QUARTERLY REPORT MARCH 31ST, 2010

BIESSE

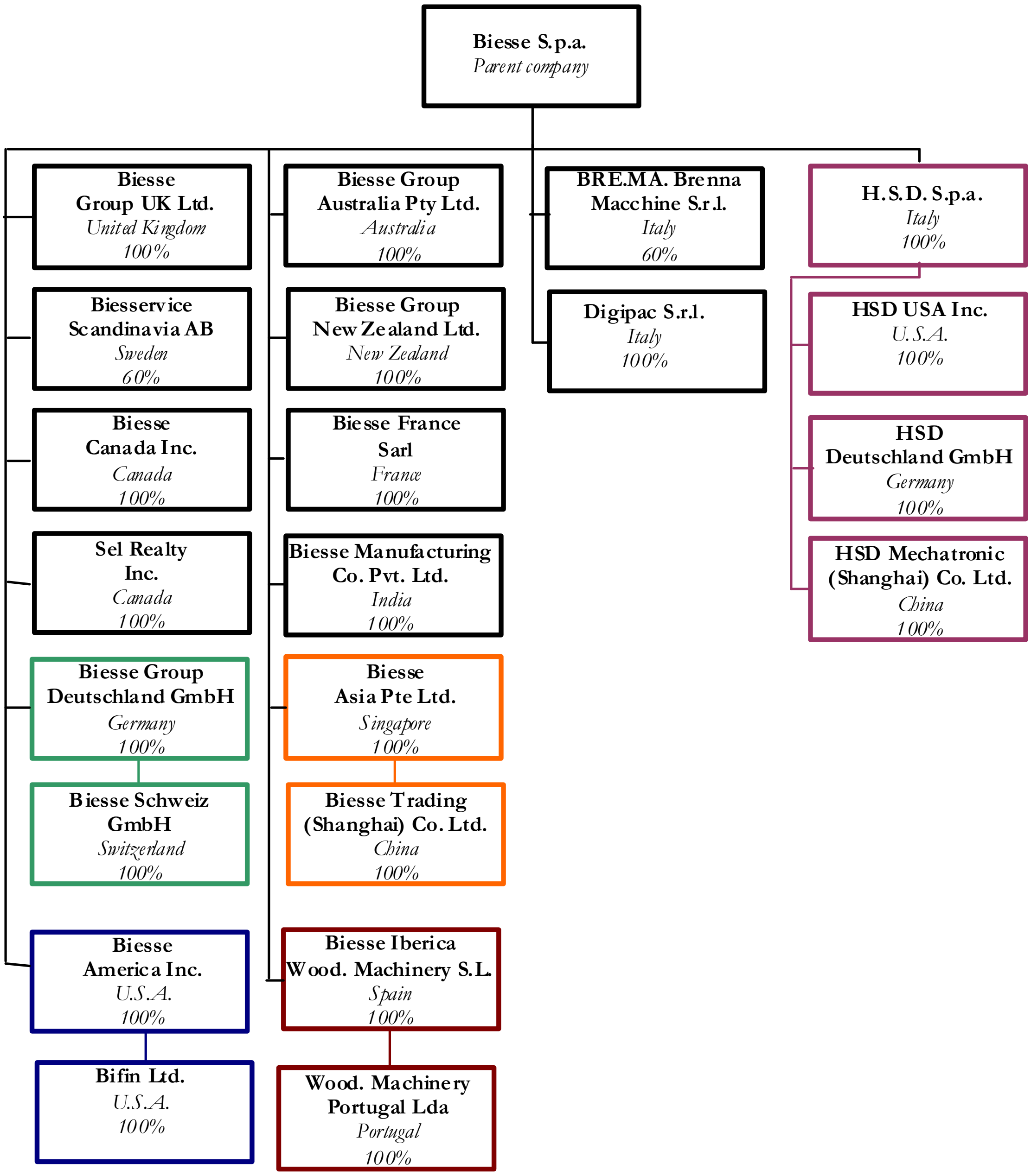
BIESSE S.p.A.

QUARTERLY REPORT AT MARCH 31ST, 2010

SUMMARY

GROUP STRUCTURE

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



EXPLANATORY NOTES

The consolidated quarterly report of Biesse Group to 31 March 2010, which has not been subjected to an independent audit, has been prepared in accordance with the international accounting principles IAS/IFRS, in force at the time of preparation. The figures for comparable periods have also been prepared in accordance with IAS/IFRS.

