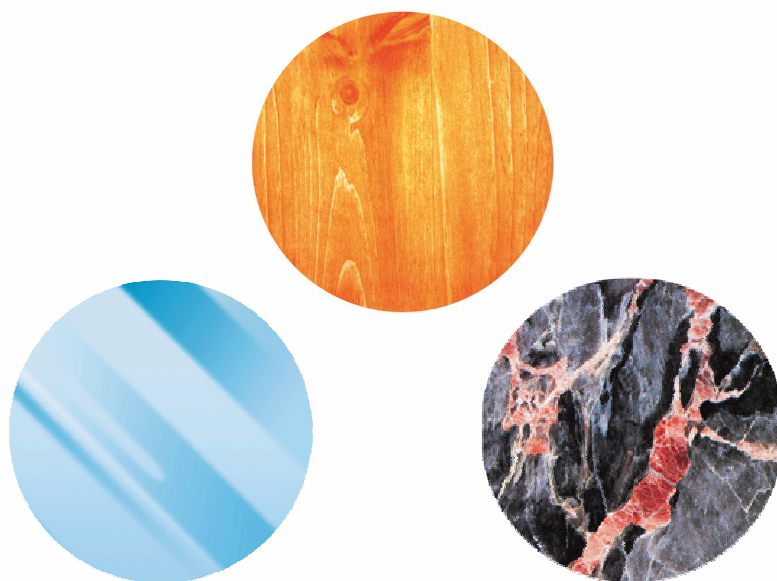




QUARTERLY REPORT
SEPTEMBER 30TH, 2008





BIESSE S.p.A.

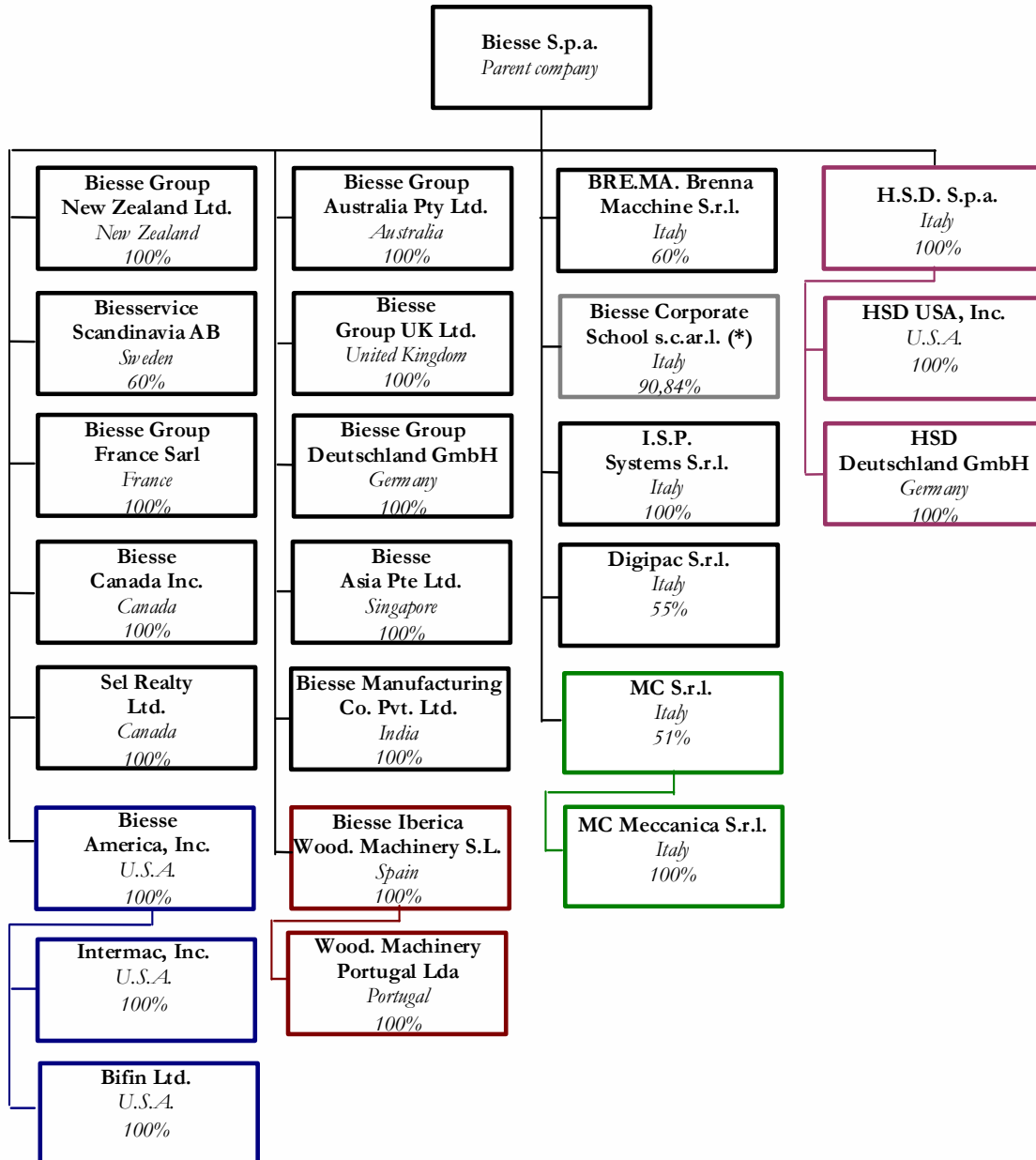
QUARTERLY REPORT AT SEPTEMBER 30TH, 2008

