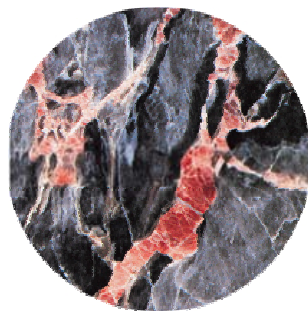
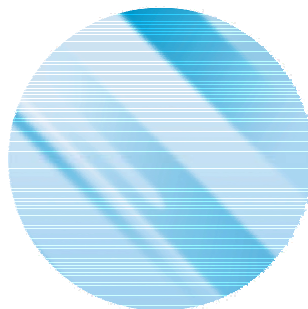




**QUARTERLY REPORT
DECEMBER 31st, 2001**





BIESSE S.p.A.

QUARTERLY REPORT AT DECEMBER 31st 2001

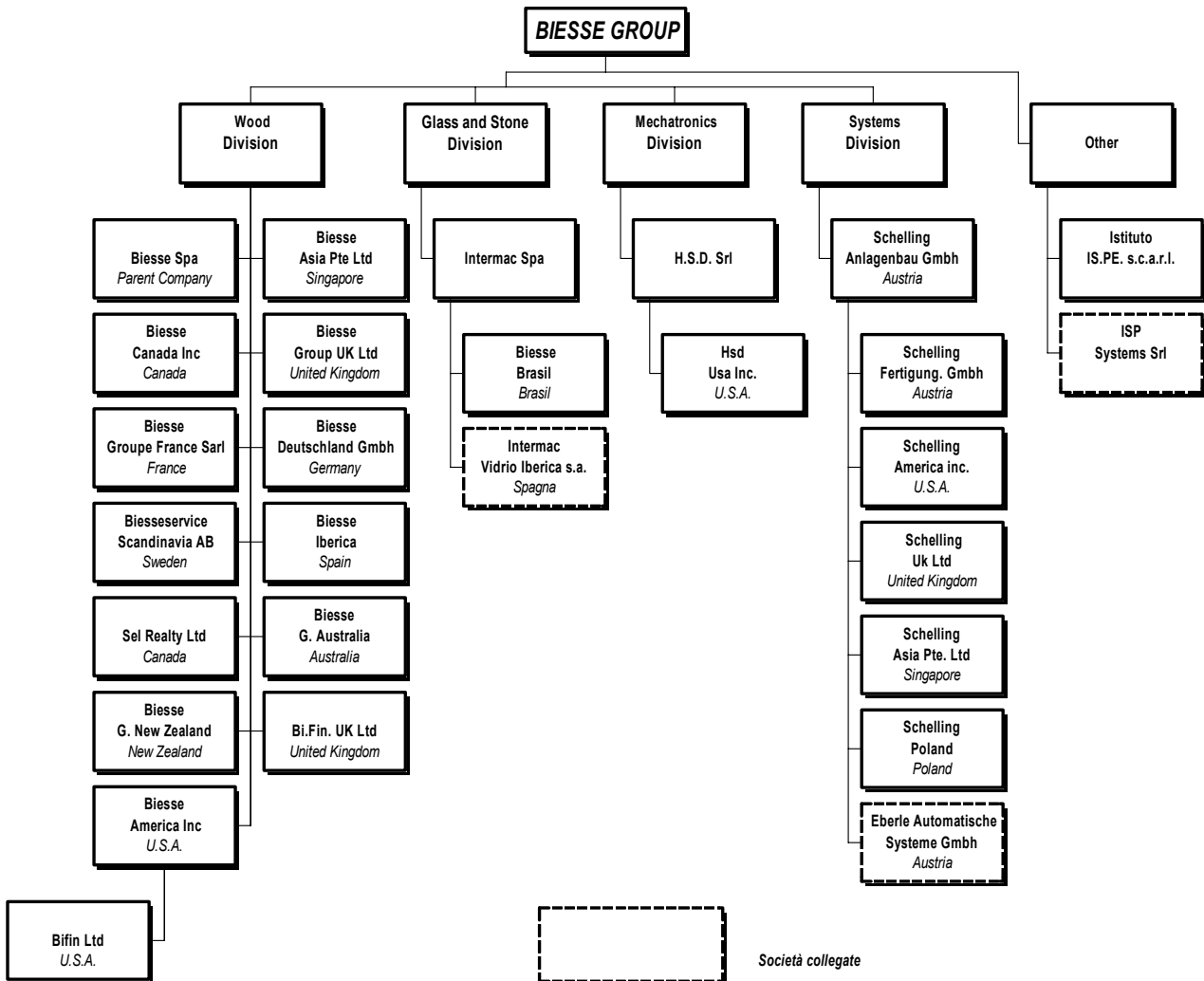
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GROUP STRUCTURE

