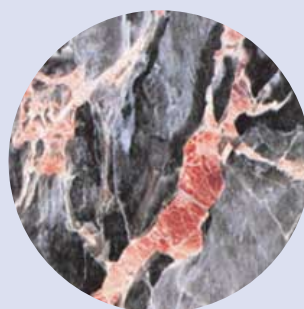
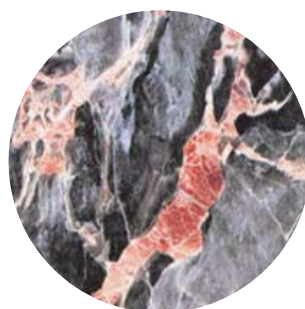


RELAZIONE SEMESTRALE

al 30 giugno 2001





COMPANY OFFICERS OF THE PARENT COMPANY

Board of Directors

The Board of Directors currently serving is composed of

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

Board of Statutory Auditors

The Board of Statutory Auditors currently serving is composed of

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor

THE BUSINESS AND TRADEMARKS OF THE GROUP COMPANIES

The Biesse Group is predominantly involved in the production, sales and marketing and post-sales service of machinery and systems for the wood, glass and marble sector.

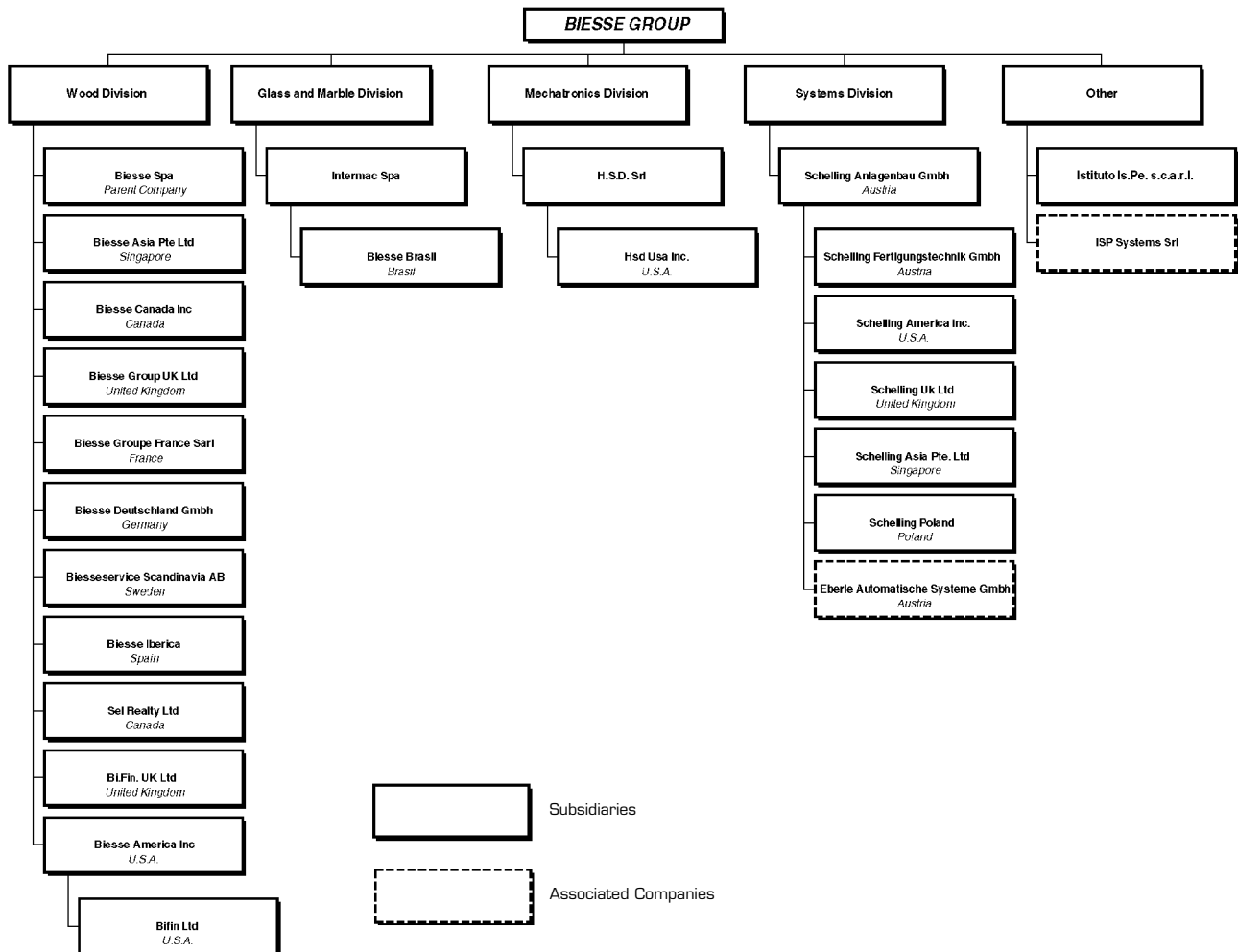
The sales and marketing and services are organised through the direct geographic presence of the Group companies, as well as through a select network of importers, distributors, and agents. The Group is also involved in other businesses, such as precision mechanical manufacturing and the production of mechanical and electronic industrial components.

Specifically, the Biesse Group operates using the following trademarks:

Biesse Spa	Machinery and systems for manufacturing panels.
Selco	Tool machinery and systems for sizing wood boards.
Comil	Tool machinery and systems for assembling and packaging furniture.
RBO	Handling systems for automatic lines for the furniture industry.
Polymac	Machines for edging, sizing, rubber edgebanding, and single head manual borers; unilateral automatic edging machines..
Protec	Works centres for numerical controlled milling and drilling.
Edgebanding	Tool machinery and systems for edging
Biesse Engineering	Tool machinery and systems for processing wood
Schelling	Tool machinery and systems for processing wood
Cosmec	Precision mechanical processing.
H.S.D.	Mechanical and electronic components for industry
Intermac	Tool machinery for processing glass and marble
Busetti	Tool machinery and systems for processing glass and marble

GROUP COMPANIES

The main companies of the Biesse Group fall under the consolidation area, grouped by business sector and are the following:



Compared with the closing date of the previous financial year, the structure of the Group is composed of a different number of companies; in fact, as of 21 February 2001, a merger was stipulated incorporating the wholly-owned subsidiary company Biesse Triveneto Srl into Biesse SpA, with the accounting and tax effects taking effect as of 1 January 2001.

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DIRECTORS' REPORT ON OPERATIONS



DIRECTORS' REPORT ON OPERATIONS

GENERAL ECONOMIC CONTEXT

The growth rate of the world economy in the first half of year 2001 showed a significant slowdown, which began in North America and later on spread its effects all over the world. Warnings came also from inflation and from the slowdown of most of the world's stock markets.

Also Japanese economy is affected by a continuous slowdown of all the major economic indicators. This leads to an expected slowdown for the second half of year 2001 for all the emerging Far East countries, together with the decline in electronic equipment investments.

Latin America countries will be affected by the above mentioned trend especially in Central America, more open to trade relation with North America, while high foreign debt economies as Brazil and Argentina should suffer as a result of the persisting financial crisis.

This situation given, the Euro area recorded collective growth lower than expected depending on both external and domestic demand. Analysts expect that in the second half of year 2001 the Euro area should start recovering, based on an upturn of the European demand favoured by a reduction of inflation.

REPORT ON OPERATIONS

The consolidated accounts for the first six months of year 2001 confirm the growth of sales of Biesse Group, with a slight decrease in terms of profitability due to the changed international economic trend.

The consolidated revenues, equal to Itl 339,642 million, increased compared to the previous half year by 19.5%; the value of production amounts to Itl 382,565 million, with a 22% increase compared with the period ended June 2000.

The added value increased in 1H2001 from Itl 92,021 million to Itl 117.827 million, amounting to a percentage increase of 28% and accounting for 30.8% of the total value of production.

The gross operating margin passed from Itl 26,034 million to Itl 28,998 million, with an increase of 11.4% and accounting for 7.6% of the total value of production.

Similarly, the operating result passed from Itl 17,055 million to Itl 18,386 million, with an increase of 7.8% and accounting for 4.8% of the total value of production.

The profit before taxes shows a loss equal to Itl 1,585 million. This result has been affected by the decision of charging entirely in the first period the expenses related to the quotation to Milan Stock exchange of 22 June 2001, equal to Itl 12,230 million.

As in previous years, during the first half of year 2001 the Biesse Group stocked its subsidiaries with machine tools to be delivered to end customers and invoiced by those subsidiaries in the following months.

This approach, which results in a surplus of finished products at the beginning of the year, is necessary to ensure that subsidiaries can adequately meet customer demand. The inventory ensures that subsidiaries can complete delivery of orders already placed and paid for and make prompt deliveries of orders in the ensuing months, particularly during August and at the end of the year when the factories of the customer are closed or activities are reduced.

This leads to the fact that during the first half of 2001, as in previous year, the Biesse Group recorded substantial operating costs, particularly in relation to purchases of raw materials, due to the high production and stock levels required by the Biesse Group business method described above. These costs, again as in previous year, have not been offset by net revenues from sales of finished products to end customers of the Biesse Group, which reduced the Biesse Group's gross operating profit and operating profit for this six months period. Management believes, however, that net revenues from sales made during the subsequent quarters of the financial year will offset these operating costs.

Growth in terms of sales shows different trends depending on different geographical areas and different Group divisions.

Concerning European Union, the important growth trend (+30% compared to 1H2000) is mainly due to a good performance of the Mediterranean countries, and above all of Italy, while on the other side the critical situation of the German economy did not affect the results depending on the low market shares owned by the Group.

Good results come also from the Rest of the world (+28%), again showing a good trend compared with 1H2000, in particular from former Soviet Union's countries; also the Far east presented a good growing trend.

On the contrary, the slowdown registered in North American economy in the first half of 2001 has been reflected in the sales coming from that area (-9%), that appears a bit below last year level.

Looking at the different divisions of the Group, Wood Division shows a strong increase in sales (+32%), thanks to the results coming from the European Union's countries.

Same for Glass and Marble Division (+39%), especially from North America, due to a quite low starting market share and an aggressive marketing strategy with a local dealer.

Important growth trend even for Mechatronics Division (+58%), where the main growth driver is the increase of the portion of sales not towards other Group companies, which in the first half of year 2001 reached around 60% of total revenues.

On the contrary, Systems Division has shown a slowdown (-19%) in sales which comes from two different reasons; the first one is due to the North American difficult situation, especially for big companies, which represent the main target for Systems Division; the second one is due to the fact that year 2000 showed a growth of 71% compared with previous year, thus creating a difficult benchmark for the years to come.

NET FINANCIAL POSITION

The net financial position has improved compared with both 31 March 2001 and 31 December 2001, thanks to the IPO proceeds equal to around Itl 155,000 million, net of related expenses.

The detailed composition of the net financial position is as follows:

<i>Itl million</i>	30.06.2001	31.03.2001	31.12.2000
Cash at bank and on hand	23,394	17,886	32,765
Short term financial payables	(416)	(237)	(27,523)
Short term bank loans and overdrafts	(47,589)	(158,769)	(145,187)
Short term net financial position	(24,611)	(141,120)	(139,945)
Medium/long term amounts due to banks	(44,083)	(60,965)	(41,881)
Medium/long term net financial position	(44,083)	(60,965)	(41,881)
Net financial position	(68,694)	(202,085)	(181,826)

RELATED PARTIES TRANSACTIONS

The fully owned and non-consolidated subsidiaries are Istituto IS.PE. soc. cons. a r.l. and HSd Usa Inc.; the first one manage the professional and business training activity for all the Group's companies and related transactions are not material; the second one is a subsidiary incorporated at March 2001 for commercial relations and supply services for the Mechatronics Division in electronic spindles and numerical controls on the North American territory; at the end of June 2001 it was not operative.

The affiliated companies are ISP Systems Srl and Eberle Automatische Systeme Gmbh; the first one, owned at 25.93% by Biesse Spa, was incorporated at the end of the year 2000 with the aim of designing and developing technical innovations for the woodworking machineries. Actually it is running a start-up phase and the transactions with the other companies of the Group are not material. The second one is an Austrian company owned at 25% by Schelling Anlagenbau Gmbh , developing software and without significant transactions with the other companies of the Group.

