

**QUARTERLY
REPORT
AT 31/03/2012**



BIESSE

BIESSE S.p.A.
QUARTERLY REPORT
AT 31 MARCH 2012

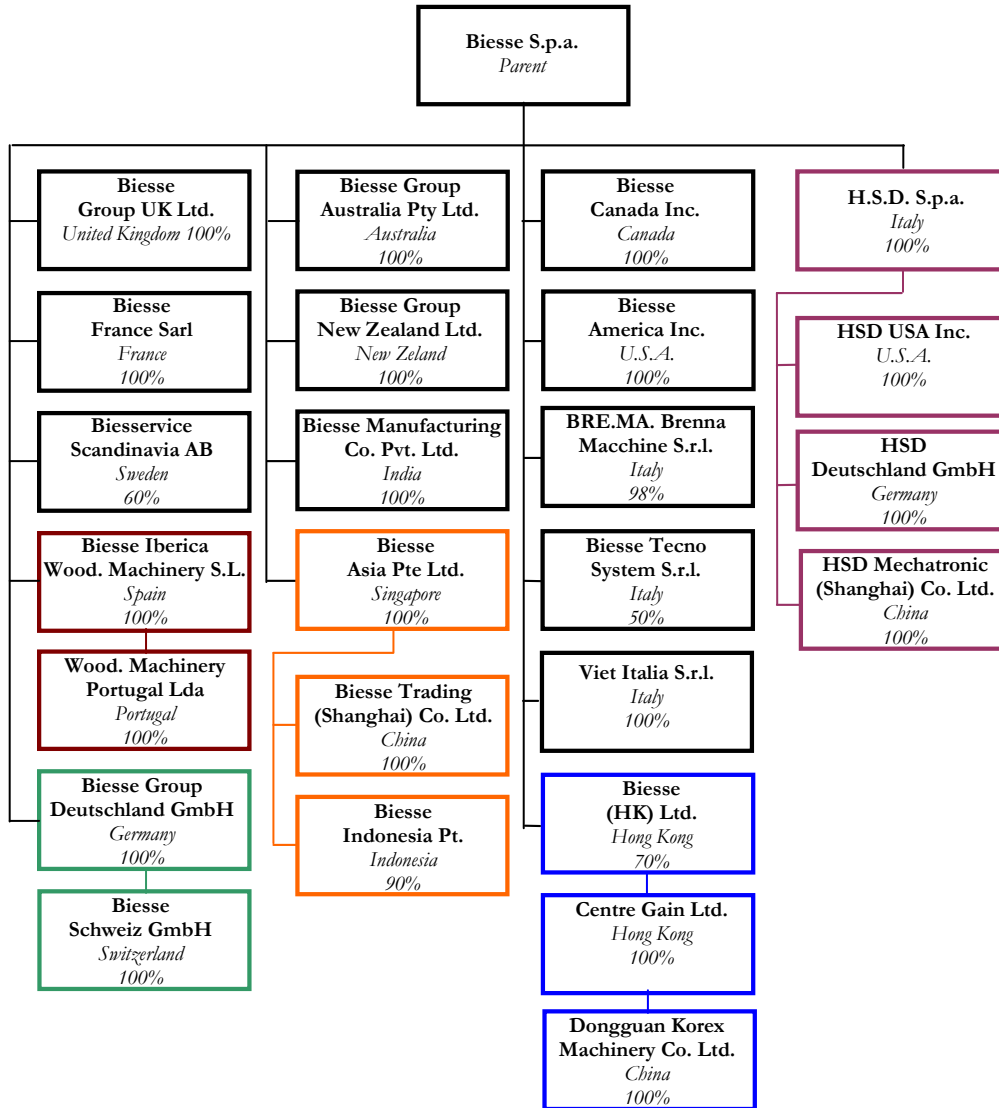
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GROUP STRUCTURE

The following companies form part of the Biesse Group:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated quarterly report of the Biesse Group at 31 March 2012, which has not been audited, has been prepared in compliance with IAS and IFRS in force at the date of preparation. The comparison period figures have also been prepared in accordance with IAS/IFRS.

The Quarterly Report has been drawn up in compliance with the requirements of Articles 82 and 82-bis of the "Regulation comprising rules for implementation of Legislative Decree no. 58 of 24 February 1998 concerning issuers" (CONSOB Resolution no. 11971 of 14 May 1999 as subsequently amended) as amended by CONSOB Resolution no. 14990 of 14 April 2005. Based on the aforesaid Article 82, the Quarterly Report has been prepared applying IFRS for measurement purposes according to the provisions of Annex 3D of the aforementioned Regulation. This Quarterly Report has therefore not been prepared pursuant to the accounting standard concerning interim financial reporting (IAS 34 "Interim financial reporting").

Accounting standards and measurement criteria are consistent with those of the 2011 Annual Report, to which reference should be made. Furthermore, it should be noted that:

- the quarterly financial statements have been prepared under the discrete method, taking the reference period as a separate period. In this respect, the quarterly income statement reflects the period's income statement components on an accruals basis;
- the financial statements underlying the consolidation process are those prepared by the subsidiaries as at 31/03/2012, adjusted, where necessary, to align them with Group accounting standards and policies;

Compared with the consolidated annual report for the period ended at 31 December 2011, the scope of consolidation has not changed.