The following companies are part of the consolidation area and are divided according to the Divisions to which they belong:



In comparison with the consolidation area as at September 30th, Biesse Group includes Biesse Group Australia and Biesse Group New Zealand, newly established in order to serve the customer within those regions. Due to the recent constitution and the low impact on the Group economics, the equity investments in Hsd Usa, Biesse Group Australia and Biesse Group New Zealand have been assessed at cost and not using the line-by-line consolidation method.



PARENT COMPANY CORPORATE BODIES

The Board of Directors currently in office is composed as follows:

Giancarlo Selci	Chairman
Anna Gasparucci	Chief Executive Officer
Roberto Selci	Chief Executive Officer
Werner Deuring	Director
Attilio Giampaoli	Director

The Board of Statutory Auditors currently in office is composed as follows:

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor



ACCOUNTING STATEMENTS

INCOME STATEMENTS AT 31 DECEMBER 2001

	31 December 2001 (millions of Lira)	31 December 2001 (thousands of Euros)	%	31 December 2000 (millions of Lira)	31 December 2000 (thousands of Euros)	%
Revenues from sales and services	684.971	353.758	94,2	666.001	343.961	97,5
Variation of stocks of finished products	29.959	15.472	4,1	10.157	5.245	1,5
Increase in asset value for internal work	158	82	0,0	82	43	0,0
Other revenues and income	11.942	6.167	1,6	7.188	3.712	1,1
Value of production	727.030	375.480	100	683.428	352.961	100
Costs for raw materials	346.790	179.102	47,7	325.500	168.107	47,6
Costs for services	137.045	70.778	18,8	130.255	67.271	19,1
Use of third party assets	13.863	7.159	1,9	10.150	5.242	1,5
Personnel expenses	175.366	90.569	24,1	141.300	72.975	20,7
Amortizations and depreciations	21.323	11.013	2,9	19.154	9.892	2,8
Variation of stocks of materials and parts	(7.590)	(3.920)	1,0	(23.315)	(12.041)	3,4
Provisions for risks	995	514	0,1	965	499	0,1
Other operating expenses	12.310	6.358	1,7	12.355	6.381	1,8
Costs of production	700.103	361.573	96,3	616.364	318.326	90,2
Operating result	26.927	13.907	3,7	67.064	34.635	9,8

INCOME STATEMENTS OF 4th QUARTER 2001

	IV quarter 2001 (millions of Lira)	IV quarter 2001 (thousands of Euros)	%
Revenues from sales and services	196.690	101.582	104,0
Variation of stocks of finished products	(14.902)	(7.696)	7,9
Increase in asset value for internal work	52	27	0,0
Other revenues and income	7.346	3.794	3,9
Value of production	189.187	97.707	100,0
Costs for raw materials	68.294	35.271	36,1



Costs for services	43.416	22.422	22,9
Use of third party assets	3.883	2.005	2,1
Personnel expenses	44.791	23.133	23,7
Amortizations and depreciations	5.520	2.851	2,9
Variation of stocks of materials and parts	13.707	7.079	7,2
Provisions for risks	509	263	0,3
Other operating expenses	2.940	1.518	1,6
Costs of production	183.059	94.542	96,8
Operating result	6.128	3.165	3,2

