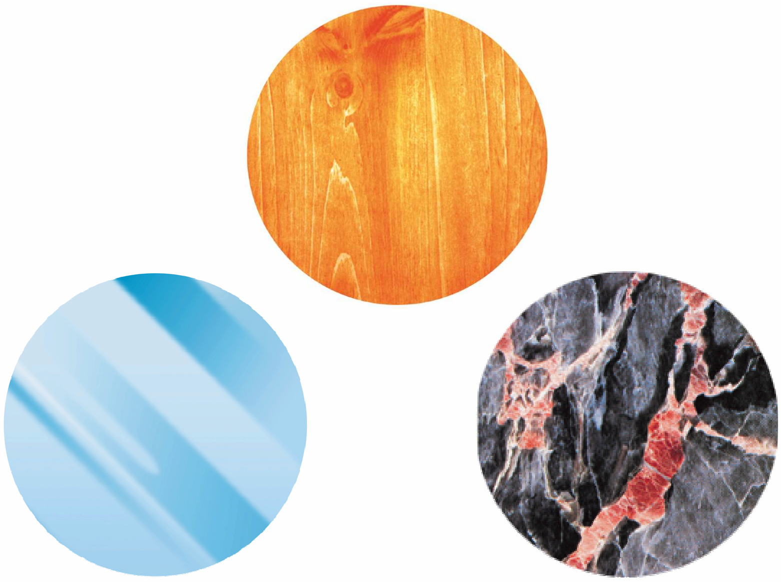
QUARTERLY REPORT
TO 30 SEPTEMBER 2007



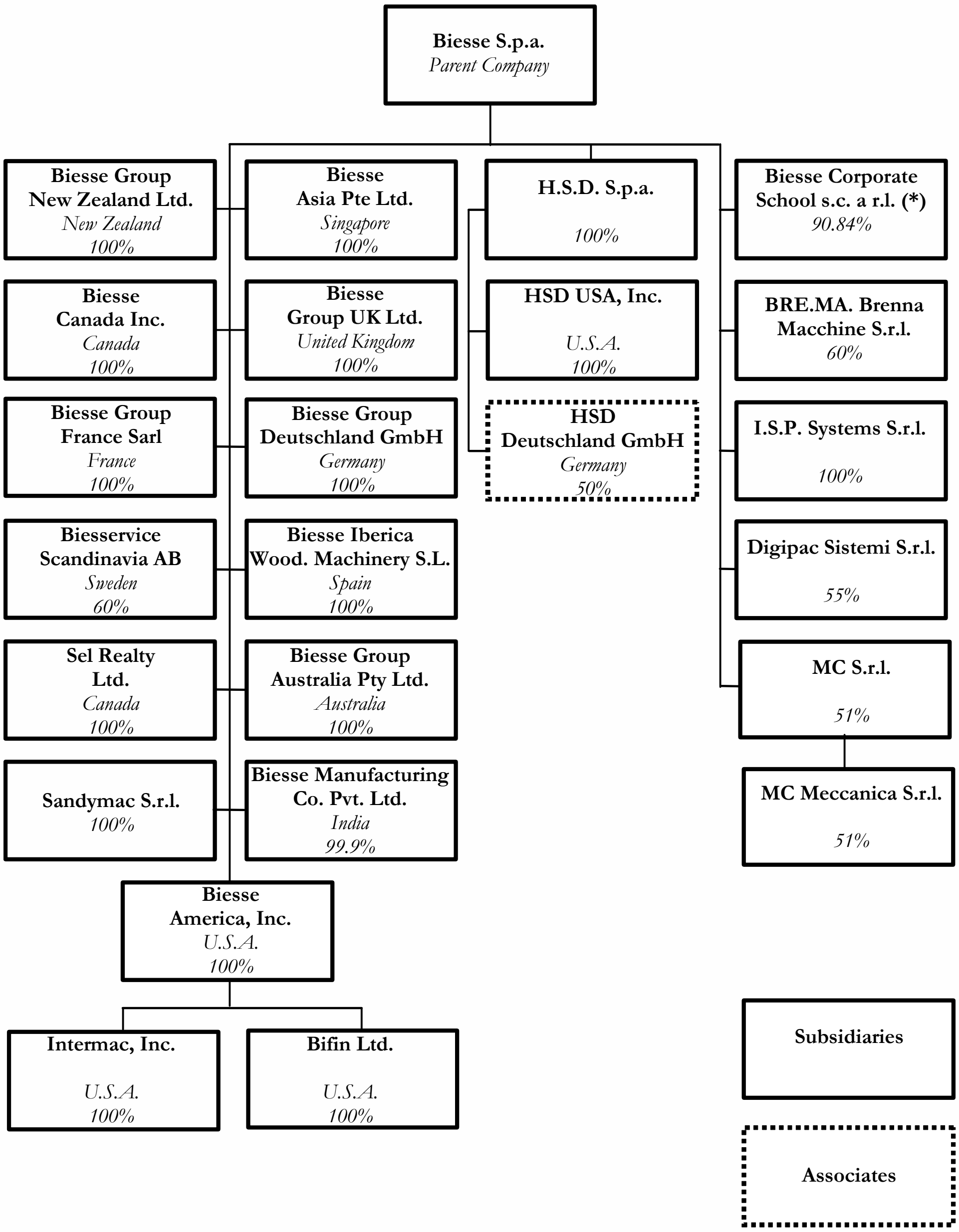
BIESSE S.p.A.