The quarterly Report was prepared in compliance with the provisions of article 82 and article 82–*bis* of the "Regulation incorporating rules for implementation of Decree Law no. 58 of 24 February 1998, regarding issuers" (Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments), as amended by Consob Resolution no. 14990 of 14 April 2005. On the basis of aformentioned article 82, the quarterly Report has been prepared applying IFRS international accounting principles with regard to valuations in accordance with the procedures referred to in Appendix 3D of the same Regulation. The present quarterly report therefore has not been prepared according to the provisions of the accounting principle regarding interim financial reporting (IAS 34 "Interim financial reporting").

The accounting principles and the valuation criteria conform to those of the financial statements to 31/12/2009 to which we refer you for further information. In these circumstances, the following should also be noted:

- The quarterly report has been prepared in accordance with the criteria regarding separation of periods, on which basis the period referred to is considered as an autonomous financial period; in this respect the quarterly income statement reflects the economic components relating to the period in accordance with the accruals principle;
- The accounting records which form the basis for consolidation are those provided by subsidiary companies to 31/03/2010, adjusted, where necessary, to align them to the accounting principles of the Group.

The consolidation area is unchanged with respect to that for the period ended 31 December 2009.

PARENT COMPANY CORPORATE BODIES

Board of Directors

Chairman	Roberto Selci
Chief Executive Officer[1]	Giancarlo Selci
Chief Executive Officer	Giovanni Barra
Executive Director	Alessandra Parpajola
Executive Director	Stefano Porcellini
Indipendent Director	Leone Sibani
Indipendent Director	Giampaolo Garattoni
Indipendent Director	Salvatore Giordano

Board of Statutory Auditors

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

[1] With exclusive mandate for the strategic direction and co-ordination of the Group

Internal Control Committee - Remuneration Committee

Leone Sibani

Giampaolo Garattoni

Salvatore Giordano

Supervisory body

Leone Sibani

Giampaolo Garattoni

Salvatore Giordano

Cristian Berardi

Elena Grassetti

Independent auditors

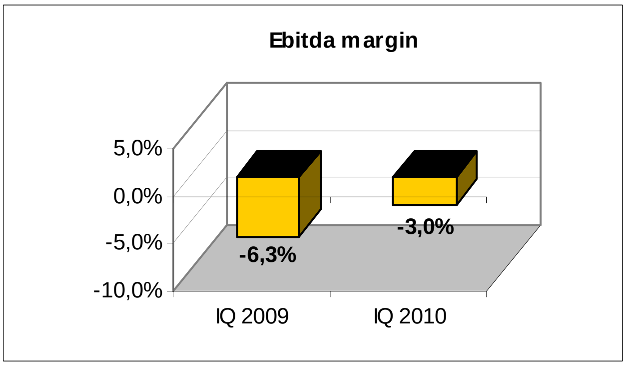
KPMG S.p.A.

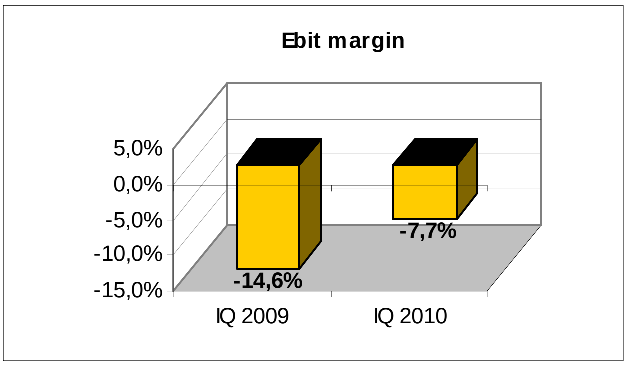
FINANCIAL HIGHLIGHTS

Income statement data

Euro (000's)	31 March 2010	% on sales	31 March 2009	% on sales	Change %
Revenues from sales and services	63.158	100,0%	64.723	100,0%	(2,4)%
Gross profit*	33.186	52,5%	31.406	48,5%	5,7%
Ebitda (Gross operating income)	(1.893)	(3,0%)	(4.079)	(6,3%)	(53,6)%
Ebit (Net operating income)	(4.888)	(7,7%)	(9.445)	(14,6%)	(48,2)%
Profit (Loss) of the period	(4.177)	(6,6%)	(7.257)	(11,2%)	(42,4)%