Biesse Spa has paid to the holding company Biesse Holding Spa Itl 1,694 million for payroll arrangements and other administrative and professional services , managed by the holding company up to the end of February 2001. From March onwards, to coincide with the IPO process, all the employees operating in centralised functions working on behalf of the entire Group were relocated from Biesse Holding Spa to Biesse Spa.

During the first half of 2001 Biesse Spa had transactions with Motori MC Kart Srl, partly owned by the Selci family, which has provided outsourcing services for a total amount of Itl 2,861 million.

AFTER END OF JUNE EVENTS AND FORESEEABLE EVOLUTION

There have been non relevant events after the end of the first half of year 2001.

As far as the foreseeable evolution of the Group is concerned, we believe to be able to continue on a good growth trend, even if the recent international events make the future a little bit more unpredictable.

With reference to the net financial position, consistently with the expressed intention the Group is willing to use the IPO proceeds in order to pursue a strategy of both internal and external growth, particularly by mean of merger and acquisition operations in order to complete its geographical presence and its range of products.

Pesaro, 27 September 2001

***The Chief Executive Officer
Roberto Selci***

**CONSOLIDATED ACCOUNTS
FOR THE 1st HALF OF 2001**



CONSOLIDATED ACCOUNTS

BALANCE SHEET

(Itr million)	30.06.2001	30.06.2000	31.12.2000
ASSETS	677,559	570,781	596,486
A UNPAID CALLED UP SHARE CAPITAL	0	0	0
B FIXED ASSETS	199,828	160,444	174,897
I Intangible fixed assets	53,952	57,036	55,870
1 Start-up and expansion costs	209	200	233
2 Research, development and advertising costs	1,617	1,144	1,734
3 Patents and intellectual property rights	285	416	302
4 Concessions, licenses, trademarks and similar	2,567	2,220	2,167
5 Goodwill	1,499	2,541	1,599
6 Intangible assets under constructions	51	103	55
7 Other intangible fixed assets	1,796	2,829	2,001
8 Consolidation difference	45,929	47,583	47,780
II Tangible fixed assets	139,365	97,448	114,499
1 Land and buildings	74,993	65,759	72,581
2 Plant and machinery	19,951	17,596	19,706
3 Industrial and commercial equipment	5,047	3,478	4,446
4 Other tangible fixed assets	15,751	10,012	12,052
5 Tangible assets under constructions	23,622	603	5,715
III Financial fixed assets	6,510	5,960	4,528
1 Shareholding:	1,022	523	487
a Subsidiaries, not consolidated	349	14	21
b Affiliates	207	36	0
c Other companies	466	473	466
2 Receivables:	5,331	5,420	3,903
d Receivables from others due within one year	44	1,736	21
d1 Receivables from others due after one year	5,287	3,684	3,882
3 Other securities	157	17	137
C CURRENT ASSETS	473,805	406,925	419,195
I Inventories	218,462	162,837	163,763
1 Raw materials, ancillary materials and consumables	123,530	94,470	107,766
2 Semifinished goods	24,910	13,309	16,873
3 Work in progress	0	0	0
4 Finished products and goods	68,148	52,259	35,424
5 Payments on account	1,874	2,800	3,700
II Receivables	231,932	204,549	222,649
1 Trade receivables	210,770	179,198	199,939
2 Trade receivables from subsidiaries	18	0	0
3 Trade receivables from affiliated companies	0	114	0
4 Trade receivables from parent companies	1,835	154	2,561
5 Trade receivables from others	19,309	25,082	20,149
III Financial assets not fixed	18	0	18
2 Shareholding in affiliated companies	18	0	18
3 Other shareholding	0	0	0
5 Other securities	0	0	0
IV Cash and cash equivalents	23,394	39,540	32,765
1 Bank and postal deposits	22,915	39,200	32,342
2 Cheques	0	0	0
3 Cash	479	339	423
D PREPAYMENTS AND ACCRUED INCOME	3,926	3,412	2,394
1 Accrued income	343	804	279
2 Prepayments	3,583	2,608	2,115

(Itl million)	30.06.2001	30.06.2000	31.12.2000
LIABILITIES	677,559	570,781	596,486
A SHAREHOLDERS' EQUITY	287,674	82,743	98,053
GROUP SHAREHOLDERS' EQUITY	286,179	81,064	97,052
I Share capital	53,040	12,500	31,948
II Premium reserve	173,309	10,500	0
IV Legal reserve	7,351	2,459	6,390
VII Other reserve	54,558	48,723	33,578
VIII Net income (loss) carried forward	0	0	0
IX Result of the period (1)	(2,079)	6,882	25,136
Shareholders' equity pertaining to minorities interests	1,495	1,679	1,001
Share capital and reserves pertaining to minorities interests	1,001	1,053	640
Result of the period pertaining to minorities interests	494	626	361
B PROVISIONS FOR RISKS AND CHARGES	8,538	9,374	8,514
1 Provision for pension retirement and similar	1,874	1,565	1,718
4 Pprovision for risks	1,470	4,044	1,777
5 Provision for warranty products	5,192	3,757	5,018
6 Provision for exchange rates fluctuation	2	7	2
C STAFF SEVERANCE INDEMNITY RESERVE	17,824	16,861	18,364
D PAYABLES	355,461	453,528	464,252
2 <i>Convertible debenture</i>	0	1,000	27,316
a due within one year	0	0	0
b due after one year	0	1,000	27,316
3 <i>Payables to banks</i>	91,672	196,223	187,067
a due within one year	47,589	159,634	145,187
b due after one year	44,083	36,589	41,881
4 <i>Payables to other financial institutions</i>	417	32,589	207
a due within one year	417	32,589	207
b due after one year	0	0	0
5 <i>Advances</i>	25,521	54,868	33,967
a due within one year	25,521	54,868	33,967
b due after one year	0	0	0
6 <i>Trade payables</i>	194,908	124,376	170,497
a due within one year	193,474	123,344	168,920
b due after one year	1,435	1,031	1,576
10 <i>Payables to parent companies</i>	1,694	2,123	1,297
a due within one year	1,694	2,123	1,297
b due after one year	0	0	0
11 <i>Tax payables</i>	9,507	9,553	10,219
a due within one year	9,395	9,432	10,102
b due after one year	112	120	117
12 <i>Payables to social security</i>	5,795	4,552	7,683
a due within one year	5,795	4,552	7,683
b due after one year	0	0	0
13 <i>Other payables</i>	25,947	28,246	25,999
a due within one year	25,547	28,246	25,999
b due after one year	400	0	0
E ACCRUED EXPENSES AND DEFERRED INCOME	8,063	8,276	7,302
1 Accrued expenses	3,549	4,369	3,481
2 Deferred income	4,515	3,907	3,821
MEMORANDUM ACCOUNTS	142,648	81,485	189,278
1 Banks for guarantees	0	25	0
2 Leasing committments	14,220	6,455	10,283
5 Guarantees and endorsement	23,055	33,935	33,683
6 Bills in circulation	20,095	16,143	21,884
7 Other meorandum accounts	85,278	24,926	123,428

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

CONSOLIDATED ACCOUNTS

INCOME STATEMENT

(Itl million)	30.06.2001	30.06.2000	31.12.2000
A VALUE OF PRODUCTION	382,565	312,676	683,428
1 Revenues form sales and service	339,642	284,108	666,001
2 Change in work in progress and semifinished goods	39,260	26,170	10,157
4 Increase in assets value for internal work	79	0	82
5 Other revenues and income	3,584	2,398	7,188
B COSTS OF PRODUCTION	(364,179)	(295,620)	(616,364)
6 Raw materials, ancillary materials and consumables	(198,149)	(161,925)	(325,500)
7 Services	(67,648)	(60,003)	(130,255)
8 Use of third parties assets	(6,309)	(5,131)	(10,150)
9 Personnel expenses	(88,829)	(65,987)	(141,300)
9a Wages and salaries	(67,233)	(49,662)	(106,728)
9b Social security charges	(18,371)	(13,881)	(29,642)
9c Severance indemnity	(2,924)	(2,201)	(4,605)
9d Pension retirement and similar	0	(8)	(11)
9e Other personnel expenses	(302)	(235)	(314)
10 Amortizations, depreciations and write-downs	(10,238)	(8,765)	(19,154)
10a Amortisation of intangible fixed assets	(3,098)	(2,929)	(6,397)
10b Depreciation of tangible fixed assets	(6,363)	(5,247)	(11,310)
10c Other amortisation and depreciation of fixed assets	0	0	0
10d Write-downs of receivables included in current assets	(693)	(589)	(1,446)
11 Changes in raw material, ancillary materials and consumables	13,837	12,190	23,315
12 Provision for risks	0	(77)	0
13 Other provisions	(459)	(137)	(965)
14 Other operating expenses	(6,467)	(5,78)	(12,355)
A-B DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	18,386	17,055	67,064
C FINANCIAL INCOME AND CHARGES	(6,465)	(4,091)	(8,583)
15 Income form equity investments	104	25	52
16 Other financial income	6,786	3,469	6,757
17 Interest and other financial charges	(13,355)	(7,585)	(15,392)
D VALUE ADJUSTMENTS OF FINANCIAL ASSETS	0	0	(273)
18 Write-ups	0	0	0
19 Write-downs	0	0	(273)
E EXTRAORDINARY INCOME AND CHARGES	(13,506)	670	(233)
20 Extraordinary income	62	1,245	1,145
21 Extraordinary charges	(13,568)	(575)	(1,379)
D+E TOTAL EXTRAORDINARY INCOME AND CHARGES	(13,506)	670	(507)
PRE-TAX INCOME	(1,585)	13,634	57,974
22 Income taxes (1)	0	0	(26,350)
RESULT OF THE PERIOD	(1,585)	13,634	31,623
Result of the period pertaining to minority interests	494	626	361
Result of the period before takeover	0	6,126	6,126
Result of the period pertaining to the Group	(2,079)	6,882	25,136

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

The Chief Executive Officer
Roberto Selci

BALANCE SHEET

(Thousands of Euros)	30.06.2001	30.06.2000	31.12.2000
ASSETS	349,930	294,784	308,059
A UNPAID CALLED UP SHARE CAPITAL	0	0	0
B FIXED ASSETS	103,203	82,862	90,327
I Intangible fixed assets	27,864	29,456	28,854
1 Strat-up and expansion costs	108	104	121
2 Research, development and advertising costs	835	591	895
3 Patents and intellectual property rights	147	215	156
4 Concessions, licenses, trademarks and similar	1,326	1,146	1,119
5 Goodwill	774	1,312	826
6 Intangible assets under constructions	26	53	28
7 Other intangible fixed assets	928	1,461	1,034
8 Consolidation difference	23,720	24,575	24,676
II Tangible fixed assets	71,976	50,328	59,134
1 Land and buildings	38,731	33,961	37,485
2 Plant and machinery	10,304	9,088	10,177
3 Industrial and commercial equipment	2,607	1,796	2,296
4 Other tangible fixed assets	8,135	5,171	6,224
5 Tangible assets under constructions	12,200	312	2,952
III Financial fixed assets	3,362	3,078	2,338
1 Shareholding:	528	270	252
a Subsidiaries, not consolidated	180	7	11
b Affiliates	107	18	0
c Other companies	241	244	241
2 Receivables:	2,753	2,799	2,016
d Receivables from others due within one year	23	897	11
d1 Receivables from others due after one year	2,730	1,903	2,005
3 Other securities	81	9	71
C CURRENT ASSETS	244,700	210,159	216,496
I Inventories	112,826	84,098	84,576
1 Raw materials, ancillary materials and consumables	63,695	48,790	55,656
2 Semifinished goods	12,865	6,873	8,714
3 Work in progress	0	0	0
4 Finished products and goods	35,196	26,989	18,295
5 Payments on account	968	1,446	1,911
II Receivables	119,783	105,641	114,989
1 Trade receivables	108,854	92,548	103,260
2 Trade receivables from subsidiaries	9	0	0
3 Trade receivables from affiliated companies	0	59	0
4 Trade receivables from parent companies	948	79	1,323
5 Trade receivables from others	10,014	12,954	10,406
III Financial assets not fixed	9	0	9
2 Shareholding in affiliated companies	9	0	9
3 Other shareholding	0	0	0
5 Other securities	0	0	0
IV Cash and cash equivalents	12,082	20,421	16,922
1 Bank and postal deposits	11,835	20,245	16,703
2 Cheques	0	0	0
3 Cash	248	175	218
D PREPAYMENTS AND ACCRUED INCOME	2,028	1,762	1,236
1 Accrued income	177	415	144
2 Prepayments	1,851	1,347	1,092