COMPANY OFFICE HOLDERS

Board of Directors

Chairman and Managing Director	Roberto Selci
Managing Director ¹	Giancarlo Selci
Managing Director	Giorgio Pitzurra
Executive Director	Alessandra Parpajola
Chief Financial Officer	Stefano Porcellini
Director	Leone Sibani
Director	Giampaolo Garattoni
Director	Salvatore Giordano

Board of Statutory Auditors

Chairman	Giovanni Ciurlo
Standing Statutory Auditor	Claudio Sanchioni
Standing Statutory Auditor	Riccardo Pierpaoli
Alternate Statutory Auditor	Cristina Amadori
Alternate Statutory Auditor	Silvia Cecchini

¹ with exclusive mandate for the strategic direction 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

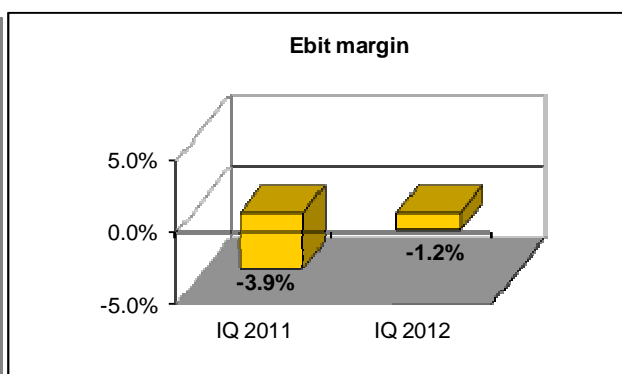
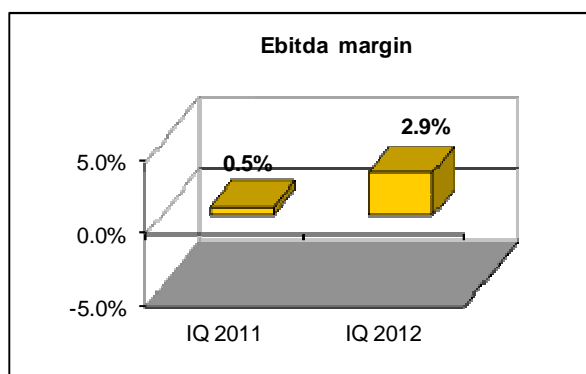
KPMG S.p.A.



FINANCIAL HIGHLIGHTS

Income Statement

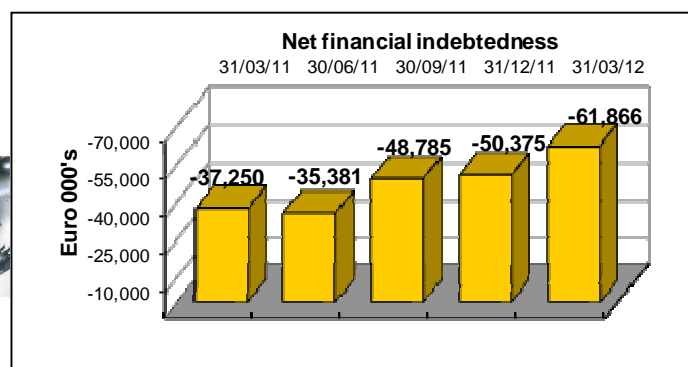
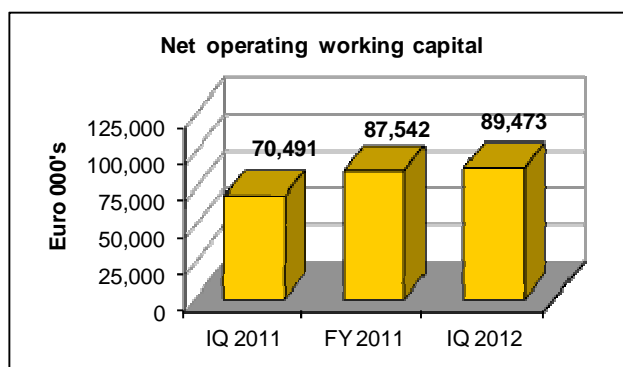
	31 March 2012	% of sales	31 March 2011	% of sales	Change %
<i>Euro 000's</i>					
Revenue from sales and services	86,856	100.0%	75,318	100.0%	15.3%
Added value ⁽¹⁾	33,896	39.0%	29,770	39.5%	13.9%
Ebitda (Gross operating profit/loss) ⁽¹⁾	2,503	2.9%	350	0.5%	-
Ebit (Net operating profit/loss) ⁽¹⁾	(1,053)	(1.2%)	(2,946)	(3.9%)	(64.3%)
Loss for the period	(2,988)	(3.4%)	(4,167)	(5.5%)	(28.3%)



