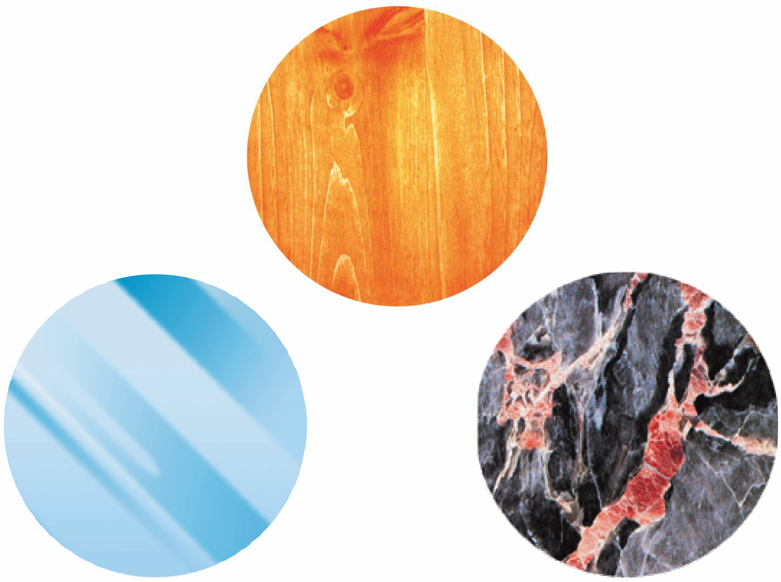
IV QUARTER FINANCIAL STATEMENTS
TO 31 DECEMBER 2007



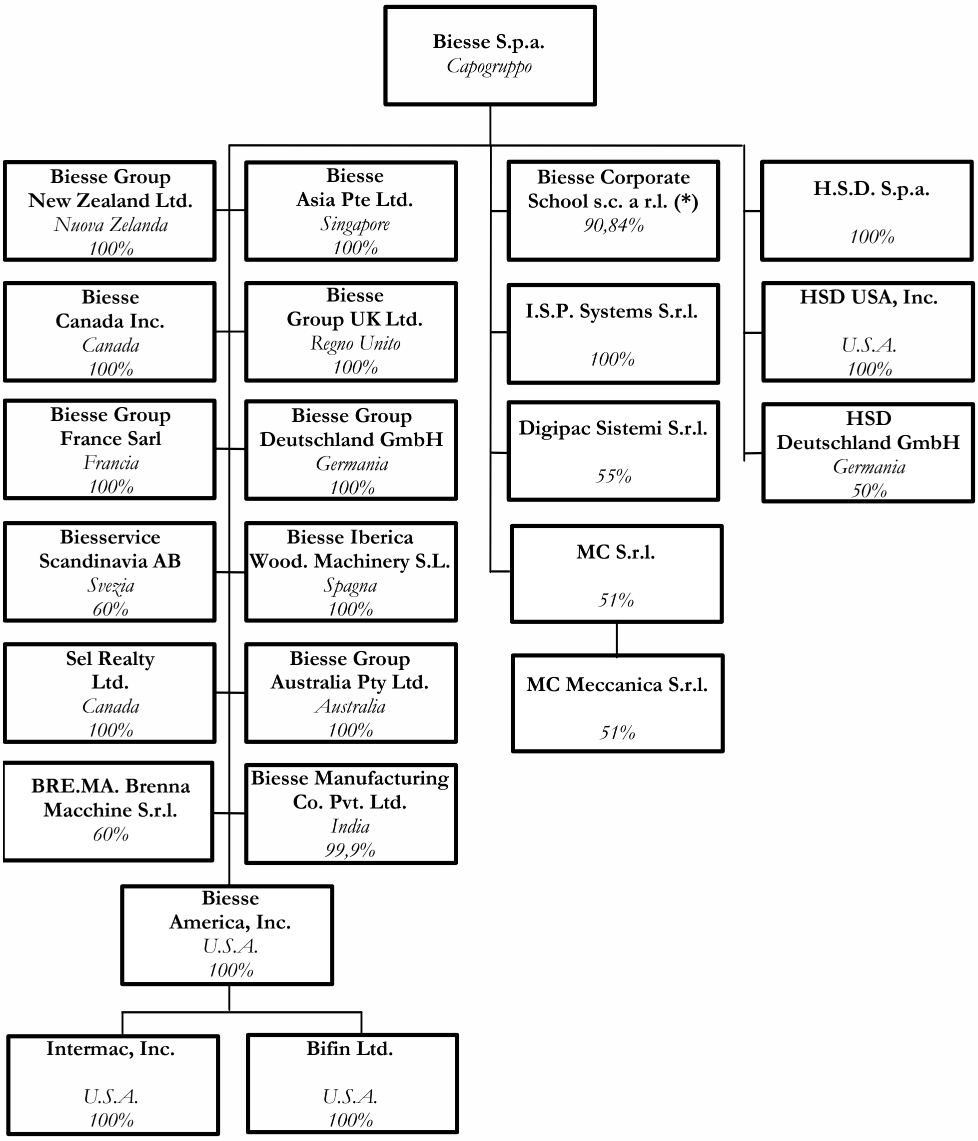
BIESSE S.p.A.