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GROUP STRUCTURE

The companies belonging to the Biesse Group and included in the consolidation area are the following:



* the 90.84% shareholding is 75.83 directly owned by Biesse S.p.A. and 15.01% is indirectly held through H.S.D. S.p.A.



EXPLANATORY NOTES

The unaudited consolidated financial statements at September 30 2008 have been prepared in accordance with IAS/IFRS, in force on the date of its preparation. The comparison data of the periods have also been determined according to IAS/IFRS.

The Quarterly Report has been prepared in accordance with Article 82 and Article 82 – bis of the “Regulations for the implementation of the Legislative Decree No. 58 of February 24, 1998 on the activities of issuers of securities” (Consob Resolution No. 11971 of May 14, 1999, as amended), amended by the Consob Resolution No. 14990 of April 14, 2005. Pursuant to the above mentioned Article 82, the Quarterly Report has been prepared applying for evaluations under the international accounting standards (IFRS), as according to the content stated by Exhibit 3D of the same Regulations. Therefore the Quarterly Report as of December 31, 2006 has not been prepared according to the accounting standards concerning disclosure in interim reports (IAS 34 “Interim financial reporting”).

Accounting principles and valuation criteria comply with those of the interim financial statement at December 31, 2007, to which is referenced. We briefly state also the following:

- the quarterly statement was prepared according to the criterion of separating the periods on the basis of which the reference period is considered as an independent financial period; from this view point the quarterly Income Statement reflects the economic components relating to the period in respect of the pro-tempore basis principle;
- the accounting statements taken as a basis of the consolidation process are prepared by the subsidiary companies with reference to 30 September 2008, adjusted as necessary to comply with the Group’s accounting principles;
- estimated figures of a significant amount are not presented.



PARENT COMPANY CORPORATE BODIES

The Board of Directors currently in office are as follows:

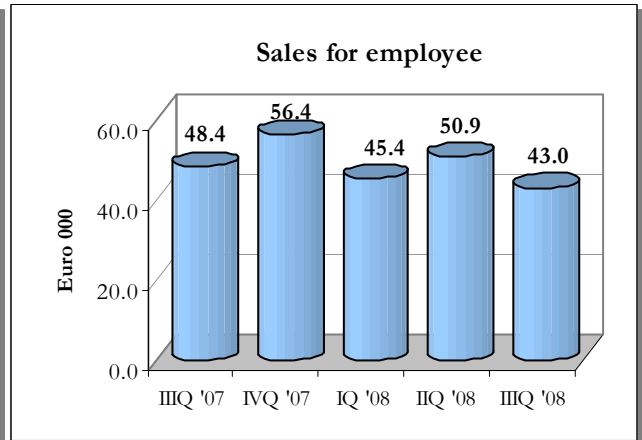
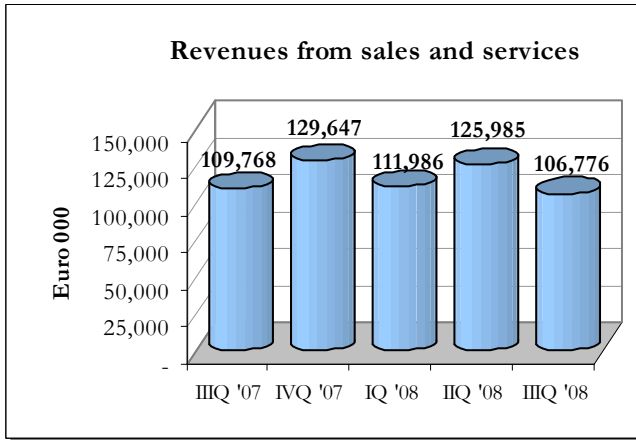
Roberto Selci	Chairman
Giancarlo Selci	Vice President
Alessandra Parpajola	Director
Stafano Porcellini	Director
Leone Sibani	Director *
Giampaolo Garattoni	Director *
Salvatore Giordano	Director *

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

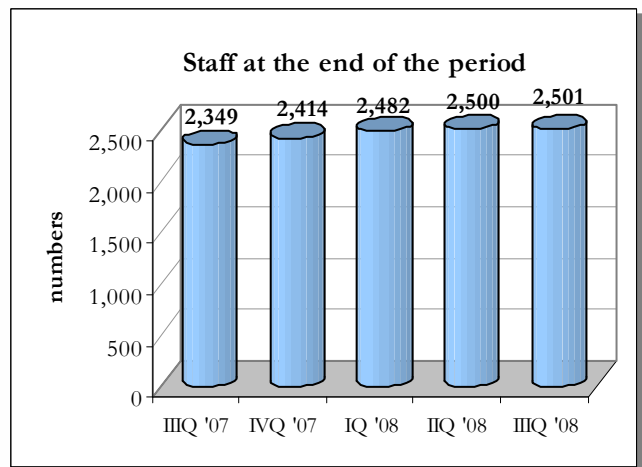
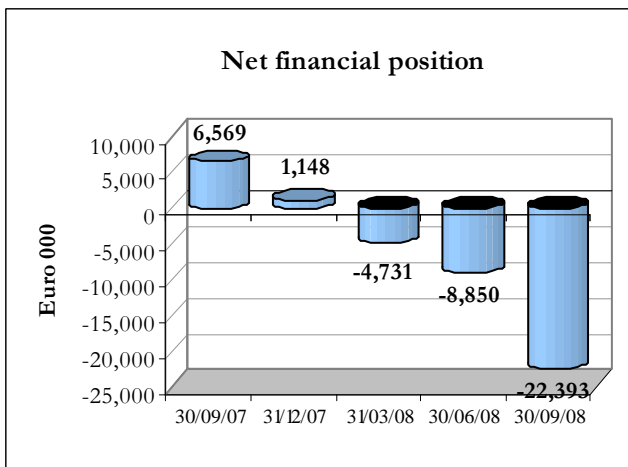
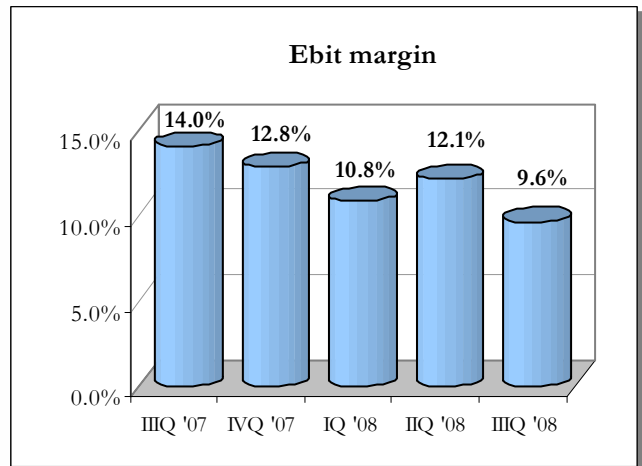
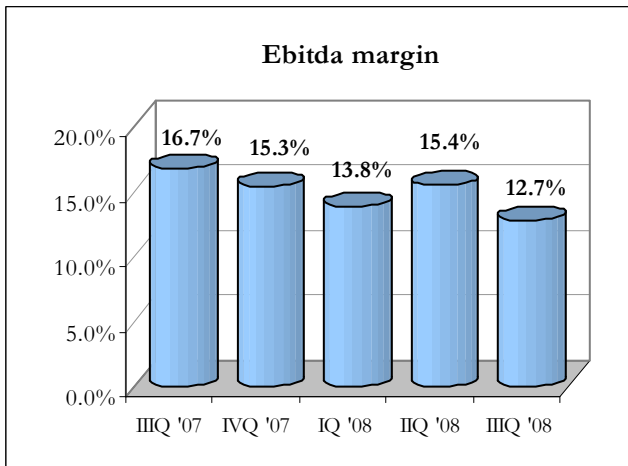
The Board of Statutory Auditors currently in office are as follows:

Giovanni Ciurlo	Chairman
Adriano Franzoni	Statutory Auditor
Claudio Sanchioni	Statutory Auditor

HIGHLIGHTS



* the data includes temporary staff



* the data includes temporary staff



GENERAL ECONOMIC OUTLOOK

The global economy, during the first nine months of the 2008 financial year, has clearly embarked upon a recessionary phase of the economic cycle.

The impact is particularly significant for the most cyclical segments of the manufacturing sector.

This was compounded, between September and October 2008, by the international crisis in the international financial system which added further complications to an already very negative macro-environment; in other words, the collapse of Lehman and the State rescue of AIG, Fannie Mae, Freddie Mac, Northern Rock and other giants of the UK and US credit system, revealed what had been feared and suspected for some time: these events threw light on the substantial inadequacies embedded in the balance sheet assets of the global credit system.

This phenomenon, of unprecedented scale and severity, generated a multiplier effect on the impact of the crisis already afflicting the so-called “real economy”: the dramatic contraction of interbank lending, the default risk of leading credit institutions have resulted in a sudden collapse of liquidity in the system and, for the first time in the post-war era, this has happened on a global scale.

The financing of the day-to-day operations of the industrial/manufacturing sector of the economy has been frozen or, rather, is possible only at prohibitively high costs and restrictive terms.

REFERENCE SECTOR

According to data provided by Acimall, - the Italian national trade association for woodworking machinery -, <<the negative phase that has characterised the sector since the start of the year has accelerated in the third quarter, exacerbated by the global financial and economic crisis the real scale of which became evident in the month of September>>.

The results of this regular survey – conducted on a statistical sample representing the entire sector– <<leave no room for doubt: the Italian woodworking machinery and tools industry recorded a decline of 18.1% compared with the period for July-September 2007; This figure represents the total of the decline in foreign markets (down 13.2%) and the severe contraction that affected the Italian market (down 32.6% compared with the same period of 2007)>>.

The qualitative survey summarises the responses of those interviewed: 49% of respondents report a static production trend, 48% report declines and just 3% report growth.

The forecasts for the forthcoming period - determined on the basis of an objective assessment of the sector scenario and the more general economic climate - do not give grounds for optimism.

According to 18 % of the respondents, orders from abroad remain stable, 70% of respondents expect further declines and 12% of respondents expect growth (a negative balance of -58).

With regard to the domestic market, none of the respondents expect growth; 36 % of respondents expect conditions to remain similar to the existing situation, while 64 % fear further deterioration (a negative balance of -64).