Statement of Financial Position

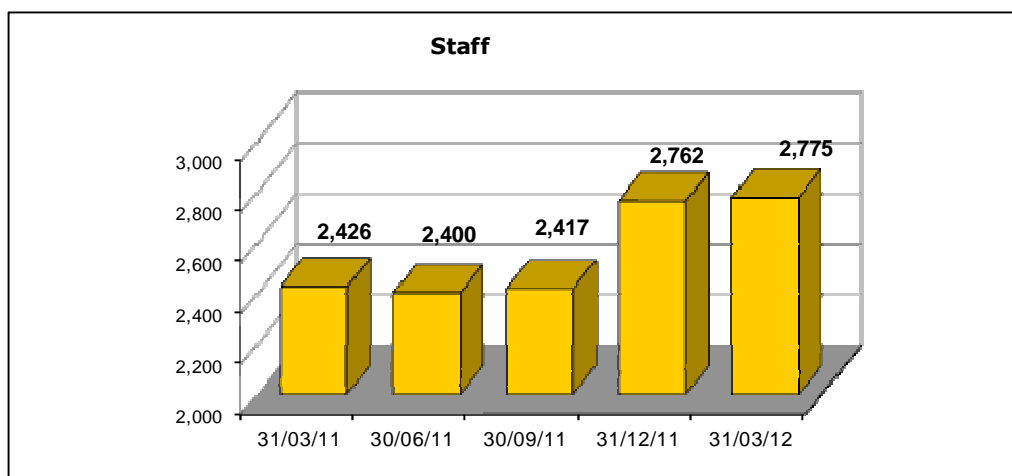
	31 March 2012	31 December 2011	31 March 2011
<i>Euro 000's</i>			
Net Invested Capital ⁽¹⁾	179,292	171,038	155,659
Equity	117,426	120,663	118,409
Net financial indebtedness ⁽¹⁾	61,866	50,375	37,250
Net operating working capital ⁽¹⁾	89,473	87,542	70,491
Gearing (net financial position/equity)	0.53	0.42	0.31
Fixed asset/standing capital ratio	1.05	1.08	1.20

(1) Amounts referring to intermediate results and to aggregate equity and financial figures. Relevant calculation criteria are provided in the Directors' Report



Personnel

	March 31, 2012	March 31, 2011
Number of employees	2,775	2,426



- Data includes temporary staff. The reported data as of March 31, 2012 and December 31, 2011 includes the employees of the Centre Gain group.

GENERAL ECONOMIC OVERVIEW

World economic trend

GDP growth in the OECD area decreased to 0.1 per cent on the previous period in the fourth quarter of 2011, by 0.6 of the third, with considerable differences between the performances of different countries. Towards the end of 2011, signs of a stabilization in the global economy



are appearing and the last statistics confirm this trend. Notwithstanding the improving near time global outlook, structural impediments continue to restrain the pace of growth in the medium term. In some major advanced economies, labour and housing markets, albeit gradually recovering, remain weak. Moreover, although the repair of public and private balance sheets has advanced, the process has yet to be completed.

The Purchasing Managers' Index (PMI) has continued to growth and in February was 55.5. Over the past month, the flow of data has broadly confirmed a gradual pick-up in the global economy. In addition, the more forward looking PMI for new orders providing some positive signals for the near-term global economic outlook. On the consumer side, indicators of consumer confidence have also tended to improve. For advanced economies, however these indicators remain below historical averages.

Statistics on international trade in the last quarter of 2011 include a dynamic feeble, generally in line with the modest performance of the global economy. The weakness of imports on an international scale has largely reflected the sharp decline of flows to the euro area and the other European economies in the face of an estate better than those of the United States, Japan and emerging markets. As regards short-term prospects, in January and February 2012 world PMI for new orders from abroad it is placed above the threshold between expansion and contraction of the economy set to 50. While remaining below its long-term average, this indicator signals a gradual recovery momentum of global trade.

Global inflation has eased in recent months across all major countries. Annual inflation in the OECD area stood at 2.8% in January 2012, having gradually declined from its peak of 3.3% in September 2011. This was partly associated with favourable base effects, reflecting the decline in the annual rate of change in the energy component of consumer price indices. Annual inflation excluding food and energy stood at 1.9% in February, starting from 2.0% of the December. In advanced economies, the existence of a wide margin of spare capacity and inflation expectations anchored well helped alleviate pressure on prices. In emerging economies, inflation has also declined recently. where upward pressures remain, however, due to the reduced margin of spare capacity, wage indexing policies and fairly content of real interest rates. The rate of inflation over 12 months has stayed above 6 per cent in Brazil and 4 per cent in China.

BUSINESS SECTOR REVIEW

In the first quarter of 2012, the machine tools order index, prepared by the Business Culture and Research Centre of UCIMU-SISTEMI PER PRODURRE, recorded a 10.5% rise on the prior-year period, for an absolute value of 124.7 (2005=100).

Therefore, the positive trend continued and, excluding the last 2011 survey, has persisted for eight consecutive quarters of growth, confirming the positive performance of the Italian companies in the sector. However, in examining the data it is necessary to consider that once again the result was driven solely by foreign demand.

Indeed, the foreign orders index rose by 12% compared to the prior-year period, for an absolute value at an all-time high of 158.9.

On the contrary, the index of internal orders "grew" by 0.1% compared to the first quarter of 2011 for an absolute value of 69.3, exposing the weakness of the domestic market, where demand still seems to be stagnant.



Giancarlo Losma, Chairman of UCIMU-SISTEMI PER PRODURRE, stated: "the continuing freeze on investments in production technology forces us all to carefully consider the risk the country's industrial system loses competitiveness at all levels of the production chain".