QUARTERLY REPORT TO 30 SEPTEMBER 2007

CONTENTS

GROUP STRUCTURE

The companies belonging to the Biesse Group, are as follows:



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

EXPLANATORY NOTES

The consolidated quarterly results of the Biesse Group at 30 September 2007, unaudited, have been prepared in accordance with the international accounting principles IAS/IFRS, in force at the time of preparation. The data for the comparative accounting period have also been determined according to IAS/IFRS.
The Quarterly Report has been prepared in compliance with article 82 and article 82–bis of the "Regulations governing rules of implementation of Legislative Decree 24 February 1998, n° 58 regarding issuers" (Consob Resolution n° 11971 of 14 May 1999 and subsequent), as modified by Consob Resolution n° 14990 of 14 April 2005. On the basis of the aforementioned article 82, the Quarterly Report has been prepared applying, for the purposes of valuation, the IFRS international accounting principles according to the content indicated in Appendix 3D of the same Resolution. The present Quarterly Report, therefore, has not been prepared according to the provisions of the accounting principle relating to interim financial reporting (IAS 34 "Interim Financial Reporting").
The accounting principles and the valuation criteria are consistent with those of the accounts at 31/12/2006 to which they make reference. In these circumstances the following points are noted :

- the quarterly results have been prepared according to the criterion of separation of periods on the basis of which the reference period is considered an autonomous period; in view of this the quarterly income statement reflects the relevant economic components of the period in compliance with the principle of periodic measurement;
- the quarterly results underlying the consolidated results have been prepared by subsidiary companies to 30/09/2007, adjusted, where necessary, to bring them into line with the accounting principles of the Group;
- the financial statements do not include estimates of any significant amounts.

Compared to the six-monthly report for 2007, the consolidation area has been changed to include Digipac Sistemi Srl. In addition, the corporate organigram has been changed to reflect the following adjustments: the acquisition of 100% of Sandymac Srl (previously 80% held), the merger by incorporation of Cabi Srl into HSD SpA (both already 100% owned) and, finally, the merger by incorporation of Intermac Vidrio Iberica S.A. into Biesse Iberica Wood Machinery S.L. (both already 100% owned).

In July 2007 Biesse S.p.A. acquired a controlling stake (55%) of Digipac Sistemi Srl., a company which was established in 2006 by packaging sector specialists and which produces and markets packaging machinery. In particular, Digipac operates in the segment of expandable film packaging and has so far produced innovative solutions for "pallet bundle" equipment for the beverage and food sectors.
This acquisition of 19 July 2007 required the payment by Biesse Spa of an amount relating to the associated capital increase equal to € 18,000 and a premium equal to €139,000.

In the same period Biesse S.p.A. completed the merger by incorporation of its subsidiary Cabi Srl into HSD S.p.A. and the merger of the Spanish subsidiary Intermac Vidrio Iberica S.A. into Biesse Iberica Wood Machinery S.L. These two operations are part of the rationalisation of the Group's corporate structure, as well as to take advantage of the significant industrial and commercial synergies arising from contiguous operations.

Finally, in the first few days of September 2007, Biesse S.p.A. acquired a 20% shareholding in its subsidiary Sandymac Srl from its partner Tecnimpresa, which gave it full control in exchange for an outlay of € 200,000. The agreement brought forward the timetable established by the previous agreement between the parties that allowed for a call option in Biesse S.p.A.'s favour (and a corresponding put option in favour of the minority shareholder) on the residual capital of the subsidiary to be exercised at the time of the approval of the accounts for the 2008 financial year.

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The shareholding in the associated company Hsd Deutschland GmbH was valued using the Net Equity method.

