	1.5979	1.6306	1.5810	1.5451
Pound Sterling / Euro	0.6241	0.6498	0.6180	0.6085	0.6163	0.6031
Swedish Crone / Euro	9.1209	9.1015	9.2826	9.3012	9.0852	9.2125
Polish Zloty / Euro	3.7130	4.0598	3.6355	3.4953	3.5671	3.3702
Brazilian Real / Euro	2.2475	2.8484	2.0700	2.0454	1.9087	1.9478
Australian Dollar / Euro	1.6851	1.7702	-	-	-	-
New Zealand Dollar / Euro	2.0187	2.0397	-	-	-	-

The accounting principles and the assessment criteria have been applied uniformly to all the consolidated companies. The assessment criteria adopted by the Parent company Biesse Spa in the consolidated financial statements and disseminated at the Biesse Group companies are in conformity with the aforementioned legislative instructions in force, integrated and interpreted by the Accounting Principles issued by the National Accountant Councils.

The assessment criteria used for the principle postings of the consolidated financial statements are the following:

Intangible fixed assets

The intangible fixed assets are recorded at the purchase or production cost, including any accessory charges and amortised in account at a constant rate.

The plant and expansion costs are recorded under the appropriate asset heading and are depreciated for the entire duration of their useful economic life, and in any event, for five years at the most.

R&D and advertising costs are usually entered in the Income Statement for the financial year they were incurred. Exception is made for costs relating to the production lines developed by new production units, since these offer reasonable future income and are limited to costs strictly inherent to the product development. Development and advertising costs recorded under the assets have been amortised over five financial periods.

Industrial patents and intellectual property rights are amortised based on their presumed life, and in any case not greater than the time established by the licensing contracts.

The concessions, licenses, trademarks and similar rights recorded under the assets have been amortised based on their presumed life, and in any case not greater than the time established by the purchase contracts; in case the useful life cannot be determined or there is not contract, the life is fixed at five financial periods.

Goodwill has been recorded under the assets only if acquired as holder for value, or to the extent of the cost incurred, and is amortised in a period not exceeding the duration of its use, or if this cannot be determined, for a period not exceeding twenty years.

Consolidation differences emerge in preparation of the consolidated financial statements when the book values of the equity investments are eliminated against the corresponding fractions of the shareholders' equity of the subsidiaries. Any surplus, not attributable to the individual elements of the assets of the companies included in consolidation, is charged to the adjustment in the consolidated shareholders' equity, or, should there be valid reasons for doing so, is recorded on the asset side under the item "Consolidation difference". This item is amortised over the period of time that the company believes it can profit from economic elements of same, generally defined as ten years. Exception is made in the case of the Schelling Group acquisition, whose consolidation difference is amortised over 20 years, due to the fact that the company believes a 20-year amortisation period more coherent to represent the future utility of the investment. In this case, too, the amortisation has been effected in compliance with the civil and fiscal regulations. The assets whose economic value at the close of the period is significantly lower than the depreciated cost according to the principles shown are written down to the extent of their economic value. If in the successive periods the reasons for this devaluation are no longer valid, the cost will be restored.

Tangible fixed assets

The tangible fixed assets are recorded at the purchase or production cost including accessory charges, exception made for monetary revaluation made in compliance with the law.

The depreciation has been calculated with reference to the cost, systematically and according to the residual possibility for use. For the financial period in which the asset is acquired, the depreciation is reduced by 50% in the belief that this represents a reasonable approximation of the time distribution of the purchase over the course of the period.

The depreciation rates used are the following:

Industrial buildings:	3 %
Permanent equipment:	25 %
Equipment for trade shows:	12 %
Ordinary machinery and plants:	10 %
Furniture and fixtures:	12 %
Motor-vehicles:	25 %
Electronic and electromechanical office machinery:	20 %

The assets whose economic value at the close of the period is significantly lower than the not yet depreciated cost are written down to the extent of their economic value. If in the successive periods the reasons for this devaluation are no longer valid, the cost will be restored.

The recurrent maintenance costs are charged in full to the income statement. The incremental maintenance costs are charged to the fixed asset to which they apply and are depreciated according to the depreciation rates established for that asset.

Financial fixed assets

The financial fixed assets include the equity investments in non-consolidated subsidiary companies, equity investments in affiliated companies, and investments in other companies, in addition to the long term loans granted.

The equity investments in non-consolidated subsidiary companies and affiliated companies where the Group has a significant influence due to the amount of voting rights – between 20% and 50% - and the other equity investments are assessed according to the cost method, adjusted where necessary by write downs for permanent loss of value.

The long term financial receivables are recorded in the financial statements at cost.

The own shares are assessed according to the cost method, adjusted where necessary by write downs for permanent loss of value.

Receivables and payables

The receivables have been recorded at their nominal value and reduced to the presumed salvage value by using the special bad debt provision. The payables are recorded at their nominal value. The receivables and payables in currency other than Euro have generally been calculated and posted in the Financial Statements at the historic exchange rate pertaining to the day of posting. Should these items give rise to negative differences when converted to the exchange rate valid at the closing date of the period and considering the relative coverage contracts, the company has provisioned a corresponding amount to the risk and contingency reserve. The receivables and payables in foreign currency covered specifically against exchange rate risks have been posted at the exchange rate defined by the coverage operation.

Financial current assets

Financial current assets include securities for sale and/or other financial instruments held in order to use monetary surplus.

These assets are assessed at a lesser value between the purchase cost and the corresponding market value as of the date of consolidation.

Inventories

With regards to the final inventories, the evaluation criteria envisaged by article 2426 of the Civil Code have been observed. In particular, the inventories in the warehouse have been assessed at the lesser value between the cost and the market value.

The cost configuration adopted is the following:

Raw materials and merchandise:	LIFO (last in, first out)
Work in progress:	industrial production cost, depending on the state of progress
Finished products:	industrial production cost

Accruals and Deferrals

Only the income and expenses from the period which have an effect in the successive financial periods, and the revenues and costs earned or incurred before the closing date of the period, but pertaining to successive financial periods have been posted under the items covering the accruals and deferrals. Only costs and proceeds shares pertaining to two or more financial periods are included under such items. Their amount varies depending on the period of time.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover known or likely losses or debts, the timing and amount of which cannot be determined at year-end. Included here are the Unrealised exchange provision, the Product warranty provision, and the Corporate restructuring provision.

In particular, the allocations made to the Product warranty provision enable the economic effect of the warranty costs to be anticipated, according to the principle of correlation between sales revenues – costs for the warranty.

The Corporate restructuring provision is constituted by an allocation against the charges still to be incurred connected with the Biesse Group reorganisation plan, initiated in 2001. This reserve was decreased in relation to the costs already incurred.