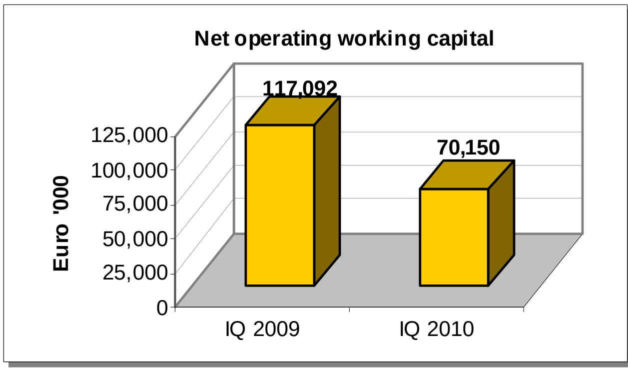
* *see Appendix*

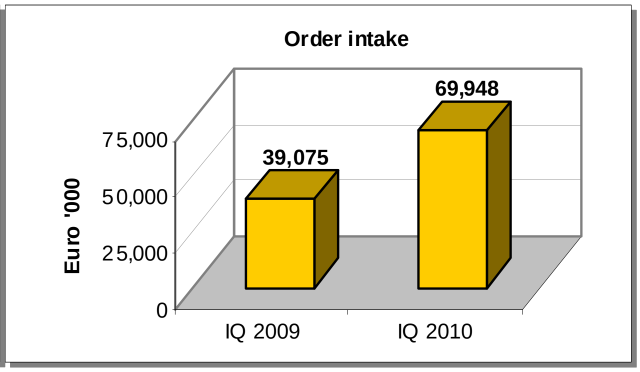




Balance sheet data

	31 March 2010	31 March 2009
Invested Capital	154,549	197,148
Total net equity	123,880	146,667
Net financial position	(30,669)	(50,481)
Net operating working capital	70,150	117,092
Order intake	69,948	39,075

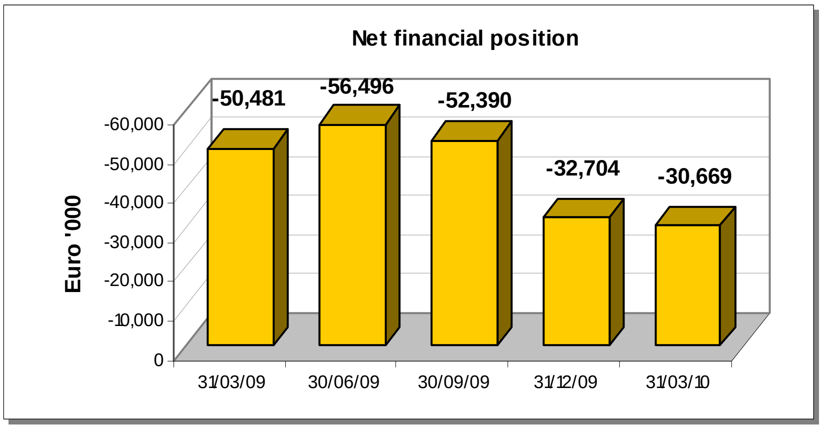




BIESSE

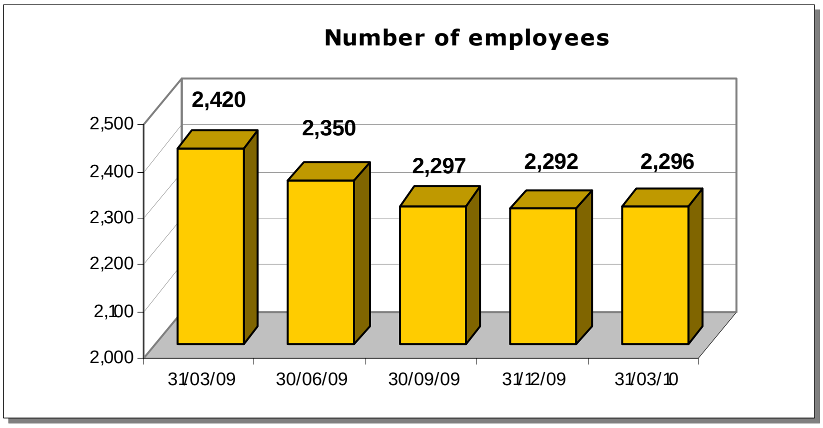
Cash flow data

Euro (000's)	31 March 2010	31 March 2009	31 March 2008
Ebitda (Gross operating income)	(1,893)	(4,079)	15,472
Change in net working capital	9,838	(12,877)	(10,840)
Change in other operating assets/liabilities	(2,891)	(4,208)	(4,436)
Operating cash flow	**5,054**	**(21,163)**	**196**
Cash flow used in investment activity	(2,070)	(2,771)	(5,891)
Cash flow	**2,983**	**(23,934)**	**(5,686)**
Foreign exchange differences	(948)	114	68



Structural data

	31 March 2010	31 March 2009
Number of employees at the end of the period	2,296	2,420



REFERENCE MARKET

Order intake in the first quarter of 2010 – as reported by the Research and Business Intelligence Office of UCIMU, the trade association for Italian producers of machine tools, robot and automated equipment – indicates an increase of 15.2% compared with the same period of the previous year, representing an absolute index value of 94.8 (base 2005=100).