GROUP MANAGEMENT

The Board of Directors is composed as follows:

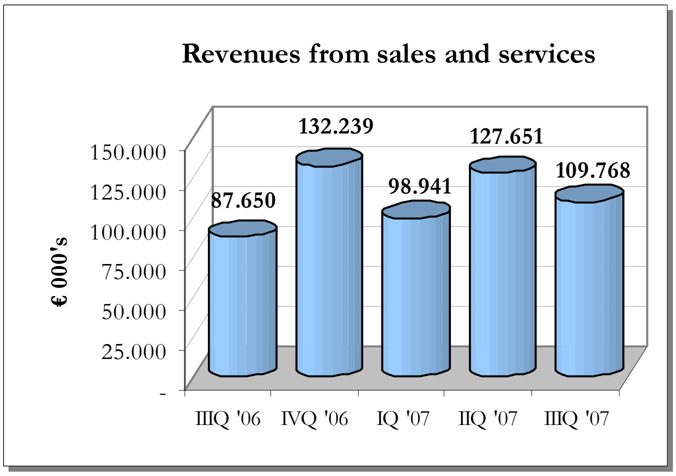
Roberto Selci	Chairman and Chief Executive
Giancarlo Selci	Chief Executive
Alessandra Parpajola	Director
Stafano Porcellini	Director
Leone Sibani	Director – Lead independent director *
Giampaolo Garattoni	Director *
Salvatore Giordano	Director *

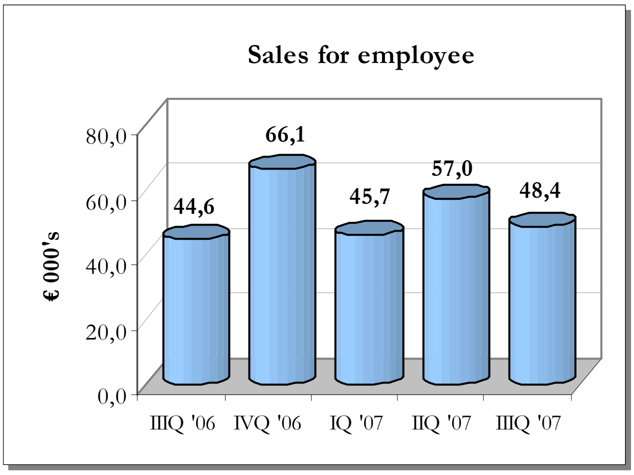
** independent members in accordance with the self-regulatory code of quoted companies.*

The Board of Statutory Auditors is composed as follows:

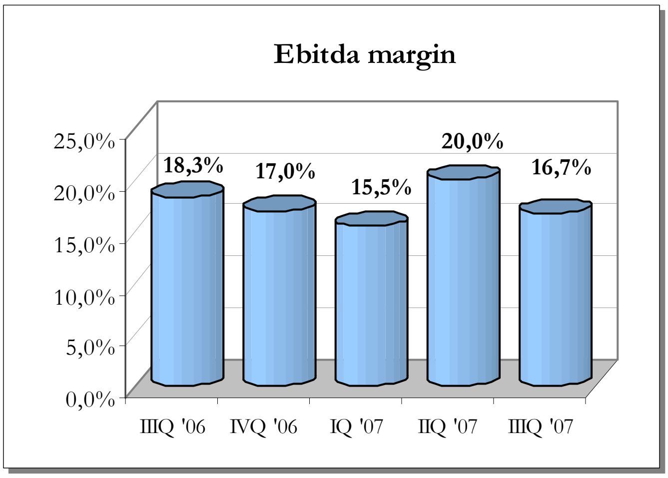
Giovanni Ciurlo	Chairman
Adriano Franzoni	Standing auditor
Claudio Sanchioni	Standing auditor
Daniela Gabucci	Alternate auditor
Cristina Amadori	Alternate auditor