* * *

As for the production of woodworking machinery, 2011 marked a significant recovery: according to the final figures, prepared by the Research Office of Acimall, the Italian woodworking machinery and tools manufacturers' association, production reached 1,699 million Euro, up 10.2% compared to 2010. Exports in 2011 stood at 1,278 million Euro, that is 75% as a share of total production. Acimall's analysts estimate that in 2011 the exports of Italian machines represented 18% of all international supply, thus confirming the industry's importance to the Italian economy. As for 2012, judging from the initial data, it is poised to be an essentially stable year compared to 2011. Foreign demand, especially from India, Russia, Brazil and China, will prop up production. However, on the domestic front the situation looks much more uncertain, with manufacturers in dire straits and consequently reluctant to investing in upgrading their machines.

* * *

In the first quarter of 2012, the machine tool order intake in Germany fell by 7 percent. Domestic orders decreased by one point compared to the prior-year period, while foreign ones dropped by 9%.

According to Wilfried Schäfer, Executive Director of VDW (the German machine tool builders' association), the German industrial sector is investing in additional capacity to keep up with orders. Domestic demand for moulding technology, used mainly in long-term business projects, has had a stabilising effect. European demand has also been strong: although the sovereign debt crisis is reflected in the fall in orders from Southern Europe, other European countries, such as the Scandinavian ones, the United Kingdom and France, have continued to place significant orders.

At the end of February 2012, the 9-month order backlog was at a level similar to October 2011. Therefore, VDW forecasts a 5% growth.



FINANCIAL STATEMENTS

Income Statement at 31 March 2012

Euro 000's	31 March 2012	%on sales	31 March 2011	%on sales	CHANGE%
Net revenue	86,856	100.0%	75,318	100.0%	15.3%
Change in inventories, wip, semi-finished and finished goods	9,994	11.5%	13,650	18.1%	(26.8)%
Other revenue	277	0.3%	696	0.9%	(60.2)%
Value of Production	97,127	111.8%	89,663	119.0%	8.3%
Consumption of raw materials, consumables, supplies and goods	(44,300)	(51.0)%	(42,143)	(56.0)%	5.1%
Other operating expense	(18,931)	(21.8)%	(17,750)	(23.6)%	6.7%
Added Value	33,896	39.0%	29,770	39.5%	13.9%
Personnel expense	(31,393)	(36.1)%	(29,420)	(39.1)%	6.7%
Gross Operating profit	2,503	2.9%	350	0.5%	-
Depreciation and amortisation	(3,277)	(3.8)%	(2,985)	(4.0)%	9.8%
Provisions	(279)	(0.3)%	(310)	(0.4)%	(10.0)%
Net Operating profit (loss)	(1,053)	(1.2)%	(2,946)	(3.9)%	(64.3)%
Finance income/expense	(884)	(1.0)%	(558)	(0.7)%	58.4%
Exchange rate gains (losses)	(496)	(0.6)%	(701)	(0.9)%	(29.2)%
Pre-tax loss	(2,433)	(2.8)%	(4,206)	(5.6)%	(42.2)%
Income taxes	(555)	(0.6)%	39	0.1%	-
Loss for the period	(2,988)	(3.4)%	(4,167)	(5.5)%	(28.3)%

DIRECTORS' REPORT ON OPERATIONS

The first quarter of 2012 confirm the upward trend registered now to 9 consecutive quarters; It also confirmed the usual seasonality of business model (the first quarter is the most "weak" player of the year) on which they also recorded additional negative phenomena such as labor unrest in transport, inclement weather (late deliveries by suppliers), which made it less efficient production system with impact on the profitability of the group.

In addition, the launch of the new ERP management system has resulted in a temporary physiological impact on fluidity of processes (e.g. spare parts management, fund high marginality), contracting the overall cost-effectiveness compared to a situation in regime.

It should also be noted that the trend continues, which already in the second half of the financial year 2011-a polarization of sales or on entry-level machines or plants (engineering) to high complexity and personalization, reducing the weight of the average segment for Biesse expressed, even in the recent past, the predominant portion of the turnover.

The Group net debt at 31 March 2012 amounted to € 61.9 million, an increase of € 11.5 million compared to December 31, 2011. The absorption of extraordinary components includes cash of € 3.6 million arising from the recent Chinese acquisition.



Thanks to careful management of the components of the net operating working capital, the absorption of liquidity into IQ of 2012 was lower than that occurred in the same period last year (€ 11.5 million compared to € 18.3 million).

Net revenues in the first quarter of 2012 rose by 15.3%, going from € 75,318 thousand to € 86,856 thousand. There was a very significant contribution from the Wood Division, which rose by 22.5% on the back of the excellent performance in the plant segment and the change in the scope of consolidation related to the Centre Gain group (€ 2.5 m.).

The increase in volumes allows us to continue taking advantage of the operating leverage, although extraordinary circumstances related to managing logistics for incoming and outgoing materials for Italian factories (union action in transport companies, adverse climatic conditions) and the launch of the new ERP system (inefficiencies/delays in managing spare parts, a highly profitable segment) meant profits recovered less than expected.

Finally, it should be noted that the trend seen in the final part of 2011 of sales concentration in either low-tech (entry level) machines or highly complex and customised plants (engineering) continued into 2012, thus reducing the weight of the mid-market segment that in the recent past was still the main source of turnover for Biesse.

As for the financial position, net operating working capital rose by around 1.9 million Euro (referring mainly to the € 7.7 million increase in inventories which was partly offset by the approximately € 3 million fall in trade receivables and € 2.8 million increase in trade payables) compared to December 2011. Net debt worsened by € 11,491 thousand, going from € 50,375 thousand at the end of 2011 to € 61,866 thousand (while at the end of March 2010 the balance was € 37,250 thousand): the change was due to both ordinary circumstances (absorption of net working capital of € 2.5 m., new investment in property, plant and equipment and R&D for € 3.7 m.) and extraordinary events (payment of the third tranche for the purchase of the Centre Gain group of € 3.6 m.).