IV QUARTER FINANCIAL STATEMENTS TO 31 DECEMBER 2007

CONTENTS

GROUP STRUCTURE

The companies which are part of the Biesse Group are shown below:



* la partecipazione del 90,84% è detenuta direttamente da Biesse S.p.A. per il 75,83% e indirettamente tramite Hsd S.p.a. per il 15,01%

EXPLANATORY NOTES

The Biesse Group consolidated quarterly accounts to 30 December 2007, which are unaudited, have been drawn up using the IAS/IFRS international accounting standards existing at the current date. The comparative figures for earlier periods have also been drawn up using IAS/IFRS.

The Quarterly Financial Statements also conform to Article 82 and Article 82bis of the "Regolamento recante norme di attuazione del Decreto Legislativo 24 febbraio 1998, n° 58 in materia di emittenti" (Consob Deliberation no. 11971 of 14 May 1999 and those following), as modified by Consob Deliberation no. 14990 of 14 April 2005. Under the aforementioned Article 82, the Quarterly Financial Statements have been prepared, as regards valuations, applying IFRS international accounting standards as indicated in Appendix 3D of the same Ruling. The present financial statements have not been prepared using the accounting standards for interim financial reporting (IAS 34 "Interim Financial Reporting").

The accounting standards and the valuation criteria used are the same as those used for the Financial Statements to 31/12/2006 to which reference may be made. We would also highlight the following:

- The quarterly accounts are prepared using the principle of the separation of financial periods under which the reference period is considered to be a separate financial period; due to this, the quarterly income statement reflects the relevant economic components for the period under the accruals concept;
- The accounting figures underlying the consolidated statements are those provided by the subsidiary companies for 31/12/2007 adjusted, where necessary, for the Group accounting standards;
- There are no estimates of any significance.

Since the Quarterly Financial Statements to 30 September 2007, the area of consolidation has changed to include the company Hsd Deutschland Gmbh, previously associated of the Gorpu, following formal pre-contract agreements reached with the current shareholders for an imminent acquisition of all the shareholdings by the Italian parent company, Hsd SpA. Since the change has occurred at the end of the period (13 December 2007), the consolidation has been made globally for the balance sheet, while in the income statement the pro-quota result of the company has been included in the share of profit / loss of associates.

PARENT COMPANY BOARDS

The Board of Directors is as follows:

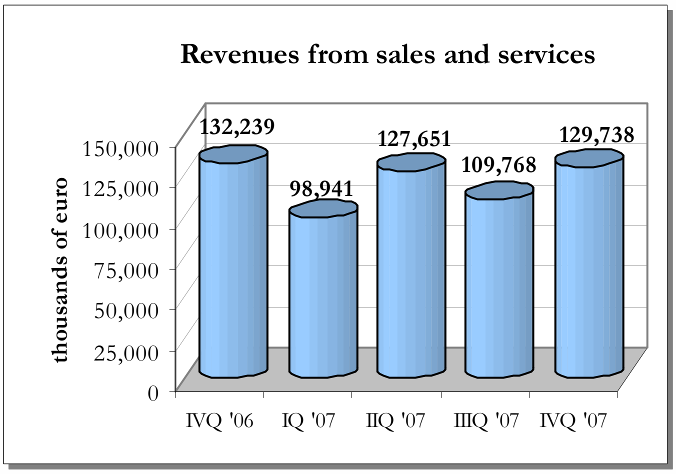
Roberto Selci	Chairman and Managing Director
Giancarlo Selci	Managing Director
Alessandra Parpajola	Director
Stefano Porcellini	Director
Leone Sibani	Director – Lead independent director *
Giampaolo Garattoni	Director *
Salvatore Giordano	Director *