CONSOLIDATED ACCOUNTS

(Thousands of Euros)	30.06.2001	30.06.2000	31.12.2000
LIABILITIES	349,930	294,784	308,059
A SHAREHOLDERS' EQUITY	148,571	42,733	50,640
GROUP SHAREHOLDERS' EQUITY	147,799	41,866	50,123
I Share capital	27,393	6,456	16,500
II Premium reserve	89,506	5,423	0
IV Legal reserve	3,797	1,270	3,300
VII Other reserve	28,116	25,164	17,342
VIII Net income (loss) carried forward	0	0	0
IX Result of the period (1)	(1,074)	3,554	12,982
Shareholders' equity pertaining to minorities interests	772	867	517
Share capital and reserves pertaining to minorities interests	517	544	331
Result of the period pertaining to minorities interests	255	323	186
B PROVISIONS FOR RISKS AND CHARGES	4,409	4,841	4,397
1 Provision for pension retirement and similar	968	808	887
4 Pprovision for risks	759	2,089	918
5 Provision for warranty products	2,682	1,940	2,592
6 Provision for exchange rates fluctuation	1	3	1
C STAFF SEVERANCE INDEMNITY RESERVE	9,205	8,708	9,484
D PAYABLES	183,580	234,228	239,766
2 <i>Convertible debenture</i>	0	516	14,108
a due within one year	0	0	0
b due after one year	0	516	14,108
3 <i>Payables to banks</i>	47,345	101,341	96,612
a due within one year	24,577	82,444	74,983
b due after one year	22,767	18,897	21,630
4 <i>Payables to other financial institutions</i>	215	16,831	107
a due within one year	215	16,831	107
b due after one year	0	0	0
5 <i>Advances</i>	13,180	28,337	17,543
a due within one year	13,180	28,337	17,543
b due after one year	0	0	0
6 <i>Trade payables</i>	100,662	64,235	88,054
a due within one year	99,921	63,702	87,240
b due after one year	741	533	814
10 <i>Payables to parent companies</i>	875	1,096	670
a due within one year	875	1,096	670
b due after one year	0	0	0
11 <i>Tax payables</i>	4,910	4,934	5,278
a due within one year	4,852	4,871	5,217
b due after one year	58	62	60
12 <i>Payables to social security</i>	2,993	2,351	3,968
a due within one year	2,993	2,351	3,968
b due after one year	0	0	0
13 <i>Other payables</i>	13,400	14,588	13,427
a due within one year	13,194	14,588	13,427
b due after one year	207	0	0
E ACCRUED EXPENSES AND DEFERRED INCOME	4,164	4,274	3,771
1 Accrued expenses	1,833	2,256	1,798
2 Deferred income	2,332	2,018	1,973
MEMORANDUM ACCOUNTS	73,672	42,083	97,754
1 Banks for guarantees	0	13	0
2 Leasing commitments	7,344	3,334	5,311
5 Guarantees and endorsement	11,907	17,526	17,396
6 Bills in circulation	10,378	8,337	11,302
7 Other memorandum accounts	44,042	12,873	63,745

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

INCOME STATEMENT

(Thousands of Euros)	30.06.2001	30.06.2000	31.12.2000
A VALUE OF PRODUCTION	197,578	161,483	352,961
1 Revenues form sales and service	175,410	146,729	343,961
2 Change in work in progress and semifinished goods	20,276	13,515	5,245
4 Increase in assets value for internal work	41	0	42
5 Other revenues and income	1,851	1,239	3,712
B COSTS OF PRODUCTION	(188,083)	(152,675)	(318,326)
6 Raw materials, ancillary materials and consumables	(102,336)	(83,627)	(168,107)
7 Services	(34,894)	(30,989)	(67,271)
8 Use of third parties assets	(3,258)	(2,650)	(5,242)
9 Personnel expenses	(45,876)	(34,080)	(72,975)
9a Wages and salaries	(34,723)	(25,648)	(55,120)
9b Social security charges	(9,488)	(7,169)	(15,309)
9c Severance indemnity	(1,510)	(1,137)	(2,378)
9d Pension retirement and similar	0	(4)	(5)
9e Other personnel expenses	(156)	(122)	(162)
10 Amortizations, depreciations and write-downs	(5,287)	(4,527)	(9,892)
10a Amortisation of intangible fixed assets	(1,600)	(1,512)	(3,304)
10b Depreciation of tangible fixed assets	(3,329)	(2,710)	(5,841)
10c Other amortisation and depreciation of fixed assets	0	0	0
10d Write-downs of receivables included in current assets	(358)	(304)	(747)
11 Changes in raw material, ancillary materials and consumables	7,146	6,296	12,041
12 Provision for risks	0	(40)	0
13 Other provisions	(237)	(71)	(499)
14 Other operating expenses	(3,340)	(2,988)	(6,381)
A-B DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	9,496	8,808	34,636
C FINANCIAL INCOME AND CHARGES	(3,339)	(2,113)	(4,433)
15 Income form equity investments	54	13	27
16 Other financial income	3,504	1,792	3,490
17 Interest and other financial charges	(6,897)	(3,917)	(7,950)
D VALUE ADJUSTMENTS OF FINANCIAL ASSETS	0	0	(141)
18 Write-ups	0	0	0
19 Write-downs	0	0	(141)
E EXTRAORDINARY INCOME AND CHARGES	(6,975)	346	(120)
20 Extraordinary income	32	643	592
21 Extraordinary charges	(7,007)	(297)	(712)
D+E TOTAL EXTRAORDINARY INCOME AND CHARGES	(6,975)	346	(262)
PRE-TAX INCOME	(819)	7,041	29,941
22 Income taxes (1)	0	0	(13,609)
RESULT OF THE PERIOD	(819)	7,041	16,332
Result of the period pertaining to minority interests	255	323	186
Result of the period before takeover	0	3,164	3,164
Result of the period pertaining to the Group	(1,074)	3,554	12,982

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

The Chief Executive Officer
Roberto Selci



**NOTES TO THE
CONSOLIDATED ACCOUNTS**

NOTES TO THE CONSOLIDATED ACCOUNTS

GENERAL CRITERIA

The consolidated report of the Biesse SpA as of 30 June 2001 has been prepared in accordance with the standards issued by Commissione Nazionale per le Società e la Borsa (Consob) in its regulation included in decision n°11971 of May 14th, 1999, as amended by decision n°12475 of April 6th, 2000. Thus the consolidated accounts and those of the parent company Biesse Spa (see annexes) are presented, while the notes are referred only to the consolidated accounts.

The Half Year Report has been prepared in accordance with Italian Law and contains also a cash flow statement.

The result of the period, as allowed, is shown before taxes.

AREA OF CONSOLIDATION

The consolidated accounts of the Biesse Group include the half year accounts of the parent company and those of the Italian and foreign companies for which the Biesse Spa directly or indirectly holds the majority of the voting rights during the shareholders' meetings. The companies included in the consolidated accounts as of 30 March 2001 using the line-by-line consolidation method are the following:

NOTES TO THE CONSOLIDATED ACCOUNTS

<i>Company and headquarters</i>	<i>Currency</i>	<i>Share capital</i>	<i>Direct</i>	<i>Indirect</i>	<i>Intermediary</i>	<i>Biesse Group</i>
Parent company						
Biesse SpA Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PS)	Itl	53,040,325,433				
Italiane subsidiary companies						
H.S.D. Srl Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PS)	Itl	100,000,000	80.00%			80.00%
Intermac SpA Via della Meccanica, 16 Loc. Chiusa di Ginestreto (PS)	Itl	2,400,000,000	100.00%			100.00%
Foreign subsidiary companies						
Biesse America Inc. 4110 Meadow Oak Drive Charlotte NC 28208 – U.S.A.	US \$	1,000,000	100.00%			100.00%
Biesse Canada Inc. 1845 Rue Jean Monnet - Terrebonne (Quebec) – Canada	CAN \$	180,000	100.00%			100.00%
Biesse Asia Pte. Ltd. 100 Cecil Street – The Globe Singapore	S \$	1,150,000	100.00%			100.00%
Biesse Group UK Ltd. Lamport drive – Daventry Northampt Great Britain	£ STG	1,000	100.00%			100.00%
Biesse Groupe France Sarl Parc d'affaires de la _Vallée de l'Ozon Chapotin - Chaponnay – France	FF	900,000	100.00%			100.00%
Biesse Group Deutschland GmbH Gewerberstrasse, 6 - Elchingen (Ulm) Germany	DM	2,801,922	100.00%			100.00%
Biesservice Scandinavia AB Maskinvagen 1 – Lindas – Sweden	SKR	200,000	60.00%			60.00%
Biesse Iberica Woodw. Mach. s.l. Cl. Pedrosa C., 9 Barcelona – Spain	Pte	172,000,000	100.00%			100.00%
Biesse Brasil Ltda Rua Lapò, 975 Curitiba Paraná – Brazil	Rlb	400,000		99.99%	Intermac Spa	99.99%
Sel Realty Ltd 1845 Rue Jean Monnet - Terrebonne (Quebec) – Canada	CAN \$	100	100.00%			100.00%
Bi. Fin. UK Ltd Lamport drive – Daventry Northampt Great Britain	£ STG	600,000	100.00%			100.00%
Bifin Ltd 233, Peachtree St., NE – Harris Tower Atlanta, GA 30303 (Usa)	Usd	10,000		100.00%	Biesse America Inc.	100.00%
Schelling Anlagenbau GmbH Gebhard-Schwarzler Strasse 34 Schwarzach – Austria	Ats	13,760,300	100.00%			
Schelling Fertigungstechnik GmbH Grosse Wies 21 – Altach Austria	Ats	509,131		100.00%	Schelling Anlagenbau GmbH	100.00%

<i>Company and headquarters</i>	<i>Currency</i>	<i>Share capital</i>	<i>Direct</i>	<i>Indirect</i>	<i>Intermediary</i>	<i>Biesse Group</i>
Foreign subsidiary companies						
Schelling America Inc. 3201 Glenwood Ave. – Wake County Raleigh, North Carolina – USA	US \$	1,000		100.00%	Schelling Anlagenbau GmbH	100.00%
Schelling Uk Ltd. Schelling House, West Yorkshire Sandbeck Way, Wetherby – Great Britain	£ STG	1,000		100.00%	Schelling Anlagenbau GmbH	100.00%
Schelling Asia Pacific Pte Ltd 9 Battery Road, Straits Trading Building Singapore	S \$	100,000		100.00%	Schelling Anlagenbau GmbH	100.00%
Schelling Polska O.d.D. Sp.Zo.o. Ul. Pradzynskiego 24 PL-63-000 Sroda Wlkp. – Poland	Zpl	388,000		100.00%	Schelling Anlagenbau GmbH	100.00%

The only variation in the scope of consolidation compared with 31 December 2000 is the corporate merger of Biesse Triveneto into Biesse Spa.

Equity investments in non-consolidated fully owned subsidiaries

Equity investments in fully owned subsidiaries excluded from the comprehensive consolidation are recorded in the financial statements according to the cost adjusted for write downs method, under article 2426 of the Civil Code.

<i>Company and headquarters</i>	<i>Currency</i>	<i>Share capital</i>	<i>Direct</i>	<i>Indirect</i>	<i>Intermediary</i>	<i>Biesse Group</i>
Hsd Usa Inc. 233 Peachtree Street, Suite 2308 Harris Tower, Atlanta - Usa	Usd	10,000		100.00%	Hsd S.r.l.	100.00%
IS.PE soc.cons. a r.l. Via della Meccanica 16 Loc. Chiusa di Ginestreto - Pesaro	Lit	21,000,000	66.66%	33.34%	Intermac S.p.a.	100.00%

In particular, the equity investment in the subsidiary company Istituto IS.PE mentioned previously, has not been fully consolidated since the company is involved in training activities, and is therefore not homogeneous with the industrial activities carried out by the Group. Furthermore, its very modest volumes of business made the full consolidation of this company irrelevant. The equity investment in the subsidiary company Hsd Usa Inc. has not been fully consolidated since the company has started its activity only in the month of June 2001.