MAIN EVENTS

January 2012

In January 2012, the new ERP, Oracle's E-Business Suite, went live. The operation involved Biesse S.p.A. and HSD S.p.A. and is aimed at providing the Group with a single integrated application suite in order to preserve the important investments Biesse made in recent years. The project involves implementing a unique solution and a unified architecture for all the companies of the Group; establishing a common process throughout the Group allowing for an optimised management of the different business models of the subsidiaries; reducing the number of corporate ERP systems and consequently maintenance costs.

February 2012

On 10 February 2012, the Board of Directors of Biesse S.p.A. approved its own Three-Year Business Plan for the 2012-2014 period.

Based on the projects and initiatives set out in the above business plan, the following Group results are expected within the next three years: higher consolidated revenues (CAGR: 6.2%)

- improving added value (CAGR: 13.1%, accounting for more than 42% of revenues in 2014)
- recovering operating profits
 - (EBITDA: CAGR 49.0%, accounting for more than 14% of revenues in 2014)
 - (EBIT: CAGR 124.3%, accounting for more than 10% of revenues in 2014)
- increasing cash flow net of planned investments and positive net financial position in 2014 (overall free cashflow over the three-year period: € 95 to € 100 million).

March 2012

At the end of 2009, Biesse Manufacturing (India) Pvt Ltd and Biesse SpA reached an



agreement with a historical supplier of the Group: the latter would build a manufacturing facility in Bangalore (India) for metalworking and machining structures in support of the Indian industrial facility of the Biesse Group; the parties, with a letter of intent and a private agreement, had defined the conditions for the supplier to exercise a "put" option with Biesse Manufacturing.

The supplier, since these conditions were met, on 1 January 2012 exercised its right, allowing Biesse to conduct Due Diligence on the company (Nuova Faos International Manufacturing Pvt. Ltd.).

On 5 March 2012, the parties reached a pre-agreement, setting the consideration for transferring the entire equity investment at € 373,200.12. The agreement will be finalised in the coming weeks in India.

April 2012

From 20 to 24 April 2012, the Rimini Fiera exhibition centre hosted the third edition of Technodomus, the International Expo of Wood Technology for the Furnishing and Construction Industries, a biennial event featuring the most important Italian and foreign firms. Over the five days, 33,483 professionals visited TECHNODOMUS, an 8.5% increase on 2010 that exceeded expectations, which stood at 30,000 visitors. The rise owed mainly to foreign visitors, who went from 31% in 2010 to 37% this year, with people coming from over sixty countries, in particular from Turkey, Brazil and South America, China, Russia and Eastern Europe. Over two thousand foreign buyers took part in the business meetings organised at the Expo.

On 27 April 2012, the ordinary shareholders' meeting of Biesse S.p.A. approved the Separate and Consolidated Financial Statements for 2011, both of which were prepared in accordance with IAS/IFRS. In addition, it approved the appointment of the Board of Directors and the Board of Statutory Auditors of Biesse, confirming all their members (they are listed in the Company Office Holders section). As envisaged by art. 16 and 19bis of the Company's Articles of Association, the Board of Directors and the Board of Statutory Auditors of Biesse will serve for the next three years (until approval of the financial statements for 2014).

* * *

Net revenues in the first three months of 2012 totalled € 86,856 thousand, up 15.3% compared to the same period last year (€ 75,318 thousand).

It should be noted that the figure for 2012 includes the net revenues of the Centre Gain group for € 2,533 thousand.

As for the geographic distribution of sales (for a detailed analysis refer to the tables below in segment reporting), in the first 3 months of 2012 the areas which drove growth were Western Europe (+35.5%) and North America (+20.7%); Asia - Oceania grew by 5%, Eastern Europe was largely stable, while the Rest of the World fell by 22.8%.

As for the analysis of sales by segment, the Wood Division reported the best performance (+22.5%), followed by the Tooling Division (+11%). The Mechatronics Division was stable (slight decrease of 1.4%), while the Glass/Stone Division fell back (-8.2%).

While the drop in Components Division (-29.1%) is due to a different operating strategy with recourse to outsourcing of certain activities previously carried out by the same Division.



The figure relating to the change in inventories of finished and semi-finished goods totalled € 9,994 thousand (€ 13,650 thousand in the previous year) due to the seasonal increase in inventories of semi-finished and finished goods compared to the end of 2011.

The value of production in the first three months of 2012 was therefore € 97,127 thousand, up by 8.3% compared to the first quarter of 2011, when it amounted to € 89,663 thousand.