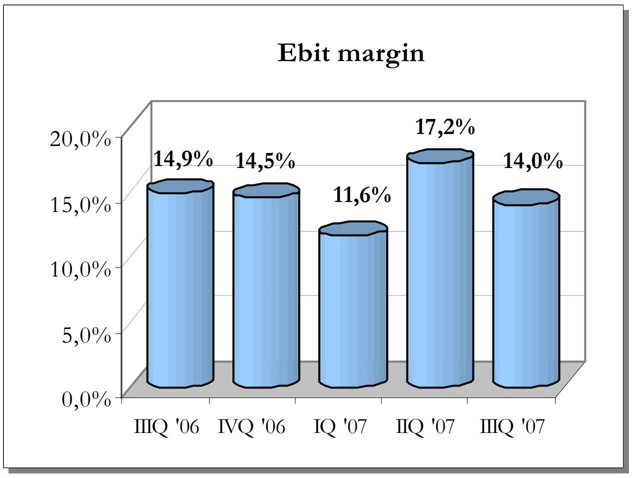
HIGHLIGHTS

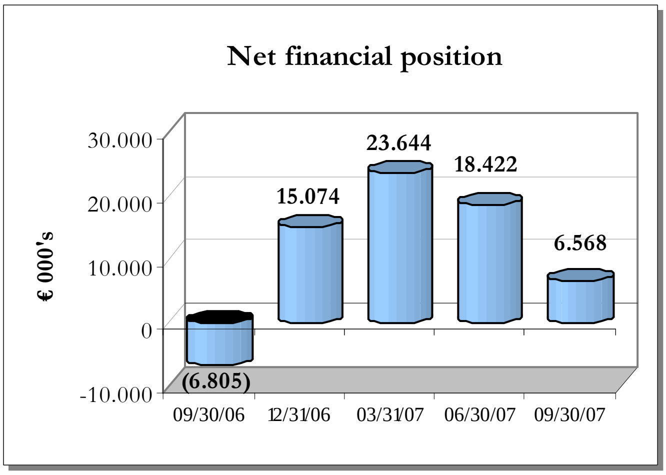


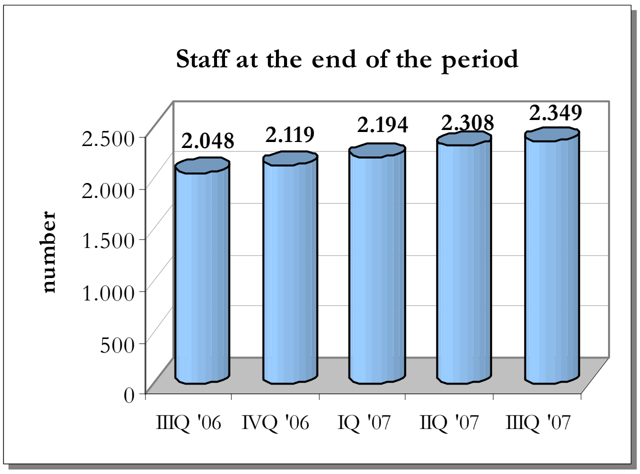


Temporary employees are included









Temporary employees are included

GENERAL ECONOMIC OVERVIEW

After three years of continuous and progressive expansion the world economy in the third quarter of 2007 started to show signals of a slowdown in the Western geo-economic area, first in the United States and with signs of possible repercussions in Europe. Macro-economic consensus forecasts do not yet currently predict a full-blown "recession risk", but outline a clear scenario of expected "slower growth" in demand at least for 2008.

The euro/dollar exchange rate which has recently surpassed the 1.46 level - well above the critical levels identified in previous periods - and the potential instability induced by record petroleum price levels, remain the critical factors to be monitored carefully and continuously in order to evaluate the possible extent of the slowdown of world economic growth and, therefore of demand for capital equipment.

We believe that the sudden deterioration of the macro-economic picture of recent weeks will not impact on the excellent results of the Group for the current year – despite the pressure on consolidated margins from the progressive devaluation of revenues tied to the US dollar - but such a high level of volatility leads us to view the coming financial years with greater caution in relation to expected organic growth.

REFERENCE MARKET

According to data published by Acimall - the national association representing the woodworking machinery sector – in its press release 24 October 2007 << the positive trend which for the past two years has characterised the woodworking machinery sector continues. This, in summary, is the result that emerges from the economic survey that the research bureau conducts every three months amongst a representative sample group of companies by size and product category >>.

The Acimall research bureau continues, << In the July-September quarter of this year, total orders rose 10.5% compared with the same quarter of 2006, according to the sample group that forms part of the survey. Exports have been the driving factor with an increase of 13.5%, while orders in the domestic market have been substantially stable (up 0.6 % compared with the third quarter of the previous year)>>

<< With regard to forecasts for next year - Acimall concludes – according to respondents, export orders remain stable for 69% of the sample group, while 24% say export orders are growing and 7% say they have declined (positive balance +17). As for the domestic market, indications for the coming months reveal that 69% of respondents confirm a situation that is broadly unchanged, 17% of respondents report an increase and the remaining 14% report a decline (positive balance +3) >>.

FINANCIAL STATEMENTS

Income statement for 3rd quarter 2007

(€ 000's)	3rd quarter 2007	%	3rd quarter 2006	%	Δ %
Revenues from sales and services	**109,768**	**100.0%**	**87.650**	**100.0%**	**25.2%**
Change in work in progress, semi-finished and finished goods	(6,805)	(6.2%)	1,628	1.9%	---
Other revenue and income	2,024	1.8%	787	0.9%	157.2%
Value of production	**104,987**	**95.6%**	**90,065**	**102.8%**	**16.6%**
Cost of raw materials and other input costs	(40,844)	(37.2%)	(36,095)	(41.2%)	13.2%
Other operating expenses	(22,133)	(20.2%)	(17,219)	(19.6%)	28.5%
Value added	**42,010**	**38.3%**	**36,751**	**41.9%**	**14.3%**
Personnel costs	(23,679)	(21.6%)	(20,709)	(23.6%)	14.3%
Gross operating margin	**18,331**	**16.7%**	**16,042**	**18.3%**	**14.3%**
Depreciation	(3,009)	(2.7%)	(2,828)	(3.2%)	6.4%
Provisions	21	0.0%	(148)	(0.2%)	---
Operating result	**15.343**	**14,0%**	**13.066**	**14,9%**	**17,4%**
Financial income/expense	(282)	(0.3%)	(268)	(0.3%)	5.2%
Foreign exchange gains and losses	(1,317)	(1.2%)	(420)	(0.5%)	213.6%
Share of associates' income/losses	140	0.1%	(41)	(0.0%)	---
Pre-tax profit	**13,884**	**12.6%**	**12,337**	**14.1%**	**12.5%**
Tax for period	(5,118)	(4.7%)	(4,898)	(5.6%)	4.5%
Result for the period	**8,766**	**8.0%**	**7,439**	**8.5%**	**17.8%**

