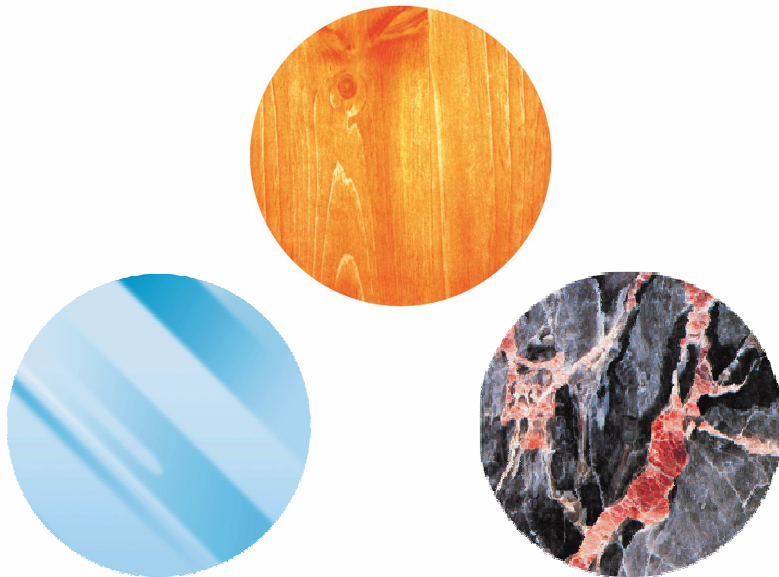




QUARTERLY REPORT
JUNE 30TH, 2007





BIESSE S.p.A.