The cost of raw materials restated as a percentage of the value of production (instead of net revenues) was 45.6%, compared to 47% at 31 March 2011;

	31 March 2012	%	31 March 2011	%
<i>Euro 000's</i>				
Value of Production	97,127	100.0%	89,663	100.0%
Consumption of raw materials and goods	44,300	45.6%	42,143	47.0%
Other operating expenses	18,931	19.5%	17,750	19.8%
<i>Service costs</i>	<i>16,072</i>	<i>16.5%</i>	<i>14,559</i>	<i>16.2%</i>
<i>Use of third parties assets</i>	<i>1,926</i>	<i>2.0%</i>	<i>1,655</i>	<i>1.8%</i>
<i>Other operating expense</i>	<i>933</i>	<i>1.0%</i>	<i>1,537</i>	<i>1.7%</i>
Added Value	33,896	34.9%	29,770	33.2%

As regards other operating expenses, the € 1,181 thousand increase (+6.6%) largely related to variable costs (sales commissions, transport and outsourced processing) and to semi-variable costs (travel and lodging expenses of sales and technical staff plus utility costs), which however remained unchanged as a percentage of the value of production, whereas fixed costs (consultancy fees, maintenance, remuneration paid to directors and statutory auditors, rental costs and hire charges), although rising, decrease as a percentage of sales (as highlighted in the income statement within cost of goods sold on page. 20).

Personnel expense amounted to € 31,393 thousand, up by 6.7% compared to 31 March 2011 (€ 29,420 thousand). The increase was mainly connected to fixed costs (+ 5.2% compared to the prior-year period). The need for extra labour to meet the increase in production volumes and the trends in pay incentives for highly-skilled staff caused this cost to rise. It should be noted that the figure for 2012 includes the personnel expense of the Centre Gain group, which was not consolidated in 2011, amounting to € 397 thousand. Furthermore, capitalisation of wages and salaries of employees deployed in development activities decreased from 2011 (€ 1,309 thousand in the first quarter of 2012 compared to € 1,409 thousand in the prior year).

Gross operating profit at 31 March 2012 was € 2,503 thousand, while at the end of March 2011 it was € 350 thousand, up € 2,153 thousand due to the improved operating leverage.

Depreciation and amortisation increase by € 292 (+9.8%), rising from € 2,985 thousand to € 3,277 thousand: depreciation totalled € 1,552 thousand (up by 8.6%), while amortisation amounted to € 1,725 thousand (up by 10.8%). The increase was due to the depreciation and amortisation of the Centre Gain group (€ 239 thousand).

Provisions totalled € 279 thousand, down by € 31 thousand compared to the first quarter of 2011 (€ 310 thousand).



The resulting EBIT was a loss of € -1,053 in the quarter, a 64% improvement on the first quarter of 2011 (a loss of € 2,946 thousand).

As for financial operations, interest expense totalled € 884 thousand, while exchange differences showed a € 496 thousand loss. The pre-tax loss was, therefore, € 2,433 thousand (improving by 42% compared to a loss of € 4,206 thousand at the end of March 2011).

The estimated balance of tax items was negative for € 555 thousand.

Therefore, there was an estimated net loss for the first three months of 2012 of € 2,988 thousand.



Net financial position at 31 March 2012

	31 March 2012	31 December 2011	30 September 2011	30 June 2011	31 March 2011
<i>Euro 000's</i>					
Financial assets:	22,035	23,254	26,580	29,523	24,866
<i>Current financial assets</i>	700	650	2,794	453	0
<i>Cash and cash equivalents</i>	21,335	22,604	23,786	29,069	24,866
ST finance lease liabilities	(444)	(464)	(1,438)	(1,452)	(2,215)
Bank and other ST financial debt	(68,969)	(45,400)	(49,510)	(56,366)	(47,943)
Short Term Net Financial Indebtedness	(47,378)	(22,610)	(24,368)	(28,295)	(25,292)
M/L term finance lease liabilities	(2,447)	(2,519)	(2,565)	(2,660)	(2,973)
M/L term bank debt	(12,040)	(25,245)	(21,852)	(4,426)	(8,984)
M/L Term Net Financial Indebtedness	(14,487)	(27,765)	(24,417)	(7,086)	(11,957)
Total Net Financial Indebtedness	(61,866)	(50,375)	(48,785)	(35,381)	(37,250)

At the end of March 2012, Group net debt was 61.8 million Euro (gearing = 0.53), deteriorating compared with the previous quarters.

The figure was affected by several factors, first of all the trend in working capital, which felt the effects of the growth in volumes and of the Group's major investments in the launch of new products during the current period, with consequent overlapping of phase-in and phase-out of old and new product ranges.

The figure includes also other investments related to the acquisition of the Centre Gain group in the last quarter of 2011. In particular, compared to the end of December, it should be noted that in January 2012 the Group paid the third instalment relating to the acquisition of the Centre Gain group, for a total of HK\$ 36,900 thousand (around € 3.6 million). In addition, during the first quarter of 2012, the investments for technical assets amounted to approximately € 3.8 million.

The net financial position was positively influenced by exchange differences for € 226 thousand.