Equity investments in affiliated companies

<i>Company and headquarters</i>	<i>Currency</i>	<i>Share capital</i>	<i>Direct</i>	<i>Indirect</i>	<i>Intermediary</i>	<i>Biesse Group</i>
Eberle Automatische Systeme GmbH Stieglingen 7a, 6850 Dorunbirn- Austria	Ats	500,000		25.00%	Schelling Anlagenbau GmbH	25.00%
I.S.P. Systems S.r.l. Via f.lli Rosselli 46 – Pesaro	Lit	27,000,000	25.92%			25.92%

No companies have been consolidated using the proportional consolidation method.

ASSESSMENT CRITERIA

The interim financial statements used for the consolidation procedures of the parent company and the subsidiary companies included in the consolidation area are those of 30 June 2001 of the individual companies.

These financial statements have been suitably reclassified and adjusted in order to standardise them with the accounting principles and the evaluation criteria of the parent company in case of significant differences. The structure adopted for the consolidated interim financial statement is the one envisaged for industrial companies.

The consolidated interim financial statements have been prepared adopting the same evaluation criteria, the same accounting principles as per the financial year consolidated financial statements.

The evaluation of the financial statement items has been done using the guidance of the general criteria of prudence and competence, considering the future prospect of continuing the business.

CONSOLIDATION PRINCIPLES AND CURRENCY CONVERSION CRITERIA

In preparing the consolidated interim financial statements, assets and liabilities, as well as income and charges of the companies included in the consolidation have been reported in full. The payables and receivables, the income and charges, and the gains and losses originating from intra-group transactions have been eliminated. Departing from this general rule and in consideration of the modest relevance of the associated effects and the difficulty in reconstruction, the company did not eliminate the income deriving from goods in inventory sold by the Hsd Srl company to the other companies included in the Biesse Group, since these are semi-finished goods included in the works in progress. The capital gains and losses deriving from intra-group sales of instrumental assets are included, wherever deemed significant.

The accounting value of the equity investments in companies included in the consolidation was zeroed out by the corresponding fractions of the shareholders' equity of subsidiaries. The difference between the book value of the equity investments, zeroed out, and the corresponding quota of shareholders' equity, is entered as an adjustment to the consolidated shareholders' equity. In the case of acquisitions, the difference mentioned above is charged to the asset and liability elements of the companies included in consolidation. Any surplus, if negative, is recorded under the item called "Consolidation Reserve", or, when it refers to expectations of unfavourable economic results, under the item called "Consolidation reserve for future risks and charges"; any positive surplus is recorded with the intangible fixed assets, as "Consolidation difference".

The amount of the share capital and the reserves of the subsidiary companies corresponding to equity investments pertaining to minority interests is recorded under an item in the shareholders' equity called "Share capital and reserves pertaining to minority interests"; the part of the consolidated economic results corresponding to the equity investments of minority interests is recorded under the item "Net income for the year pertaining to minority interests".

The interim financial statements of the foreign companies included in the consolidation area, originally expressed in foreign currency, have been converted into Italian Lire by using the following conversion method:

Balance sheets:

Every account of the balance sheet has been converted by applying the exchange rate valid at the close of the period, with exception made for postings to the shareholders' equity which have been converted at the historic exchange rate.

Income statements:

Every account of the income statement has been converted by applying the average exchange rate of the period.

The differences in exchange rate originating from the conversion in Italian Lire of the interim financial statements expressed in foreign currency have been charged to the item under the Consolidated shareholders' equity included among the Other Reserves such as "Reserves of the differences in conversion".

The average exchange rates and at the end of the periods are the following:

Currency	1H 2001		FY 2000		1H 2000	
	Average exchange exchange rate	30.06.2001	Average exchange rate	31.12.2000	Average exchange rate	30.06.2000
Lire/US Dollar	2,192.826	2,283.337	2,110.472	2,080.890	2,039.432	2,026.230
Lire/Canadian dollar	1,422.866	1,472.897	1,417.870	1,386.510	1,387.347	1,367.712
Lire/Singapore dollar	1,224.688	1,253.168	1,220.169	1,198.550	1,187.051	1,170.446
Lire /Pound Sterling	3,141.891	3,210.529	3,186.676	3,102.500	3,184.739	3,062.264
Lire/French Franc	295.182	295.182	295.182	295.182	295.182	295.182
Lire/Swedish Krona	213.124	210.178	228.54	219.25	231.285	229.933
Lire/German Mark (*)	989.999	989.999	989.999	989.999	989.999	989.999
Lire/Spanish Peseta (*)	11.637	11.637	11.637	11.637	11.637	11.637
Lire/Austrian Shilling (*)	140.714	140.714	140.714	140.714	140.714	140.714
Lire/Polish Zloty	542.813	574.529	483.32	497.29	/	/
Lire/Brazilian Real	1,014.418	994.081	1,151.56	1,067.12	/	/

(*) Euro equivalence

The accounting principles and the assessment criteria have been applied uniformly to all the consolidated companies. The assessment criteria adopted by the Parent company Biesse S.p.A. in the consolidated financial statements and disseminated at the Biesse Group companies are in conformity with the aforementioned legislative instructions in force, integrated and interpreted by the Accounting Principles issued by the National Accountant Councils.

Some items in the consolidated financial statements have been reclassified in order to offer better understanding of their contents; consequentially, the same items in the previous period have been reclassified according to art. 2423 ter of the Civil Code.

NOTES TO THE CONSOLIDATED ACCOUNTS

The assessment criteria used for the principle postings of the consolidated financial statements are the following:

Intangible fixed assets

The intangible fixed assets are recorded at the purchase or production cost, including any accessory charges and amortised in account at a constant rate.

The plant and expansion costs are recorded under the appropriate asset heading and are depreciated for the entire duration of their useful economic life, and in any event, for five years at the most. R&D and advertising costs are usually entered in the Income Statement for the financial year they were incurred. Exception is made for costs relating to the production lines developed by new production units, since these offer reasonable future income and are limited to costs strictly inherent to the product development. Development and advertising costs recorded under the assets have been amortised over five financial periods.

Industrial patents and intellectual property rights are amortised based on their presumed life, and in any case not greater than the time established by the licensing contracts.

The concessions, licenses, trademarks and similar rights recorded under the assets have been amortised based on their presumed life, and in any case not greater than the time established by the purchase contracts; in case the useful life cannot be determined or there is not contract, the life is fixed at five financial periods.

Goodwill has been recorded under the assets only if acquired as holder for value, or to the extent of the cost incurred, and is amortised in a period not exceeding the duration of its use, or if this cannot be determined, for a period not exceeding ten years.

Consolidation differences emerge in preparation of the consolidated financial statements when the book values of the equity investments are eliminated against the corresponding fractions of the shareholders' equity of the subsidiaries. Any surplus, not attributable to the individual elements of the assets of the companies included in consolidation, is charged to the adjustment in the consolidated shareholders' equity, or, should there be valid reasons for doing so, is recorded on the asset side under the item "Consolidation difference". This item is amortised over the period of time that the company believes it can profit from economic elements of same, generally defined as ten years. Exception is made in the case of the Schelling Group acquisition, whose consolidation difference is amortised over 20 years, due to the fact that the company believes a 20-year amortisation period more coherent to represent the future utility of the investment. In this case, too, the amortisation has been effected in compliance with the civil and fiscal regulations.

The assets whose economic value at the close of the period is significantly lower than the depreciated cost according to the principles shown are written down to the extent of their economic value. If in the successive periods the reasons for this devaluation are no longer valid, the cost will be restored.

Tangible fixed assets

The tangible fixed assets are recorded at the purchase or production cost including accessory charges, exception made for monetary revaluation made in compliance with the law.

The depreciation has been calculated with reference to the cost, systematically and according to the residual possibility for use. For the financial period in which the asset is acquired, the depreciation is reduced by 50% in the belief that this represents a reasonable approximation of the time distribution of the purchase over the course of the period.

The depreciation rates used are the following:

Industrial buildings:	3 %
Permanent equipment:	25 %
Equipment for trade shows:	12 %
Ordinary machinery and plants:	10 %
Furniture and fixtures:	12 %
Motor-vehicles:	25 %
Electronic and electromechanical office machinery:	20 %

The assets whose economic value at the close of the period is significantly lower than the not yet depreciated cost are written down to the extent of their economic value. If in the successive periods the reasons for this devaluation are no longer valid, the cost will be restored.

The recurrent maintenance costs are charged in full to the income statement. The incremental maintenance costs are charged to the fixed asset to which they apply and are depreciated according to the depreciation rates established for that asset.

Financial fixed assets

The financial fixed assets include the equity investments in non-consolidated subsidiary companies, equity investments in affiliated companies, and investments in other companies, in addition to the long term loans granted.

The equity investments in non-consolidated subsidiary companies and affiliated companies where the Group has a significant influence due to the amount of voting rights – between 20% and 50% - and the other equity investments are assessed according to the cost method, adjusted where necessary by write downs for permanent loss of value.

The long term financial receivables are recorded in the financial statements at cost.

Receivables and payables

The receivables have been recorded at their nominal value and reduced to the presumed salvage value by using the special bad debt provision. The payables are recorded at their nominal value.

The receivables and payables in currency other than Italian Lire, or in any event, non-European Monetary Union currency, have generally been calculated and posted in the Financial Statements at the historic exchange rate pertaining to the day of posting. Should these items give rise to negative differences when converted to the exchange rate valid at the closing date of the period and considering the relative coverage contracts, the company has provisioned a corresponding amount to the risk and contingency reserve. The receivables and payables in foreign currency covered specifically against exchange rate risks have been posted at the exchange rate defined by the coverage operation.

Financial current assets

Financial current assets include securities for sale and/or other financial instruments held in order to use monetary surplus.

These assets are assessed at a lesser value between the purchase cost and the corresponding market value as of the date of consolidation.

Inventories

With regards to the final inventories, the evaluation criteria envisaged by article 2426 of the Civil Code have been observed. In particular, the inventories in the warehouse have been assessed at the lesser value between the cost and the market value.

The cost configuration adopted is the following:

Raw materials and merchandise:	LIFO (last in, first out)
Work in progress:	industrial production cost, depending on the state of progress
Finished products:	industrial production cost

Accruals and Deferrals

Only the income and expenses from the period which have an effect in the successive financial periods, and the revenues and costs earned or incurred before the closing date of the period, but pertaining to successive financial periods have been posted under the items covering the accruals and deferrals. Only costs and proceeds shares pertaining to two or more financial periods are included under such items. Their amount varies depending on the period of time.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover known or likely losses or debts, the timing and amount of which cannot be determined at year-end. Included here are the Unrealised exchange provision, the Product warranty provision, and the Corporate restructuring provision.

In particular, the allocations made to the Product warranty provision enable the economic effect of the warranty costs to be anticipated, according to the principle of correlation between sales revenues – costs for the warranty.

The Corporate restructuring provision is constituted by an allocation against the charges still to be incurred connected with the Biesse Group reorganisation plan, initiated in 1998. This reserve was decreased in relation to the costs already incurred.

Staff severance indemnity reserve

The staff severance indemnity reserve is recorded in the financial statements to cover the entire amount of the compensation accrued in favour of the employees according to their seniority and in virtue of the regulations in force regarding collective contracts in each country where the consolidated companies do business.

Risks, commitments and guarantees

The risks for which a liability is probable are described in the explanatory notes and allocated for according to the congruence criteria in the risk reserves. The risks for which a liability is merely possible are described in the explanatory notes, without making provisions to the risk reserves, in accordance with the reference accounting principles. Risks of a remote nature are not considered.

The commitments and guarantees are indicated in the memorandum accounts at their contractual value. The memorandum accounts include the commitments relating to derivative contracts in existences predominantly for the purpose of guarding the Biesse Group from exchange risks on trade transactions. These commitments are recorded in the Memorandum accounts based on the exchange rates at the end of the financial period. The discounts and premiums on derivative contracts are reflected in the Income statement according to pertinence. If the derivative contracts are not strictly identifiable as coverage transactions, even in view of a strict reading of the reference accounting principles, any loss or gain deriving from these contracts at year-end is charged to the Income Statement.

Revenues, income and charges postings

Revenues and income, costs and charges are recorded in the financial statements net of returns, discounts, allowances and premiums as well as any taxes directly connected with the sale of products and services rendered. Revenues for the sale of products is acknowledged at the moment they change ownership, usually when the goods are shipped or delivered. Revenues having a financial nature are acknowledged on the basis of when the transactions occur.