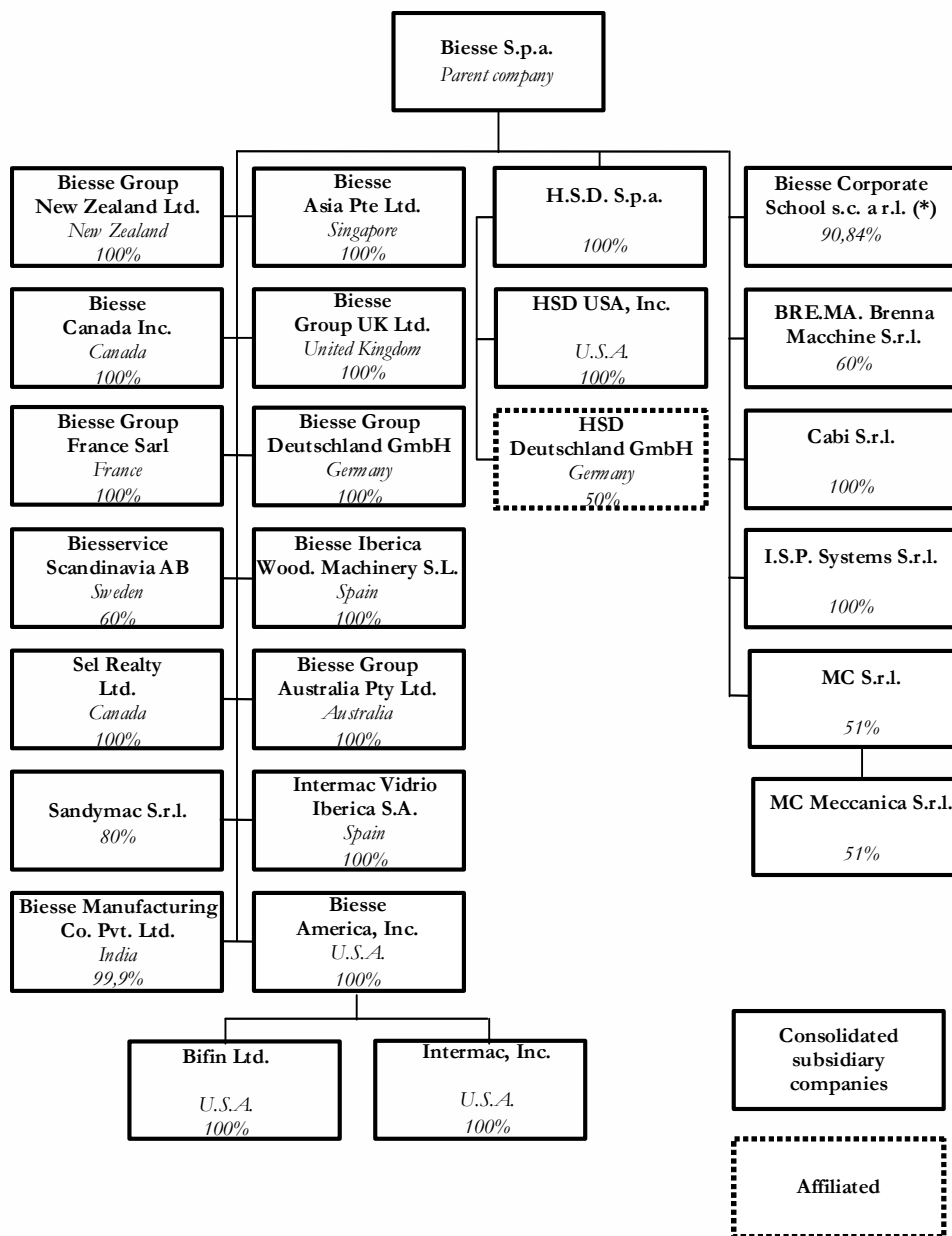
QUARTERLY REPORT AT JUNE 30TH, 2007

SUMMARY

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GROUP STRUCTURE

The companies belonging to the Biesse Group and included in the consolidation area are the following:



* the shareholding of 90.84% is directly held by Biesse S.p.A. for 75.83% and indirectly through Hsd S.p.a. for 15.01%



EXPLANATORY NOTES

The unaudited consolidated financial statements at June 30 2007 have been prepared in accordance with IAS/IFRS, in force on the date of its preparation.

The comparison data of the periods have also been determined according to IAS/IFRS.

The Quarterly Report has been prepared in accordance with Article 82 and Article 82 – bis of the “Regulations for the implementation of the Legislative Decree No. 58 of February 24, 1998 on the activities of issuers of securities” (Consob Resolution No. 11971 of May 14, 1999, as amended), amended by the Consob Resolution No. 14990 of April 14, 2005. Pursuant to the above mentioned Article 82, the Quarterly Report has been prepared applying for evaluations under the international accounting standards (IFRS), as according to the content stated by Exhibit 3D of the same Regulations. Therefore the Quarterly Report as of December 31, 2006 has not been prepared according to the accounting standards concerning disclosure in interim reports (IAS 34 “Interim financial reporting”).

Accounting principles and valuation criteria comply with those of the interim financial statement at December 31, 2006, to which is referenced. We briefly state also the following:

- the quarterly statement was prepared according to the criterion of separating the periods on the basis of which the reference period is considered as an independent financial period; from this view point the quarterly Income Statement reflects the economic components relating to the period in respect of the pro-tempore basis principle;
- the accounting statements taken as a basis of the consolidation process are prepared by the subsidiary companies with reference to June 30 2007, adjusted as necessary to comply with the Group’s accounting principles;
- estimated figures of a significant amount are not presented.

With respect to the situation in the Quarterly report ended March 31st, 2007, the consolidation area has changed with the inclusion of MC Meccanica S.r.l., a 51% stake in which was acquired from the subsidiary, MC S.r.l. on June 8th 2007. MC Meccanica is a recently formed company which absorbed the business unit of a smaller company that operated in the sector of outsourced precision mechanical processing, a qualified supplier of MC S.r.l. for a number of years.

As already signalled in the preceding quarterly report, on 2 April 2007 the new company Intermac, Inc., established last February by the subsidiary Biesse America, Inc. took over the “distribution and service” company branch of AGM Glass Machinery Inc, which has been distributing the Intermac brand (glass and stone processing machines and systems) in the States for the last twenty years.

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The equity investment in the associated company Hsd Deutschland GmbH has been valued with the equity method.

PARENT COMPANY CORPORATE BODIES

The Board of Directors currently in office are as follows:

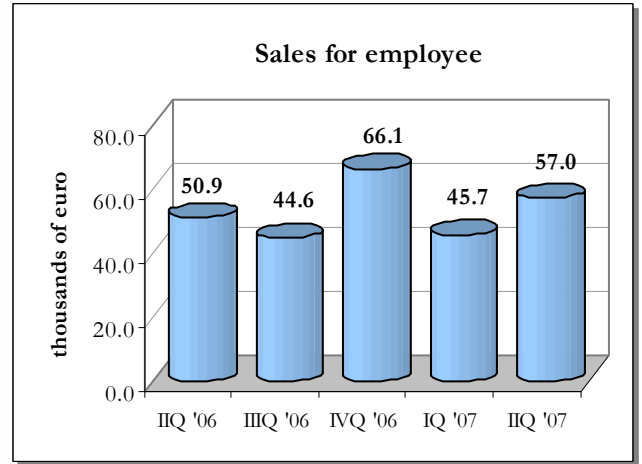
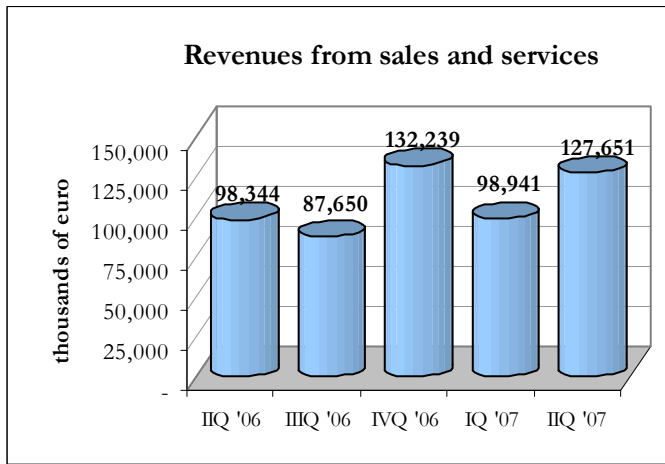
Roberto Selci	Chairman
Giancarlo Selci	Vice President
Alessandra Parpajola	Director
Stafano Porcellini	Director
Leone Sibani	Director – Lead independent director *
Giampaolo Garattoni	Director *
Salvatore Giordano	Director *

** Independent Director, as required under the Code of Conduct.*

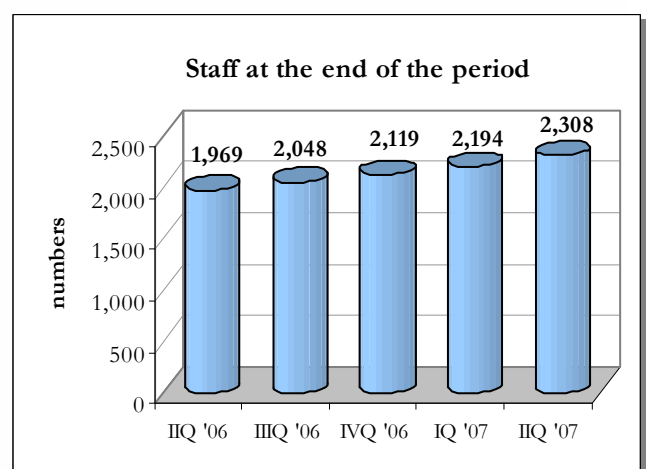
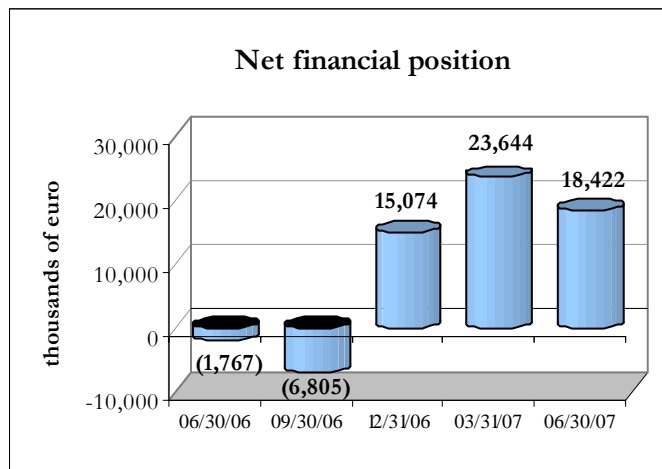
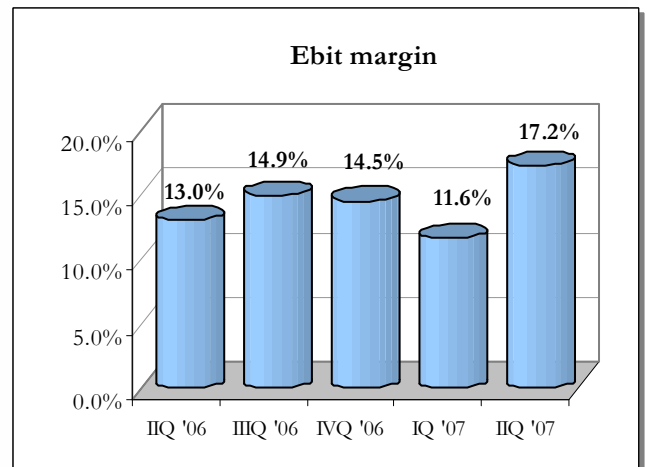
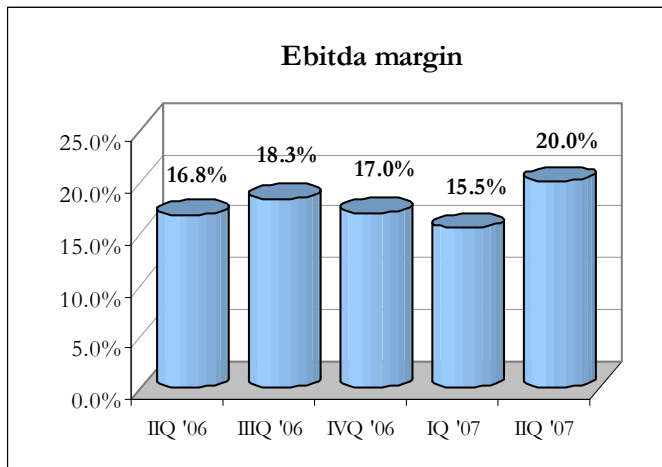
The Board of Statutory Auditors currently in office are as follows:

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor

HIGHLIGHTS



Temporary employees are included



Temporary employees are included



GENERAL ECONOMIC CONTEXT

The world economy has continued on the path of sustained growth in the first half of 2007. In Western and Eastern Europe, the growth rate of demand for capital equipment reached record levels, while some signs of weakness was perceived from the macroeconomic data from the United States.

The euro/dollar exchange rate and potential instability arising from the peaks recorded in the price of oil - and petroleum derivatives - remain the key critical points which require careful and continuous monitoring to evaluate the growth potential of the world economy and, as a result, global demand.

REFERENCE MARKET

According to the figures published by Acimall - the national category association for woodworking machinery – there was “a decidedly positive trend for the second quarter 2007. In a nutshell, this sums up the trends in orders received by the Italian woodworking machinery and utensil industry.”

“According to the sample participating in the survey,” continued the Acimall research office, “the overall increase with respect to the same period in 2006 was 15.1%, thanks to the good performance on the Italian market (+11.9%) and the foreign markets (+16%).”:

As already noted in previous years, Biesse regularly outperforms these indices.

Some other figures: “From January to June 2007, prices increased by 1.9%, while the months of guaranteed production remained at 3.5 at the end of the first half year compared to the 3.4 months reported at March 31st. In the survey relating to quality in the quarter from April to June, 57% of the companies interviewed reported a stationary trend in production, 40% reported growth and only 3 % reported declines. Inventories were stable in 70% of the companies interviewed, lower in 10% and higher in the remaining 20%.

“As regards the outlook for the coming period, Acimall found that 53% of the companies responding to the survey believed foreign orders would be stable, 33% expected to see some growth, and 14% feared a decrease in these orders (positive balance of 19%). As regards the domestic market, indicators for the coming months show a situation similar to the current situation in 70% of the cases, improvements in 13%, and a worsening in the remaining 17% (negative balance of 4%).”

ACCOUNTING STATEMENTS

Second quarter 2007 Income Statement

(thousand of Euro)	II Q 2007	%	II Q 2006	%	Δ %
Revenues from sales and services	127,651	100.0%	98,344	100.0%	29.8%
Change in work in progress and semi finished goods	2,572	2.0%	4,228	4.3%	(39.2%)
Other revenues and income	2,947	2.3%	1,430	1.5%	(106.1%)
Value of production	133,170	104.3%	104,002	105.8%	28.0%
Raw materials	(55,215)	(43.3%)	(44,048)	(44.8%)	25.4%
Other operating expenses	(26,296)	(20.5%)	(21,204)	(21.6%)	24.0%
Added value	51,659	40.5%	38,750	39.4%	33.3%
Personnel expenses	(27,651)	(21.7%)	(22,262)	(22.6%)	(24.2%)
Non recurrent revenues (Curtailment/TFR reform)	1,574	1.2%	0	0%	---
Gross operating margin	25,582	20.0%	16,488	16.8%	55.2%
Amortizations expense	(2,931)	(2.3%)	(2,583)	(2.6%)	13.5%
Accruals to provisions	(677)	(0.5%)	(810)	(0.8%)	(16.4%)
Impairment loss	0	0%	(515)	(0.5%)	(100.0%)
Non recurrent revenues and expenses	0	0%	175	0.2%	(100.0%)
Operating result	21,974	17.2%	12,755	13.0%	72.3%
Financial income and expense	(289)	(0.2%)	(418)	(0.4%)	(30.9%)
Revenues and expenses on currency exchanges	359	0.3%	402	0.4%	(10.7%)
Share of profit/loss of affiliated companies	25	0.0%	17	0.0%	47.1%
Income before tax	22,069	17.3%	12,756	13.0%	73.0%
Taxes for the period	(8,846)	(6.9%)	(3,418)	(3.5%)	158.8%
Result of the period	13,223	10.4%	9,338	9.5%	41.6%

