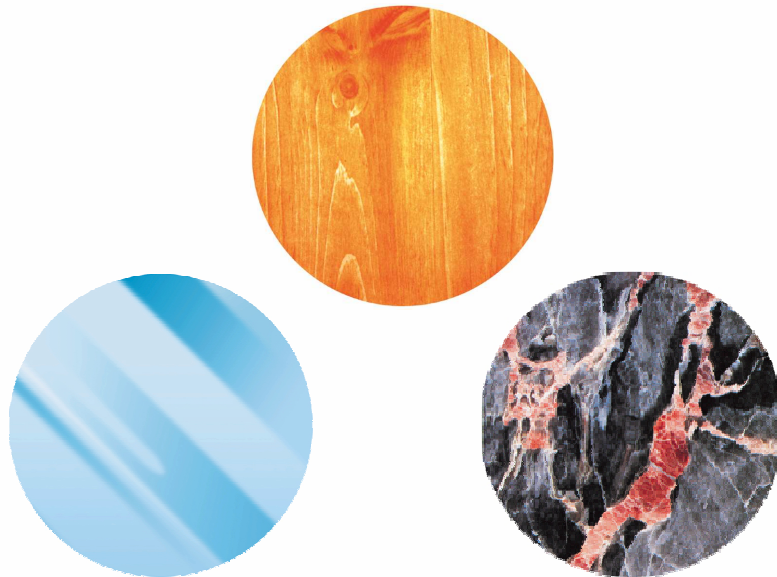




QUARTERLY REPORT
MARCH 31ST, 2007





BIESSE S.p.A.