NOTES TO THE CONSOLIDATED ACCOUNTS

Detailed information and the variations occurring in the consistency of the principal asset and liability items. All amounts are expressed in Itl million.

Fixed assets

Intangible fixed assets:

<i>Itl million</i> Description	Value at 31.12.2000	Purchases	Decreases	Depreciation	Conversion difference	Value at 30.06.2000
Plant and expansion costs	233	8		(32)		209
Research, development and advertising costs	1,734	225		(342)		1,617
Industrial patents and Intellectual property rights	302	105		(122)		285
Concessions, licences, trade-marks and similar rights	2,167	933		(529)	(4)	2,567
Goodwill	1,599			(100)		1,499
Fixed assets in progress and advances	55	91	(95)			51
Other intangible fixed assets	2,001	162	(8)	(359)		1,796
Consolidation difference	47,780		(238)	(1,614)		45,928
Total	55,871	1,524	(341)	(3,098)	(4)	53,952

The Industrial patents and Intellectual property rights increase relate to purchase of new software licenses, includes those purchased from holding company Biesse Holding Spa during the relocation of the employees of the centralised services into Biesse Spa (Itl 212 million).

The reduction in the consolidation difference of Itl 238 million is due to the effects of the merger to incorporate Biesse Triveneto Srl into Biesse Spa.

Tangible fixed assets:

<i>Itl million</i> Description	Value at 31.12.2000	Purchases	Decreases	Depreciation	Conversion difference	Value at 30.06.2000
Land and buildings	72,580	3,352	(686)	(972)	719	74,993
Plants and machineries	19,706	2,274	(164)	(1,855)	10	19,951
Industrial and commercial equipment	4,446	1,987	(107)	(1,276)	3	5,047
Other tangible assets	12,052	6,150	(266)	(2,260)	75	15,751
Fixed assets in progress and advances	5,715	18,261	(354)			23,622
Total	114,499	32,024	(1,577)	(6,363)	810	139,365

The item Land and buildings increased during the period due to the enlargement of the building owned by Sel Realty Ltd and rented to Biesse Canada.

The item Industrial and commercial equipment is characterised by a net increase during the period due largely to the purchase of ordinary operational instruments necessary for the activities of assembly and testing machine tools, and the construction of moulds for raw materials production.

The net increase in the value of the Other assets is due for Itl 1,200 million to the purchase of new fixtures and furnishings, and for Itl 1,424 million for purchases of electronic and electromechanical office machinery, which include increasingly sophisticated and state-of-the-art instruments destined to information systems (servers, USCSI disks, etc.).

The item Fixed assets in progress and advances is made up of advance payments for works still to be completed on a new factory owned by Biesse Spa, and costs already incurred relating to the construction underway of the new factory destined to the Interamac Spa which will be completed by the end of this year.

Schedule of the revaluation:

L million

		<i>BIESSE SpA</i>	<i>TOTAL</i>
Land	Under Law 413/91	65	65
Buildings	Under Law 72/83	310	310
Buildings	Under Law413/91	180	180
Plants and machinery	Under Law 72/83	89	89
Industrial and comm. Equipment	Under Law 72/83	2	2
Other assets	Under Law 72/83	7	7
Total		652	652

NOTES TO THE CONSOLIDATED ACCOUNTS

Investments

Equity investments in non-consolidated fully owned subsidiaries

Equity investments in fully owned subsidiaries excluded from the comprehensive consolidation are recorded in the financial statements according to the cost adjusted for write downs method, under article 2426 of the Civil Code.

<i>Itl million</i> <i>Company</i>	<i>June 2001</i>		<i>June 2000</i>	
	<i>Share owned by the Biesse Group</i>	<i>Value entered</i>	<i>Share owned by the Biesse Group</i>	<i>Value entered</i>
Istituto IS.PE. soc. cons. a r.l.	100.00%	21	100.00%	Itl 21
Hsd Usa Inc	100.00%	328	/	/
Total		349		Itl 21

Equity investments in affiliated companies

<i>Itl million</i> <i>Company</i>	<i>June 2001</i>		<i>June 2000</i>	
	<i>Share owned by the Biesse Group</i>	<i>Value entered</i>	<i>Share owned by the Biesse Group</i>	<i>Value entered</i>
I.S.P. Systems Srl	25.93%	207	/	/
Total		207		/

Equity investments in other companies:

The item Equity investments in other companies, assessed according to the cost adjusted for write downs method under article 2426 of the Civil Code as of 31 December 2000, is composed as follows:

<i>Itl million</i> <i>Companies</i>	<i>June 2001</i>		<i>June 2000</i>	
	<i>Value entered</i>	<i>Share owned by the Biesse Group</i>	<i>Value entered</i>	<i>Share owned by the Biesse Group</i>
Diamut Srl	300	10%	300	10%
Banca delle Marche Spa	126	*	126	*
Tecnomarche Scrl	20	4%	20	4%
Consorzio Internazionale Marmi Macchine Carrara	10	*	10	*
Formark Srl	5	*	5	*
Cosmob SpA	2	*	2	*
Consorzio Energia Assindustria Pesaro Urbino	2	*	2	*
Other	1	*	1	*
Total	466		466	

* symbolic or associative equity investments.

Financial receivables:

The item relative to receivables from others falling due after one year (Itl 5,287 million) includes a loan given to others for Itl 3,414 million, the advance payment of the staff severance indemnity for Law 140 of 28 October 1997 for Itl 718 million, in addition to receivables from Fideuram vita,

Fideuram CAF and RAS for a total of Itl 748 million and guarantee deposits for Itl 406 million. Compared with period ended December 2000 there has been an increase of Itl 1,405, largely due to the increase of the loan for Itl 1,670 and to the decrease of the advance payment of the staff severance indemnity for partial repayment.

Other securities:

The item, equal to Itl 157 million do not show any significant variation in comparison to the amount of the period end of December 2000.

Working capital

Inventories:

<i>Itl million</i>		
<i>Description</i>	<i>30.06.2001</i>	<i>31.12.2000</i>
Raw materials	123,530	107,766
Work in progress and semi-finished goods	24,910	16,873
Finished goods	68,148	35,424
Advances	1,874	3,700
Total	218,462	163,763

The total value of inventories is equal to Itl 218,462 million. The increase compared to end of December 2000 of Itl 54,699 is largely due to the increase of finished goods, as a consequence of stocking the foreign subsidiaries with machine to be delivered and invoiced to end customers in the following months. This approach, which results in a surplus of finished products at the beginning of the year, is necessary to ensure that subsidiaries can adequately meet customer demand. The inventory ensures that subsidiaries can complete delivery of orders already placed and paid for and make prompt deliveries of orders in the ensuing months, particularly during August and at the end of the year when the factories of the customer are closed or activities are reduced.

Receivables:

The item Receivables shows a total amount of Itl 231,932 million (amounting Itl 222,649 million at the end of previous year) and is detailed as follows:

<i>Itl million</i>		
<i>Description</i>	<i>30.06.2001</i>	<i>31.12.2000</i>
Receivables from customers	210,770	199,939
Receivables from subsidiary companies	18	0
Receivables from holding companies	1,835	2,561
Receivables form others	19,309	20,149
Total	231,932	222,649

NOTES TO THE CONSOLIDATED ACCOUNTS

Receivables from customers

The receivables from customers are equal to ltl 210,770, net of the related depreciation fund of ltl 3,865 million and refers to commercial and services transactions.

The depreciation is made to cope with potential risks arising from doubtful receivables; the amount for the period is equal to ltl 693 million.

Receivables from holding companies

The receivables from holding companies total ltl 1,835 million and include receivables of the Biesse Spa from Biesse Holding Spa for services related to the centralised functions, which in year 2000 were located in the parent company.

Receivables from others

The receivables from others include receivables for pre-paid taxes totalling ltl 7,845 million and VAT receivable for ltl 4,259 million.

Financial current assets:

The relative value of the equity investment in affiliated companies, totalling L18 million, refers to the shares held by Schelling Anlagenbau GmbH in the Eberle Automatische Systeme GmbH company, inserted with the current assets since the company plans to sell these during the 2001 financial period.

Liquid assets:

The amount of cash on bank and at hand is equal to ltl 23,394 and has decreased by ltl 9,371 million compared with previous year.

Prepaid Expenses and Accrued Income

As of 30 June 2001, the items are comprised as follows:

<i>ltl million</i>		
<i>Description</i>	<i>30.06.2001</i>	<i>31.12.2000</i>
Accrued interest income	32	14
Other accrued income	311	266
Prepaid interest expenses	2,073	454
Other prepaid expenses	1,464	1,554
Multiyear Prepaid expenses	46	106
Total	3,926	2,394

LIABILITIES AND EQUITY

Shareholders' equity

Schedule of the transactions in the Consolidated Shareholders' equity items (L million)

	Balance as at 31.12.2000	Bond Conversion	Transfer result	Conversion difference	Increase in capital	Dividends	Other transaction	Result of the period	Balance as at 30.06.2001
Net shareholders' equity pertaining to the Group									
Capital	31,948	2,527			18,565				53,040
Share premium reserve	0	24,789			148,520				173,309
Legal reserve	6,390		961						7,351
Other reserves:									
Surplus reserve	22,979		11,239					(494)	33,724
Consolidation reserve	126								126
Conversion difference reserve	1,291			1,518					2,809
Merger surplus	3,362								3,362
Reserve for special tax regime	2,895		2,987				494		6,376
Income carried forward	2,926		9,949			(4,042)	(672)		8,161
Result of the period	25,136		(25,136)					(2,079)	(2,079)
Total shareholders' equity of Group	97,052	27,316	0	1,518	167,085	(4,042)	(672)	(2,079)	286,178
Shareholders' equity pertaining to minorities									
Capital and reserves pertaining									
to minority interests	640		361						1,001
Income (loss) pertaining to									
minority interests	361		(361)					494	494
Total shareholders' equity pertaining to minority interests	1,001	0	0	0	0	0	0	494	1,495
Total	98,053	27,316	0	1,518	167,085	(4,042)	(672)	(1,585)	287,673

Share capital

The item, amounting to ltl 53,040 million, has increased by ltl 2,527 million due to the conversion of a P.O.C. for Euro 14,107,500 and by ltl 18,565 million as a consequence of the public offer on Italian Stock Exchange of 9,588,000 shares of Euro 1 nominal value each.

Share premium reserve

The item, equal to ltl 173,309 million is due to the above mentioned public offer for ltl 148,520 million and to P.O.C. conversion for ltl 24,789 million.

NOTES TO THE CONSOLIDATED ACCOUNTS

Legal reserve

Compared with the previous period, the legal reserve increased after allocating Itl 961 million of the income of the parent company from 2000.

Surplus reserve

The item, equal to Itl 33,724 million, has increased by earmarking part of the income from the 2000 period equal to Itl 11,329 million. It has decreased by Itl 502 million due to the reconstitution of the fund related to Law 399/87 and has increased by Itl 8 million due to a reduction of the reserve for accelerated depreciation as a consequence of the dismissal of some assets.

Consolidation reserve

The consolidation reserve amounting to Itl 126 million is the same as at end of previous period since it took in the difference between the price paid for the purchase of shares in the subsidiary Bifin Ltd by Biesse America and the shareholders' equity as of the purchase date.

Conversion differences reserve

The Conversion differences reserve, equal to Itl 2,809 is provisioned to make up for the differences in the financial statements expressed in the currency of non-Euro countries. It increased Itl 1,518 million over the period.

Other reserves

The Other reserves item amounting to Itl 9,738 million is composed of the merger surplus of Itl 3,362 million, of the Itl 323 million fund as per Art. 55 of Presidential Decree 597/917, the reserve under Law 696/83 – Law 399/17 equal to Itl 779 million, and the accelerated depreciation reserve for Itl 5,274 million, composed of the accelerated depreciation done in the previous periods measured only in preparing the income tax returns.

The increase of Itl 2,979 million compared to the end of the previous period is due for Itl 2,979 to earmarking part of the income from the 2000 period to reserve for accelerated depreciation, for Itl 502 million to the reconstitution of the fund related to Law 399/87 and has decreased by Itl 8 million due to a reduction of the reserve for accelerated depreciation as a consequence of the dismissal of some assets.

Reconciliation between the Parent Company and the Consolidated Financial statements (L million).