Income Statement at June 30th, 2007

(thousand of Euro)	June 30 2007	%	June 30 2006	%	Δ %
Revenues from sales and services	226,592	100.0%	176,747	100.0%	28.2%
Change in work in progress and semi finished goods	17,791	7.9%	15,536	8.8%	14.5%
Other revenues and income	4,140	1.8%	2,581	1.5%	60.4%
Value of production	248,523	109.7%	194,864	110.3%	27.5%
Raw materials	(107,678)	(47.5%)	(85,013)	(48.1%)	26.7%
Other operating expenses	(48,512)	(21.4%)	(38,240)	(21.6%)	26.9%
Added value	92,333	40.8%	71,611	40.5%	28.9%
Personnel expenses	(52,971)	(23.4%)	(44,131)	(25.0%)	20.0%
Non recurrent revenues (Curtailment/TFR reform)	1,574	0.7%			---
Gross operating margin	40,936	18.1%	27,480	15.5%	49.0%
Amortizations expense	(5,542)	(2.4%)	(5,160)	(2.9%)	7.4%
Accruals to provisions	(1,922)	(0.9%)	(1,803)	(1.0%)	6.6%
Impairment loss	0	0.0%	(888)	(0.5%)	(100.0%)
Non recurrent revenues and expenses	0	0.0%	175	0.1%	(100.0%)
Operating result	33,472	14.8%	19,804	11.2%	69.0%
Financial income and expense	(475)	(0.2%)	(947)	(0.5%)	(49.8%)
Revenues and expenses on currency exchanges	360	0.1%	928	0.5%	-61.2%
Share of profit/loss of affiliated companies	63	0.0%	(245)	(0.1%)	-125.7%
Income before tax	33,420	14.7%	19,540	11.1%	71.0%
Taxes for the period	(14,196)	(6.2%)	(6,162)	(3.5%)	130.4%
Result of the period	19,224	8.5%	13,378	7.6%	43.7%

OPERATIONAL REPORT

In the first half of 2007, the Group reported excellent growth in revenues (+28.2%) in addition to robust growth in profits related to the effect of "operating leverage" (EBIT +69%). Since the back-log at year-end is still at high levels (valued at € 127 million compared to € 108 at June 30th 2006) – despite a decrease with respect to the data of the previous quarter due to the production efforts made - it is clear that the early part of the year was particularly positive for the Biesse Group.

Net revenues in the first half of 2007 came to € 226.592 million against the € 176.747 million at June 30th 2006 with year-on-year growth of 28.2% (+29.8% quarter-on-quarter, and more precisely € 127.651 million against € 98.344 million).


The increase in revenues is particularly positive for the Wood Division (+34.1%), while the other divisions were basically in line with average growth of the reference sectors.

As regards the geographic distribution of sales - the breakdown of which is shown in the schedules of the segment information - in the first half year 2007, driving increases in orders were reported from the European Community and Eastern Europe, while the important North American market remained steady, despite the penalizing exchange rate and the debateable health of the U.S. economy. The performance in Asia and the Pacific was good, while exceptional performance was reported by the South America, Turkey and Middle East.

The **value of production** in the first half 2007 amounted to € 248.523 million, against € 194.864 million at June 30th 2006, with year-on-year growth of 27.5% (+ 28% quarter-on-quarter). The Group's semi-finished and finished products warehouse delta was € 17.791 million, € 2.2 million higher than the same period a year earlier, which growth was necessary to deal with the higher demand. Thanks to the good performance of orders, this increase will be largely reabsorbed with sales in the second half year.

Details of costs as a percentage of value of production are given below, for a clearer understanding of the Group's consolidated margins.

(thousand of Euro)	June 30 2007	%	June 30 2006	%
Value of production	248,523	100.0%	194,864	100.0%
Raw materials	(107,678)	(43.3%)	(85,013)	(43.6%)
Services	(41,618)	(16.7%)	(32,865)	(16.9%)
Leases and rentals	(3,251)	(1.3%)	(2,690)	(1.4%)
Other operating expenses	(3,643)	(1.5%)	(2,685)	(1.4%)
Added value	92,333	37.2%	71,611	36.7%



Value added on the value of production (VoP) improved by 0.5% with respect to the first period of the year earlier, mainly due to the better productivity and efficiency of our factories.