Staff severance indemnity reserve

The staff severance indemnity reserve is recorded in the financial statements to cover the entire amount of the compensation accrued in favour of the employees according to their seniority and in virtue of the regulations in force regarding collective contracts in each country where the consolidated companies do business.

Risks, commitments and guarantees

The risks for which a liability is probable are described in the explanatory notes and allocated for according to the congruence criteria in the risk reserves. The risks for which a liability is merely possible are described in the explanatory notes, without making provisions to the risk reserves, in accordance with the reference accounting principles. Risks of a remote nature are not considered.

The commitments and guarantees are indicated in the memorandum accounts at their contractual value. The memorandum accounts include the commitments relating to derivative contracts in existences predominantly for the purpose of guarding the Biesse Group from exchange risks on trade transactions. These commitments are recorded in the Memorandum accounts based on the exchange rates at the end of the financial period. The discounts and premiums on derivative contracts are reflected in the Income Statement according to pertinence. If the derivative contracts are not strictly identifiable as coverage transactions, even in view of a strict reading of the reference accounting principles, any loss or gain deriving from these contracts at year-end is charged to the Income Statement.

Revenues, income and charges postings

Revenues and income, costs and charges are recorded in the financial statements net of returns, discounts, allowances and premiums as well as any taxes directly connected with the sale of products and services rendered. Revenues for the sale of products is acknowledged at the moment they change ownership, usually when the goods are shipped or delivered. Revenues having a financial nature are acknowledged on the basis of when the transactions occur.

CONSOLIDATED BALANCE SHEET ACCOUNTS

Detailed information and the variations occurring in the consistency of the principal asset and liability items. All amounts are expressed in thousand of Euro.

Fixed assets

Intangible fixed assets:

Description	Value at 31 December 2001	Purchases	Decreases	Depreciation	Conversion difference	Value at 30 June 2002
Plant and expansion costs	89	166	0	(33)	(2)	220
Research, development and advertising costs	946	51	0	(208)	0	789
Industrial patents and Intellectual property rights	119	227	0	(75)	0	271
Concessions, licences, trade-marks and similar rights	1,314	346	0	(291)	1	1,370
Goodwill	7,341	2,306	0	(447)	2	9,202
Fixed assets in progress and advances	12	39	(14)	0	0	36
Other intangible fixed assets	709	271	0	(150)	0	830
Consolidation difference	21,456	0	0	(724)	0	20,732
Total	31,986	3,406	(14)	(1,928)	1	33,451

The Plant and expansion costs increase of Euro 166 thousand mainly relate to the inclusion in the consolidation area of the subsidiary company Biesse Group Australia Pty Ltd. (Euro 134 thousand).

With regards to the Goodwill, the increase is given by the purchase, made during the year 2001, of the branch of business from Allwood Machinery Co. Pty Ltd and Allwood New Zealand Ltd by respectively Biesse Group Australia Pty Ltd and Biesse Group New Zealand Ltd; as already mentioned, these companies have not been included in the consolidation area of the previous period. The Fixed assets in progress and advances were decreased of Euro 14 thousand, that are represented by advances now classified among the Concessions, licences and trade-marks.

Other intangible fixed assets includes an increase due mainly to the inclusion in the consolidation area of the subsidiary company Biesse Group Australia Pty Ltd.

Tangible fixed assets:

Description	Value at 31 December 2001	Purchases	Decreases and reclassifications	Depreciation	Conversion difference	Value at 30 June 2002
Land and buildings	47,301	1,096	0	(540)	(605)	47,252
Plants and machineries	14,050	380	(2)	(1,027)	63	13,465
Industrial and commercial equipment	3,771	1,012	(136)	(782)	63	3,928
Other tangible assets	9,299	1,639	(310)	(1,277)	(240)	9,111
Fixed assets in progress and advances	10,245	6,111	(126)	0	0	16,230
Total	84,666	10,238	(574)	(3,626)	(719)	89,985

The item Land and buildings increased by Euro 1,096 thousand during the period due mainly to the completion of the new mill in Pesaro, owned by InterMac Spa (Euro 874 thousand) and to the restructuring of the employee canteen (Euro 120 thousand).

This item includes the building, previously owned by InterMac Spa (net value of Euro 13,507 thousand, after the accumulated depreciation), sold and leased back on 28 June 2002. In the consolidated report the building is recorded at cost, since the write-off of gain on sale of Euro 4,492 thousand.

The item Industrial and commercial equipment is characterised by a net increase during the period due to the inclusion in the consolidation area of the companies Biesse Group Australia Pty Ltd, Biesse Group New Zealand Ltd and Hsd Usa Inc. (Euro 200 thousand) and due to the purchase by Biesse Spa and Intermac Spa of ordinary operational instruments necessary for the activities of assembly and testing machine tools (Euro 792 thousand).

The net increase in the value of the Other assets of Euro 1,639 thousand is due to acquisition of new fixtures and furnishings, vehicles, office electronic and electromechanical machinery and increasingly sophisticated and modernised products intended for information systems (servers, USC-SI discs, etc.), office design (PWS, plotters, scanners) and all the indirect functions for realising new work stations and partially for replacing obsolete machinery (PC, printers, photocopiers, etc.).

The item Fixed assets in progress and advances is made up of advance payments on work to finish (Euro 5,400 thousand), referring to sites for refurbishing and expansion of already operating plant, on existing buildings, construction of a new plant in San Giovanni in Marignano (RN), which will be the future site of Biesse Group machining and advance payments on land to purchase in Chiusa di Ginestreto (PU); advance payments on work of expansion of already operating premises, in via della Meccanica, 16 (Euro 428 thousand).

Schedule of the revaluation:

		BIESSE Spa	TOTAL
Buildings	Under Law 72/83	163	163
Buildings	Under Law 413/91	126	126
Plant and machinery	Under Law 72/83	69	69
Other assets	Under Law 72/83	4	4
Total		362	362

Investments

Equity investments in non-consolidated fully owned subsidiaries

Equity investments in fully owned subsidiaries excluded from the comprehensive consolidation are recorded in the financial statements according to the cost adjusted for write downs method, under article 2426 of the Civil Code.