** independent board members under the self-disciplinary code of listed companies.*

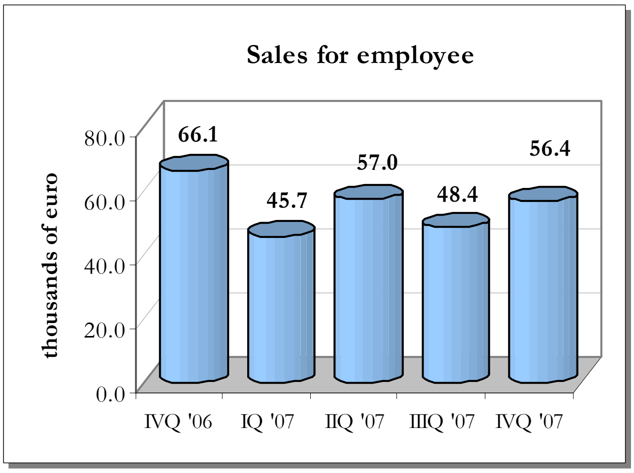
The Board of Statutory Auditors is as follows:

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor
Daniela Gabucci	Supplementary Auditor
Cristina Amadori	Supplementary Auditor

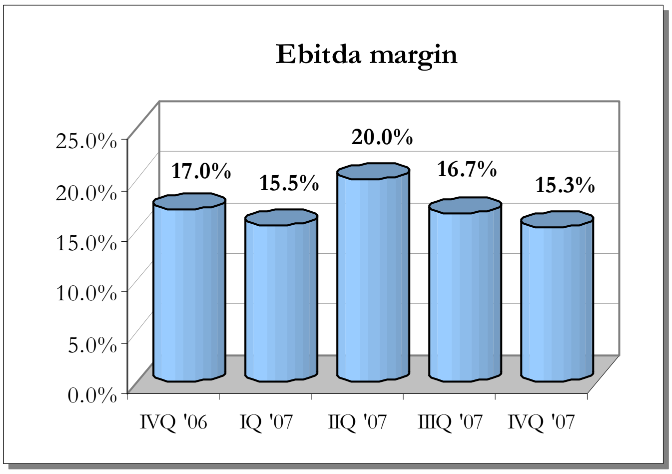
HIGHLIGHTS



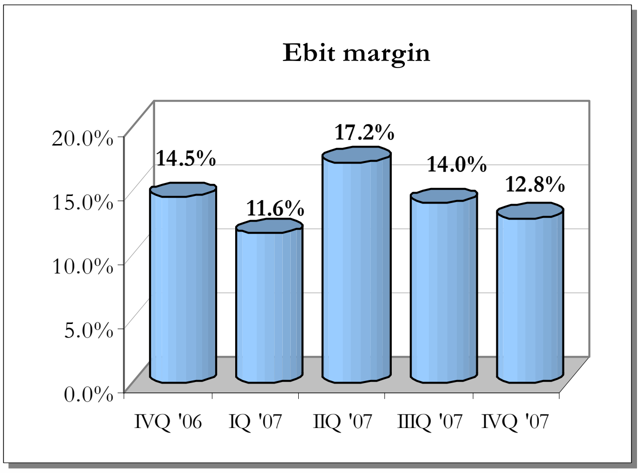
Revenues from sales and services
thousands of euro
150,000
125,000
100,000
75,000
50,000
25,000
0
132,239
98,941
127,651
109,768
129,738
IVQ '06
IQ '07
IIQ '07
IIIQ '07
IVQ '07



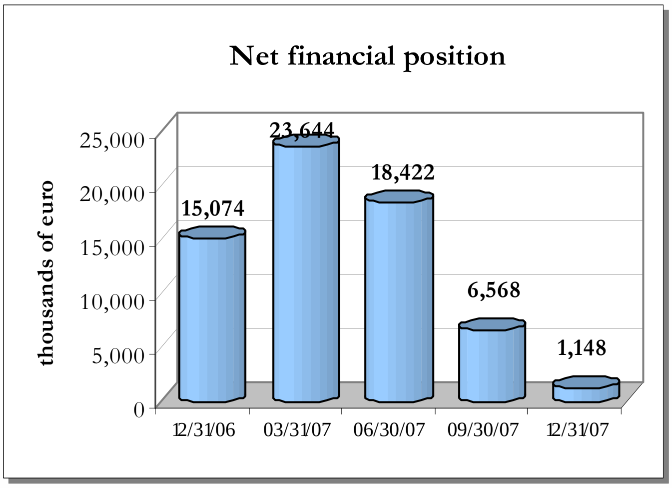
Sales for employee
thousands of euro
80.0
60.0
40.0
20.0
0.0
66.1
45.7
57.0
48.4
56.4
IVQ '06
IQ '07
IIQ '07
IIIQ '07
IVQ '07