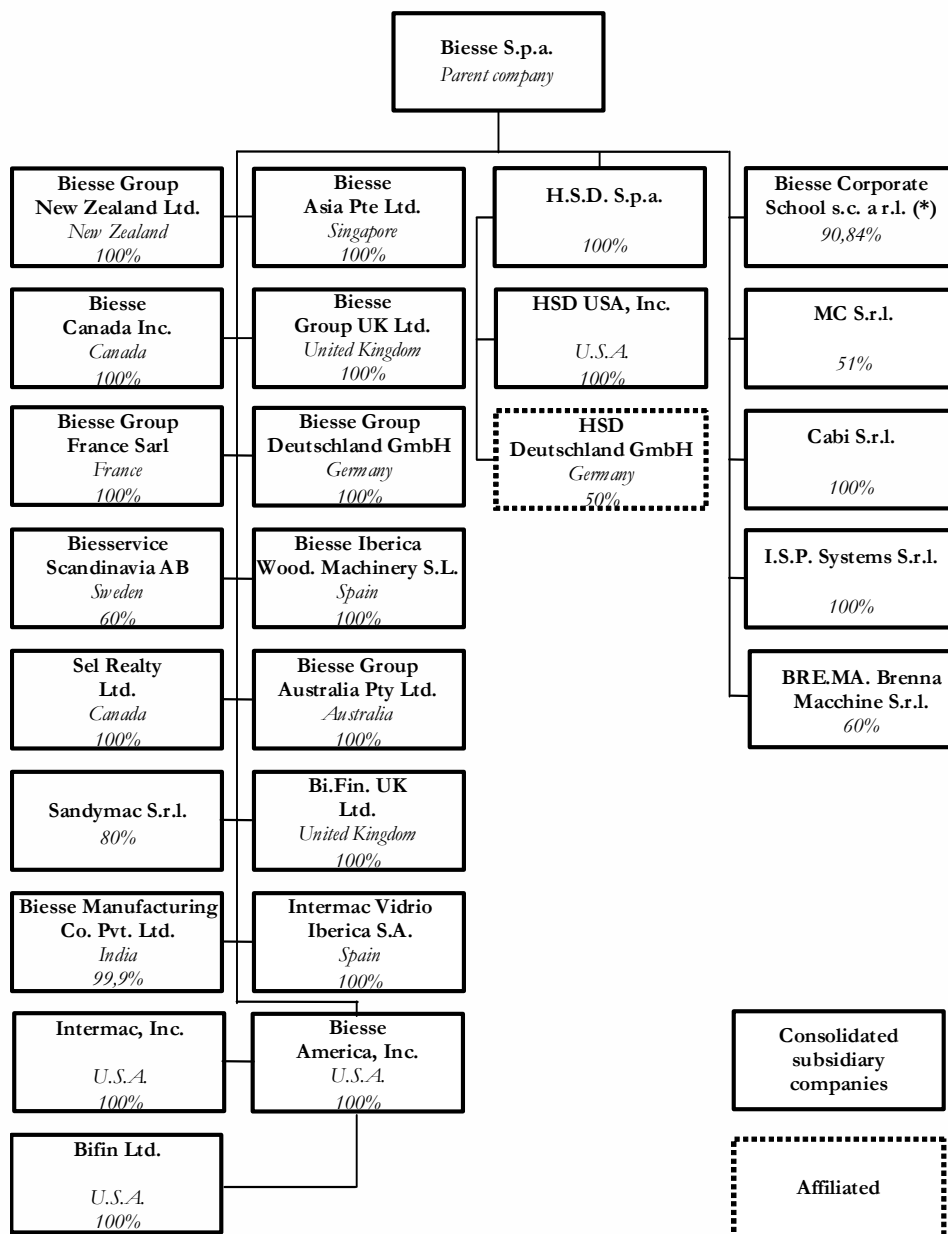
QUARTERLY REPORT AT MARCH 31ST, 2007

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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 March 31 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 March 31 2007, adjusted as necessary to comply with the Group’s accounting principles;
- estimated figures of a significant amount are not presented.

Compared to the quarterly report at 31 December 2006, the consolidation area has changed. The company Biesse Brasil Ltda is no longer included, as it stopped trading on 10 January 2007, while the company Intermac, Inc., established last February by the subsidiary Biesse America, Inc. is included. On 2 April 2007 the new company 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.

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:

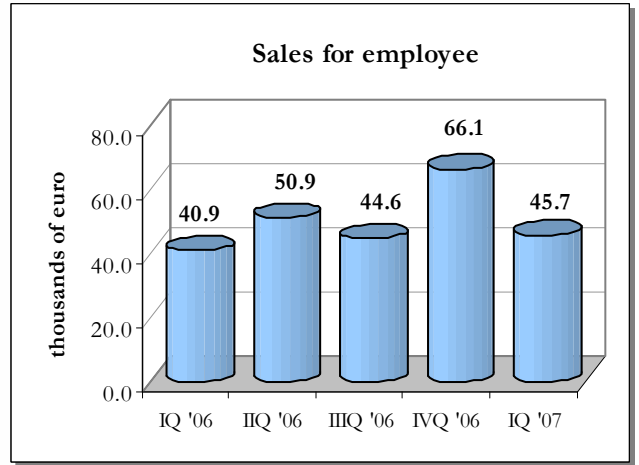
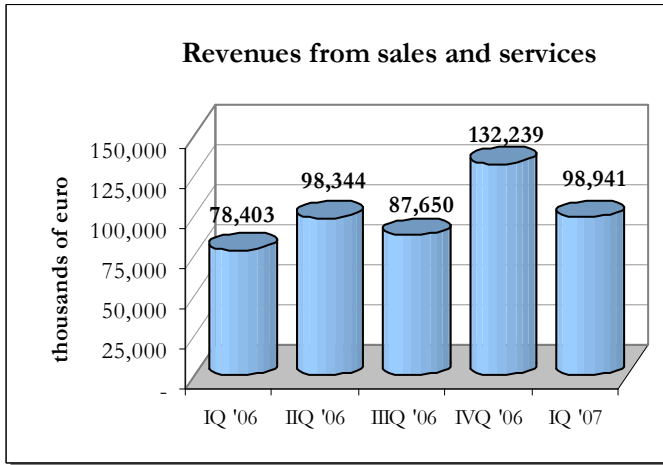
Roberto Selci	Chairman
Giancarlo Selci	Vice President
Alessandra Parpajola	Director
Stafano Porcellini	Director
Leone Sibani	Director *
Giampaolo Garattoni	Director *
Salvatore Giordano	Director *