Company	June 2002		December 2001	
	Share owned by the Biesse Group	Value entered	Share owned by the Biesse Group	Value entered
Istituto IS.PE. soc. cons. a r.l.	100%	13	100%	13
Motori MC Kart Srl	51%	230	0	0
HSD Deutschland GmbH	40%	13	0	0
Biesse Group Australia Pty Ltd			100%	2,924
Biesse Group New Zeland Ltd			100%	155
Hsd Usa Inc.			80%	316
Total		256		3,408

Equity investments in affiliated companies:

Company	Share capital	Value entered	Share owned by the Biesse group
I.S.P. System Srl Via Fratelli Rosselli, 46 - Pesaro - Italy	Euro 14,040	107	25.92%
CABI Srl Nuova Strada di Lottizzazione, s.n. Località Selva Grossa (PU) - Italy	Euro 99,000	45	49%
Intermac Vidrio Iberica S.A. C/Muntaner 531, 3-4 Barcelona - Spain	Euro 60,102	15	25% (indirectly through Intermac Spa)
Total		170	

Equity investments in other companies:

The item Equity investments in other companies, assessed according to the cost adjusted for write downs method under article 2426 of the Civil Code as of 31 December 2000, is composed as follows:

Companies	Value entered	Share owned by the Biesse group
Banca delle Marche Spa Via Menicucci, 4/6 - Ancona - Italy	65	*
Tecnomarche Scrl Piazza Simonetti, 36 - Ascoli Piceno - Italy	10	4% (directly)
Consorzio Internazionale Marmi Macchine Carrara Via Galilei, 133 - Carrara Marina (MS) - Italy	5	*
Formark Srl Corso Mazzini, 151 - Ascoli Piceno - Italy	1	*
Cosmob Spa Galleria Roma - Pesaro - Italy	1	*
Consorzio Energia Assindustria Pesaro Urbino Via Curiel, 35 - Pesaro - Italy	1	*
Other	1	*
Total	84	

* symbolic or associative equity investments.

Financial receivables:

The item relative to receivables from others falling due beyond 12 months (Euro 3,165 thousand) includes an interest-bearing loan granted to third-party suppliers for Euro 2,507 thousand, the advance payment of the staff severance indemnity for Law 140 of 28 October 1997 for Euro 250 thousand, in addition to receivables from Fideuram vita, Fideuram CAF and RAS for a total of Euro 146 thousand and guarantee deposits for Euro 260 thousand. Compared with period ended December 2001 there has been a net decrease of Euro 15 thousand, due to the decrease of the advance payment of the staff severance indemnity for partial repayment and of the receivables from Fideuram (Euro 74 thousand), partially offset by the increase of the guarantee deposits (Euro 59 thousand).

Other securities:

The value of 101 thousand do not show any significant variation in comparison to the amount of the period end of December 2001.

WORKING CAPITAL

Inventories:

Description	30 June 2002	31 December 2001
Raw materials	59,539	60,350
Work in progress and semi-finished goods	13,689	12,003
Finished goods	42,231	32,619
Advances	1,476	632
Total	116,935	105,604

The total value of inventories is equal to Euro 116,935 thousand. The increase compared to end of December 2001 of Euro 11,332 thousand is largely due to the increase of finished goods, as a consequence of including in the consolidation area of the subsidiaries Biesse Group Australia Pty Ltd, Biesse Group New Zealand Ltd and Hsd Usa Inc. (Euro 5,300 thousand) and the need of stocking the other foreign subsidiaries with machines to be delivered and invoiced to end customers in the following months. This approach, which results in a surplus of finished products at the beginning of the year, is necessary to ensure that subsidiaries can adequately meet customer demand. The inventory ensures that subsidiaries can complete delivery of orders already placed and paid for and make prompt deliveries of orders in the ensuing months, particularly during August and at the end of the year when the factories of the customer are closed or activities are reduced.

Receivables:

The item Receivables shows a total amount of Euro 132,151 thousand (amounting Euro 141,030 thousand at the end of previous year), and is detailed as follows:

Description	30 June 2002	31 December 2001
Receivables from customers	110,957	121,233
Receivables from subsidiary companies	2,221	1,347
Receivables from affiliate companies	688	310
Receivables from holding companies	0	17
Receivables from others	18,285	18,123
Total	132,151	141,030

Receivables from customers:

The receivables from customers are equal to Euro 110,957 thousand, net of the related depreciation fund of Euro 2,074 thousand and refers to commercial and services transactions.

By the inclusion in the consolidation area of the subsidiaries Biesse Group Australia Pty Ltd, Biesse Group New Zealand Ltd and Hsd Usa Inc. the receivables increased by Euro 1,956 thousand; the net decrease compared to end of December 2001 is partially due to the classification of the receivables from Motori MC Kart among the item Receivables from subsidiary companies and to the improving of the collections of the receivables, determining also an increase of the liquidity.

The depreciation is made to cope with potential risks arising from doubtful receivables; the amount for the period is equal to Euro 166 thousand.

Receivables from subsidiary companies:

The value of Euro 2,221 thousand refer to receivables that the Parent Company, Biesse Spa is owed from Istituto IS.PE. for Euro 22 thousand and from Motori MC Kart for Euro 2,199 thousand; in the previous period, the receivables from Motori MC Kart (Euro 1,790 thousand) were included in the receivables from customers.

Receivables from affiliate companies:

The receivables from affiliate companies falling due within one year total Euro 688 thousand and refer to receivables of the Parent Company, Biesse Spa from Cabi Srl for Euro 2 thousand and from I.S.P. System Srl for Euro 587 thousand and receivables of the subsidiary Interamac Spa from Interamac Vidrio Iberica S.A. (Euro 99 thousand).

Receivables from others:

The receivables from others equal to Euro 18,285 thousand and include receivables for pre-paid and income taxes totalling Euro 11,216 thousand and receivables from suppliers for Euro 862 thousand. The amount falling due after one year equal to Euro 1,049 thousand and refer to pre-paid taxes.

Financial current assets:

The relative value of the equity investment in affiliated companies, totalling Euro 9 thousand, refer to the shares held by Schelling Anlagenbau Gmbh in the Eberle Automatische Systeme Gmbh company, inserted with the current assets since the company plans to sell them.

Liquid assets:

The amount of Liquid assets equal to Euro 23,695 thousand refer to the bank balances and has increased by Euro 9,649 thousand compared with previous year, because of the improving of the collections from the customers, as already mentioned.

PREPAID EXPENSES AND ACCRUED INCOME

As of 30 June 2002, the items are comprised as follows:

Description	30 June 2002	31 December 2001
Accrued interest income	231	0
Other accrued income	165	169
Prepaid interest expenses	1,444	677
Other prepaid expenses	842	424
Multiyear Prepaid expenses	77	96
Total	2,759	1,366

LIABILITIES AND EQUITY

Shareholders' equity

Schedule of the transactions in the Consolidated Shareholders' equity items

	Balance as at 31 Dec. 2001	Transfer result	Conversion difference	Increase in capital	Dividends	Other transaction	Result of the period	Balance as at 30 June 2002
Net shareholders' equity pertaining to the Group								
Capital	27,393							27,393
Share premium reserve	89,506	(3,986)						85,520
Legal reserve	3,797							3,797
Own shares reserve	0					1,137		1,137
Surplus reserve	17,717				(2,465)	(2,959)		12,293
Consolidation reserve	65							65
Conversion difference reserve	45					(796)		(751)
Other reserves:								
Merger surplus	1,736	(1,736)						0
Reserve for special tax regime	2,993	(570)				1,822		4,245
Income carried forward and other reserves	4,170	(310)				(311)		3,549
Result of the period	(6,602)	6,602					(4,249)	(4,249)
Total shareholders' equity of Group	140,820	0	0	0	(2,465)	(1,107)	(4,249)	132,999
Shareholders' equity pertaining to minorities								
Capital and reserves pertaining to minority interests	517	175				39		731
Income (loss) pertaining to minority interests	175	(175)					38	38
Total shareholders' equity pertaining to minority interests	692	0	0	0	0	39	38	769
Total	141,512	0	0	0	(2,465)	(1,068)	(4,211)	133,768

Share premium reserve

The item, equal to Euro 85,520 thousand decreased of Euro 3,986 thousand to cover the 2001 loss.