ACCOUNTING STATEMENTS

Third quarter 2008 Income Statement

	III Q 2008	% of revenue	III Q 2007	% of revenue	DELTA %
<i>€ 000's</i>					
Revenues from sales and services	106,776	100.0%	109,767	100.0%	(2.7)%
Changes in inventories, WIP, semi-finished and finished goods	(4,823)	(4.5)%	(6,805)	(6.2)%	(29.1)%
Other revenues and income	220	0.2%	1,324	1.2%	(83.4)%
Value of Production	102,173	95.7%	104,286	95.0%	(2.0)%
Consumption of raw materials, accessory products and goods	41,545	38.9%	40,802	37.2%	1.8%
Other operating expenses	20,826	19.5%	21,353	19.5%	(2.5)%
Value Added	39,801	37.3%	42,132	38.4%	(5.5)%
Personnel costs	26,246	24.6%	23,802	21.7%	10.3%
Gross Operating Margin	13,555	12.7%	18,330	16.7%	(26.0)%
Depreciation and amortisation	3,038	2.8%	3,009	2.7%	1.0%
Provisions	299	0.3%	(21)	0.0%	0.0%
Operating Result	10,218	9.6%	15,342	14.0%	(33.4)%
Financial income/expense	(545)	(0.5)%	(282)	(0.3)%	93.1%
Foreign exchange gains/losses	(188)	(0.2)%	(1,317)	(1.2)%	(85.7)%
Share of associates profits/losses	0	0.0%	140	0.1%	(100.0)%
Pre-tax profit	9,486	8.9%	13,882	12.6%	(31.7)%
Tax for the period	3,500	3.3%	5,117	4.7%	(31.6)%
Result for the period	5,986	5.6%	8,765	8.0%	(31.7)%

30 September 2007 Income Statement

	30 September 2008	% su ricavi	30 September 2007	% su ricavi	DELTA %
<i>€ 000's</i>					
Revenues from sales and services	344,746	100.0%	336,360	100.0%	2.5%
Changes in inventories, WIP, semi-finished and finished goods	10,288	3.0%	10,986	3.3%	(6.3)%
Other revenues and income	2,142	0.6%	3,995	1.2%	(46.4)%
Value of Production	357,177	103.6%	351,341	104.5%	1.7%
Consumption of raw materials, accessory products and goods	155,855	45.2%	148,480	44.1%	5.0%
Other operating expenses	67,963	19.7%	68,470	20.4%	(0.7)%
Value Added	133,359	38.7%	134,392	40.0%	(0.8)%
Personnel costs	84,891	24.6%	76,679	22.8%	10.7%
Curtailement/TFR reform	0	0.0%	(1,574)	(0.5)%	(100.0)%
Gross Operating Margin	48,467	14.1%	59,287	17.6%	(18.3)%
Depreciation and amortisation	9,674	2.8%	8,569	2.5%	12.9%
Provisions	1,331	0.4%	1,901	0.6%	(30.0)%
Operating Result	37,463	10.9%	48,818	14.5%	(23.3)%
Financial income/expense	(1,288)	(0.4)%	(757)	(0.2)%	70.2%
Foreign exchange gains/losses	(159)	0.0%	(957)	(0.3)%	(83.4)%
Share of associates profits/losses	0	0.0%	203	0.1%	(100.0)%
Pre-tax profit	36,017	10.4%	47,307	14.1%	(23.9)%
Tax for the period	12,192	3.5%	19,164	5.7%	(36.4)%
Result for the period	23,825	6.9%	28,144	8.4%	(15.3)%



REPORT ON OPERATIONS

In order to have a clearer reading of the results for these 9 months of the 2008 financial period, it is essential to repeat that the 2008 financial year compares with a similar period of 2007 that was characterised by extraordinary growth in volumes (revenues to 30 September 2007 rose +27.2% compared with the period to 30 September 2006), giving rise to an “operational leverage” effect which impacted significantly on operating profitability. This was the result of the fact that the trend of costs (in particular personnel costs) increased at a lower rate than revenue growth.