Income Statement for 9 month period to 30 September 2007

(€ 000's)	30 September 2007	%	30 September 2006	%	Δ %
Revenues from sales and services	**336,360**	**100.0%**	**264,397**	**100.0%**	**27.2%**
Change in work in progress, semi-finished and finished goods	10,986	3.3%	17,164	6.5%	(36.0%)
Other revenue and income	6,257	1.9%	3,380	1.3%	85.1%
Value of production	**353,603**	**105.1%**	**284,941**	**107.8%**	**24.1%**
Cost of raw materials and other input costs	(148,522)	(44.2)%	(121,108)	(45.8%)	22.6%
Other operating expenses	(70,688)	(21.0)%	(55,429)	(21.0%)	27.5%
Value added	**134,393**	**40.0%**	**108,404**	**41.0%**	**24.0%**
Personnel costs	(76,678)	(22.8)%	(64,840)	(24.5%)	18.3%
Non recurring income (curtailment/reform of TFR)	1,574	0.5%	0	---	---
Gross operating margin	**59,288**	**17.6%**	**43,564**	**16.5%**	**36.1%**
Depreciation	(8,568)	(2.5)%	(7,989)	(3.0%)	7.2%
Provisions	(1,901)	(0.6)%	(2,106)	(0.8%)	(9.7%)
Impairment of assets	0	**---**	(774)	(0.3%)	---
Non recurring income and expenses	0	---	174	0.1%	**---**
Operating result	**48,820**	**14.5%**	**32,869**	**12.4%**	**48.5%**
Financial income/expense	(757)	(0.2)%	(1,215)	(0.5%)	(37.7%)
Foreign exchange gains and losses	(957)	(0.3)%	508	0.2%	---
Share of associates' income/losses	203	0.1%	(286)	(0.1%)	---
Pre-tax profit	**47,309**	**14.1%**	**31,876**	**12.1%**	**48.4%**
Tax for period	(19,164)	(5.7)%	(11,458)	(4.3%)	67.3%
Result for the period	**28,145**	**8.4%**	**20,418**	**7.7%**	**37.8%**

DIRECTORS' REVIEW OF OPERATIONS

The excellent growth in sales was confirmed in the first nine months of 2007 (+27.2%), as well as substantial growth in profits (Operating result + 48%), even if expectations are for dilution of the year-on-year percentage growth advantage compared to the year-on-year percentage growth rates recorded in the two preceding quarters of 2007.

This is principally due to two factors:

1. Consolidated revenues generated by North American and Asian subsidiaries (*US$ linked*) which have suffered a significant negative impact from the disadvantageous Euro/USDollar exchange rate, while the cost component denominated in the same currency is marginal.
2. The inclusion in the consolidation area of new acquisitions, in particular Intermac Inc. (USA) - the strategic value of which and whose return on investment is indisputable in the medium term – which, in these initial months of inclusion (beginning in April 2007) has incurred significant restructuring costs and whose reference market is experiencing specific difficulties.

To these factors it must be added that, from this quarter onwards, the year-on-year comparison will be with previous quarters that have been very much stronger than the prior year periods until this point.

That said the Group still expects that the expectations outlined in the first quarters of the year for a "record" financial year in 2007 will be confirmed. As mentioned in the previous paragraph on the general economic scenario, market attention is turning to the deterioration in the macro economic environment and to the potential implications for expected organic growth in future periods.

Net Revenues for the first nine months of 2007 were € 336.36 million, compared with € 264.397 million for the first nine months of 2006, with growth of 27.2% compared to the previous period (+ 25.2% quarter-on-quarter, or, more precisely, € 109.768 million compared with € 87.650 million).
The increase in revenues was particularly positive for the Wood Division (+31%) and for the Glass/Marble Division (+20.9%).
The geographical breakdown of revenues – which is detailed in the tables in the segment information section – in this period of 2007 reflects the continued expansion of orders from European Community countries and, in particular, from Eastern Europe. The North American market held up despite the disadvantageous exchange rate and the uncertain health of the US economy. The Asia Pacific region was reasonably positive, while the "RoW area" delivered an excellent performance, particularly in South America, Turkey and the Middle East.