Own shares reserve

The Own shares reserve, equal to Euro 1,137 thousand refer to the own shares purchased by the Parent Company, Biesse Spa, through the operation of buy-back. The amount was previously included in the Surplus reserve.

The purchase, authorised by the Shareholders' Meeting held on 17 December 2001, cannot exceed 18 months by the date of resolution and it refer to no more than 10% of the authorised issued capital.

Surplus reserve

The item, equal to Euro 12,293 thousand, has decreased by the resolution of distribution of dividends (Euro 2,465 thousand), the provision of the Own shares reserve (Euro 1,137 thousand) and the destination to the accelerated depreciation reserve (Euro 1,821 thousand).

Consolidation reserve

The consolidation reserve amounting to Euro 65 thousand is the same as at end of previous period since it took in the difference between the price paid for the purchase of shares in the subsidiary Bifin Ltd by Biesse America and the shareholders' equity as of the purchase date.

Conversion differences reserve

The Conversion differences reserve, equal to Euro 751 thousand, is provisioned to make up for the differences in the financial statements expressed in the currency of non-Euro countries. It decreased Euro 796 thousand over the period.

Other reserves

The Other reserves item amounting to Euro 4,245 thousand refer to the accelerated depreciation reserve, composed of the accelerated depreciation done in the previous periods measured only in preparing the income tax returns; the reserve increased by Euro 1,821 thousand compared with December 2001.

The funds as per Art. 55 of Presidential Decree 597/917 and the reserve under Law 696/83 – Law 399/17, equal to Euro 569 thousand at the close of the previous period, were used to cover the 2001 loss.

The same destination was given to the merger surplus reserve, previously amounting to Euro 1,736 thousand.

Income carried forward and other reserves of the subsidiary companies

The value of Euro 3,549 thousand decreased by Euro 621 thousand for the allocation of the consolidated loss of the previous period and for the inclusion in the consolidation area of the subsidiary companies Biesse Group Australia Pty Ltd, Biesse Group New Zealand Ltd and Hsd Usa Inc.

Reconciliation between the Parent Company and the Consolidated Financial statements

	Equity 30 June 2002	Result 30 June 2002 (1)	Equity 31 Dec. 2001	Result 31 Dec. 2001
Shareholders' equity and income of the period as recorded in the parent company interim financial statement	135,318	934	136,900	(6,242)
Elimination of the stock value of the consolidated equity investments				
Diff. between the stock value and the pro-quota value of the shareholders' equity	(17,990)		(12,216)	
Pro-quota results achieved by the held companies		(5,928)		(5,060)
Consolidation difference	20,732	(724)	21,456	(3,221)
Surplus attributed to buildings	490	(8)	498	(16)
Consolidation reserve	65		65	
Elimination of the write down of the equity investments		1,209		9,503
Elimination of the effects of transactions between consolidated companies:				
Intra-group profits included in the value of final inventories	(4,838)	268	(5,106)	(1,566)
Intra-group profits on fixed assets	(778)		(778)	
Shareholders' equity and income of the period pertaining to the Group	132,999	(4,249)	140,819	(6,602)
Shareholders' equity and income of the period pertaining to minority interests	769	38	692	175
Shareholders' equity and income of the period as recorded in the consolidated interim financial statement	133,768	(4,211)	141,512	(6,427)

(1) The result of the period as at 30 June is calculated on a pre-tax basis.

Fund for risks and charges:

The item is equal to Euro 6,098 thousand (Euro 7,491 thousand at the end of year 2001) and it is composed as follows:

Supplementary indemnity reserve for customers:

The item is equal to Euro 993 thousand, while amounting Euro 920 thousand at the end of the previous period.

Provision for future risks and charges:

Provision for future risks and charges, amounting Euro 2,713 thousand, include the Corporate Restructuring provision of the Parent Company, Biesse Spa (decreased by Euro 1,101 thousand during the period), equal to Euro 2,152 thousand, the Corporate Restructuring provision of the subsidiary company Biesse Deutschland (decreased by Euro 89 thousand during the period), equal to Euro 211 thousand and a risk fund, equal to Euro 350 thousand against likely tax liabilities and likely charges rising from a dispute with an English retailer of the Glass Division, who terminated its co-operation with the Group.

Product warranty provision:

The item is equal to Euro 2,377 thousand (Euro 2,770 thousand at the end of the previous period), decreased of Euro 393 thousand to reflect the real liability for warranty.

Staff severance indemnities reserve

Reserve at the beginning of the financial period	11,076
Amount accrued and allocated in the consolidated financial statements	1,678
Payments made during the period	(829)
Reserve at the end of the financial period	11,925

Accounts Payable

Notes payable due to banks:

Description	30 June 2002	31 December 2001
Current accounts and short term loans	92,607	75,444
Medium term loans	3,935	4,064
Mortgage with collateral	7,755	8,680
Mortgage without collateral	11,522	11,732
Total	115,819	99,920

The item equal to Euro 115,819 thousand worsened in the period for the cyclical fluctuation of the cash-flow, the prosecution of investments for the construction of a new mill in San Giovanni in Marignano (RN) and for the purchase of some real estates in Chiusa di Ginestreto (PU) and finally for the buy-back of the own shares.