Summary Statement of Financial Position

<i>Euro 000's</i>	31 March 2012	31 December 2011	31 March 2011
Intangible assets	48,694	48,027	44,784
Property, plant and equipment	63,079	63,652	54,163
Financial assets	2,615	1,140	747
Non current assets	114,388	112,819	99,694
Inventories	96,194	88,459	96,949
Trade receivables	109,260	112,207	81,747
Trade payables	(115,981)	(113,124)	(108,205)
Net Operating Working Capital	89,473	87,542	70,491
Post-employment benefits	(10,357)	(10,544)	(10,923)
Provision for risk and charges	(9,718)	(9,438)	(8,113)
Other net receivables/payables	(20,293)	(24,778)	(12,354)
Net deferred tax assets/liabilities	15,799	15,437	16,863
Other net assets/liabilities	(24,569)	(29,323)	(14,527)
Net Invested Capital	179,292	171,038	155,658
Share capital	27,393	27,393	27,393
Profit/loss for the previous period and other	92,334	95,028	94,605
Loss for the period	(2,970)	(2,438)	(3,962)
Non controlling interests	670	680	372
Equity	117,426	120,663	118,408
Due to bank and other financial institutions	83,901	73,629	62,116
Other financial assets	(700)	(650)	0
Cash and cash equivalents	(21,335)	(22,604)	(24,866)
Net financial indebtedness	61,866	50,375	37,250
Total sources of funding	179,292	171,038	155,658

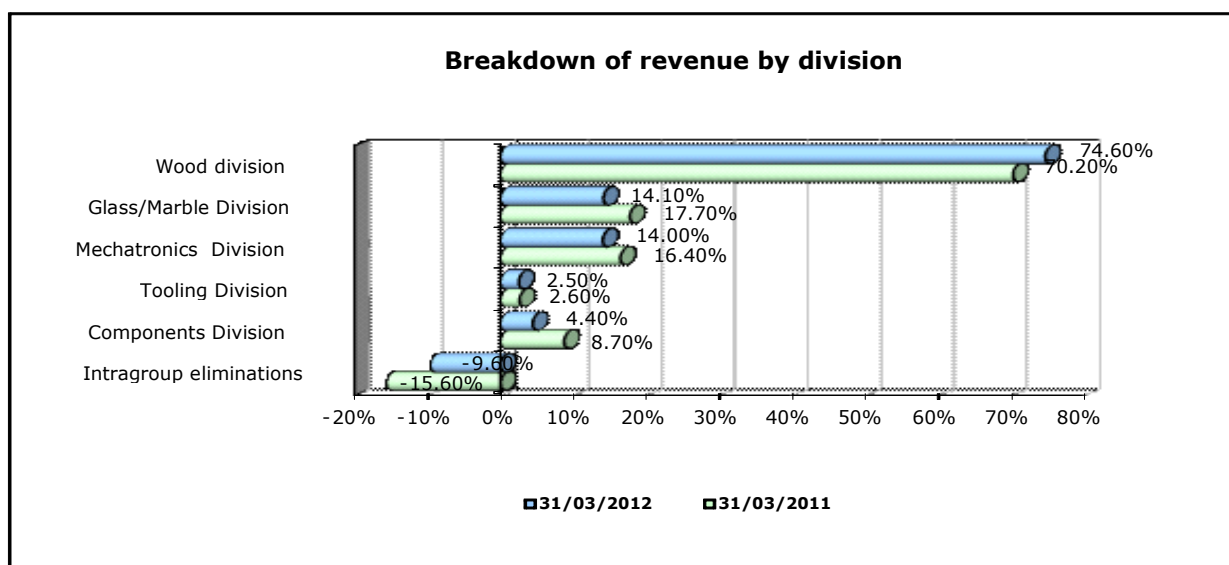
Compared to December 2011, as for intangible assets, investments totalled € 2.5 million, while the related depreciation and amortisation totalled € 1.8 million, for a net increase of 0.7 million, of which € 84 thousand was due to exchange differences. Investment in property, plant and equipment amounted to € 1.3 million, while depreciation was € 1.5 million, for a net decrease of € 0.5 million, of which € 343 thousand due to exchange differences.



As for the items included under net operating working capital, inventories totalled € 7,735 thousand compared to the end of December 2011; the change was mainly caused by a rise in semi-finished products for € 3,948 thousand (other productive mix to committed to greater lead time) and the increase in inventories of finished products for € 5,261 thousand, necessary to keep up with the deliveries scheduled for the next months, in particularly in "world branches". The remaining items (trade receivables and payables) contributed to improve net operating working capital, compared to December 2011. Trade receivables fell by € 2,947 thousand, while trade payables rose by € 2,857 thousand compared to the end of 2011. The total change in net operating working capital was positively influenced by exchange-differences for € 82 thousand.

Segment reporting - Breakdown by division

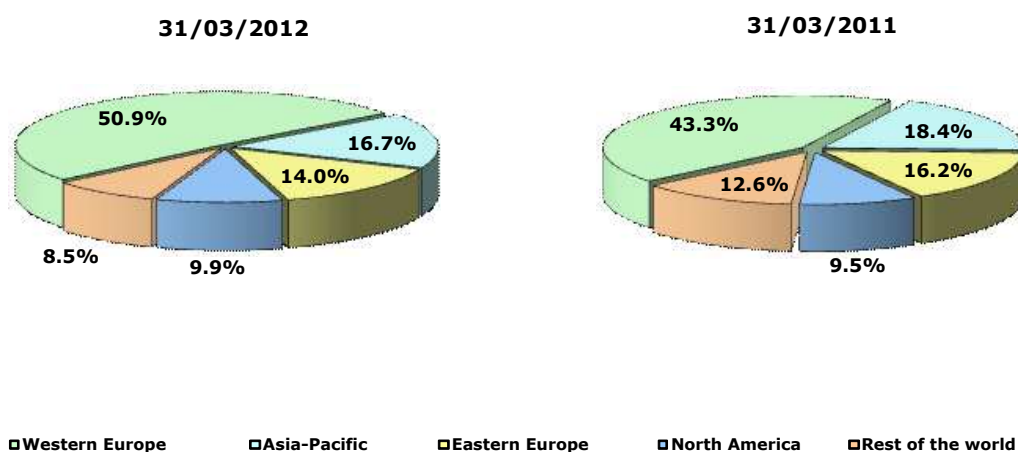
<i>Euro 000's</i>	31 March 2012	%	31 March 2011	%	Change % 2011/2012
Wood Division	64,727	74.6%	52,832	70.2%	22.5%
Glass/Marble Division	12,234	14.1%	13,328	17.7%	(8.2%)
Mechatronics Division	12,190	14.0%	12,361	16.4%	(1.4%)
Tooling Division	2,207	2.5%	1,989	2.6%	11.0%
Components Division	3,829	4.4%	6,558	8.7%	(41.6%)
Intragroup eliminations	(8,330)	(9.6%)	(11,750)	(15.6%)	(29.1%)
Total	86,856	100.0%	75,318	100.0%	15.3%