Payroll costs in the first half 2007 came to € 52.971 million, against the € 44.131 million reported at June 30th 2006, accounting for 23.4% of net revenue (25.0% in 2006). The increase in the absolute value (more than € 8.5 million) was partly due to staff hirings made in the Group to handle the expanding business and partly due to the inclusion of Bre.ma. Brenna Macchine S.r.l., ISP Systems S.r.l. and Intermac Inc. (USA) staff in the Group, which were not part of the consolidation area in the first half of 2006 and on the whole account for 120 employees and € 2.6 million in costs.

Gross operating income of the first half 2007 amounted to € 40.936 million, accounting for 18.1% of net revenue, a figuring rising by 49% with respect to a year earlier (€ 25.582 million in the second quarter 2007 alone, 20% of revenue), while the operating result – posting a balance of € 19.804 million in the first half of 2006 - rose to € 33.472 million, accounting for 14.8% of revenue (11.2% a year earlier). The difference was a rise in absolute terms of 69%.

Contributing to this exceptional result was **non-recurring** income of € 1.574 million, resulting from curtailment, i.e. the effect on actuarial calculations due to application in Italy of the recent overhaul of employee severance indemnity. Thus, adjusting the figure to achieve uniformity with the previous year – the result was **EBITDA** in the first half of 2007 of **17.4%** (from 15.5% at June 30th 2006) and **EBIT** in the first half of 2007 at **14.1%** (from 11.2% - although with non-recurring expense per € 700 thousand - at June 30th 2006).

This also considered the slight rise in amortization and depreciation and provisions made of € 1.922 million to sundry risk funds, allocated to the reserve for doubtful accounts and for product warranties, with a decreasing incidence on net revenue due the significant upswing in revenue.

In reference to financial management, the gradual reduction of Group bank borrowings (a detailed breakdown can be found in the notes below) led to the consequent year-on-year decrease of about € 500 thousand in financial charges paid to banks and other financial institutions.

As regards exchange rate risk management, the Group reported proceeds in the first half of 2007 of € 360 thousand, related to the hedge transactions to cover currency transactions, in compliance with the matters laid down in Group policy for exchange rate risk management.

Income before tax amounted to € 33.420 million (14.7% of net revenue), which increased by 71% with respect to the same data in 2006.

The estimated tax balance is negative for a total of € 14,196 million, of which € 2,907 million refers to IRAP and € 11,976 million to current income taxes, net of deferred tax of € 688 thousand .

Net results are estimated to be € 19,224 thousand, (8.5% of net revenue), increased by 43.7% compared to a year earlier, that was positively affected – as regards the tax rate – by the tax losses carryforward.

Net financial position at June 30th, 2007

(thousand of Euro)	June 30 2007	March 31 2007	December 31 2006	June 30 2006
Financial assets:	35,704	50,997	36,102	38,672
- <i>Liquid assets</i>	35,654	50,947	36,052	38,609
- <i>Short term financing credits due by parent company</i>	50	50	50	63
Short term financial debts	(2,554)	(5,121)	(2,336)	(3,079)
Short term bank debts	(3,654)	(13,616)	(10,786)	(17,632)
Short term net financial position	29,496	32,260	22,980	17,961
Medium/long term financial debts	(10,550)	(8,092)	(8,217)	(12,546)
Medium/long term bank debts	(524)	(524)	(642)	(7,182)
Medium/long term net financial position	(11,074)	(8,616)	(8,859)	(19,728)
Total financial position	18,422	23,644	14,121	(1,767)

Net financial position posted a positive balance of € 18,422 million, down by € 5.222 million with respect to March 31st 2007. This figure was affected by extraordinary items for € 19.8 million, namely dividends for € 9.8 million (May 2007) and other investments in the quarter – in purchase branch of activity AGM USA, balance of the acquisition of a controlling share in Bre.Ma. and real estate -, for € 10 million.

Note that in the first days of July 2007, the Group paid an additional € 19 million to the tax authorities as the balance for 2006 and an advance on 2007 income taxes, for its Italian companies.

Below some balance sheet ratios.