Payables falling due after 5 years:

Description	30 June 2002
Schelling Anlagenbau Hypo vereins bank	3,708
Biesse Spa Loan law 46/82 (n. 656/98)	772
Biesse Spa Loan law 46/82 (n. 657/98)	205
Schelling Fertigungstechnik Creditanstalt	121
Mortgage BCI Bank Montreal	101
Biesse Spa Loan law 46/82 (n. 2222/93)	64
Mortgage BCI Bank Toronto	50
Total	5,021

The mortgages taken out with collateral are detailed as follows:

Company	Amount	Credit institution	Description of the collateral
Schelling Anlagenbau	3,708	Mortgage Hypo vereins bank	Collateral based on real estate in Schwarzach (Austria)
Bifin Ltd	1,766	Mortgage BCI - Comit NY	Collateral based on the industrial building in Charlotte (USA)
Biesse Spa	1,390	EIB loan	Collateral based on the 75,000 sqm area, site of the building in Pesaro, località Chiusa di Ginestreto (PS), constituted by 7 plant buildings
Biesse Spa	516	Mortgage Mediocredito Fondiario Centroitalia	Collateral based on the building located in Via della Meccanica, sn - Chiusa di Ginestreto (PS)
Sel Realty Ltd.	171	Mortgage BCI Comit Canada	Collateral based on the industrial building in Montreal (Canada)
Schelling Fertigungstechnik	121	Mortgage Creditanstalt	Collateral based on industrial equipments
Sel Realty Ltd.	83	Mortgage BCI Comit Canada	Collateral based on industrial building in Toronto (Canada)
Totale	7,755		

Notes payable due to other financial sources:

As of 30 June 2002, the notes payable due to other financial sources is Euro 15,372 thousand, with an increase of Euro 15,167 thousand over the period. The increase is chiefly due to the above-mentioned sale and lease-back operation, made by the subsidiary Intermac Spa and is represented by a receivable owed to the company Intesa Leasing Spa.

Advances:

This item includes advances received from customers as of 30 June 2002 for a total amount of Euro 12,362 thousand, increasing by Euro 4,875 thousand compared to 31 December 2001 as a consequence of the recovery of the purchase orders, recorded in the second quarter of the period.

Trade payables:

The trade payables amount to Euro 74,106 thousand, decreasing by Euro 10,468 thousand, compared to 31 December 2001, mainly due to the better rationalisation of the supplies.

The change in the consolidation area compared to the previous period determined an increase of Euro 1,438 thousand.

The payables due after 12 months total Euro 1,163 thousand and must be repaid in full over five financial periods.

Payables to subsidiary companies:

The payables due to subsidiary companies not included in the consolidation area equal to Euro 1,841 thousand and refer to payables of the Parent Company, Biesse Spa, to the company Motori MC Kart Srl, previously included in the trade payables.

Payables to affiliate companies:

The payables due to affiliate companies include payables of the subsidiary company Intermac Spa to the affiliate Intermac Vidrio Iberica S.A. (Euro 49 thousand).

Taxes payable:

The item amount to Euro 8,131 thousand and includes payables due to income taxes related to previous year financial statements, to deduction towards employees and VAT taxes.

The interim consolidated financial statement, as mentioned above, has been prepared based on a before tax level.

Social insurance payable:

The item, amounting to Euro 3,088 thousand is related to employees.

Other payables:

As of 30 June 2002 the item Other payables amounts to Euro 19,333 thousand, decreasing of Euro 1,310 thousand respect the end of December 2001. This includes the payables towards employees for salaries and wages for Euro 8,321 thousand, the outstanding payable relating to the purchase of Diamut Srl line of activity for Euro 3,810 thousand and the purchase of CNI Srl for Euro 599 thousand.

The amount falling due beyond 12 months amount Euro 1,191 thousand, with an increase of Euro 985 thousand with respect to the end of the previous period; it refer to a receivable of the subsidiary company Biesse Group Australia Pty Ltd to the Allwood Machinery shareholders, for the purchase of the branch of business (Euro 752 thousand) and other receivables related to the purchase of the Diamut Srl line of activity (Euro 232 thousand) and the association in investment contract, connected to the take over of Busetti Srl (Euro 207 thousand).

Accruals and Deferred Income

Description	30 June 2002	31 December 2001
Accrued interest expenses	322	185
Other accrued expenses	186	212
Deferred interest income	566	1,525
Deferred revenues for installation and testing	1,053	838
Other deferred revenues	0	30
Total	2,127	2,790

Memorandum Accounts:

The memorandum accounts are described as follows:

Description	30 June 2002	31 December 2001
Leasing commitments	11,172	12,755
Collateral given for guarantees/ endorsements	14,513	14,002
Bills in circulation	9,005	9,935
Other memorandum accounts	14,035	43,152
Total memorandum accounts	48,725	79,844

The leasing commitments equal to Euro 11,172 thousand and refer to the total amount of instalments and purchase price to pay to the leasing companies in order to acquire the property of the leased good. In case that the leasing contracts were recorded according to the financial method, instead of that allowed by the law, the Material Assets historic cost at the end of June 2002 would have been higher for about Euro 4,631 thousand, while the accumulated depreciation would have been higher for about Euro 595 thousand; the financial debts would have been higher for about Euro 3,770 thousand, the deferred charges would have been lower for about Euro 250 thousand. The depreciation charge of the period would have been higher for about Euro 308 thousand, the financial charges higher for about Euro 109 thousand, while the correctly charged expenses for use of third-party assets would have decrease by about Euro 475 thousand. The loss for the period would have been lower for about Euro 58 thousand, the equity higher for about Euro 141 thousand, on a pre-tax basis.

The Other memorandum accounts mainly refer to forward agreements to cover, made at the end of the period and evaluated at the exchange rate at the end of the period; the agreements are made in order to protect the operating margin on future sales of the Parent Company, Biesse Spa, by the fluctuations of the exchange rates.

The item decreased because several cover contracts were negotiated at the beginning of July 2002, in order to take advantage from the good situation of the exchange markets.

CONSOLIDATED INCOME STATEMENT

Notes on the principles positive/negative income components.

All amounts are expressed in thousand of Euro.

Value of production

Sales of goods and services:

Description	30 June 2002	30 June 2001
Revenues for the sale of goods	156,111	171,983
Revenues for services rendered	4,813	3,253
Other sales revenues	579	385
Variation in revenues for returns, premium, discounts, allowances and invoices adjustments	(301)	(211)
Total	161,202	175,410

NOTES TO THE CONSOLIDATED ACCOUNTS

The breakdown of the revenues for sales and services rendered by division is the following:

Division	30 June 2002	%	30 June 2001	%
Wood Division	110,662	68.6%	108,073	61.6%
Glass and Marble Division	28,131	17.5%	29,988	17.1%
Systems Division	15,519	9.6%	32,796	18.7%
Mechatronics Division	12,325	7.6%	12,241	7.0%
Aggregate total	166,637	103.3%	183,098	104.4%
Intercompany eliminations	(5,435)	(3.3)%	(7,688)	(4.4)%
Total consolidated revenues	161,202	100.0%	175,410	100.0%

The analysis by division shows the good performance of the Wood Division, with results higher than in the previous period, while the Glass and Mechatronics Division keep their positions, with revenues in line with the previous period.

As far as the Systems Division is concerned, the comparison is still negative, since it is more affected than the other divisions by the slowdown on international economies, even if in the last months some good signs are coming by the collect of purchase orders.