In the 2008 financial period, given substantially stable revenues, these costs were on board from January and were not diluted by volume growth which has a consequent direct impact on the profitability of the Group.

The exchange rate impact should also be taken into consideration when evaluating the performance in the first nine months of 2008. At the average rates pertaining to the period the January – September 2008, the revenues generated by the foreign subsidiaries suffered a devaluation of 11.5-12% in the current period compared to the revenues that would have been recorded using the average rates for 2007, resulting in revenues being lower by € 7.2 million due to translation effects.

* * *

Net revenues for the first nine months of the 2008 financial year were € 344.746 million, an increase of 2.5% compared with the previous period (€ 106.776 million for the third quarter alone, representing a decline in the quarter of 2.7% compared with the same quarter of 2007).

The most marked increase in revenues (about +10% circa) was generated by the Glass/Stone and Mechatronics Divisions, compared with substantially flat revenues in the Wood Division.

As for the geographical breakdown of sales, - for which greater information is available in the segment information tables -, this period of the 2008 financial year confirmed the excellent performance of Western European markets, while the performance in the North American market reflected the combined impact of the sudden slowdown of demand and the negative impact of translation of dollar revenues into euro. The performance of the Middle-Eastern and South American markets (RoW) was good.

The trend of inventories of finished and semi-finished goods was in line with the previous period and with the seasonal trend of stockbuilding that is typical of the second and third quarters of the year.

The **Value of Production** of the first nine months of 2008 was therefore € 357.177 million, representing an increase of 1.7% compared with the position to September 2007, when it was € 351.341 million.

There follows an analysis of the impact of costs as a percentage of the Value of Production.

	30 September		30 September	
	2008	%	2007	%
<i>€ 000's</i>				
Value of Production	357,177	100.0%	351,341	100.0%
Consumption of raw materials and goods	155,855	43.6%	148,480	42.3%
Other operating expenses	67,963	19.0%	68,470	19.5%
<i>Service costs</i>	<i>58,077</i>	<i>16.3%</i>	<i>58,121</i>	<i>16.5%</i>
<i>Leasing costs</i>	<i>5,066</i>	<i>1.4%</i>	<i>4,963</i>	<i>1.4%</i>
<i>Other operating costs</i>	<i>4,820</i>	<i>1.3%</i>	<i>5,385</i>	<i>1.5%</i>
Value Added	133,359	37.3%	134,392	38.3%

Value added as a percentage of the Value of Production compared with the same period of the previous year was lower, by one percentage point (the increase of 1.3% in the consumption of raw materials was particularly notable) because of the previously mentioned exchange rate effect which impacted on the revenue contribution of the non-European subsidiaries and compromised the profitability of Group sales.

Personnel costs in the first nine months of 2008 were € 84.891 million (+ 10.7% compared with the € 76.679 million in the period to 30 September 2007), rising as a percentage of revenues to 24.6% from 22.8% in the first nine months of 2007; it has previously been explained that this increase was attributable to the strengthening of the organizational infrastructure of the Group to accommodate the rapid growth experienced in the preceding two years. It is also important to recall that the results for 2007 included non-recurring income of € 1.574 million deriving from so-called curtailment (the effect of actuarial adjustments relating to the application of the 2007 reform of the TFR – employment termination indemnity- in Italy); this effect, which accounted for 0.5% of revenues, should be eliminated from profitability indicators in 2007 in order to grant a more transparent comparison with the same period of 2008.


The Gross Operating Margin (Ebitda) to 30 September 2008 was € 48.467 million, a reduction of 18.3% compared with the same period of the previous year, while the Operating Result (Ebit), which was € 48.818 million in the first nine months of 2007 fell to € 37.463 million, a decline of 23.3%.

Ebitda and **Ebit** expressed as a percentage of net revenues in the two periods of 2007 e 2008 - having eliminated the curtailment effect (0.5%) from the 2007 results - reveals a respective decline in the two indicators from 17.1% (Ebitda 2007) to 14.1% (Ebitda 2008) and from 14.5% (Ebit 2007) to 10.9% (Ebit 2008), representing a negative shift of 3 percentage points attributable, as previously indicated, to the increase in personnel costs and to the contraction of primary margins on sales.