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

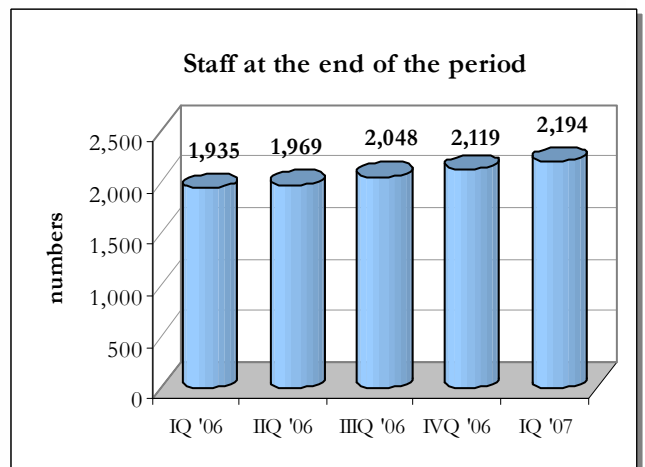
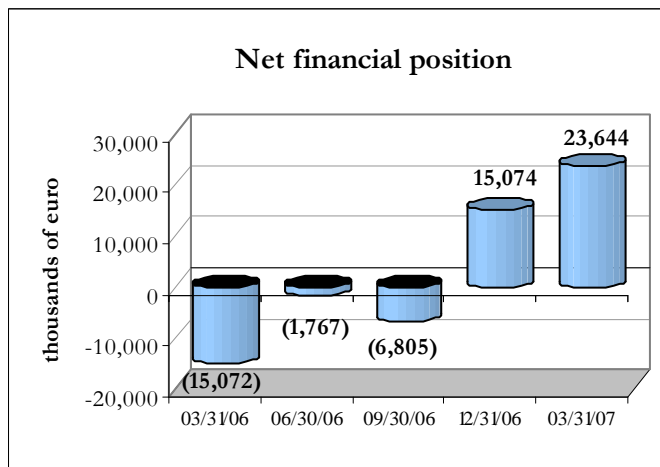
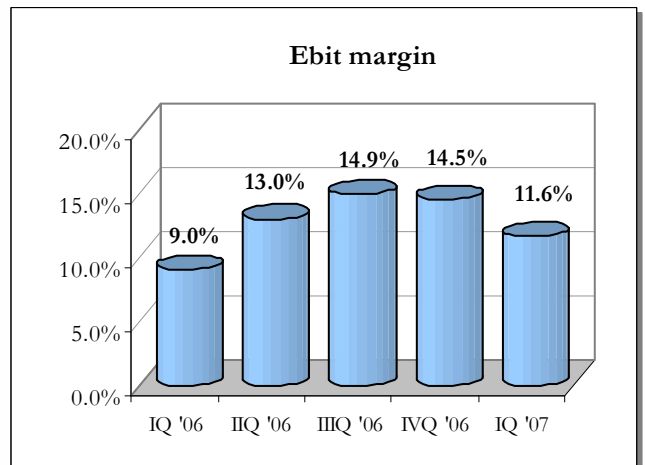
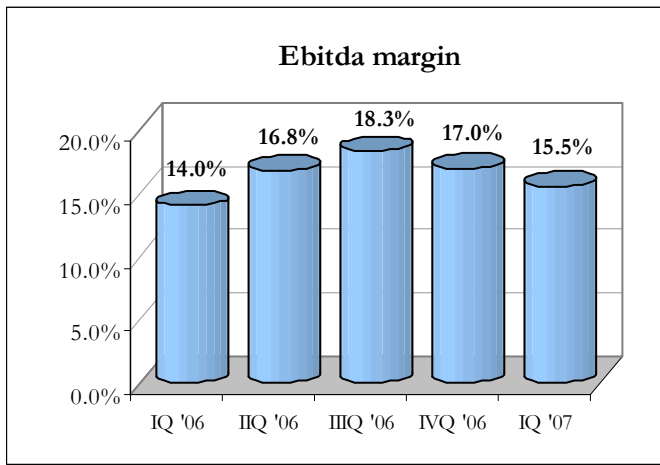
The Board of Statutory Auditors currently in office are as follows:

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor

HIGHLIGHTS



Temporary employees are included



Temporary employees are included

GENERAL ECONOMIC OUTLOOK

The world economy continued its growth trend during the first quarter of 2007. In western and eastern Europe, the growth in demand for *capital equipment* can be compared to 2006 rates, while US macrodata is showing some signs of weakness. In any case, the general health of the North American economy seems to be more in line with a *soft landing*, as no signs of an actual recession are apparent.

After a sharp rise above the 1.365 mark, the euro/dollar exchange rate is now at a more customary level of 1.347, though it is still a critical factor for the future growth of exports.

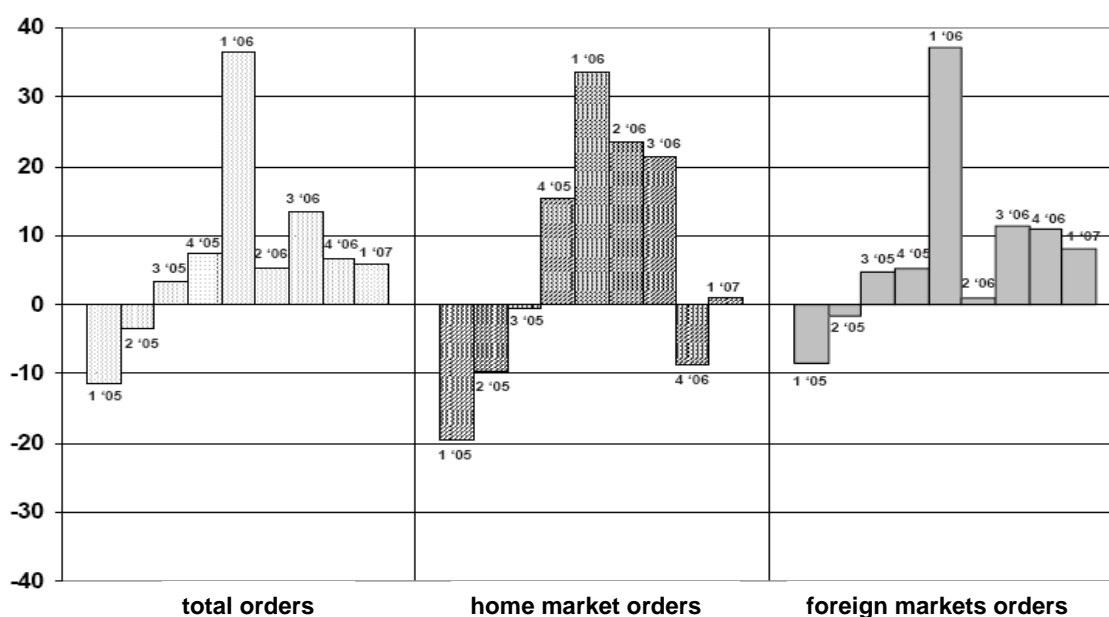
REFERENCE SECTOR

According to data released by ACIMALL - the national trade association of machines for the wood processing industry - the quarter has confirmed the positive variation in orders for Italian machines and tools for the wood processing industry, compared to the same period last year.

<In fact, based on an analysis of the sample, ACIMALL reports that orders have increased in total by 5.9%, due, once again, to the positive trend of foreign markets (+8.1%), while the Italian market is basically stable (+1.0%)>.