The breakdown of the revenues for sales and services of each division rendered by geographical area is the following:

Wood Division	June 2002	%	June 2001	%
U.E.	64,652	58.4%	71,095	65.8%
North America	17,988	16.3%	15,045	13.9%
R.o.W.	28,022	25.3%	21,934	20.3%
Total	110,662	100.0%	108,074	100.0%

Glass and Marble Division	June 2002	%	June 2001	%
U.E.	20,013	71.1%	18,970	63.3%
North America	3,954	14.1%	4,648	15.5%
R.o.W.	4,164	14.8%	6,369	21.2%
Total	28,131	100.0%	29,987	100.0%

Systems Division	June 2002	%	June 2001	%
U.E.	9,901	63.8%	17,152	52.3%
North America	4,536	29.2%	14,916	45.5%
R.o.W.	1,082	7.0%	728	2.2%
Total	15,519	100.0%	32,796	100.0%

Mechatronics Division	June 2002	%	June 2001	%
U.E.	10,365	84.1%	9,974	81.5%
North America	1,473	12.0%	689	5.6%
R.o.W.	487	4.0%	1,578	12.9%
Total	12,325	100.0%	12,241	100.0%

The summary of the breakdown of the sales by geographic area is the following:

Geographical area	June 2002	%	June 2001	%
U.E.	99,793	61.9%	109,720	62.6%
North America	27,951	17.3%	35,299	20.1%
R.o.W.	33,458	20.8%	30,391	17.3%
Total	161,202	100.0%	175,410	100.00%

The analysis by geographical area reflects the different economic situations throughout the world, showing the first signals of recover on North American market, which weight on the consolidated sales grows, even if its results are lower than in the previous quarter. As regards the EU, the results are lower respect the previous period, while the Rest of the World continue to give its positive contribute to the Group, referring particularly to the Eastern Europe zone.

Other revenues and income:

The item Other revenues and income amounts to Euro 2,958 thousand, increasing by Euro 1,107 thousand compared to end of June 2001. It is due largely to contributions to period accounts and to recovery of shipping and delivery expenses.

Costs of production:

This item shows an amount of Euro 176,353 thousand with a decrease compared to end of June 2001 of Euro 11,730 thousand. The variation of the consolidation area determined an increase of Euro 5,289 thousand.

Costs of raw, ancillary and consumable materials and goods for resale:

The total amount is of Euro 82,053 thousand, decreasing by Euro 20,283 thousand compared to the same period of previous year; this is due both to the slight drop in the volumes of production, but also to the improving of the incidence on sales. The incidence of costs of raw, ancillary and consumable materials on sales equal to 46.8% and it decrease considerably respect the value at the end of June 2001 (48.1%); this is due to the progressive reduction of the pressure of raw materials prices and to the industrialisation and standardisation of the component production.

Service costs:

The item is composed as follows:

Description	30 June 2002	30 June 2001
Outsourcing	5,987	8,029
Utilities	726	613
Maintenance	1,143	1,117
Technical, legal, administrative consulting	2,738	2,290
Commission expenses	3,253	4,240
Trade shows and advertising	4,381	3,731
Business trips and travel expenses	4,374	4,692
Postage and telephone costs	1,202	1,045
Transportation costs	4,310	3,304
Other service expenses	4,920	5,833
Total	33,034	34,894

Use of third-party assets:

The value is equal to Euro 4,330 thousand, increased by Euro 1,071 thousand essentially due to the termination of the process of substitution of the owned company cars with rental cars and due to new contracts for industrial equipments.

Personnel costs:

The item equal to Euro 48,435 thousand, has increased by Euro 2,559 thousand compared with end of June 2001, due to the inclusion in the consolidation area of Biesse Group Australia Pty Ltd, Biesse Group New Zealand Ltd and Hsd Usa Inc. (Euro 1,251 thousand) and to the purchase, made at end of the previous period, of the branch of activity Diamut Srl by the subsidiary InterMac Spa and of the branch of activity Cni Srl by the subsidiary Hsd Spa and finally to the strengthen of the company's organisation.

Write-downs of current assets:

The item, equal to Euro 166 thousand is due to the bad debt provision.

Provisions:

The item Other provisions (Euro 56,000 thousand) refers to the provisions to the Product warranty reserve.

Sundry operating costs:

The item Sundry operating costs, equal to Euro 2,825 thousand, decreased by Euro 515 thousand compared with the end of the previous year.

Financial proceeds and charges

Income from equity investments:

Income from equity investments in other companies mainly refer to dividends and relative tax credits from Diamut Srl disbursed to InterMac Spa for Euro 1,007 thousand.

Other financial income:

Euro/1,000

Description	30 June 2002	30 June 2001
Income from securities recorded under fixed assets	47	62
Other sundry income	585	1,028
Exchange gains	2,125	2,414
Total	2,757	3,504

The Other sundry income is comprised primarily of interest on Sabatini Law practices.

Interest and other financial charges:

Euro/1,000

Description	30 June 2002	30 June 2001
Interests charges from banks and on advances	1,117	564
Interests charges on debenture loans	1,364	1,575
Exchange losses	1,318	3,426
Others	944	1,332
Total	4,743	6,897

The increase of the payables and overdraft banks determined an increase in the interests charges.

The interests charges on debenture loans are at the same level of the first half-year 2001.

The other charges equal to Euro 944 thousand, decreased by Euro 388 thousand.

Extraordinary income and charges

Extraordinary income:

The amount of Euro 77 thousand is largely due to contingent assets.

Extraordinary charges:

The item decrease by Euro 4,985 thousand compared with the previous period. The high decrease is mainly due the charges associated with stock exchange listing of the previous period; the expenses were completely charged to the year rather than amortise over five years as allowed by accounting principles.

The Extraordinary charges (Euro 2,022 thousand) is mainly constituted by the charges connected to the returns on sales (Euro 725 thousand) and to other exceptional charges (Euro 1,297 thousand).

Average number of employees

The average number of employees is equal to 2,148, beeing of 2,125 for the financial year 2001.