"Following six consecutive months of decline, the reversal of this trend, that was barely discernable in the closing months of 2009, has gathered pace; in fact, contrary to the indications of the previous report, (relating to the fourth quarter of 2009), both the domestic market and foreign markets have contributed to the recovery in order inflow. The index of orders received by Italian producers from foreign markets rose by 18.5% compared with the same period of the previous year".

"Although we are seeing the emergence of a discreet recovery" - Ucimu continued – "the absolute index figure remains below the level of the first quarter of 2005; in other words, following the crisis, the index of orders obtained on foreign markets has returned to the same level reported five years ago; similarly, the comparison with the two year period 2007-2008, reflects the intensity of the decline in order intake: the absolute index for the first quarter of 2010 is in fact down 40% compared with the values reported in the two years preceding the crisis."

"On the domestic front, the growth trend reported by producers at the end of 2009 is continuing; the index in orders for domestic use rose by 10% in the first quarter of 2010 compared with the same period of the previous year."

* * *

The monthly orders/sales report by the German organisation VDMA on the sub-segment "Holzbearbeitungs-maschinen" (woodworking machinery) for the first quarter of 2010 indicates a significant +87% increase in total orders obtained compared with that reported in the same period of the previous year which represented the trough of the recession.

ACCOUNTING STATEMENTS

First quarter 2010 Income Statement

Euro 000's	31 March 2010	% on sales	31 March 2009	% on sales	CHANGE %
Revenues from sales and services	**63,158**	**100.0%**	**64,723**	**100.0%**	**(2.4)%**
Change in inventories, wip, semi-finished and finished goods	5,031	8.0%	350	0.5%	0.0%
Other revenues	419	0.7%	708	1.1%	(40.8)%
Value of Production	**68,608**	**108.6%**	**65,782**	**101.6%**	**4.3%**
Consumption of materials, accesory products and goods	29,590	46.9%	28,960	44.7%	2.2%
Other operating expenses	14,662	23.2%	15,042	23.2%	(2.5)%
Staff costs	26,249	41.6%	25,858	40.0%	1.5%
Gross Operating Income	**(1,893)**	**(3.0)%**	**(4,079)**	**(6.3)%**	**(53.6)%**
Depreciation and amortisation	2,913	4.6%	3,248	5.0%	(10.3)%
Provisions	81	0.1%	2,118	3.3%	(96.2)%
Net Operating Income	**(4,888)**	**(7.7)%**	**(9,445)**	**(14.6)%**	**(48.2)%**
Financial income/expense	(390)	(0.6)%	(672)	(1.0)%	(42.0)%
Foreign exchange gains/losses	482	0.8%	795	1.2%	(39.4)%
Profit (Loss) before tax	**(4,796)**	**(7.6)%**	**(9,322)**	**(14.4)%**	**(48.6)%**
Taxes	618	1.0%	2,065	3.2%	(70.1)%
Profit (Loss) of the period	**(4,177)**	**(6.6)%**	**(7,257)**	**(11.2)%**	**(42.4)%**

OPERATIONAL REPORT

In the first quarter of 2010 Biesse reported a robust order intake which was + 79% up compared to the (terrible) first quarter of 2009 (+ 97% in the Wood Division) and substantially “in trend” with the significant recovery which had already began in the second half of last year.

The re-building of finished goods inventories by foreign subsidiaries, particularly by overseas subsidiaries, affected the consolidated revenue results for the first quarter of 2010, but – as indicated in the Directors’ Report in the Financial Statements for the year ended 31.12.2009 – beginning from the second quarter of 2010 revenues should converge on the objectives set out in the Industrial Plan, despite a slight pause in the order intake for April (which was characterised by trade fairs and exhibitions which slowed down the order intake) limiting the cumulative gain on the full year figure for 2009 to +61%.