NET FINANCIAL POSITION AT 31st DECEMBER 2001

<i>Millions of Lira</i>	31 December 2001	30 September 2001	31 December 2000
Liquid assets	26.880	26.489	32.765
Short term financial debts	0	(318)	(27.523)
Short term bank debts	(164.313)	(124.116)	(145.187)
Short term net financial position	(137.433)	(97.945)	(139.945)
Medium/long term financial debts	0	0	0
Medium/long term bank debts	(29.160)	(28.996)	(41.881)
Medium/long term net financial position	(29.160)	(28.996)	(41.881)
Total financial position	(166.592)	(126.941)	(181.826)

<i>Thousands of Lira</i>	31 December 2001	30 September 2001	31 December 2000
Liquid assets	13.882	13.681	16.922
Short term financial debts	0	(164)	(14.215)
Short term bank debts	(84.860)	(64.101)	(74.983)
Short term net financial position	(70.978)	(50.584)	(72.276)
Medium/long term financial debts	0	0	0
Medium/long term bank debts	(15.060)	(14.975)	(21.630)
Medium/long term net financial position	(15.060)	(14.975)	(21.630)
Total financial position	(86.038)	(65.559)	(93.906)



EXPLANATORY NOTES

The quarterly report of the Biesse Group at 30 September 2001 was prepared on the basis of Consob Rule no. 11971 of 14th May 1999 and subsequent amendments and additions.

Accounting principles and valuation criteria comply with those of the financial statement at 31/12/2000, to which reference is made. We briefly state 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 the ones prepared by the subsidiary companies with reference to June 30th, 2001, adjusted, where necessary, to adapt them to the Group's accounting principles;
- the Income Statement is presented gross of tax, extraordinary and financial components;
- estimated figures of a significant amount are not present.

As allowed by the Consob rule, comparison with the same period of the previous financial year has been omitted since this is the first financial year of application.

Revenues for sales and services per area:

<i>Millions of Lira</i>	31 December 2001	31 December 2001 %	31 December 2000 %
European Union	440.904	64,4%	55,8%
North America	125.869	18,4%	27,4%
Rest of the World	118.198	17,2%	16,8%
Total	684.971	100%	100%

DIRECTORS' COMMENTS

The results of the fourth quarter of 2001 have unfortunately confirmed the signs of a slowdown, domestically and above all in foreign markets, as already shown during the third quarter.

The impact on Group accounts was heightened by the fact that this slowdown was confirmed during the second half of the year, a period in which, based on the Group's business model, historically about 60-65% of revenue and over 70% of EBITDA and consolidated EBIT are taken in.

The rewarding results of the first half of 2001 in terms of growth and profitability led to hopes that the reduction in growth in certain areas showing a more marked slump (Germany, North America) would be overcome with the performances on other markets, particularly in Italy and Eastern Europe.

Unfortunately, the decisive decline following the terrorist attacks this past September has profoundly altered the trend under way, triggering a period of substantial slowdown. Signals of an upswing have not been observed until recent weeks.

For the Group, this situation means an incoming flow of orders that is lower than expected, as reflected in the slowdown in the willingness to invest in durables and in a move-up in the forecast and scheduled delivery dates, following the request of some clients. As a result, the stock level of finished products is higher than expected, causing a downswing in both turnover and operating margins.

In order to grasp the opportunities that have nevertheless arisen, during the fourth quarter the Group made several acquisitions, finalising three operations with an impact that is not especially significant in terms of Group numbers but that are in line with a precise strategic plan.

These are two operations of upstream integration and one of downstream integration.



The first two involve takeovers of the lines of business of Cni Srl by Hsd Spa, and of Diamut Srl by InterMac Spa. They are both leading companies in their respective reference niche markets: respectively, the production and marketing of digital control equipment and the production and marketing of diamond tools.

In both cases, the companies were already Biesse Group suppliers, although to a different extent, and their takeover represents an opportunity with benefits in terms of product cost reductions, the development of synergies in technology and an increase in sales.