<The association says that the next period should still be positive. 55% of the sample, with regard to foreign orders, will remain stable, 35% will increase, while 10% will decrease (a positive balance of +25). As regards the domestic market, information concerning the next few months highlights a similar trend to the current situation in 48% of cases, a stronger recovery in 38% of cases and a decrease in 14% of cases (a positive balance of +24)>.

TREND OF ORDERS: IQ 2005 – IQ2007



Source: Acimall

ACCOUNTING STATEMENTS

First quarter 2007 Income Statement

(thousand of Euro)	I Q 2007	%	I Q 2006	%	Δ %
Revenues from sales and services	98,941	100.0%	78,403	100.0%	26.2%
Change in work in progress and semi finished goods	15,219	15.4%	11,308	14.4%	34.6%
Other revenues and income	1,193	1.2%	1,151	1.5%	3.6%
Value of production	115,353	116.6%	90,862	115.9%	27.0%
Raw materials	(52,463)	(53.0%)	(40,965)	(52.2%)	27.7%
Other operating expenses	(22,216)	(22.5%)	(17,036)	(21.7%)	28.3%
Added value	40,674	41.1%	32,861	41.9%	25.3%
Personnel expenses	(25,320)	(25.6%)	(21,869)	(27.9%)	15.8%
Gross operating margin	15,354	15.5%	10,992	14.0%	39.7%
Amortizations expense	(2,611)	(2.6%)	(2,577)	(3.3%)	1.3%
Accruals to provisions	(1,244)	(1.3%)	(1,366)	(1.7%)	(8.9%)
Operating result	11,499	11.6%	7,049	9.0%	63.1%
Financial income and expense	(185)	(0.2%)	(529)	(0.7%)	(65.0%)
Revenues and expenses on currency exchanges	0	0.0%	526	0.7%	(100.0%)
Share of profit/loss of affiliated companies	38	0.0%	(262)	(0.3%)	(114.5%)
Income before tax	11,352	11.5%	6,784	8.7%	67.3%
Taxes for the period	(5,350)	(5.4%)	(2,744)	(3.5%)	95.0%
Result of the period	6,002	6.1%	4,040	5.2%	48.6%

REPORT ON OPERATIONS

Results at 31 March 2007 indicate a marked improvement in sales, related to the increase in orders throughout the second half of 2006, as well as in the current quarter which, at the end of the period, will result in orders for a record value of EUR 138 million (net value vs. production sites), thus ensuring significant visibility for the sales trend in the next 2 quarters.

However, it should be noted that Biesse's orders and sales in 2006 were far higher in the second half of the year, thus comparison of the first quarter of 2007 with the previous year is particularly positive. We should therefore expect this strong advantage, in percentage terms, gained during the first quarter of 2007 on the *top line*, to decrease, albeit partially, in the next quarters.

The quarter also registered a significant operating leverage, and namely an improved absorption of structure costs which, despite going up in absolute terms as a result of an increase in demand, decreased considerably as a percentage of net revenue.


Net revenue in the first quarter of 2007 amounted to EUR 98,941 thousand, increasing by 26.2% compared to the previous year (EUR 78,403 thousand in the first quarter of 2006). Revenue increased in all divisions, though performance was particularly strong in the Wood Division, which is the group's leading and largest sector. As regards the geographic distribution of sales - see the tables on *segment information* for details - sales on West European and particularly East European markets, with Russia *in the lead*, rose sharply during the first quarter of 2007, while the North American market reflected the effects of a penalising countervalue of revenues in euro, though against a stable, consolidated demand. The Asian and Pacific markets also performed very well.

Value of Production in the first quarter of 2007 amounted to EUR 115,353 thousand, increasing by 27% compared to the same period of the previous year (EUR 90,862 thousand in the first quarter of 2006).