	<i>Shareholders' Equity 30.06.2001</i>	<i>Result of the period 30.06.2001 (1)</i>	<i>Shareholders' Equity 2000</i>	<i>Result of the period 2000</i>
Shareholders' equity and income of the period as recorded in the parent company interim financial statement	280,975	3,813	86,804	19,230
Elimination of the stock value of the consolidated equity investments				
Diff. between the stock value and the pro-quota value of the shareholders' equity	(22,756)		(32,018)	
Pro-quota results achieved by the held companies		5,260		14,327
Consolidation difference	45,929	(1,613)	47,780	(3,254)
Surplus attributed to buildings	975	(17)	994	(31)
Consolidation reserve	126		126	
Modification to the consolidation area				(6,126)
Elimination of the write down of the equity investments		1,264		1,884
Assessment of the affiliated using the net equity method				
Elimination of the effects of transactions between consolidated companies:				
Intra-group profits included in the value of final inventories	(17,565)	(10,786)	(5,129)	611
Intra-group profits on fixed assets	(1,505)		(1,505)	(1,505)
Shareholders' equity and income of the period pertaining to the Group	286,179	(2,079)	97,052	25,136
Shareholders' equity and income of the period pertaining to minority interests	1,495	494	1,001	361
Shareholders' equity and income of the period as recorded in the consolidated interim financial statement	287,674	(1,585)	98,053	25,497

N.B.: The result of the period as at 30 June is calculated on a pre-tax basis.

Fund for risks and charges

The item is equal to Itl 8,538 million (Itl 8,514 million at the end of year 2000) and it is composed as follows:

Supplementary indemnity reserve for customers

The item is equal to Itl 1,874 million, while amounting Itl 1,718 million at the end of the previous period.

NOTES TO THE CONSOLIDATED ACCOUNTS

Provision for future risks and charges

Provision for future risks and charges, amounting Itl 1,470 million, include the Corporate Restructuring provision, equal to Itl 1,023 million, a risk fund for the Biesse Spa company, taxed for Itl 250 million, which remained unaltered compared with the previous period and a general fund for risks and charges allocated by Interamac Spa for Itl 100 million against the potential risk pursuant to the P.V.C. in December 2000, and for Itl 97 million for provisions made by Biesse France.

Product warranty provision

The item is equal to Itl 5,192 million (Itl 5,018 million), with a provision for the period equal to Itl 382 million.

Staff severance indemnities reserve

Reserve at the beginning of the financial period	18,364
Amount accrued and allocated in the consolidated financial statements	2,924
Payments made during the period	(3,464)
Reserve at the end of the financial period	17,824

Accounts Payable

Convertible bonds:

On 28 February 2001, the Board of Directors of the Biesse Spa deliberated on the advance repayment of the P.O.C. of Euro 14,107,500. Therefore, in fulfilment of the conversion ratio of 1 share every 10.81 bonds, 1,305,042 new Biesse Spa shares have been issued and assigned to Werner Deuring Privatstiftung.

Notes payable due to banks:

Description	30.06.2001	31.12.2000
Current accounts and short term loans	61,398	140,325
Medium term loans	0	42
Mortgage with collateral	9,655	10,109
Mortgage without collateral	20,619	36,592
Total	91,672	187,067

The reduced indebtedness toward banks is due to proceeds arising from the IPO, for an amount of around Itl 155,000 million net of related expenses.

Payables falling due after 5 years:

Itl million

<i>Description</i>	
Loan law 46/82 (n. 2222/93)	183
Loan law 46/82 (n. 656/98)	1,679
Loan law 46/82 (n. 657/98)	447
Total	2,309

The mortgages taken out with collateral are detailed as follows:

Itl million

<i>Company</i>	<i>Amount</i>	<i>Credit institution</i>	<i>Description of the collateral</i>
Biesse Spa	1,400	Mortgage Mediocredito Fondiario Centroitalia	Collateral based on the building located in Via della Meccanica, sn - Chiusa di Ginestreto (PS)
Biesse Spa	3,459	EIB loan	Collateral based on the 75,000 sqm area , site of the building in Pesaro, Località Chiusa di Ginestreto (PS), constituted by 7 plant buildings
Sel Realty Ltd.	222	Mortgage BCI - Comit Canada	Collateral based on the industrial building in Toronto (Canada)
Sel Realty Ltd.	453	Mortgage BCI - Comit Canada	Collateral based on the industrial building in Montreal (Canada)
Bifin Ltd	4,120	Mortgage BCI - Comit NY	Collateral based on the industrial building in Charlotte (Usa)
Total	9,654		

Notes payable due to other financial sources:

As of 30 June 2001, the notes payable due to other financial sources is Itl 417 million and shows an increase of Itl 210 million compared with the previous year. The entire amount of the item is comprised of security deposits received from customers.

Advances:

This item includes advances received from customers as of 30 June 2001 for a total amount of Itl 25,521 million, decreasing by Itl 8,446 million compared to 31 December 2000.

Trade payables:

The trade payables amount to Itl 194,908 million, increasing by Itl 24,4111 compared to 31 December 2000, mainly due to the growth of the Group business volume, with the consequent development in the production volumes, purchases and payables to suppliers already remarked under the inventories item.

The payables due after 12 months total Itl 1,435 million and must be repaid in full over five financial periods.

Payables to parent company

The payables due to parent companies include payables due to Biesse Holding Spa held by Biesse Spa for Itl 1,694 million, for services related to the centralised functions, which in year 2000 were located in the parent company.

Taxes payable:

The item amount to Itl 9,507 and includes payables due to income taxes related to previous year financial statements, to deduction towards employees and VAT taxes.

The interim consolidated financial statement, as mentioned above, has been prepared based on a before tax level.

At 27 July 2001 the fiscal controls made regarding Biesse Spa have been closed; as far as the more significant findings are concerned, they seem to be questionable based on the opinion expressed by the company's fiscal consultants and by the members of the Board of Statutory Auditors. Should those findings be confirmed, the potential maximum loss for the company can be estimated in Itl 3,000 million.

Social insurance payable:

The item, amounting to Itl 5,795, is related to employees.

Other payables:

As of 30 June 2001 the item Other payables amounts to Itl 25,947 million, substantially in line with the amount at the end of previous year. This includes the payables towards employees for salaries and wages for Itl 17,679 million, the outstanding debt relating to the purchase of Sev line of activity by Hsd Srl for Itl 795 million, and the amount related to the adjustment of the currency rate for the forward agreements held by Biesse Spa.

Accruals and Deferred Income

Description	30.06.2001	31.12.2000
Accrued interest expenses	663	1.296
Other accrued expenses	2.886	2.185
Deferred interest income	2.540	2.028
Deferred revenues for installation and testing	1.869	1.727
Other deferred revenues	105	66
Total	8.063	7.302

Memorandum Accounts:

The memorandum accounts are described as follows:

Description	30.06.2001	31.12.2000
Banks for our guarantees	663	1,296
Leasing commitments	14,220	10,283
Collateral given for guarantees/ endorsements	23,055	33,683
Bills in circulation	20,095	21,884
Other memorandum accounts	85,278	123,428
Total memorandum accounts	142,648	189,278

The Other memorandum accounts refers to forward agreements to cover evaluated at the exchange rate at the end of the period.

CONSOLIDATED INCOME STATEMENT

Detailed information and the variations occurring in the consistency of the principal asset and liability items. All amounts are expressed in Itl million.

Value of production

The item Value of production amounts to Itl 382,565 million, increasing by 22% compared to end of June 2000. The worldwide presence of the Group has allowed this growth trend, despite different situation emerging from different geographical areas.

Sales of goods and services:

Itl million

<i>Description</i>	<i>30.06.2001</i>	<i>30.06.2000</i>
Revenues for the sale of goods	333,006	276,192
Revenues for services rendered	6,299	6,684
Other sales revenues	745	1,501
Variation in revenues for returns, premium, discounts, allowances and invoices adjustments	(408)	(270)
Total	339,642	284,107

The breakdown of the revenues for sales and services rendered by division is the following:

Itl million

<i>Division</i>	<i>30.06.2001</i>	<i>%</i>	<i>30.06.2000</i>	<i>%</i>
Wood Division	209,260	61.6	158,948	55.9
Glass and Marble Division	58,065	14.7	41,664	14.7
Systems Division	63,502	18.7	78,870	27.8
Mechatronics Division	23,702	7.0	15,042	5.3
Aggregated total	354,529	104.4	294,524	103.7
Intercompany eliminations	(14,887)	(4.4)	(10,416)	(3.7)
Total consolidated revenues	339,642	100.0	284,108	100.0

The breakdown of the revenues for sales and services of each division rendered by geographical area is the following:

Itl million

Wood Division	June 2001	%	June 2000	%
U.E.	137,659	65.8%	95,743	60.2%
North America	29,131	13.9%	28,092	17.7%
R.o.W.	42,470	20.3%	35,112	22.1%
Total	209,260	100.0%	158,947	100.0%

Glass and Marble Division	June 2001	%	June 2000	%
U.E.	36,732	63.3%	30,540	73.3%
North America	9,000	15.5%	2,968	7.1%
R.o.W.	12,333	21.2%	8,157	19.6%
Total	58,065	100.0%	41,665	100.0%

Systems Division	June 2001	%	June 2000	%
U.E.	33,211	52.3%	34,950	44.3%
North America	28,882	45.5%	42,699	54.1%
R.o.W.	1,409	2.2%	1,220	1.5%
Total	63,502	100.0%	78,869	100.0%

Mechatronics Division	June 2001	%	June 2000	%
U.E.	19,313	81.5%	12,350	82.1%
North America	1,334	5.6%	1,053	7.0%
R.o.W.	3,055	12.9%	1,640	10.9%
Total	23,702	100.0%	15,043	100.0%

The summary of the breakdown of the sales by geographic area is the following:

Itl million

Geographical area	June 2001	%	June 2000	%
U.E.	212,447	62.55%	163,314	57.48%
North America	68,349	20.12%	74,813	26.33%
R.o.W.	58,846	17.33%	45,980	16.18%
Total	339,642	100.00%	284,107	100.00%

Revenues increased compared to end of June 2000 by Itl 55,535 million (+19.5%). For other details, see the Report on operations.

NOTES TO THE CONSOLIDATED ACCOUNTS

Other revenues and income:

The item Other revenues and income amounts to ltl 3,584, increasing by ltl 1,186 compared to end of June 2000. It is due largely to contributions to period accounts and to recovery of shipping and delivery expenses.

Costs of production

This item shows an amount of ltl 364,179 million with an increase compared to end of June 2000 of ltl 68,559 million.

Costs of raw, ancillary and consumable materials and goods for resale

The total amount is of ltl 198,149, increasing by ltl 36,224 million compared to the same period of previous year; the incidence on sales (48.1%) is substantially in line with that end of June 2000 (47.9%).

Service costs:

The item is composed as follows:

<i>ltl million</i>		
<i>Description</i>	<i>30.06.2001</i>	<i>30.06.2000</i>
Outsourcing	15,546	10,298
Utilities	1,186	1,160
Maintenance	2,163	1,768
Technical, legal, administrative consulting	4,435	3,317
Commission expenses	8,292	7,625
Trade shows and advertising	7,224	6,507
Business trips and travel expenses	9,085	7,232
Postage and telephone costs	2,024	1,854
Transportation costs	6,398	4,789
Other service expenses	11,295	15,453
Total	67,648	60,003

Use of third-party assets

The value is equal to ltl 6,309 million, increased by ltl 1,178 million essentially due to higher costs for long rental of cars (ltl 700 million) and also for higher expenses due to rental of industrial buildings.

Personnel costs:

The item equal to ltl 88,829 million, has increased by ltl 22,842 million compared with end of June 2000, due to increased average number of employees both for strengthen the company's departments and for the relocation of the employees formerly working in the centralised functions in Biesse Holding Spa.

Write-downs of current assets:

The item, equal to Itl 693 million is due to the bad debt provision.

Provisions:

The item Other provisions (Itl 459 million) refers to the provisions to the Product warranty reserve.

Sundry operating costs:

The item Sundry operating costs, equal to Itl 6,467 million, includes the costs for heating, losses on assets and fuel costs associated with vehicle management.

Financial proceeds and charges**Income from equity investments:**

Income from equity investments in other companies refer to dividends and relative tax credits from Diamut Srl disbursed to Intermac Spa for Itl 95 million.