RATIO	June 30 2007	December 31 2006
Gearing	(0.13)	(0.10)
Copertura immobilizzazioni	1.48	1.52
Leverage finanziario	1.61	1.60

Balance sheet figures

	June 30 2007	December 31 2006
Intangible assets	41,031	35,184
Tangible assets	53,292	49,702
Other non current assets	11,884	10,428
Real estate investments	2,132	2,524
Non-current assets	108,339	97,838
Inventories	115,557	88,182
Trade receivables	108,171	113,153
Other receivables	9,626	14,263
Cash and cash equivalents	35,705	36,102
Current assets	269,059	251,700
TOTAL ASSETS	377,398	349,538
Shareholders' equity	144,031	134,223
Minority interest	245	320
Total equity	144,276	134,543
Bank loans	11,074	8,859
Retirement benefit obligation	14,055	15,929
Other payables	10,644	9,899
Non-current liabilities	35,773	34,687
Trade payables	131,419	113,679
Other payables	59,722	53,507
Bank overdrafts, loans and obligations under finance leases	6,208	13,122
Current liabilities	197,349	180,308
TOTAL EQUITY AND LIABILITIES	377,398	349,538

Intangibles assets increase for the effects of the acquisition of AGM USA, which consolidation determined more assets of about € 4 million, and marginally (€ 0.7 million) of the acquisition of MC Meccanica S.r.l.

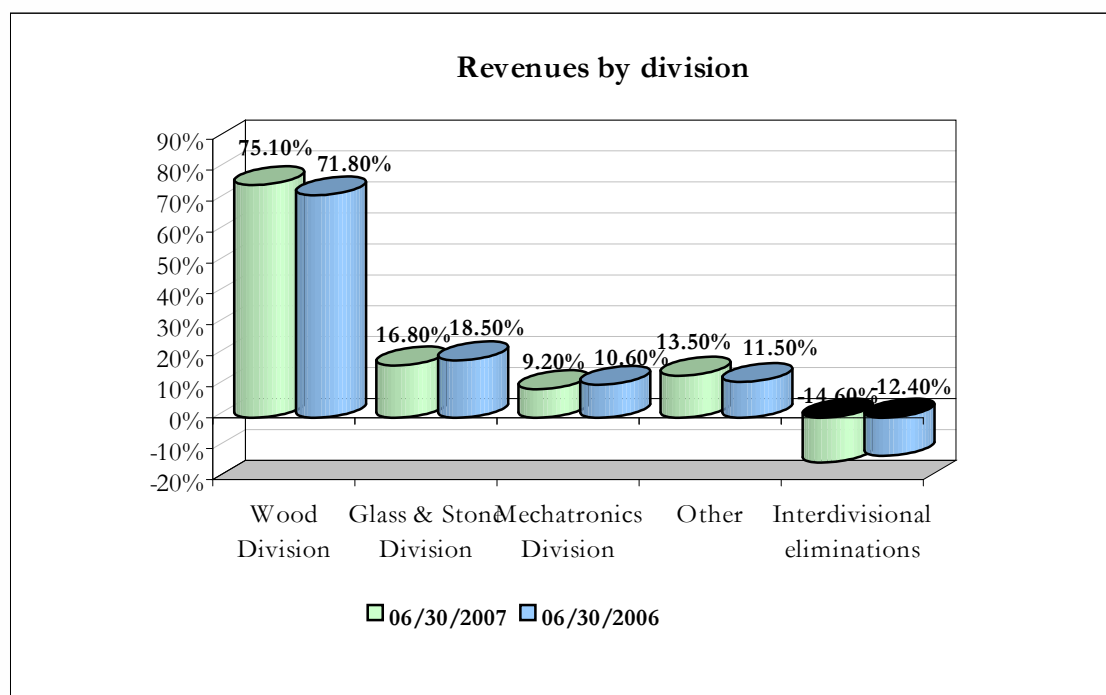
These amounts are temporarily allocated generically in this item, waiting for the exact measurement and allocation of its fair value, actually still under verification, such as allowed by the IFRS 3, due to the relatively recent date of acquisition.

The increase of the intangible assets is due also to the slight effect of further capitalisation of development costs.

The current assets, - in comparison with December 2005 -, are affected by the seasonality effects, in particular for the amount of the stocks. In particular, the stocks increased to enable the supply of the subsidiaries warehouses, these figures drastically fall in December, but this is compensated by the decrease of the receivables and manly by the increase of the payables.