A very encouraging sign in terms of the capital and financial situation – which have now continued positively for three quarters (since June 2009) - came from the reduction in net

debt: in this quarter the Group has reported a recovery of € 2 million in the Net Financial Position (NFP) compared to December 2009 as a result of the significant improvement in net working capital which more than compensated for the (albeit lower) negative trend of profitability.

* * *

Net revenues for the first quarter of 2010 were € 63.158 million, down 2.4% compared with the previous period (€ 64.723 million).

The geographical breakdown of revenues in the first three months of 2010 – for greater detail please refer to the tables shown in the information segment (pages 16 and 17) – reveals a strong increase in the Australasia and Asia regions (+59.7% and + 54.4% respectively compared with the first quarter of 2009) which offset the decline in revenues in Western markets.
There were also contrasting trends at the divisional level with the Mechatronics and the Glass & Stone divisions reporting an increase in revenues of respectively 9.9% and 7.9%, while Wood Division revenues fell by 8.5%.

Inventories of Finished and Semi-Finished goods rose € 5.031 million (€ 350,000 in the previous period), largely as a result of the seasonal increase in stocks of Finished and Semi-Finished products compared with the situation at end-2009.

The Value of Production in the first three months of 2010 was therefore € 68.608 million, representing an increase of 4.3% compared with the first quarter of 2009, when it amounted to € 65.782 million.

Raw material costs re-calculated as a percentage of Value of Production (as opposed to Net Revenues) were 43.1% (compared with 44.0% in the period to 31 March 2009) : the trend of margins was further improved if calculated at the "cost of sales" as the Value of Production figure was impacted by the increase in inventories (over € 5 million) valued at industrial cost.

Euro 000's	31 March 2010	%	31 March 2009	%
Value of Production	**68,608**	**100.0%**	**65,782**	**100.0%**
Consumption of materials	29,590	43.1%	28,960	44.0%
Other operating expenses	14,662	21.4%	15,042	22.9%
Service costs	*11,688*	*17.0%*	*12,167*	*18.5%*
Leasing costs	*1,564*	*2.3%*	*1,599*	*2.4%*
Other operating costs	*1,411*	*2.1%*	*1,276*	*1.9%*
Value Added	**24,356**	**35.5%**	**21,779**	**33.1%**

The figure for other operating expenses also improved compared to 2009, both in absolute terms (€ 14.662 million compared to € 15.042 million, representing a decrease of 2.5%), and in relative terms (its proportion as a percentage of Value of Production down by 1.5% from 22.9% to 21.4%). The improvement is even more notable, given that this cost item includes components that are inelastic in relation to the trend of sales (rents, maintenance costs, utilities, etc.); the reduction is driven by savings achieved on business travel expenses, advertising and exhibition costs and consultancy fees.

Personnel costs in the first quarter of 2010 were € 26.249 million, slightly higher compared to 2009 (€ 25.858 million, + 1.5% on the same period of 2009). It should be noted that the increase is primarily due to the variable element of these costs (results-based incentives, bonuses and related payments, valued in 2010 at full nominal value, which was different to the treatment used in previous years), whilst the fixed component fell by about 3 percentage points. Capitalisation of the wages and salaries of employees engaged in development activity are in line with those of 2009 (€ 1.112 million in the first quarter of 2010, compared to € 1.116 million in the same period of 2009).

The Gross Operating Income (Ebitda) in the period to 31 March 2010 was € -1.893 million, compared with € -4.079 million in the first quarter of 2009, representing a recovery in profitability of € 2.186 million, as a result of the improved margins achieved on sales and a continued strong focus on containing fixed costs.

Depreciation and amortisation fell by 10.3% (from € 3.248 million to € 2.913 million): the amount relating to depreciation of tangible assets was € 1.648 million (down by 9.7%), while that relating to intangible assets was € 1.266 million (down by 11%). The amount relating to Depreciation of tangible assets confirms the trend that began in March 2009 and which is characterised by the rationalisation of production sites and investments and focusing on optimum utilisation of the existing production areas. The trend regarding intangible assets should be regarded as contingent as it is attributable to the non-linear correlation between the new capitalisation of research and development activity and the date that products arising from this activity enter the market (the point at which the product is considered to generate an economic benefit and therefore the point at which the related research and development activity can be amortised).

Provisions amounted to € 81,000, sharply down compared to the first quarter of 2009 (which was affected by the impact of adverse market conditions on trade receivables).

Ebit for the quarter was consequently € -4.888 million, an improvement of more than 48% compared to the first quarter of 2009 (negative € 9.445 million).