Other financial income:

Itl million

<i>Description</i>	<i>30.06.2001</i>	<i>30.06.2000</i>
Income from securities recorded under fixed assets	120	82
Other sundry income	1,991	2,351
Exchange gains	4,675	1,036
Total	6,786	3,469

The Other sundry income is comprised primarily of interest on Sabatini Law practices.

Interest and other financial charges:

Itl million

<i>Description</i>	<i>30.06.2001</i>	<i>30.06.2000</i>
Interests charges from banks and on advances	1,092	871
Interests charges on debenture loans	3,050	515
Exchange losses	6,633	3,068
Others	2,580	3,131
Total	13,355	7,585

Increase in interest and financial charges is related to higher average level of indebtedness of the first half of year 2001 compared to the same period of the previous year, especially due to an increase in net working capital related to the growth in terms of sales volume and to the investments in fixed assets, especially for industrial buildings.

As a consequence of the IPO proceeds, the situation is deemed to improve in the second half of the year. The increase in Exchange losses is substantially compensated by the same increase in Exchange gains.

Extraordinary income and charges

Extraordinary income:

The amount of Itl 62 million is largely due to contingent assets.

Extraordinary charges:

The item Extraordinary charges (Itl 13,568 million) is mainly constituted by the expenses related to the listing on the Italian Stock Exchange, for Itl 12,230 million, which has been charged entirely to profit and loss in the first financial year as allowed by the Accounting principles.

Further information:

Information related to stock option plan

On 25 September 2001, the Board of Directors of Biesse Spa has deliberated a stock option plan for the managers of the Group. Under current financial year 203,280 option rights have been assigned, increased by 20% due to listing on Italian Stock Exchange, thus becoming equal to 243,936. Underwritings is exercisable from 1 July 2004 onwards at a strike price of Euro 10.81 per share and for one quarter of the total number of rights after one, four, eight and twelve months from the starting date.

The stock option plan is managed by a Committee appointed by the Board of Directors and the regulation can be modified only with the approval of the Board itself and of beneficiaries representing at least 51% of the total number of rights.

Average number of employees

The average number of employees is equal to 2,076, being of 1,698 for the financial year 2000.

Conversion to Euro

With reference to the Legislative decree n. 213 of 25 June 1998 regarding the conversion to Euro, the parent company and all the subsidiaries have decided not to adopt Euro as official accounting currency, therefore only presenting the balance sheet and profit and loss accounts expressed in the new currency. Both the parent company and all the subsidiaries are preparing the conversion of accounting and operating systems to the Euro, which will be carried over at the end of the current financial year.

Pesaro, 27 September 2001

***The Chief Executive Officer
Roberto Selci***

ANNEXES



ANNEXES

ANNEXE "A" CONSOLIDATED CASH FLOW STATEMENT

(Itr million)	30.06.2001	31.12.2000
ORDINARY ACTIVITIES		
+/- Result of the period	(1,585)	25,497
+ Amortisation and depreciation:	0	0
+ of tangible fixed assets	6,363	11,310
+ of intangible fixed assets	3,098	6,397
+ Write-off of consolidation difference pursuant to merger	238	141
+ Provisions	0	0
+ for staff severance indemnity	2,924	4,605
+ for bad and doubtful debts	693	1,446
+ for risks and charges	598	1,405
+ Write-downs of shareholding and others		
= SUBTOTAL	12,328	50,801
- Staff severance indemnity paid out	(3,464)	(2,415)
- Use of risk funds	(574)	(2,580)
+/- Variation in current assets	(9,976)	(83,189)
+/- Variation in securities included in current assets	(0)	2,099
+/- Variation in inventory	(54,699)	(62,949)
+/- Variation in prepayments and accrued income	(1,532)	(251)
+/- Variation in accruals and deferred income	761	4,370
+/- variation in trade payables	24,412	55,519
+/- Variation in other non financial payables	(7,513)	32,910
= CASH FLOW FROM ORDINARY ACTIVITIES	(40,256)	(5,686)
INVESTING ACTIVITIES		
- Purchase of intangible assets	(1,758)	(1,040)
+ Transfer of intangible assets	341	277
- Purchase of tangible assets	(32,889)	(54,427)
+ Transfer of tangible assets	1,577	0
- Purchase of financial assets	(1,670)	1,241
+ Transfer of financial assets	243	0
Delta purchase (transfer) of shareholding in subsidiaries represented by:	0	0
intangible fixed assets	0	(1,171)
tangible fixed assets	0	(26,971)
financial fixed assets	0	0
current assets	0	(11,350)
payables	0	28,541
consolidation difference	0	(39,309)
surplus attributed to tangible assets	0	(1,025)
consolidation reserve	0	126
+/- Variation in third-party capital	0	(407)
Purchase (transfer) of other shareholding and securities	(555)	192
= CASH FLOW FROM INVESTING ACTIVITIES	(34,712)	(105,324)
FINANCING ACTIVITY		
+/- Increase/decrease in financial receivables	0	0
+/- Opening/repayment of medium/long term bank loans	2,203	30,630
+ Opening/repayment of other loans	(27,234)	26,316
+ Increase/decrease in bank borrowings	(97,598)	65,364
Variation in payables to other lenders	209	(223)
- Payment of dividends	(7,230)	0
+ Capital increase	194,401	0
Other changes in shareholder' equity	(672)	0
= CASH FLOW FROM FINANCING	64,079	122,087
+/- Variation in reserve from conversion of financial statements	1,518	502
= CASH FLOW	(9,371)	11,579
+ Net cash on hand at period start	32,765	21,186
+ Net cash on hand at period end	23,394	32,765
<i>Variations in financial items that do not involve cash flow movements</i>		
- conversion of debenture loan	27,316	10,000
- dividends deliberated and not paid	0	3,188
Total	27,316	13,188

ANNEXE "B"
BALANCE SHEET

(Irl million)	30.06.2001	30.06.2000	31.12.2000
ASSETS	511,156	325,309	403,222
A UNPAID CALLED UP SHARE CAPITAL	0	0	0
B FIXED ASSETS	229,940	145,947	160,356
I Intangible fixed assets	7,768	2,491	7,782
1 Start-up and expansion costs	22	31	28
2 Research, development and advertising costs	751	493	865
3 Patents and intellectual property rights	190	93	174
4 Concessions, licenses, trademarks and similar	1,677	951	1,179
5 Goodwill	4,132	75	4,378
6 Intangible assets under constructions	51	0	55
7 Other intangible fixed assets	945	847	1,103
8 Consolidation difference	0	0	0
II Tangible fixed assets	79,297	59,220	67,591
1 Land and buildings	43,884	44,345	44,244
2 Plant and machinery	13,511	9,460	13,620
3 Industrial and commercial equipment	2,862	878	2,033
4 Other tangible fixed assets	8,721	4,530	6,152
5 Tangible assets under constructions	10,320	6	1,543
III Financial fixed assets	142,874	84,236	84,984
1 Shareholding:	72,698	80,173	74,110
a Subsidiaries, not consolidated	72,335	80,018	73,954
b Affiliates	207	0	0
c Other companies	156	155	156
2 Receivables:	70,176	4,063	10,874
d Receivables from others due within one year	0	1,722	0
d1 Receivables from others due after one year	5,155	2,341	3,711
3 Other securities	0	0	0
C CURRENT ASSETS	279,596	178,724	242,182
I Inventories	107,759	66,630	86,077
1 Raw materials, ancillary materials and consumables	68,929	46,127	59,681
2 Semifinished goods	13,206	6,476	9,828
3 Work in progress	0	0	0
4 Finished products and goods	25,395	13,562	16,273
5 Payments on account	229	464	295
II Receivables	159,372	108,776	147,567
1 Trade receivables	83,986	48,708	78,277
2 Trade receivables from subsidiaries	65,852	53,749	58,318
3 Trade receivables from affiliated companies	0	0	0
4 Trade receivables from parent companies	1,835	154	2,559
5 Trade receivables from others	7,699	6,164	8,413
III Financial assets not fixed	0	0	0
2 Shareholding in affiliated companies	0	0	0
3 Other shareholding	0	0	0
5 Other securities	0	0	0
IV Cash and cash equivalents	12,465	3,318	8,539
1 Bank and postal deposits	12,297	3,145	8,186
2 Cheques	0	0	0
3 Cash	168	173	353
D PREPAYMENTS AND ACCRUED INCOME	1,621	639	684
1 Accrued income	32	107	1
2 Prepayments	1,588	532	683

ANNEXES

(Itr million)	30.06.2001	30.06.2000	31.12.2000
LIABILITIES	511,156	325,309	403,222
A SHAREHOLDERS' EQUITY	280,975	76,349	88,687
GROUP SHAREHOLDERS' EQUITY	280,975	76,349	88,687
I Share capital	53,040	12,500	31,948
II Premium reserve	173,309	10,500	0
IV Legal reserve	7,351	2,459	6,390
VII Other reserve	43,461	42,115	29,236
VIII Net income (loss) carried forward	0	0	0
IX Result of the period (1)	3,813	8,776	21,114
Shareholders' equity pertaining to minorities interests	0	0	0
Share capital and reserves pertaining to minorities interests	0	0	0
Result of the period pertaining to minorities interests	0	0	0
B PROVISIONS FOR RISKS AND CHARGES	9,990	7,925	5,682
1 Provision for pension retirement and similar	1,325	1,118	1,236
4 Pprovision for risks	3,048	3,520	1,573
5 Provision for warranty products	3,249	2,309	2,871
6 Provision for exchange rates fluctuation	2	0	2
C STAFF SEVERANCE INDEMNITY RESERVE	14,220	9,046	14,317
D PAYABLES	204,581	231,199	292,971
2 <i>Convertible debenture</i>	0	0	27,316
a due within one year	0	0	0
b due after one year	0	0	27,316
3 <i>Payables to banks</i>	42,843	73,119	117,642
a due within one year	6,761	54,485	83,464
b due after one year	36,082	18,635	34,178
4 <i>Payables to other financial institutions</i>	417	32,375	207
a due within one year	417	32,375	207
b due after one year	0	0	0
5 <i>Advances</i>	10,441	10,032	7,956
a due within one year	10,441	10,032	7,956
b due after one year	0	0	0
6 <i>Trade payables</i>	120,537	86,926	106,470
a due within one year	119,105	85,897	104,896
b due after one year	1,433	1,029	1,574
10 <i>Payables to parent companies</i>	1,694	2,123	278
a due within one year	1,694	2,123	278
b due after one year	0	0	0
11 <i>Tax payables</i>	4,167	2,530	5,047
a due within one year	4,166	2,530	5,047
b due after one year	0	0	0
12 <i>Payables to social security</i>	4,125	2,170	4,696
a due within one year	4,125	2,170	4,696
b due after one year	0	0	0
13 <i>Other payables</i>	12,651	11,091	13,102
a due within one year	12,651	11,091	13,102
b due after one year	0	0	0
E ACCRUED EXPENSES AND DEFERRED INCOME	1,391	790	1,565
1 Accrued expenses	519	468	951
2 Deferred income	872	321	614
MEMORANDUM ACCOUNTS	123,614	61,112	169,933
1 Banks for guarantees	0	0	0
2 Leasing commitments	12,623	2,024	8,446
5 Guarantees and endorsement	22,177	31,017	32,733
6 Bills in circulation	3,536	3,645	5,326
7 Other memorandum accounts	85,278	24,426	123,428