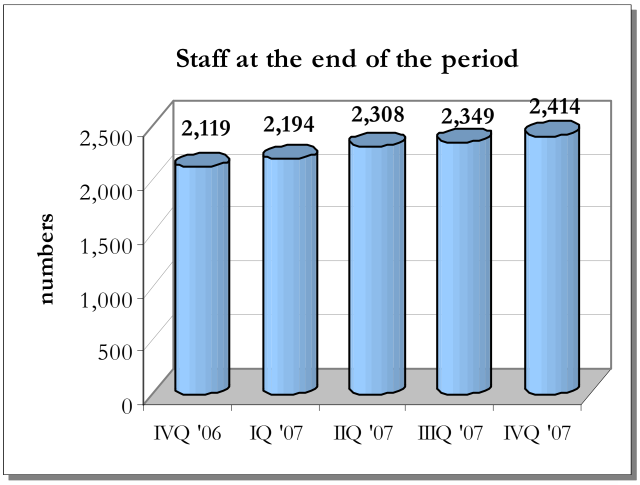
Ebitda margin
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
17.0%
15.5%
20.0%
16.7%
15.3%
IVQ '06
IQ '07
IIQ '07
IIIQ '07
IVQ '07



Ebit margin
20.0%
15.0%
10.0%
5.0%
0.0%
14.5%
11.6%
17.2%
14.0%
12.8%
IVQ '06
IQ '07
IIQ '07
IIIQ '07
IVQ '07



Net financial position
thousands of euro
25,000
20,000
15,000
10,000
5,000
0
15,074
23,644
18,422
6,568
1,148
12/31/06
03/31/07
06/30/07
09/30/07
12/31/07



Staff at the end of the period
numbers
2,500
2,000
1,500
1,000
500
0
2,119
2,194
2,308
2,349
2,414
IVQ '06
IQ '07
IIQ '07
IIIQ '07
IVQ '07

THE MACROECONOMIC SCENARIO

After two years of strong expansion, in the second half of 2007 the world economy, and in particular the western economies led by the United States, began to show signs of a slowdown; the first signs of the repercussions of this are also evident in Europe.

The euro/dollar exchange rate broke through the 1.50 level in the first weeks of 2008, a critical level for the export potential of the manufacturing sector.

The effects on the consolidated results of the Group, which grew progressively in the accounts of 2007 (reaching a peak in the fourth quarter), were that the revenues from subsidiaries outside the Euro area have suffered significantly because of the penalising exchange rate; this was not fully compensated by the lower costs expressed in foreign currencies.

The fourth quarter 2007 was affected by the events of December 2007: trade union disputes in the mechanical engineering sector meant that production was sub-optimal and, having an even greater impact, the road haulers' strike drastically reduced deliveries in the week of the 10-14 December. For Biesse S.p.A. this meant that € 10 million of revenues and the related profitability, equivalent to circa 0.8% of annualised ebitda (and more than 2.6% of that for the quarter) was delayed to the first quarter of 2008.

THE SECTOR

Acimall – the national association for the sector of machines for woodworking – stated in its press release for the fourth quarter 2007, "orders for woodworking machinery and tools increased 2.4% over the same period of the preceding year; they continue to grow as they have done for the last two years but the decline in the growth rate compared to the preceding quarter is certainly considerable. In particular, orders from abroad grew just 1%, whilst those from the Italian market grew more strongly at 7%".

During 2007, prices rose 2.2% whilst the months of guaranteed production from orders received stood at 3.5 at year-end.

"As far as regards forecasts for the near future", states Acimall, "74% of companies questioned said that foreign orders will remain at the current level, while 15% said that they would grow and 11% said they would fall (a result of +4). For the domestic market, 74% of those questioned said that the outlook for the coming months is stable, 11% said it was increasing and 15% said it was declining (a total of -4)".