Pesaro, 27 September 2002

Chairman of the Board of Directors
Giancarlo Selci

ANNEXES

*To the Consolidated Financial
Statements of Biesse Spa
for the 1st half of 2002*

ANNEXE "A"
DETAIL OF DIFFERENCE OF CONSOLIDATION

Euro/1,000	Consolidation difference at		Cumulated depreciation provision at		Consolidation difference at		Amortisation share		Cumulated depreciation provision at		Net value at	
	31/12/2001	31/12/2001	31/12/2001	31/12/2001	30/06/2002	30/06/2002	2002	2002	31/12/2001	31/12/2001	30/06/2002	30/06/2002
SELCO SRL	4,220	(1,069)	3,151	4,220	(211)	2,940			(1,280)	2,940		
BIESSE CANADA LTD	56	(45)	11	56	(3)	8			(48)	8		
SEL REALTY LTD	5	(4)	1	5	(0)	1			(4)	1		
BIESSE GROUP UK LTD.	13	(5)	8	13	(1)	7			(6)	7		
BIESSE GROUPE FRANCE SARL	26	(13)	13	26	(1)	12			(14)	12		
SCHELLING ANLAGENBAU GMBH	20,302	(2,030)	18,271	20,302	(508)	17,764			(2,538)	17,764		
TOTAL	24,622	(3,166)	21,456	24,622	(724)	20,732			(3,890)	20,732		

ANNEXE "B"
CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euros)

30/06/2002

31/12/2001

ORDINARY ACTIVITIES

+/- Result of the period	(4,211)	(6,427)
+ Amortisation and depreciation:		
+ of tangible fixed assets	3,625	7,172
+ of intangible fixed assets	1,928	3,260
+ Write-off of consolidation difference pursuant to merger		
+ Provisions		3,330
+ for staff severance indemnity	1,678	580
+ for bad and doubtful debts	166	3,882
+ for risks and charges	212	1,774
= SUBTOTAL	3,399	13,569

- Staff severance indemnity paid out	(829)	(1,739)
- Use of risk funds	(1,605)	(788)
+/- Variation in current assets	8,712	(26,621)
+/- Variation in securities included in current assets	0	0
+/- Variation in inventory	(11,332)	(21,027)
+/- Variation in prepayments and accrued income	(1,394)	(129)
+/- Variation in accruals and deferred income	(662)	(981)
+/- Variation in trade payables	(10,468)	(3,480)
+/- Variation in other non financial payables	6,442	(876)
= CASH FLOW FROM ORDINARY ACTIVITIES	(7,736)	(42,072)

INVESTING ACTIVITIES

- Purchase of intangible assets	(3,498)	(8,304)
+ Transfer of intangible assets	105	139
- Purchase of tangible assets	(12,579)	(36,242)
+ Transfer of tangible assets	3,635	3,539
Purchase (transfer) of other shareholding and securities	2,175	(3,601)
= CASH FLOW FROM INVESTING ACTIVITIES	(10,163)	(44,470)

FINANCING ACTIVITY

+/- Increase/decrease in financial receivables	16	(1,284)
+/- Opening/repayment of medium/long term bank loans	(1,103)	1,338
+ Opening/repayment of other loans	0	(14,108)
+ Increase/decrease in bank borrowings	17,002	1,970
Variation in payables to other lenders	15,167	98
- Payment of dividends	(2,465)	(3,734)
+ Capital increase	0	100,400
Other changes in shareholder' equity	(272)	(391)
= CASH FLOW FROM FINANCING	28,344	84,288

+/- Variation in reserve from conversion of financial statements	(796)	(622)
= CASH FLOW	9,649	(2,876)

+ Net cash on hand at period start	14,046	16,922
+ Net cash on hand at period end	23,695	14,046

Variations in financial items that do not involve cash flow movements

- conversion of debenture loan	0	14,108
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Total	0	14,108
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HALF-YEAR REPORT AS AT 30 JUNE 2002

ANNEXE "C"

CONSOLIDATED ACCOUNTS OF THE PARENT COMPANY BIESSE Spa - BALANCE SHEET

(Thousands of Euros)	30 June 2002	30 June 2001	31 December 2001
ASSETS	298,995	263,990	287,939
B. FIXED ASSETS	144,268	118,754	139,730
I Intangible fixed assets	3,594	4,012	3,737
1 Start-up and expansion costs	18	12	8
2 Research, development and advertising costs	256	388	334
3 Patents and intellectual property rights	94	98	92
4 Concessions, licenses, trademarks and similar	926	866	888
5 Goodwill	1,880	2,134	2,007
6 Intangible assets under constructions	36	26	12
7 Other intangible fixed assets	384	488	394
II Tangible fixed assets	52,850	40,954	47,633
1 Land and buildings	22,636	22,664	22,742
2 Plant and machinery	8,063	6,978	8,524
3 Industrial and commercial equipment	1,686	1,478	1,634
4 Other tangible fixed assets	4,513	4,504	4,571
5 Tangible assets under constructions	15,952	5,330	10,162
III Financial fixed assets	87,824	73,788	88,360
1 Shareholding:	35,977	37,545	34,714
a Subsidiaries	35,743	37,358	34,480
b Affiliates	155	107	155
c Other companies	79	81	79
2 Receivables:	50,710	36,243	53,647
a Receivables from subsidiary companies due within one year	47,652	33,580	50,567
d1 Receivables from others due after one year	3,057	2,663	3,079
4 Own shares (nominal value Euro 303,616)	1,137	0	0
C. CURRENT ASSETS	153,224	144,399	147,651
I Inventories	56,027	55,653	54,137
1 Raw materials, ancillary materials and consumables	32,149	35,599	33,612
2 Semifinished goods	8,301	6,821	8,358
4 Finished products and goods	15,420	13,115	12,134
5 Payments on account	158	118	32
II Receivables	90,429	82,309	90,688
1 Trade receivables	42,438	43,375	57,477
2 Trade receivables from subsidiaries	37,379	34,010	23,820
3 Trade receivables from affiliated companies	589	0	235
4 Trade receivables from parent companies	0	948	17
5 Trade receivables from others	10,024	3,976	9,140
IV Cash and cash equivalents	6,767	6,437	2,826
1 Bank and postal deposits	6,666	6,351	2,646
3 Cash	101	87	180
D. PREPAYMENTS AND ACCRUED INCOME	1,503	837	558
1 Accrued income	231	17	0
2 Prepayments	1,272	820	558

ANNEXE "C"