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

(Itl million)	30.06.2001	30.06.2000	31.12.2000	
INCOME STATEMENT				
A	VALUE OF PRODUCTION	219,437	138,993	354,367
1	Revenues form sales and service	202,247	129,085	337,884
2	Change in work in progress and semifinished goods	11,846	5,828	7,642
4	Increase in assets value for internal work	79	0	82
5	Other revenues and income	5,266	4,079	8,759
B	COSTS OF PRODUCTION	(196,710)	(128,990)	(311,645)
6	Raw materials, ancillary materials and consumables	(118,859)	(81,765)	(187,736)
7	Services	(32,401)	(26,218)	(55,749)
8	Use of third parties assets	(2,568)	(805)	(3,090)
9	Personnel expenses	(43,544)	(23,290)	(67,102)
9a	Wages and salaries	(31,231)	(16,484)	(47,287)
9b	Social security charges	(10,101)	(5,663)	(16,396)
9c	Severance indemnity	(2,211)	(1,143)	(3,419)
9d	Pension retirement and similar	0	0	0
9e	Other personnel expenses	0	0	0
10	Amortizations, depreciations and write-downs	(4,794)	(3,080)	(8,908)
10a	Amortisation of intangible fixed assets	(1,053)	(608)	(2,197)
10b	Depreciation of tangible fixed assets	(3,335)	(2,242)	(6,067)
10c	Other amortisation and depreciation of fixed assets	0	0	0
10d	Write-downs of receivables included in current assets	(405)	(230)	(644)
11	Changes in raw material, ancillary materials and consumables	7,876	7,511	15,132
12	Provision for risks	0	(64)	0
13	Other provisions	(287)	0	(225)
14	Other operating expenses	(2,135)	(1,281)	(3,967)
A-B	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	22,727	10,002	42,722
C	FINANCIAL INCOME AND CHARGES	(4,548)	(1,762)	(3,677)
15	Income form equity investments	9	5	5
16	Other financial income	4,933	1,588	4,206
17	Interest and other financial charges	(9,490)	(3,354)	(7,888)
D	VALUE ADJUSTMENTS OF FINANCIAL ASSETS	(1,264)	0	(271)
18	Write-ups	0	0	0
19	Write-downs	(1,264)	0	(271)
E	EXTRAORDINARY INCOME AND CHARGES	(13,103)	535	(410)
20	Extraordinary income	37	727	743
21	Extraordinary charges	(13,139)	(193)	(1,154)
D+E	TOTAL EXTRAORDINARY INCOME AND CHARGES	(14,366)	535	(681)
PRE-TAX INCOME		3,813	8,776	38,364
22	Income taxes (1)	0	0	(17,251)
RESULT OF THE PERIOD		3,813	8,776	21,114
Result of the period pertaining to minority interests				
Result of the period before takeover				
Result of the period pertaining to the Group				

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

The Chief Executive Officer
Roberto Selci

ANNEXES

ANNEXE "C" BALANCE SHEET

(Thousands of Euros)	30.06.2001	30.06.2000	31.12.2000
ASSETS	263,990	168,008	208,247
A UNPAID CALLED UP SHARE CAPITAL	0	0	0
B FIXED ASSETS	118,754	75,375	82,817
I Intangible fixed assets	4,012	1,286	4,019
1 Strat-up and expansion costs	12	16	15
2 Research, development and advertising costs	388	255	446
3 Patents and intellectual property rights	98	48	90
4 Concessions, licenses, trademarks and similar	866	491	609
5 Goodwill	2,134	39	2,261
6 Intangible assets under constructions	26	0	28
7 Other intangible fixed assets	488	438	570
8 Consolidation difference	0	0	0
II Tangible fixed assets	40,954	30,584	34,908
1 Land and buildings	22,664	22,902	22,850
2 Plant and machinery	6,978	4,886	7,034
3 Industrial and commercial equipment	1,478	454	1,050
4 Other tangible fixed assets	4,504	2,340	3,177
5 Tangible assets under constructions	5,330	3	797
III Financial fixed assets	73,788	43,504	43,890
1 Shareholding:	37,545	41,406	38,275
a Subsidiaries, not consolidated	37,358	41,326	38,194
b Affiliates	107	0	0
c Other companies	81	80	81
2 Receivables:	36,243	2,098	5,616
d Receivables from others due within one year	0	889	0
d1 Receivables from others due after one year	2,663	1,209	1,916
3 Other securities	0	0	0
C CURRENT ASSETS	144,399	92,303	125,077
I Inventories	55,653	34,412	44,455
1 Raw materials, ancillary materials and consumables	35,599	23,823	30,823
2 Semifinished goods	6,821	3,345	5,076
3 Work in progress	0	0	0
4 Finished products and goods	13,115	7,004	8,404
5 Payments on account	118	240	152
II Receivables	82,309	56,178	76,212
1 Trade receivables	43,375	25,156	40,427
2 Trade receivables from subsidiaries	34,010	27,759	30,119
3 Trade receivables from affiliated companies	0	0	0
4 Trade receivables from parent companies	948	79	1,322
5 Trade receivables from others	3,976	3,184	4,345
III Financial assets not fixed	0	0	0
2 Shareholding in affiliated companies	0	0	0
3 Other shareholding	0	0	0
5 Other securities	0	0	0
IV Cash and cash equivalents	6,437	1,714	4,410
1 Bank and postal deposits	6,351	1,624	4,228
2 Cheques	0	0	0
3 Cash	87	89	182
D PREPAYMENTS AND ACCRUED INCOME	837	330	353
1 Accrued income	17	55	0
2 Prepayments	820	275	353

(Thousands of Euros)	30.06.2001	30.06.2000	31.12.2000
LIABILITIES	263,990	168,008	208,247
A SHAREHOLDERS' EQUITY	145,111	39,431	45,803
GROUP SHAREHOLDERS' EQUITY	145,111	39,431	45,803
I Share capital	27,393	6,456	16,500
II Premium reserve	89,506	5,423	0
IV Legal reserve	3,797	1,270	3,300
VII Other reserve	22,446	21,751	15,099
VIII Net income (loss) carried forward	0	0	0
IX Result of the period (1)	1,969	4,532	10,904
Shareholders' equity pertaining to minorities interests	0	0	0
Share capital and reserves pertaining to minorities interests	0	0	0
Result of the period pertaining to minorities interests	0	0	0
B PROVISIONS FOR RISKS AND CHARGES	5,159	4,093	2,934
1 Provision for pension retirement and similar	685	577	639
4 Provision for risks	1,574	1,818	812
5 Provision for warranty products	1,678	1,193	1,483
6 Provision for exchange rates fluctuation	1	0	1
C STAFF SEVERANCE INDEMNITY RESERVE	7,344	4,672	7,394
D PAYABLES	105,657	119,405	151,307
2 <i>Convertible debenture</i>	0	0	14,108
a due within one year	0	0	0
b due after one year	0	0	14,108
3 <i>Payables to banks</i>	22,127	37,763	60,757
a due within one year	3,492	28,139	43,105
b due after one year	18,635	9,624	17,651
4 <i>Payables to other financial institutions</i>	215	16,720	107
a due within one year	215	16,720	107
b due after one year	0	0	0
5 <i>Advances</i>	5,392	5,181	4,109
a due within one year	5,392	5,181	4,109
b due after one year	0	0	0
6 <i>Trade payables</i>	62,252	44,894	54,987
a due within one year	61,513	44,362	54,174
b due after one year	740	532	813
10 <i>Payables to parent companies</i>	875	1,096	144
a due within one year	875	1,096	144
b due after one year	0	0	0
11 <i>Tax payables</i>	2,152	1,307	2,607
a due within one year	2,152	1,307	2,606
b due after one year	0	0	0
12 <i>Payables to social security</i>	2,130	1,121	2,425
a due within one year	2,130	1,121	2,425
b due after one year	0	0	0
13 <i>Other payables</i>	6,534	5,728	6,766
a due within one year	6,534	5,728	6,766
b due after one year	0	0	0
E ACCRUED EXPENSES AND DEFERRED INCOME	718	408	808
1 Accrued expenses	268	242	491
2 Deferred income	450	166	317
MEMORANDUM ACCOUNTS	63,841	31,562	87,763
1 Banks for guarantees	0	0	0
2 Leasing commitments	6,519	1,045	4,362
5 Guarantees and endorsement	11,454	16,019	16,905
6 Bills in circulation	1,826	1,882	2,750
7 Other memorandum accounts	44,042	12,615	63,745

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

ANNEXES

(Thousands of Euros)		30.06.2001	30.06.2000	31.12.2000
INCOME STATEMENT				
A	VALUE OF PRODUCTION	113,330	71,784	183,015
1	Revenues form sales and service	104,452	66,667	174,503
2	Change in work in progress and semifinished goods	6,118	3,010	3,947
4	Increase in assets value for internal work	41	0	42
5	Other revenues and income	2,720	2,107	4,524
B	COSTS OF PRODUCTION	(101,592)	(66,618)	(160,951)
6	Raw materials, ancillary materials and consumables	(61,385)	(42,228)	(96,957)
7	Services	(16,734)	(13,540)	(28,792)
8	Use of third parties assets	(1,326)	(416)	(1,596)
9	Personnel expenses	(22,488)	(12,028)	(34,655)
9a	Wages and salaries	(16,130)	(8,513)	(24,422)
9b	Social security charges	(5,217)	(2,925)	(8,468)
9c	Severance indemnity	(1,142)	(590)	(1,766)
9d	Pension retirement and similar	0	0	0
9e	Other personnel expenses	0	0	0
10	Amortizations, depreciations and write-downs	(2,476)	(1,590)	(4,601)
10a	Amortisation of intangible fixed assets	(544)	(314)	(1,135)
10b	Depreciation of tangible fixed assets	(1,722)	(1,158)	(3,133)
10c	Other amortisation and depreciation of fixed assets	0	0	0
10d	Write-downs of receivables included in current assets	(209)	(119)	(333)
11	Changes in raw material, ancillary materials and consumables	4,068	3,879	7,815
12	Provision for risks	0	(33)	0
13	Other provisions	(148)	0	(116)
14	Other operating expenses	(1,102)	(661)	(2,049)
A-B	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	11,738	5,166	22,064

(Thousands of Euros)	30.06.2001	30.06.2000	31.12.2000
INCOME STATEMENT			
C FINANCIAL INCOME AND CHARGES	(2,349)	(910)	(1,899)
15 Income from equity investments	5	2	2
16 Other financial income	2,548	820	2,172
17 Interest and other financial charges	(4,901)	(1,732)	(4,074)
D VALUE ADJUSTMENTS OF FINANCIAL ASSETS	(653)	0	(140)
18 Write-ups	0	0	0
19 Write-downs	(653)	0	(140)
E EXTRAORDINARY INCOME AND CHARGES	(6,767)	276	(212)
20 Extraordinary income	19	376	384
21 Extraordinary charges	(6,786)	(99)	(596)
D+E TOTAL EXTRAORDINARY INCOME AND CHARGES	(7,420)	276	(352)
PRE-TAX INCOME	1,969	4,532	19,813
22 Income taxes (1)	0	0	(8,909)
RESULT OF THE PERIOD	1,969	4,532	10,904
Result of the period pertaining to minority interests			
Result of the period before takeover			
Result of the period pertaining to the Group			

(1) Results of the period end of June 2000 and end of June 2001 are before income taxes

The Chief Executive Officer
Roberto Selci

ANNEXE "D"

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**Deloitte
& Touche**

**AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL
INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2001**

**To the Shareholders of
BIESSE S.p.A.**

We have reviewed the accompanying interim financial information for the six months ended June 30, 2001, made up of the consolidated accounting schedules (balance sheet and income statement), and of the related footnotes of BIESSE S.p.A. In addition, we have verified the consistency of the footnotes with the related information contained in the above accounting schedules.

Our review was carried out in accordance with the auditing standards recommended by Consob (the Italian Stock Exchange Regulator) under Resolution n. 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and verification of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with auditing standards. Accordingly, unlike our report on the year end consolidated financial statements, we do not express an audit opinion on the interim financial information.

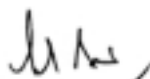
This is the first year in which we have been engaged to review the interim financial information; therefore comparable financial data for the corresponding period of the previous year has not been reviewed and thus we express no comment or conclusion thereon. As far as comparable consolidated data for the year ended December 31, 2000 is concerned, reference is made to our report issued on March 29, 2001.

Deloitte
Touche
Tohmatsu

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Partita IVA / Codice Fiscale 0909430152 - Registro delle Imprese Milano n. 170538 - R.E.A. Milano n. 940

Based on our review, we are not aware of any material modifications that should be made to the interim financial information mentioned in paragraph 1 above in order for it to be in conformity with the criteria provided by Consob regulations for the preparation of the interim financial information for the six months adopted with Resolution n.11971 of May 14, 1999 and subsequent modifications and integrations.

DELOITTE & TOUCHE S.p.A.



Carlo Beciani
Partner

Ancona, September 28, 2001

*This auditors' review report and the accompanying interim financial information are English translations of the Italian auditors' review report and interim financial information prepared for and used in Italy . The interim financial information was prepared using accounting principles, procedures and reporting practices generally accepted in Italy and are not intended to present the interim financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Italy.
The standards, procedures and practices utilised to review such interim financial information are those recommended for the review of the interim financial information in Italy.*

Editing

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