Financial income/expense reveals interest expenses of € 390,000, while foreign exchange items contributed a positive result of € 482,000. Consequently the pre-tax result was negative € 4.796 million (-€ 9.322 million in the period to end-March 2009, which represents an improvement of 48.6%).

The estimated balance of tax items is positive for a total of € 618,000 as a result of the combined effect of tax provisions for income taxes and IRAP and the recognition of deferred tax assets calculated on the loss for the period for those companies with the required tax qualifications.

The estimated Net Result for the first quarter of 2010 is negative € 4.177 million.

Net financial position at March 31th, 2010

	31 March 2010	31 December 2009	30 September 2009	30 June 2009	31 March 2009
Euro 000's					
Financial assets:	31,517	31,148	20,778	30,210	19,393
Current financial assets	*0*	*0*	*231*	*243*	*27*
Liquidity	*31,517*	*31,148*	*20,547*	*29,967*	*19,366*
ST finance lease liabilities	(2,219)	(2,290)	(2,328)	(2,419)	(2,517)
Bank and other ST financial debt	(44,756)	(42,988)	(23,993)	(33,511)	(58,380)
Net Short Term Financial Position	**(15,458)**	**(14,130)**	**(5,543)**	**(5,720)**	**(41,503)**
M/L term finance lease liabilities	(5,133)	(5,225)	(6,210)	(6,291)	(7,284)
M/L term bank debt	(10,079)	(13,349)	(40,406)	(44,242)	(1,693)
Net M/L Term Financial Position	**(15,211)**	**(18,575)**	**(46,616)**	**(50,533)**	**(8,977)**
Total Net Financial Position	**(30,669)**	**(32,704)**	**(52,159)**	**(56,253)**	**(50,481)**

Group Net debt at end-March 2010 was significantly reduced to € 30.7 million (gearing = 0.25), down - € 19.8 million compared with the value reported at 31 March 2009 and down compared with the Net Financial Position at end-December (- € 2.0 million).

During the course of the first three months of the current year, the attention devoted to management of the main components of the Group's Net Operating Working Capital generated cash flow of € 9.4 million.