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)	March 31 2007	%	March 31 2006	%
Value of production	115,353	100.0%	90,862	100.0%
Raw materials	(52,463)	(45.5%)	(40,965)	(45.1%)
Services	(18,974)	(16.4%)	(14,340)	(15.8%)
Leases and rentals	(1,513)	(1.3%)	(1,300)	(1.4%)
Other operating expenses	(1,729)	(1.5%)	(1,396)	(1.5%)
Added value	40,674	35.3%	32,861	36.2%

The trend of previous periods was slightly reversed during the quarter, with added value as a percentage of value of production decreasing by 0.9%, due in particular to a greater use of outsourced services to meet an increase in production; the consumption of raw materials as a percentage of value of production increased only in apparent terms, due to the greater variation in inventory compared to the same period of the previous year; if this effect is neutralised (adding the mean sales margin to the industrial cost, used to value the variation in inventory), the consumption of raw materials and goods as a percentage of revenues and income would be lower than that of previous years.



Personnel expenses in the first quarter of 2007 amounted to EUR 25,320 thousand, with the percentage decreasing to 25.6%, as against 27.9% in the first quarter of 2006.

Due to the leverage effect, the gross operating margin in the first quarter of 2007 amounted to EUR 15,354 thousand, accounting for 15.5% of net revenue, as against 14% in the first quarter of 2006, while operating income which was positive in the same period of the previous year amounting to EUR 7,049 thousand, stood at EUR 11,499 thousand, accounting for 11.6% of net revenue, as against 9% in the previous period, thus registering an increase, in absolute terms, of more than 63%; moreover, amortisation, depreciation and appropriations have basically remained unchanged from 2006 to 2007.

As regards financial operations, the gradual total reduction in the Group's debt exposure should be noted (for details reference is made to the notes below). This circumstance has led to a consequent decrease in financial charges payable to banks and other financial organisations, amounting to EUR 344 thousand *quarter over quarter*.

As regards exchange rate risk management, said risk was neutral during the quarter, despite customary cash flow hedging operations in compliance with the Group's policy on exchange rate risk management.

Income before taxes is therefore positive, amounting to EUR 11,352 thousand (accounting for 11.5% of net revenue), increasing by 67.3% compared to the same period of 2006, which registered an income of EUR 6,784 thousand.

The balance of tax items is negative, amounting to EUR 5,350 thousand, of which approximately EUR 4,798 thousand for current income tax, approximately EUR 1,440 thousand for regional tax and approximately EUR 888 thousand for deferred taxes assets.

Net financial position at March 31st, 2007

(thousand of Euro)	March 31 2007	December 31 2006	March 31 2006	December 31 2005
Financial assets:	50,997	36,102	39,287	31,210
- <i>Liquid assets</i>	50,947	36,052	39,224	31,210
- <i>Short term financing credits due by parent company</i>	50	50	63	0
Short term financial debts	(5,121)	(2,336)	(3,459)	(3,266)
Short term bank debts	(13,616)	(10,786)	(21,291)	(20,550)
Short term net financial position	32,260	22,980	14,537	7,394
Medium/long term financial debts	(8,092)	(8,217)	(13,539)	(13,942)
Medium/long term bank debts	(524)	(642)	(16,070)	(17,354)
Medium/long term net financial position	(8,616)	(8,859)	(29,609)	(31,296)
Total financial position	23,644	14,121	(15,072)	(23,902)

As concerns the net financial position, the positive trend continued, with a further cash flow generation of EUR 9.5 million.

As a result, main equity ratios improved considerably.