These results were achieved in the context of an increase in depreciation and amortisation (+ € 1 million, in particular on intangible assets) and having made provisions to various risk reserves of € 1.331 million.

With regard to **Financial income/expenses**, the gradual return to a net debt position (for details of which please refer to the accompanying notes) resulted in a consequent increase in financial expenses attributable to banks and other financial institutions to € 1.288 million, while foreign exchange management resulted in losses of € 159 thousand.

Pre-Tax Profit was therefore positive at € 36.017 million (representing a margin of 10.4% of net revenues), a decline of 23.9% compared with the result for the same period of 2007.



The estimate of **Tax charges** was negative for a total amount of € 12.192 million, of which € 3.941 million relates to IRAP, € 10.919 million relates to current taxes on income, net of deferred tax assets of € 1.576 million and recovery of taxes relating to previous years of € 1.091 million due largely to the recovery of Ires related tax credits on research and development activity in 2007 for which the enabling decree was published in the Official Gazette on 18 April 2008.

Therefore, due to an improved tax rate (the main driver of which was the reduction in the IRES rate in Italy), the Group generated an estimated **Net Profit** of € 23.825 million, representing 6.9% of net revenues, a decline of 15.3% compared with the result for the same period of 2007.

Net financial position at September 30th, 2008

	30 September 2008	30 June 2008	31 December 2007	30 September 2007
<i>€ 000's</i>				
Financial assets:	26,613	29,313	36,845	22,546
<i>Current financial assets</i>	647	562	55	50
<i>Liquidity</i>	25,967	28,751	36,790	22,495
ST finance lease liabilities	(2,667)	(2,735)	(2,806)	(2,545)
Bank and other ST financial debt	(36,077)	(26,373)	(22,546)	(2,260)
Net Short Term Financial Position	(12,131)	206	11,493	17,741
M/L term finance lease liabilities	(8,465)	(8,614)	(9,821)	(10,379)
M/L term bank debt	(1,798)	(442)	(524)	(792)
Net M/L Term Financial Position	(10,262)	(9,055)	(10,345)	(11,171)
Total Net Financial Position	(22,393)	(8,850)	1,148	6,569

The Net Financial Position shows net debt of € 22.393 million, representing an increase of € 13.543 million compared with the net debt reported at 30 June 2008.

The increased cash absorption by net working capital impacted this data (June - September); measured against seasonal dynamics there was a lower decrease in "trade receivables" compared to historic data and the entry "trade payables" (see the Balance Sheet below) fell faster than in the preceding financial period. The performance of both of these entries reflects the reduced liquidity in the system which means that Biesse has, on the one hand, been obliged to support the network of small and medium subcontractors of the Group through a reduction in the average payment periods and, on the other, except where there are guarantees, accept extended payment periods from clients.

The seasonal trend of inventories of finished goods deteriorated further compared with the position at December 2007.

The main balance sheet ratios are as follows:

RATIO	30 September 2008	31 December 2007
Gearing	0.14	(0.01)
Equity on net fixed assets	1.48	1.47
Financial Leverage	1.37	1.44