Balance sheet figures

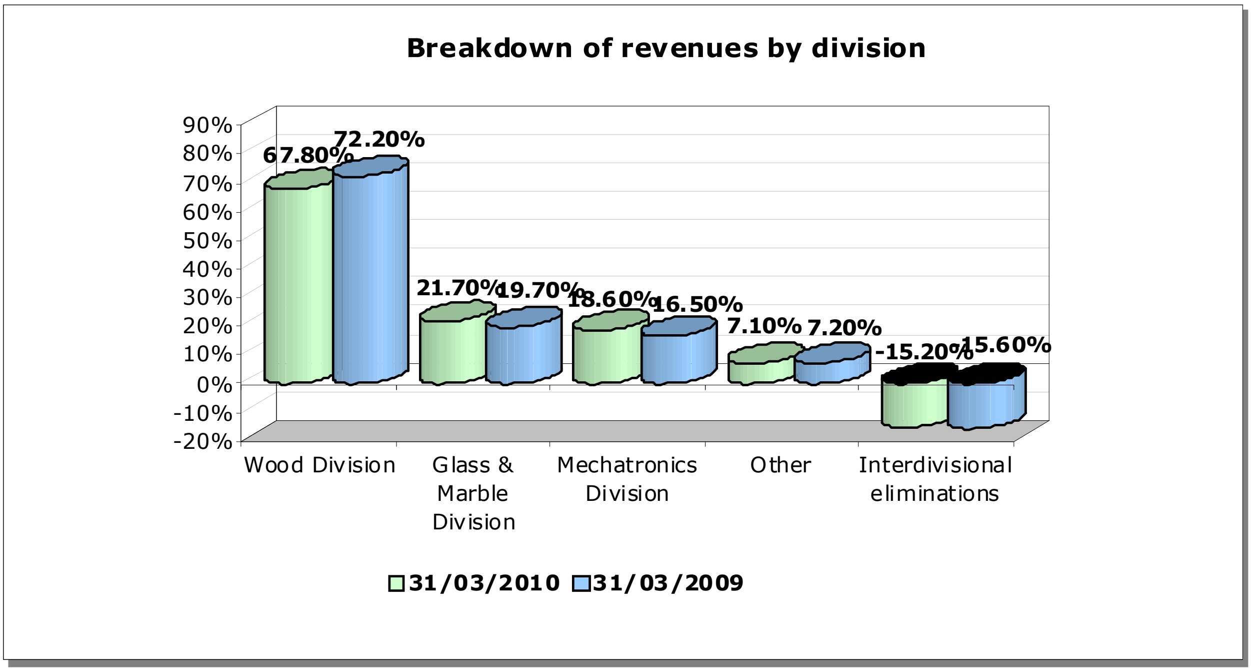
	31 March 2010	31 December 2009	30 September 2009	30 June 2009	31 March 2009
Euro 000's					
Intangible fixed assets	41,737	41,073	41,057	40,865	40,303
Tangible fixed assets	57,243	57,431	58,369	60,152	61,007
Non current assets	20,876	18,849	16,266	14,006	12,561
NON CURRENT ASSETS	**119,857**	**117,353**	**115,692**	**115,023**	**113,871**
Inventories	72,244	65,654	83,733	93,622	103,947
Trade receivables	71,055	74,895	63,950	69,732	78,847
Other receivables	10,397	10,648	9,166	10,633	12,787
Other current financial assets	0	0	231	243	27
Cash and equivalents	31,517	31,148	20,547	29,967	19,366
CURRENT ASSETS	**185,214**	**182,345**	**177,627**	**204,197**	**214,974**
TOTAL ASSETS	**305,070**	**299,698**	**293,319**	**319,220**	**328,845**
Net Equity of the Group	123,475	126,334	130,851	138,229	145,777
Minority interests	405	517	432	556	890
NET EQUITY	**123,880**	**126,850**	**131,283**	**138,785**	**146,667**
Bank debt and M/L term finance leases	15,211	18,575	46,616	50,533	8,977
Retirement benefit liabilities	11,624	11,857	12,033	11,975	12,314
Other payables and M/L term liabilities	3,527	3,334	3,431	3,717	4,515
NON CURRENT LIABILITIES	**30,363**	**33,765**	**62,080**	**66,225**	**25,807**
Trade payables	73,149	60,977	47,989	50,080	65,702
Other short term payables	30,704	32,828	25,646	28,200	29,773
Bank debt and short term finance leases	46,975	45,278	26,321	35,930	60,897
CURRENT LIABILITIES	**150,828**	**139,083**	**99,956**	**114,211**	**156,371**
TOTAL LIABILITIES AND NET EQUITY	**305,070**	**299,698**	**293,319**	**319,220**	**328,845**

The increase in non-current assets is primarily due to the amount relating to deferred tax credits, which increased by the imputation of prepaid taxes on the loss for the period. Tangible and Intangible assets were substantially stable given that the amount relating to new investments almost exactly offset that for depreciation and amortisation in the period.

Inventories increased by € 6.590 million (mainly due to the increase in Finished and Semi-Finished goods). In spite of this, Net Operating Working Capital (which also includes trade payables and receivables) fell by € 9.422 million compared to December 2009, due above all to the increase in Trade payables. This improvement is attributable to the increase in production volumes together with the extension of payment periods and the recovery in client order inflow (with a consequent increase in down-payments received on products to be supplied in the future).

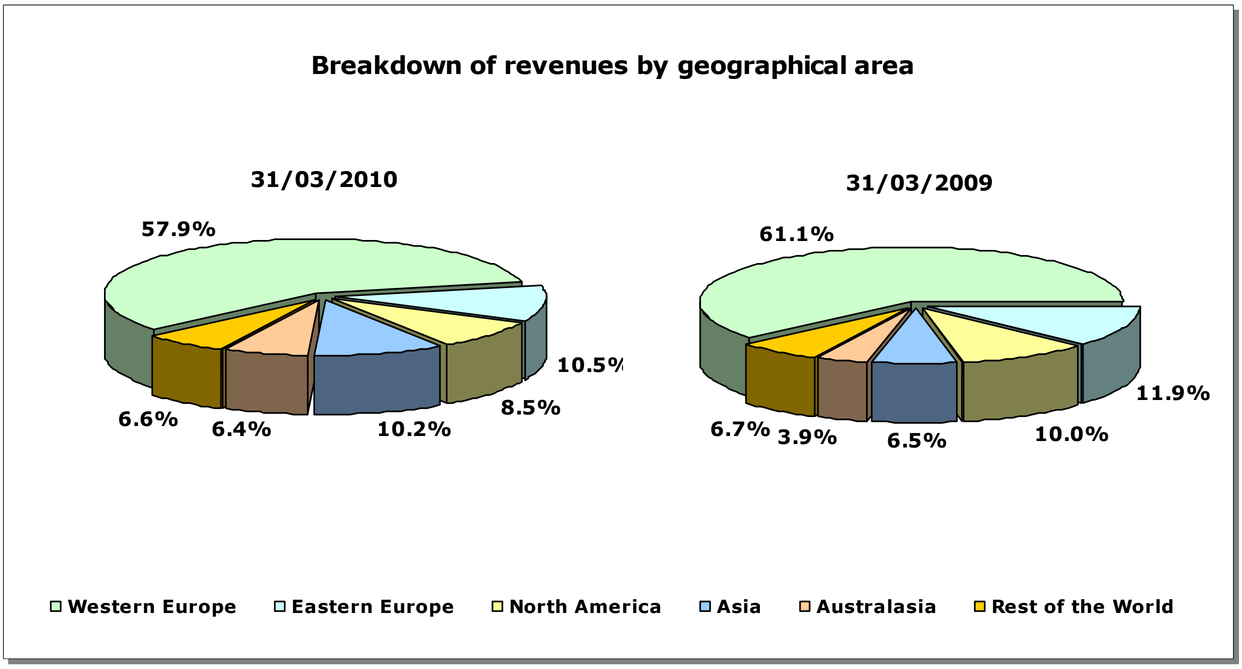
Segment reporting - Revenues by division