RATIO	March 31 2007	December 31 2006
Gearing	(0.17)	(0.11)
Equity on net fixed assets	1.57	1.56
Financial Leverage	1.63	1.54

Balance sheet figures

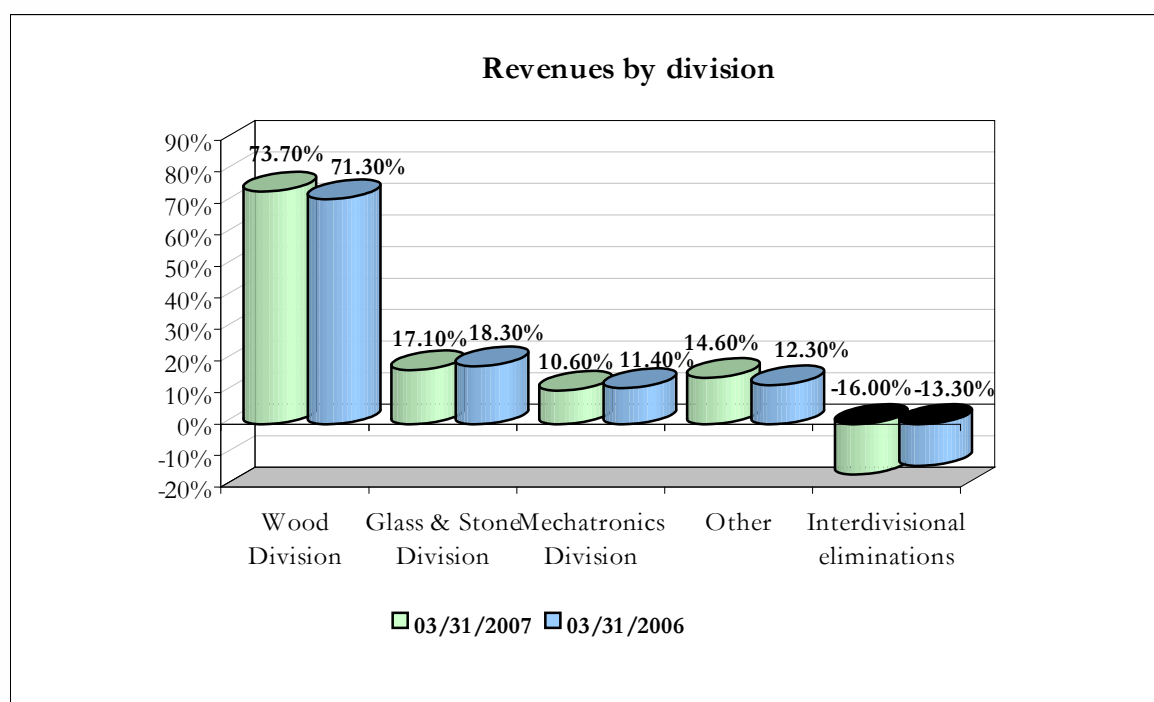
<i>(thousand of Euro)</i>	March 31 2007	December 31 2006	March 31 2006
Intangible assets	35,464	35,184	23,738
Tangible assets	50,337	49,702	58,367
Other non-current assets	11,301	10,428	9,355
Real estate investments	2,524	2,524	0
Non-current assets	99,626	97,838	91,460
Inventories	106,845	88,182	84,464
Trade receivables	101,066	113,153	88,838
Other receivables	11,264	14,263	6,844
Cash and cash equivalents	50,997	36,102	39,287
Current assets	270,172	251,700	219,433
TOTAL ASSETS	369,798	349,538	310,893
Group shareholders' equity	140,328	134,223	115,809
Minority interests	155	320	364
Total equity	140,483	134,543	116,173
Non current bank loans and obligations under finance leases	8,616	8,859	29,609
Retirement benefit obligations	16,205	15,929	15,247
Other payables	10,034	9,899	10,686
Non-current liabilities	34,855	34,687	55,542
Trade payables	122,616	113,679	87,701
Other payables	53,107	53,507	26,727
Current bank loans and obligations under finance leases	18,737	13,122	24,750
Current liabilities	194,460	180,308	139,178
TOTAL EQUITY AND LIABILITIES	369,798	349,538	310,893

Non-current assets basically remained stable, while current assets - compared to December 2006 - were affected by seasonal variations in inventory and invoicing.

In particular, inventory increased due to restocking branches, as stock levels decreased in December. However this trend was offset by the decrease in trade receivables (related to lower sales compared to the last quarter) and by the increase in trade payables.