RESULTS TABLES

Income Statement for the IV Quarter 2007

(€ thousand)	IV Quarter 2007	%	IV Quarter 2006	%	Δ %
Revenues from sales and services	**129,738**	**100.0%**	**132,336**	**100.0%**	**(2.0%)**
Changes in inventories of work-in-progress, semi-finished and finished goods	(2,832)	(3.8%)	(9,166)	(6.9%)	(69.1%)
Other revenues and income	2,182	1.7%	3,000	2.3%	(27.3%)
Value of production	**129,088**	**99.5%**	**126,170**	**95.3%**	**2.3%**
Raw materials, consumables and goods	(51,281)	(39.5%)	(52,316)	(39.5%)	(2.0%)
Other operating costs	(29,225)	(22.5%)	(27,462)	(20.8%)	6.4%
Vale Added	**48,582**	**37.4%**	**46,392**	**35.1%**	**4.7%**
Personnel costs	(28,771)	(22.2%)	(24,351)	(18.4%)	18.2%
Gross operating profit	**19,811**	**15.3%**	**22,041**	**16.7%**	**(10.1%)**
Depreciation	(3,206)	(2.5%)	(3,063)	(2.3%)	4.7%
Provisions	27	0.0%	(601)	(0.5%)	---
Non-recurring income and costs	0	0.0%	774	0.6%	---
Operating profit	**16,632**	**12.8%**	**19,151**	**14.5%**	**(13.2%)**
Financial income/(costs)	(232)	(0.2%)	(589)	(0.4%)	(60.7%)
Foreign exchange income/ (costs)	(424)	(0.3%)	633	0.5%	---
Share of profit/ loss of associates	(80)	(0.1%)	56	0.0%	---
Pre-tax profit	**15,896**	**12.3%**	**19,251**	**14.5%**	**(17.4%)**
Taxes	(5,299)	(4.1%)	(7,412)	(5.6%)	(28.5%)
Net profit	**10,598**	**8.2%**	**11,839**	**8.9%**	**(10.5%)**

Income Statement to 31 December 2007

(€ thousand)	31 December 2007	%	31 December 2006	%	Δ %
Revenues from sales and services	**466,098**	**100.0%**	**396,733**	**100.0%**	**17.5%**
Changes in inventories of work-in-progress, semi-finished and finished goods	8,154	1.7%	7,998	2.0%	2.0%
Other revenues and income	8,438	1.8%	6,379	1.6%	32.3%
Value of production	**482,690**	**103.1%**	**411,110**	**103.6%**	**17.4%**
Raw materials, consumables and goods	(199,803)	(42.4%)	(173,424)	(43.7%)	15.2%
Other operating costs	(99,913)	(21.4%)	(82,890)	(20.9%)	20.5%
Value Added	**182,974**	**39.3%**	**154,796**	**39.0%**	**18.2%**
Personnel costs	(105,535)	(22.6%)	(89,191)	(22.5%)	18.3%
Non-recurring income (Curtailment/ TFR reform)	1,660	0.4%	----	----	----
Gross operating profit	**79,099**	**17.0%**	**65,605**	**16.5%**	**20.6%**
Depreciation	(11,774)	(2.5%)	(11,052)	(2.8%)	6.5%
Provisions	(1,873)	(0.4%)	(2,707)	(0.7%)	(30.8%)
Non-recurring income and costs	---	---	175	0.0%	---
Operating profit	**65,451**	**14.0%**	**52,021**	**13.1%**	**25.8%**
Financial income/(costs)	(988)	(0.2%)	(1,804)	(0.5%)	(45.2%)
Foreign exchange income/ (costs)	(1,382)	(0.3%)	1,141	0.3%	---
Share of profit/ loss of associates	123	0.0%	(230)	(0.1%)	---
Pre-tax profit	**63,204**	**13.6%**	**51,128**	**12.9%**	**23.6%**
Taxes	(24,463)	(5.2%)	(18,870)	(4.8%)	29.6%
Net profit	**38,742**	**8.3%**	**32,258**	**8.1%**	**20.1%**

OVERVIEW OF OPERATIONS

The fourth quarter closed the 2007 financial year with strong growth in revenues (+17.5%), as well as a significant increase in profits (Operating Profit +25.8%) despite the expected reduction, more marked than in preceding quarters, of the percentage increase over 2006.

As already stated, this was mainly due to two factors:

1. The disputes with the trade unions of the mechanical engineering sector and the road haulers' strike meant that more than € 10 million of revenues, and related profitability, was delayed until the first quarter of 2008. This equates to 0.8% of annualised ebitda (and more than 2.6% for the fourth quarter);
2. The appreciation of the Euro, throughout the financial year but with a peak in the fourth quarter, meant that revenues from overseas subsidiaries were significantly reduced because of the penalising exchange rate, which was not compensated by the reduction in those costs in foreign currencies.

Nevertheless, 2007 has been a record year for the Group both in terms of volumes and profitability.

2007 **Net revenues** were € 466,098 million, compared to the € 396,733 million at December 2006, a 17.5% year-on-year increase. The increase in revenues was particularly positive in the Wood Division (+18.8%) and for the Glass/ Stone Division (+17.2%).
Regarding the geographic distribution of sales (for detailed information, see the table below), there was a strong performance from Eastern Europe (+43.1%) and the Rest of the World (+50.0%), particularly South America, Turkey and the Middle East.
The performance of North America was also significant (+5.7%), given the penalising Euro/Dollar exchange rate and the housing crisis.