The **Value of Production** in the first nine months of 2007 was € 353.603 million, against € 284.941 million in the nine months ended 30 September 2006, with growth of 24.1% over the previous period (+ 16.6% quarter-on-quarter). The change in stocks of finished and semi-finished goods was € 10,986 million, more than € 6 million lower compared to the same period of the previous year, due to better inventory management, in particular of finished product in the overseas subsidiaries.

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Given this "inventory delta" effect, and to give a clearer idea of the profitability of the Group, the following table illustrates in detail the breakdown of costs as a percentage of Value of Production.

(€ 000's)	30 September 2007	%	30 September 2006	%
Value of Production	**353,602**	**100.0%**	**284,941**	**100.0%**
Raw material and input costs	(148,522)	(42.0)%	(121,108)	(42.5%)
Service costs	(60,700)	(17.2)%	(47,362)	(16.6%)
Rental costs	(4,963)	(1.4)%	(3,987)	(1.4%)
Other operating expenses	(5,025)	(1.4)%	(4,080)	(1.5%)
Value Added	**134,392**	**38.0%**	**108,404**	**38.0%**

Value Added as a percentage of Value of Production is in line with that reported in the same period of the previous year. This should be taken as a positive result given that, as previously stated, the revenues generated by N. American and Asian subsidiaries (*US$ linked*) were significantly negatively impacted by the decline of the US Dollar against the Euro (about 8% between September 2006 and September 2007).

Personnel Costs in the first nine months of 2007 € 76.678 million, compared with € 64.840 million in the first nine months to 30 September 2006, and which fell as percentage of net revenues from 24.5% in the previous year to a current level of 22.8%. Apart from the hiring policy necessitated by the strong organic growth of the Group, the significant increase in the absolute value (over €11.8 million) also reflects the increase in the consolidation area: Bre.ma. - Brenna Macchine S.r.l., Intermac Inc., and, to a lesser extent, ISP Systems S.r.l., MC Meccanica Srl and Digipac Srl, which contributed about €3.8 million to the "delta+" increase in personnel costs the nine month period.

The **Gross Operating Margin** in the first nine months of 2007 was € 59.288 million, a margin of 17,6% on net revenues, and 36.1% higher than last year. The Operating Result which, in the first nine months of 2006, was € 32.869 million rose to € 48.820 million, representing a 48.5% improvement in absolute terms and an improvement in the margin as a percent of revenues to 14.5% from the 12.4% recorded in the previous year. This was achieved in the context of limited growth in depreciation and after having made provisions of €1.901 million to various risk funds, such as the credit risk and product guarantee fund. However the proportion of provisions as a percentage of annual revenues fell owing to the strong growth in sales.

Non-recurring income of € 1.574 million in the second quarter contributed to the excellent result of the first nine months and relates to so-called *curtailment* arising from the actuarial re-calculation of the TFR employee leaving provision in accordance with the recent TFR reform in Italy.

The progressive elimination of the Group's debt position (a detailed analysis of which appears in the following notes) resulted in a €458,000 reduction in financial expenses paid to banks and other financial institutions compared to the same period of 2006.

Foreign exchange risk management in the first nine months of 2007 generated expenses of € 957,000 relating to *hedging* of foreign currency denominated revenues, which only partially covered the sudden decline of almost all foreign currencies against the Euro.

The **Pre-Tax Profit** is, therefore, positive at € 47.309 million (representing a 14.1% margin on net revenues), and rose by 48.4% compared to the same period of 2006.

The estimated balance of tax-charge items was negative at € 19.164 million in total, of which € 4.126 million relates to IRAP, € 16.018 million refers to current taxes on income and € 981,000 relates to deferred tax assets.

This produces an estimated **Net Result for the Period** of € 28.145 million, which represents 8.4% of net revenues and which is 37.8% higher than the same period of 2006 even though last year's result benefited from a more favourable tax rate owing to tax losses relating to 2003.

Net Financial Position at 30 September 2007

(€ 000's)	30 September 2007	30 June 2007	31 December 2006	30 September 2006
Financial assets:	22,545	35,704	36,102	23,592
- *Liquidity*	*22,495*	*35,654*	*36,052*	*23,529*
- *Financial assets*	*50*	*50*	*50*	*63*
Short term financial leases	(2,545)	(2,554)	(2,336)	(6,027)
Short term bank and other financial debt	(2,261)	(3,654)	(10,786)	(14,444)
Short term net financial position	**17,739**	**29,496**	**22,980**	**3,121**
Medium/long term financial leases	(10,379)	(10,550)	(8,217)	(9,240)
Medium/long term bank and other financial debt	(792)	(524)	(642)	(686)
Medium/long term net financial position	**(11,171)**	**(11,074)**	**(8,859)**	**(9,926)**
Net Financial Position	**6,568**	**18,422**	**14,121**	**(6,805)**

The Group Net Financial Position is positive at €6.568 million, down from the net cash position of €11.854 million reported at 30 June 2007. The Net Financial Position was impacted by the payment of the IRES-IRAP 2006 balance and the opening IRES-IRAP 2007 balance for over € 19.7 million.