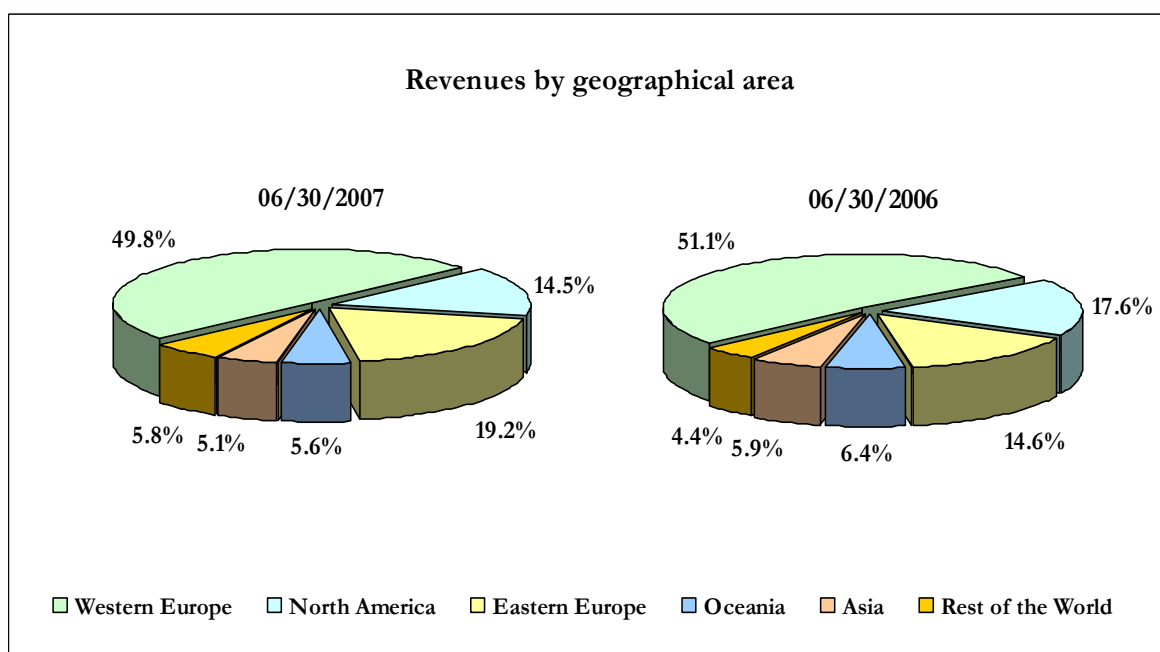
Revenues by division

(thousand of Euro)	II Q 2007	%	II Q 2006	%	Δ % 2006/2007
Wood Division	170,264	75.1%	126,954	71.8%	34.1%
Glass & Stone Division	38,116	16.8%	32,516	18.5%	17.2%
Mechatronics Division	20,908	9.2%	18,795	10.6%	11.2%
Other	30,488	13.5%	20,375	11.5%	49.6%
Interdivisional eliminations	(33,184)	(14.6%)	(21,893)	(12.4%)	51.6%
Total	226,592	100.0%	176,747	100.0%	28.2%



Revenues by geographical area

(thousand of Euro)	II Q 2007	%	II Q 2006	%	Δ % 2006/2007
Western Europe	112,809	49.8%	90,271	51.1%	25.0%
North America	32,823	14.5%	31,083	17.6%	5.6%
Eastern Europe	43,414	19.2%	25,765	14.6%	68.5%
Oceania	12,719	5.6%	11,388	6.4%	11.7%
Asia	11,678	5.1%	10,392	5.9%	12.4%
Rest of the World	13,149	5.8%	7,848	4.4%	67.6%
Total	226,592	100.0%	176,747	100.0%	28.2%



Pesaro, August 8th 2007

Chairman of the Board of Directors
Roberto Selci



**DECLARATION OF THE MANAGER IN CHARGE OF THE
PREPARATION OF THE COMPANY'S FINANCIAL REPORTS IN
COMPLIANCE WITH THE PROVISIONS OF ARTICLE 154-BIS
SECTION 2 OF LEG. 58/1998 (UNIFIED FINANCIAL LAW)**

Stefano Porcellini, Chief Financial Officer and Director of Biesse S.p.A., in the capacity of Manager in charge of the preparation of the Company's Financial Reports, hereby declares that the Biesse S.p.A. consolidated quarterly report at June 30th 2007 - not subject to audit – was prepared in compliance with the instructions set forth by CONSOB (in observance of the provisions of Article 82 and Article 82-bis of the "Regulation bearing the implementation provisions of Leg. Decree 58/1998 in relation to issuers") and in compliance with the accounting standards and policies established by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure of Article 6 of the Regulation (EC) 1606/2002 of the European Parliament and Council of July 19th, 2002. To the best of his knowledge, these documents corresponds to the company's evidence and accounting books and entries

August 8th 2007

/signature/
Stefano Porcellini
Chief Financial Officer