The Value of Production was € 482,690 million, compared to € 411,110 million at 31 December 2006, a 17.4% year-on-year increase; for greater understanding of the Group profitability, we have included a table giving the various costs as a percentage of the Value of Production.

(€ thousand)	31 December 2007	%	31 December 2006	%
Value of Production	**482,690**	**100.0%**	**411,110**	**100.0%**
Cost of raw materials and goods	(199,803)	(41.4%)	(173,424)	(42.2%)
Cost of services	(85,067)	(17.6%)	(70,252)	(17.1%)
Costs for use of third-party assets	(6,577)	(1.4%)	(5,408)	(1.3%)
Other operating costs	(8,269)	(1.7%)	(7,231)	(1.7%)
Value Added	**182,974**	**37.9%**	**154,796**	**37.7%**

Value Added as a percentage of production grew by 0.2% year-on-year, which must be considered extremely positive since the negative exchange rate impact had the effect of reducing the revenues from overseas subsidiaries.
In 2007, **personnel costs** totalled € 105,535 million, versus € 89,191 million at 31 December 2006, which equates to 22.6% of net revenues compared to 22.5% the preceding year. Besides the hiring policy necessary

to meet the strong growth of the Group, the enlargement of the area of consolidation accounts for the strong increase in the absolute figure for personnel costs. The consolidation of Bre.ma. - Brenna Macchine S.r.l., and Intermac Inc., were mainly responsible and, to a lesser degree, ISP Systems S.r.l., MC Meccanica Srl and Digipac Srl, also added to the progressive increase in personnel costs over the twelve months for circa € 5 million.

Gross Operating Profit was € 79,099 million, 17.0% of net revenues and 20.6% higher than the preceding year. The Operating Profit, € 52,021 million in 2006, rose 25.8% to € 65,451 million, 14.0% of net revenues compared to 13.1% in the last financial year. This was achieved despite a slight increase in depreciation and after provisions totalling € 1,873 million for product risks and guarantees; this represented, however, a lower percentage of net revenues because of the strong increase in the latter.

Regarding financial operations, the almost complete pay down of Group bank debt (for a more detailed analysis, see below) resulted in a reduction of over € 800,000 in financial expenses compared to the 2006 financial year.

For exchange rate risks, the 2007 Income Statement shows costs of €1,382 million for hedging operations relating to sales in foreign currencies, which only managed in part to cover the unexpected fall in almost all currencies against the Euro.

The Pre-tax Profit was € 63,204 million (13.6% of net revenues), up 23.6% year-on-year.

The estimate for the total tax charge is € 24,463 million, of which € 5,790 million for IRAP, € 20,113 million for current income taxes, net of positive deferred taxes of € 1,440 million.

This gives an estimated **Net Profit** of € 38,742 million, 8.3% of net revenues and an increase of 20.1% compared to 2006, when the tax rate benefited from tax losses carried forward from the 2003 financial year.

Net financial position at 31 December 2007

(€ thousand)	31 December 2007	30 September 2007	30 June 2007	31 December 2006
Financial Assets:	36,845	22,545	35,704	36,102
- Cash and cash equivalents	*36,790*	*22,495*	*35,654*	*36,052*
- Other financial assets	*55*	*50*	*50*	*50*
Debt for short-term finance leases	(2,806)	(2,545)	(2,554)	(2,336)
Bank debt and other short-term financing	(22,546)	(2,261)	(3,654)	(10,786)
Short-term Net Financial Position	**11,493**	**17,739**	**29,496**	**22,980**
Debt for medium/long-term finance leases	(9,821)	(10,379)	(10,550)	(8,217)
Medium/long-term bank debt	(524)	(792)	(524)	(642)
Medium/Long-term Net Financial Position	**(10,345)**	**(11,171)**	**(11,074)**	**(8,859)**
Total Financial Position	**1,148**	**6,568**	**18,422**	**14,121**

The net financial position is positive for more than € 1 after extra-ordinary dividend distributions of € 13,7 million in December.

The main balance sheet ratios are given below.