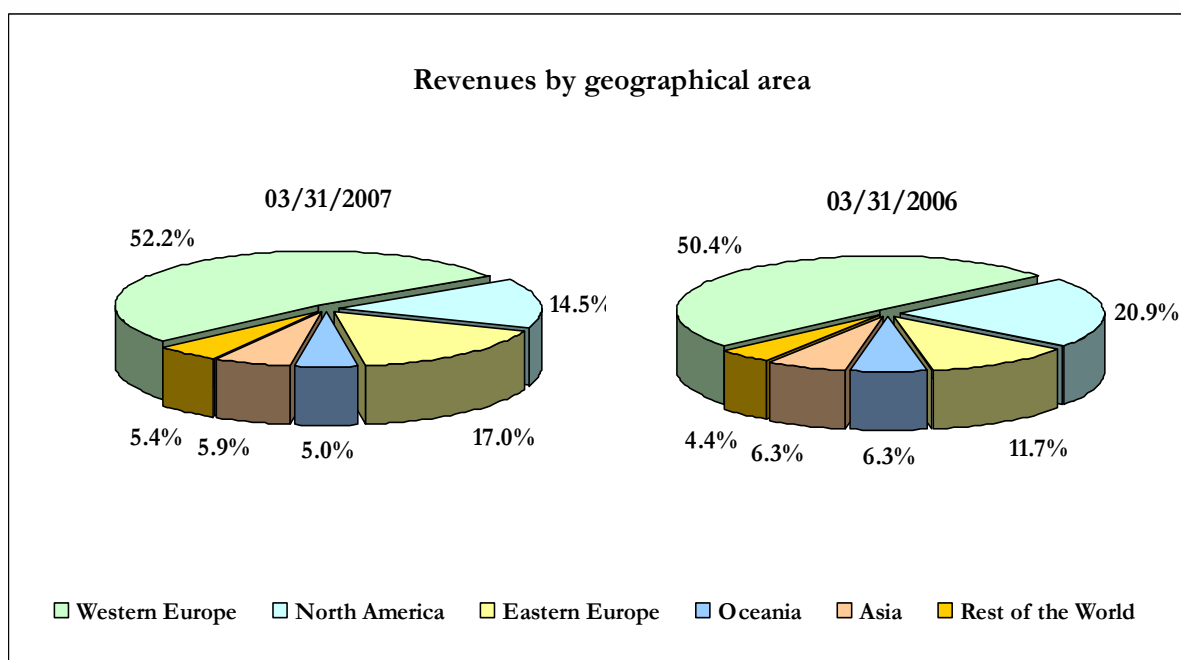
Revenues by division

(thousand of Euro)	I Q 2007	%	I Q 2006	%	Δ % 2006/2007
Wood Division	72,914	73.7%	55,939	71,3%	30.3%
Glass & Stone Division	16,983	17.1%	14,323	18,3%	18.6%
Mechatronics Division	10,501	10.6%	8,925	11,4%	17.7%
Other	14,399	14.6%	9,682	12,3%	48.7%
Interdivisional eliminations	(15,856)	(16.0%)	(10,466)	(13,3%)	51.5%
Total	98,941	100.00%	78,403	100,0%	26.2%



Revenues by geographical area

(thousand of Euro)	I Q 2007	%	I Q 2006	%	Δ % 2006/2007
Western Europe	51,692	52.2%	39,543	50.4%	30.7%
North America	14,319	14.5%	16,337	20.9%	(12.3%)
Eastern Europe	16,841	17.0%	9,165	11.7%	83.7%
Asia	5,847	5.9%	4,966	6.3%	17.7%
Oceania	4,939	5.0%	4,929	6.3%	0.2%
Rest of the World	5,303	5.4%	3,463	4.4%	53.1%
Total	98,941	100.00%	78,403	100.00%	26.2%



Pesaro, March 14th 2007

Chairman of the Board of Directors
Roberto Selci