The main balance sheet ratios are as follows:

RATIO	30 September 2007	31 December 2006
Gearing (Net Financial Position/Net Equity)	(0.04)	(0.10)
Asset Cover (Net Equity/Net Fixed Assets)	1.53	1.52
Financial Leverage (Total Debt/Net Equity)	1.32	1.60

Summary Balance Sheet

	30 September 2007	31 December 2006
Intangible assets	41,220	35,184
Fixed assets	56,159	49,702
Other non-current assets	11,277	10,428
Fixed investments	2,025	2,524
Non-Current assets	**110,681**	**97,838**
Inventories	112,127	88,182
Trade debtors	97,991	113,153
Other debtors	11,876	14,263
Cash and cash equivalents	22,546	36,102
Current assets	**244,540**	**251,700**
TOTAL ASSETS	**355,221**	**349,538**
Group Shareholders' funds	152,693	134,223
Minority interests	518	320
Total shareholders' funds	**153,211**	**134,543**
Medium/Long term bank debt and financial leases	11,171	8,859
Pension related liabilities	13,798	15,929
Other Medium and Long Term liabilities	11,100	9,899
Total Non-Current Liabilities	**36,069**	**34,687**
Trade Creditors and other short term liabilities	115,903	113,679
Other short term creditors	45,232	53,507
Short term bank debt and financial leases	4,806	13,122
Total Current Liabilities	**165,941**	**180,308**
TOTAL LIABILITIES	**355,221**	**349,538**

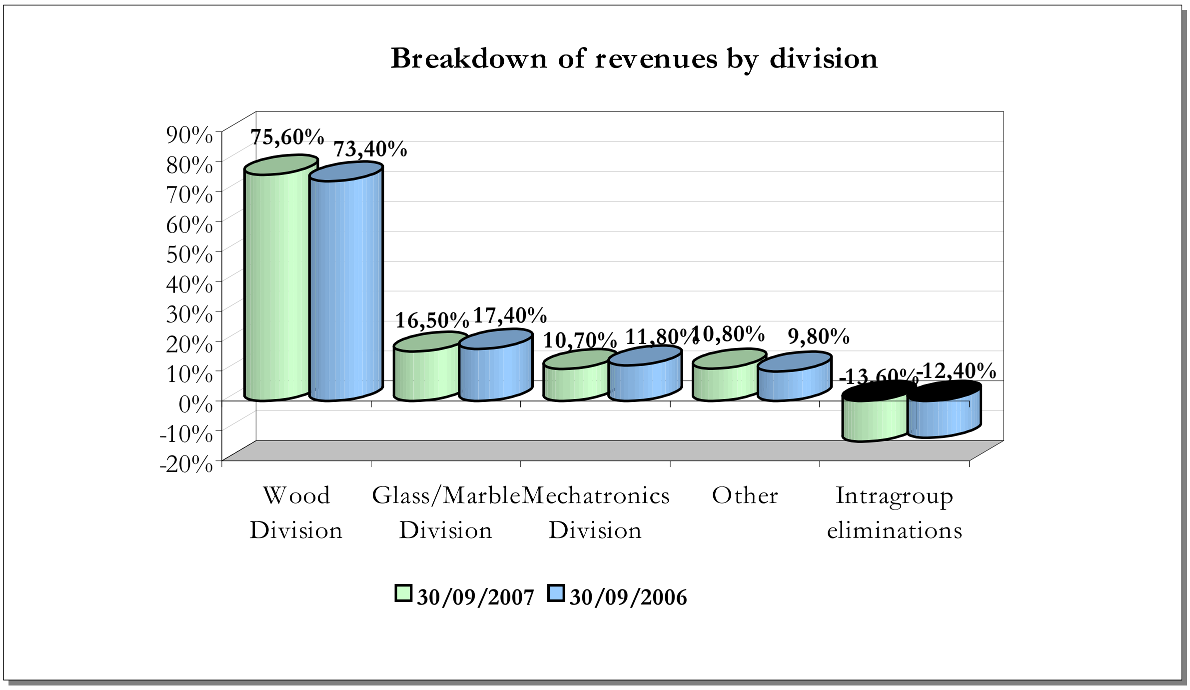
As highlighted in previous quarters, the intangible assets are composed mainly of the effects of the acquisition of AGM USA (Intermac Inc.), the consolidation of which involved the inclusion on the Group balance sheet of increased intangibles of about € 4 million in total; this amount has, for the time being, been booked generically to the "intangible assets" category while action is taken to allocate more precisely the *fair value*, which, given the recent date of the transaction, is still being verified according to the principles of IFRS 3.