RATIO	31 December 2007	31 December 2006
Gearing (NFP/Net Equity)	(0.01)	(0.10)
Asset cover (Net Equity/Net Fixed Assets)	1.46	1.52
Financial Leverage (Total Debt/Net Equity)	1.48	1.60

Balance sheet summary

(€ thousand)	31 December 2007	31 December 2006
Intangible fixed assets	42,309	35,184
Tangible fixed assets	60,165	52,226
Other non-current assets	9,436	10,428
Non-current assets	**111,910**	**97,838**
Inventories	104,356	88,182
Trade receivables	110,254	113,153
Other receivables	8,059	14,263
Cash and cash equivalents	36,845	36,102
Current assets	**259,514**	**251,700**
TOTAL ASSETS	**371,423**	**349,538**
Group net equity	149,374	134,223
Minorities	572	320
Total net equity	**149,946**	**134,543**
M/l-term payables to banks and for finance leases	10,346	8,859
Pension liabilities	13,335	15,929
Other medium-term payables and liabilities	9,019	9,899
Total non-current liabilities	**32,700**	**34,687**
Trade payables and other short-term liabilities	163,426	167,186
Short-term payables to banks and for finance leases	25,351	13,122
Total current liabilities	**188,777**	**180,308**
TOTAL LIABILITIES	**371,423**	**349,538**

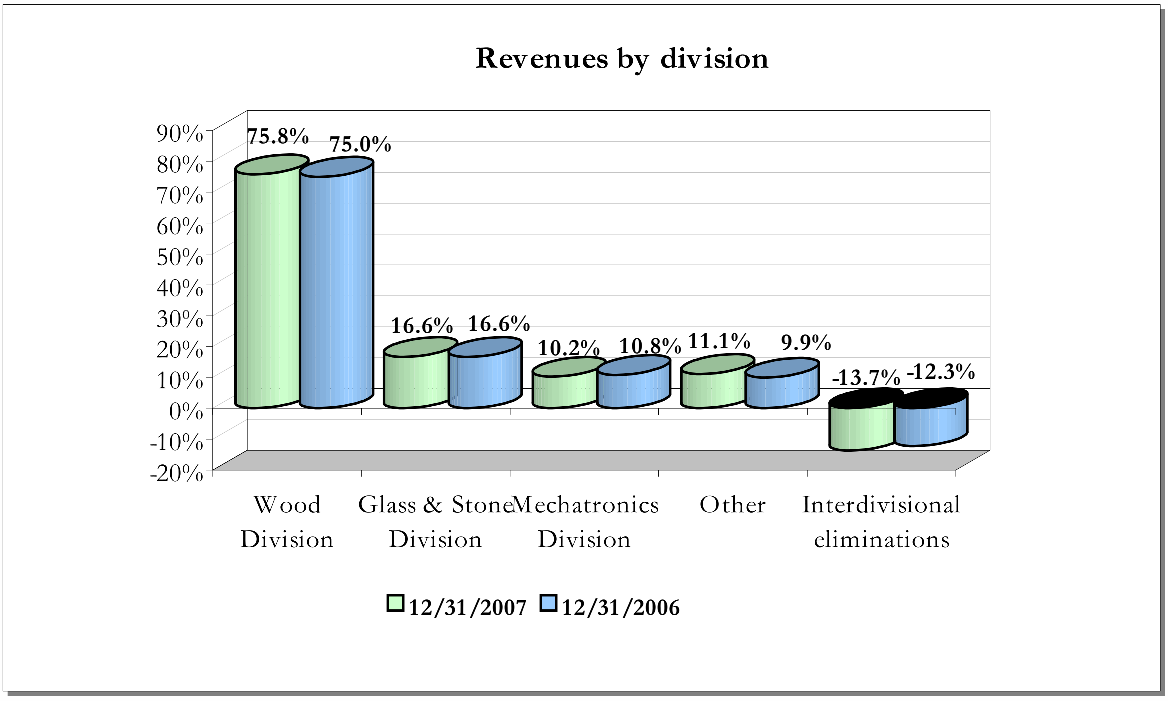
The intangible assets are composed mainly of the effects of the acquisition of AGM USA (Intermac Inc.), the consolidation of which involved the inclusion on the Group balance sheet of increased intangibles of about € 4 million in total, the capitalization of the cost of the implementation of the new ERP of the Group (started in 2006), the slight increase relating to capitalization of development activities.

The tangible fixed assets have increased due to the real estate investment in Italy (new factory Artech), France (new head office of Biesse France) and India, and for the increase of the automatic machieries of the mechanic factory of the Group.

The entries relating to net working capital have been affected by the above mentioned road haulers' strike; the operations have generated higher Working Capital for circa € 17 million.