The third takeover instead involved the business line of Allwood Machinery, a company historically present on the Australian and New Zealand markets as retailers of woodworking machinery from the Biesse Group and other manufacturers. In this case, the advantage comes from gaining a consolidated distribution network through which to convey sales not only for the Wood Division but also for the other divisions. This also brings into the consolidation area the retail margins and share of turnover from other manufacturers working with product ranges that do not compete with the Biesse Group.

Revenues amount to 684.971 millions of lira, of which 196.690 in the last quarter; the value of production amounts to 727.030 millions of lira (189.187 millions of lira in the 4th quarter). The added value reaches the amount of 224.612, accounting for 30,9% of the total value of production (56.948 millions of lira in the last quarter, equal to 30,1% of value of production). The gross operating profit is equal to 49.246 millions of lira, accounting for 6,8% of the total value of production (12.157 millions of lira in the last quarter, equal to 6,4% of value of production). The operating result amounts to 26.927, accounting for 3,7% of the total value of production (6.128 millions of lira in the last quarter, equal to 3,2% of value of production).

The net indebtedness has increased in comparison with September 30th as a consequence both of the foreseen plan of investments and of the increasing net working capital.

Growth in terms of volume has different specific aspects within the various geographic areas, showing a decline in North America (-32% compared with financial year 2000), whose weight on the total turnover comes down from 27% to 18%. On the contrary we can confirm the good results also in the countries belonging to the European Union in general and of domestic market in particular, increasing by 18% compared with previous year.

Pesaro, 14 February 2002

*Chairman of the Board of Directors
Giancarlo Selci*



ANNEXE

RECLASSIFIED ACCOUNTING STATEMENTS

RECLASSIFIED INCOME STATEMENTS AT 31 DECEMBER 2001

	31 December 2001 (millions of Lira)	31 December 2001 (thousands of Euros)	%	31 December 2000 (millions of Lira)	31 December 2000 (thousands of Euros)	%
Revenues from sales and services	684.971	353.758	94,2	666.001	343.961	97,5
Variation of stocks of finished products	29.959	15.472	4,1	10.157	5.245	1,5
Other revenues and income	12.100	6.249	1,7	7.270	3.755	1,0
Value of production	727.030	375.480	100	683.428	352.961	100
Consumption of raw materials	339.201	175.182	46,7	302.185	156.066	44,2
Costs for services	137.045	70.778	18,8	130.255	67.271	19,1
Use of third party assets	13.863	7.159	1,9	10.150	5.242	1,5
Other operating expenses	12.310	6.358	1,7	12.355	6.381	1,8
Added value	224.612	116.002	30,9	228.483	118.001	33,4
Personnel expenses	175.366	90.569	24,1	141.300	72.975	20,7
Gross operating margin	49.246	25.433	6,8	87.183	45.026	12,8
Amortizations, depreciations and provisions	19.517	10.079	2,7	16.865	8.710	2,5
Profit before depreciation of consolidation difference	29.729	15.354	4,1	70.318	36.316	10,3
Amortization of consolidation difference	2.802	1.447	0,4	3.254	1.681	0,5
Operating result	26.927	13.907	3,7	67.064	34.635	9,8



RECLASSIFIED INCOME STATEMENTS OF IV QUARTER 2001

	IV quarter 2001 (millions of Lira)	IV quarter 2001 (thousands of Euros)	%
Revenues from sales and services	196.690	101.582	104,0
Variation of stocks of finished products	(14.902)	(7.696)	7,9
Other revenues and income	7.398	3.821	3,9
Value of production	189.187	97.707	100,0
Consumption of raw materials	82.001	42.350	43,3
Costs for services	43.416	22.422	22,9
Use of third party assets	3.883	2.005	2,1
Other operating expenses	2.940	1.518	1,6
Added value	56.948	29.411	30,1
Personnel expenses	44.791	23.133	23,7
Gross operating margin	12.157	6.278	6,4
Amortizations, depreciations and provisions	5.646	2.916	3,0
Profit before depreciation of consolidation difference	6.511	3.363	3,4
Amortization of consolidation difference	383	198	0,2
Operating result	6.128	3.165	3,2