The growth of intangible assets also reflects a slight increase relating to capitalisation of development activities.

Compared to December 2006, Current Assets are impacted by seasonal trends, in particular the effect of inventory timing. In more detail, inventories of finished goods were increased in order to replenish the stocks of subsidiaries which had fallen drastically at December 2006. This trend was offset by a reduction of trade debtors and, to a lesser extent, by the growth of trade debtors; Net Working Capital was about € 7 million higher as a result.

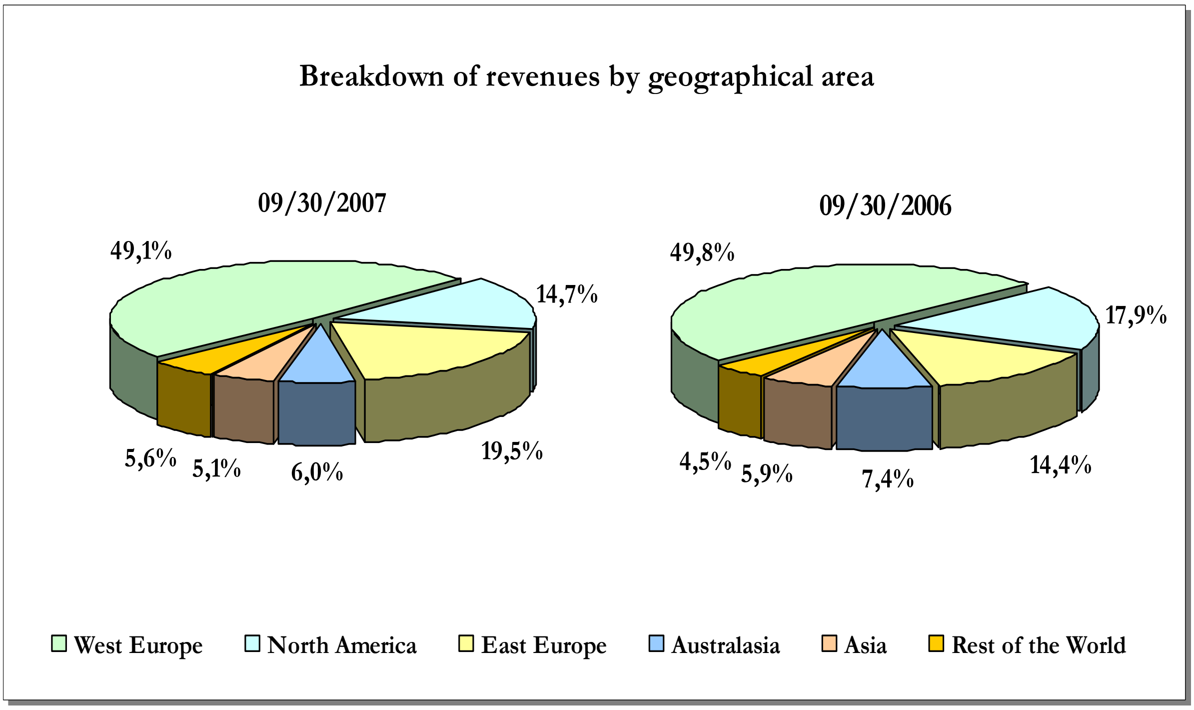
Breakdown of revenues by division

(€ 000's)	30 September 2007	%	30 September 2006	%	Change % 2006/2007
Wood Division	254,288	75.6%	194,063	73.4%	31.0%
Glass/Marble Division	55,499	16.5%	45,903	17.4%	20.9%
Mechatronics Division	35,991	10.7%	31,199	11.8%	15.4%
Other	36,327	10.8%	25,931	9.8%	40.1%
Intragroup eliminations	(45,745)	(13.6%)	(32,699)	(12.4%)	39.9%
Total	**336,360**	**100.0%**	**264,397**	**100.0%**	**27.2%**



Breakdown of revenues by geographical area

Geographical area *€ '000*	30 September 2007	%	30 September 2006	%	Change % 2006/2007
West Europe	165,153	49.1%	131,645	49.8%	25.5%
North America	49,445	14.7%	47,428	17.9%	4.3%
East Europe	65,590	19.5%	38,171	14.4%	71.8%
Australasia	20,182	6.0%	19,657	7.4%	2.7%
Asia	17,154	5.1%	15,670	5.9%	9.5%
Rest of the World	18,836	5.6%	11,826	4.5%	59.3%
Total Group	**336,360**	**100.0%**	**264,397**	**100.0%**	**27.2%**



Pesaro, 14 November 2007

on behalf of the Board of Directors, the Chairman
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 30 September 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 November 2007

/firma/
Stefano Porcellini
Chief Financial Officer