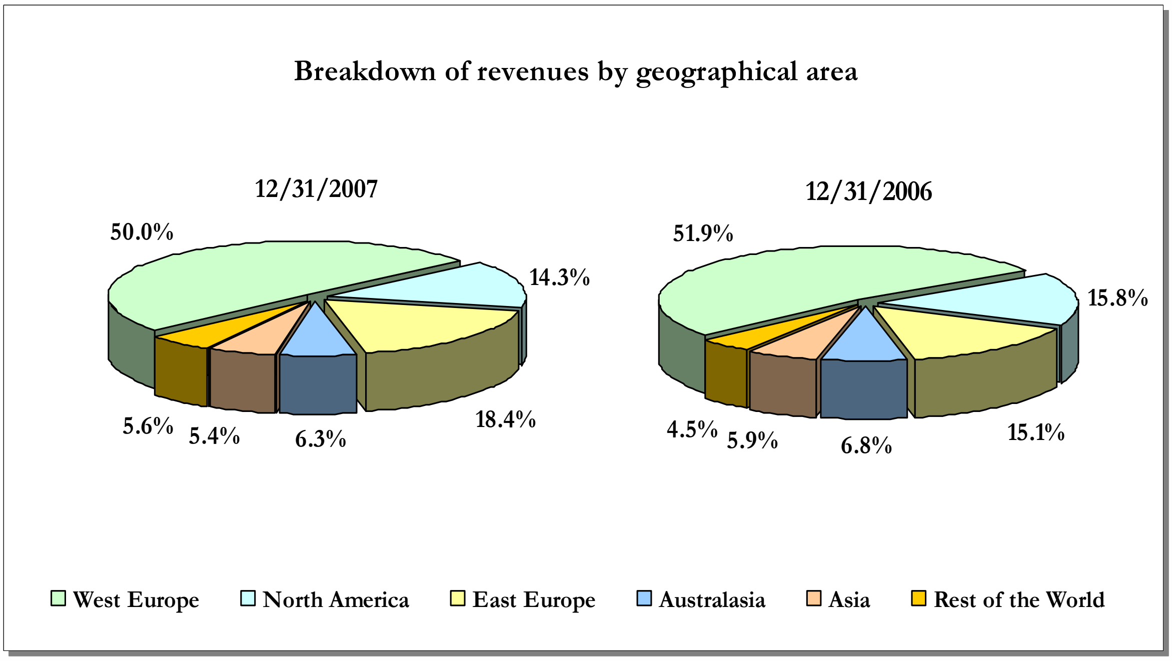
Revenues by division

(€ thousand)	31 December 2007	%	31 December 2006	%	% Change 2006/2007
Wood Division	353,489	75.8%	297,439	75.0%	18.8%
Glass/ Stone Division	77,279	16.6%	65,958	16.6%	17.2%
Meccatronica Division	47,682	10.2%	42,768	10.8%	11.5%
Other	51,504	11.1%	39,475	9.9%	30.5%
Inter-divisional adjustments	-63,855	-13.7%	-48,907	-12.3%	30.6%
Total	**466,098**	**100.0%**	**396,733**	**100.0%**	**17.5%**



Revenues by geographical area

Geographical area *€ '000*	31 December 2007	%	31 December 2006	%	% Change 2006/2007
Western Europe	232,863	50.0%	205,761	51.9%	13.2%
North America	66,512	14.3%	62,917	15.8%	5.7%
Eastern Europe	85,622	18.4%	59,817	15.1%	43.1%
Australasia	29,178	6.3%	27,228	6.8%	7.2%
Asia	25,356	5.4%	23,300	5.9%	8.8%
Rest of the World	26,568	5.6%	17,710	4.5%	50.0%
Total Group Revenues	**466,098**	**100.00%**	**396,733**	**100.0%**	**17.5%**



Pesaro, 14 February 2008

The Chairman of the Board
Roberto Selci

DECLARATION OF THE NOMINATED MANAGER REGARDING THE PREPARATION OF THE COMPANY ACCOUNTING DOCUMENTS IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58/1998 (TESTO UNICO DELLA FINANZA – CONSOLIDATED FINANCIAL LAW)

The undersigned Stefano Porcellini, Chief Financial Officer and Board Director of Biesse S.p.A., in his capacity as nominated manager responsible for the preparation of the company accounts, declares that the consolidated quarterly report at 31 December 2007 of Biesse S.p.A., unaudited, - prepared in compliance with the indications provided by CONSOB (in accordance with the provisions of article 82 and article 82–bis of the "Regulations governing rules of implementation of Legislative Decree 24 February 1998, n° 58 regarding issuers") and conforming to the valuation and measurement criteria established *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* (IASB) and adopted by the European Commission according to the procedures referred to in article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and by the Council of 19th July 2002-, as far as he is aware, corresponds to the results contained in the group's records, books and accounts.

14 February 2008

/firma/
Stefano Porcellini
Chief Financial Officer