CONSOLIDATED ACCOUNTS OF THE PARENT COMPANY BIESSE Spa - BALANCE SHEET

(Thousands of Euros)	30 June 2002	30 June 2001	31 December 2001
LIABILITIES	298,995	263,990	287,939
A. SHAREHOLDERS' EQUITY	135,318	145,111	136,850
I Share capital	27,393	27,393	27,393
II Premium reserve	85,520	89,506	89,506
IV Legal reserve	3,797	3,797	3,797
IV Own shares reserve	1,137	0	0
VII Other reserve	16,538	22,446	22,446
IX Result of the period (1)	934	1,969	(6.292)
B. PROVISIONS FOR RISKS AND CHARGES	8,178	5,159	8,526
1 Provision for pension retirement and similar	683	685	629
2 Provision for deferred taxes	1,806	1,222	1,806
4 Provision for risks	4,294	1,574	4,386
5 Provision for warranty products	1,395	1,678	1,705
6 Provision for exchange rates fluctuation	1	1	1
C. STAFF SEVERANCE INDEMNITY RESERVE	8,606	7,344	8,057
D. PAYABLES	146,222	105,657	133,950
3 Payables to banks	76,807	22,127	60,348
a due within one year	66,050	3,492	49,190
b due after one year	10,756	18,635	11,158
4 Payables to other financial institutions	72	215	205
a due within one year	72	215	205
5 Advances	4,658	5,392	4,566
a due within one year	4,658	5,392	4,566
6 Trade payables	47,023	62,252	54,632
a due within one year	45,860	61,513	53,325
b due after one year	1,163	740	1,307
8 Payables to subsidiary companies	4,047	3,980	4,230
a due within one year	4,047	3,980	4,230
11 Tax payables	2,827	2,152	2,009
a due within one year	2,827	2,152	2,009
12 Payables to social security	2,054	2,130	2,947
a due within one year	2,054	2,130	2,947
13 Other payables	8,734	6,534	4,880
a due within one year	8,734	6,534	4,880
E. ACCRUED EXPENSES AND DEFERRED INCOME	671	718	556
1 Accrued expenses	275	268	151
2 Deferred income	396	450	405
MEMORANDUM ACCOUNTS	34,285	63,841	64,015
2 Leasing commitments	8,587	6,519	8,586
5 Guarantees and endorsement	10,465	11,454	10,765
6 Bills in circulation	1,198	1,826	1,511
7 Other memorandum accounts	14,035	44,042	43,152

(1) Results of the period end of June 2001 and end of June 2002 are before income taxes

HALF-YEAR REPORT AS AT 30 JUNE 2002

ANNEXE "C"

CONSOLIDATED ACCOUNTS OF THE PARENT COMPANY BIESSE Spa

(Thousands of Euros)	30 June 2002	30 June 2001	31 December 2001
INCOME STATEMENT			
A. VALUE OF PRODUCTION	100,116	113,330	213,419
1 Revenues from sales and service	93,793	104,452	200,631
2 Change in work in progress and semifinished goods	3,260	6,118	6,547
4 Increase in assets value for internal work	47	41	82
5 Other revenues and income	3,016	2,720	6,159
B. COSTS OF PRODUCTION	(97,682)	(101,592)	(196,259)
6 Raw materials, ancillary materials and consumables	(50,593)	(61,385)	(111,962)
7 Services	(15,032)	(16,734)	(32,078)
8 Use of third parties assets	(2,056)	(1,326)	(3,103)
9 Personnel expenses	(25,175)	(22,488)	(44,239)
9a Wages and salaries	(18,094)	(16,130)	(31,459)
9b Social security charges	(5,859)	(5,217)	(10,439)
9c Severance indemnity	(1,222)	(1,142)	(2,341)
10 Amortizations, depreciations and write-downs	(2,520)	(2,476)	(5,085)
10a Amortisation of intangible fixed assets	(498)	(544)	(1,090)
10b Depreciation of tangible fixed assets	(1,982)	(1,722)	(3,834)
10d Write-downs of receivables included in current assets	(40)	(209)	(162)
11 Changes in raw material, ancillary materials and consumables	(1,496)	4,068	2,208
13 Other provisions	0	(148)	(175)
14 Other operating expenses	(810)	(1,102)	(1,826)
A-B. DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	2,434	11,738	17,160
C. FINANCIAL INCOME AND CHARGES	456	(2,349)	(1,479)
15 Income from equity investments	6	5	5
16 Other financial income	2,989	2,548	4,641
17 Interest and other financial charges	(2,538)	(4,901)	(6,124)
D. VALUE ADJUSTMENTS OF FINANCIAL ASSETS	(1,209)	(653)	(9,197)
19 Write-downs	(1,209)	(653)	(9,197)
E. EXTRAORDINARY INCOME AND CHARGES	(747)	(6,767)	(11,619)
20 Extraordinary income	50	19	49
21 Extraordinary charges	(797)	(6,786)	(11,668)
D+E. TOTAL EXTRAORDINARY INCOME AND CHARGES	(1,956)	(7,420)	(20,816)
PRE-TAX INCOME	934	1,969	(5,135)
22 Income taxes (1)	0	0	(1,157)
RESULT OF THE PERIOD (1)	934	1,969	(6,292)

(1) Results of the period end of June 2001 and end of June 2002 are before income taxes

Chairman of the Board of Directors
Giancarlo Selci

ANNEXE "D"
INDEPENDENT AUDITORS' REVIEW REPORT AT 30 JUNE 2002

Deloitte & Touche S.p.A.
Revisione e organizzazione contabile
Viale della Vittoria, 7
60123 Ancona
Italia

Tel: + 39 071 20 69 55
Fax: + 39 071 20 69 35
R.E.A. Ancona n. 11117.
www.deloitte.it

**Deloitte
& Touche**

**AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL
INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2002**

**To the Shareholders of
BIESSE S.p.A.**

We have reviewed the accompanying interim financial information for the six months ended June 30, 2002, made up of the consolidated accounting schedules (balance sheet and income statement), and of the related footnotes of BIESSE S.p.A. In addition, we have verified the consistency of the footnotes with the related information contained in the above accounting schedules.

Our review was carried out in accordance with the auditing standards recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange, under Resolution n. 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and verification of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with auditing standards. Accordingly, unlike our report on the year end consolidated financial statements, we do not express an audit opinion on the interim financial information.

As far as comparable data for the prior year's end financial statements and interim financial information for the corresponding period in 2001 is concerned, reference should be made to our reports issued on April 9, 2002 and September 28, 2001, respectively.

**Deloitte
Touche
Tohmatsu**

Milano Ancona Bari Bergamo Bologna Cagliari Firenze
Genova Napoli Parma Padova Roma Torino Treviso Vicenza
Sede legale: Palazzo Carducci - Via Olona, 2 - 20123 Milano - Capitale Sociale Euro 3.354.488,80 i.v.
Partita IVA / Codice Fiscale / Registro delle Imprese Milano n. 03009430152 - R.E.A. Milano n. 9451;

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Based on our review, we are not aware of any material modifications that should be made to the interim financial information mentioned in the first paragraph above in order for it to be in conformity with the criteria provided by Consob regulations for the preparation of the interim financial information for the six months adopted with Resolution n.11971 of May 14, 1999 and subsequent modifications and integrations.

DELOITTE & TOUCHE S.p.A

Signed by:
Carlo Beciani
Partner

Ancona, September 30, 2002

This auditors' review report has been translated into the English language solely for the convenience of international readers.

Editing
Biese Spa

Overall Coordination
Burson-Marsteller Financial

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Via della Meccanica, 16
Località Chiusa di Ginestreto
61100 Pesaro Italy

Tel. +39 0721 439100

Fax +39 0721 453248

www.biesse.it