Segment reporting - Breakdown by geographical area

Geographical area Euro 000's	31 March 2012	%	31 March 2011	%	Change % 2011/2012
Western Europe	44,197	50.9%	32,615	43.3%	35.5%
Asia-Pacific	14,547	16.7%	13,860	18.4%	5.0%
Eastern Europe	12,148	14.0%	12,195	16.2%	(0.4%)
North America	8,620	9.9%	7,140	9.5%	20.7%
Rest of the world	7,344	8.5%	9,508	12.6%	(22.8%)
Group Total	86,856	100.0%	75,318	100.0%	15.3%

Breakdown of sales by geographical area



Pesaro, 14 May 2012

The Chairman of the Board of Directors
Roberto Selci



ANNEX

	31 March		31 March		CHANGE %
	2012	% on sales	2011	% on sales	
<i>Euro 000's</i>					
Revenues from sales and services	86,856	100.0%	75,318	100.0%	15.3%
Other revenues	277	0.3%	696	0.9%	(60.2)%
Net Revenues	87,133	100.3%	76,013	100.9%	14.6%
COGS	(42,259)	(48.7)%	(35,719)	(47.4)%	18.3%
Gross Profit	44,874	51.7%	40,295	53.5%	11.4%
Overhead	(10,978)	(12.6)%	(10,525)	(14.0)%	4.3%
Value Added	33,896	39.0%	29,770	39.5%	13.9%
Staff costs	(31,393)	(36.1)%	(29,420)	(39.1)%	6.7%
Gross Operating Income (EBITDA)	2,503	2.9%	350	0.5%	-
Depreciation and amortisation	(3,277)	(3.8)%	(2,985)	(4.0)%	9.8%
Provisions	(279)	(0.3)%	(310)	(0.4)%	(10.0)%
Net Operating Income (EBIT)	(1,053)	(1.2)%	(2,946)	(3.9)%	(64.3)%
Financial revenues and expenses	(884)	(1.0)%	(558)	(0.7)%	58.4%
Exchange rate gains (losses)	(496)	(0.6)%	(701)	(0.9)%	(29.2)%
Profit (Loss) before tax	(2,433)	(2.8)%	(4,206)	(5.6)%	(42.2)%
Taxes	(555)	(0.6)%	39	0.1%	-
Profit (Loss) of the period	(2,988)	(3.4)%	(4,167)	(5.5)%	(28.3)%



**CERTIFICATION OF THE CORPORATE FINANCIAL REPORTING
MANAGER PURSUANT TO THE REQUIREMENTS OF ARTICLE 154-BIS,
PARAGRAPH 2 OF ITALIAN LEGISLATIVE DECREE 58/1998
(CONSOLIDATED LAW ON FINANCE)**

The undersigned Stefano Porcellini, Chief Financial Officer and Director of Biesse S.p.A., in his capacity as corporate financial reporting manager responsible for the preparation of the company's accounting documents, declares that the consolidated quarterly report at 31 March 2012 of Biesse S.p.A., unaudited, - prepared in compliance with the indications provided by CONSOB (in accordance with the provisions of Articles 82 and 82-bis of the "Regulation comprising rules for implementation of Legislative Decree no. 58 of 24 February 1998, concerning issuers") and pursuant to the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission as per the procedure indicated in Article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 - as far as he knows, corresponds to the results contained in the documentary evidence, books and accounting records.

14 May 2012

/signature/
Stefano Porcellini

Chief Financial Officer





KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Biesse S.p.A.

- 1 We have audited the consolidated financial statements of the Biesse Group as at and for the year ended 31 December 2011, comprising the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 31 March 2011 for our opinion on the prior year consolidated financial statements, which included the corresponding figures presented for comparative purposes.
- 3 In our opinion, the consolidated financial statements of the Biesse Group as at and for the year ended 31 December 2011 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Biesse Group as at 31 December 2011, the results of its operations and its cash flows for the year then ended.
- 4 The directors of Biesse S.p.A. are responsible for the preparation of a directors' report on the financial statements and a report on the corporate governance and ownership structure, published in the *Investor relations* section, *Biesse Profile* subsection of Biesse S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative

decree no. 58/98 disclosed in the report on the corporate governance and ownership structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and ownership structure are consistent with the consolidated financial statements of the Biesse Group as at and for the year ended 31 December 2011.

Ancona, 29 March 2012

KPMG S.p.A.

(signed on the original)

Luca Ferranti
Director