Euro '000	31 March 2010	%	31 March 2009	%	Change % 2009/2010
Wood Division	42,793	67.8%	46,761	72.2%	(8.5%)
Glass & Marble Division	13,729	21.7%	12,720	19.7%	7.9%
Mechatronics Division	11,743	18.6%	10,684	16.5%	9.9%
Other	4,501	7.1%	4,660	7.2%	(3.4%)
Interdivisional eliminations	(9,608)	(15.2%)	(10,102)	(15.6%)	(4.9%)
Group Total	**63,158**	**100.0%**	**64,723**	**100.0%**	**(2.4%)**



Segment reporting - Revenues by geographical area

Geographical area Euro '000	31 March 2010	%	31 March 2009	%	Change % 2009/2010
Western Europe	36,541	57.9%	39,558	61.1%	(7.6%)
Eastern Europe	6,637	10.5%	7,697	11.9%	(13.8%)
North America	5,376	8.5%	6,463	10.0%	(16.8%)
Asia	6,446	10.2%	4,175	6.5%	54.4%
Australasia	4,014	6.4%	2,513	3.9%	59.7%
Rest of the World	4,144	6.6%	4,317	6.7%	(4.0%)
Group Total	**63,158**	**100.0%**	**64,723**	**100.0%**	**(2.4%)**



Pesaro, 14 May 2010

Chairman of the Board of Directors
Roberto Selci

APPENDIX

Euro 000's	31 March 2010	% on sales	31 March 2009	% on sales	CHANGE %
Revenues from sales and services	63,158	100.0%	64,723	100.0%	(2.4)%
Other revenues	419	0.7%	708	1.1%	(40.8)%
Net Revenues	**63,577**	**100.7%**	**65,431**	**101.1%**	**(2.8)%**
COGS	30,391	48.1%	34,025	52.6%	(10.7)%
Gross Profit	**33,186**	**52.5%**	**31,406**	**48.5%**	**5.7%**
Overhead	8,830	14.0%	9,627	14.9%	(8.3)%
Value Added	**24,356**	**38.6%**	**21,779**	**33.6%**	**11.8%**
Staff costs	26,249	41.6%	25,858	40.0%	1.5%
Gross Operating Income (EBITDA)	**(1,893)**	**(3.0)%**	**(4,079)**	**(6.3)%**	**(53.6)%**
Depreciation and amortisation	2,913	4.6%	3,248	5.0%	(10.3)%
Provisions	81	0.1%	2,118	3.3%	(96.2)%
Net Operating Income (EBIT)	**(4,888)**	**(7.7)%**	**(9,445)**	**(14.6)%**	**(48.2)%**
Financial revenues and expenses	92	0.1%	123	0.2%	(25.2)%
Profit (Loss) before tax	**(4,796)**	**(7.6)%**	**(9,322)**	**(14.4)%**	**(48.6)%**
Taxes	(618)	(1.0)%	(2,065)	(3.2)%	(70.1)%
Profit (Loss) of the period	**(4,177)**	**(6.6)%**	**(7,257)**	**(11.2)%**	**(42.4)%**

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 March 2010 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 May 2010

/firma/
Stefano Porcellini
Chief Financial Officer