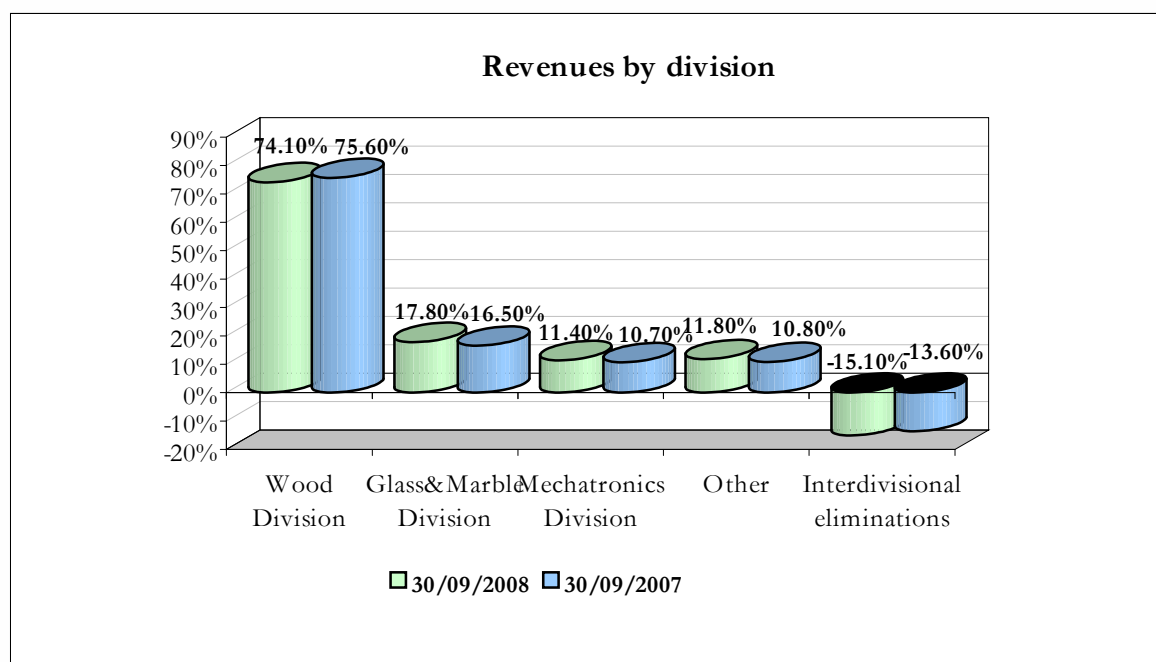
Balance sheet figures

	30 September 2008	30 June 2008	31 December 2007	30 September 2007	30 June 2007
<i>€ 000's</i>					
Intangible fixed assets	45,912	45,349	43,146	41,220	41,031
Tangible fixed assets	60,469	59,229	57,641	56,838	53,293
Other non-current assets	9,665	9,691	9,285	10,808	11,878
Investment property	0	0	2,426	1,346	2,132
NON CURRENT ASSETS	116,045	114,269	112,498	110,212	108,334
Inventories	116,560	119,375	104,192	112,127	115,557
Trade receivables	105,887	108,138	109,981	99,528	106,174
Other receivables	7,316	9,032	8,415	10,706	12,091
Cash and equivalents	26,613	29,882	36,861	22,647	35,705
CURRENT ASSETS	256,376	266,427	259,449	245,008	269,527
TOTAL ASSETS	372,421	380,696	371,947	355,220	377,861
Net equity of the Group	156,789	153,688	151,699	152,694	144,161
Minority interests	236	348	794	518	246
NET EQUITY	157,024	154,036	152,493	153,212	144,407
Bank debt and M/L term finance leases	10,262	9,055	10,390	11,171	11,074
Retirement benefit liabilities	13,212	13,618	13,331	13,798	14,055
Other payables and M/L term liabilities	4,783	5,077	4,967	9,962	10,596
NON CURRENT LIABILITIES	28,258	27,751	28,688	34,932	35,725
Trade payables and other short term liabilities	101,980	120,345	119,464	115,906	131,331
Other short term payables	45,371	49,445	45,975	46,274	60,189
Bank debt and short term finance leases	39,788	29,120	25,327	4,896	6,209
CURRENT LIABILITIES	187,139	198,910	190,765	167,076	197,729
TOTAL LIABILITIES AND NET EQUITY	372,421	380,696	371,947	355,220	377,861

Having already reported, in the analysis of the Net Financial Position, the main trends affecting working capital it is to be noted that value of intangible assets rose primarily due to the capitalisation of projects relating to the Information Systems area (new Enterprise Resource Planning – ERP), while the value of tangible assets has increased following the completion of certain investments initiated in preceding quarters, of which the most notable are the new factory in Bangalore, in India and the commencement of the investment in the new headquarters of Biesse Canada, in Quebec.

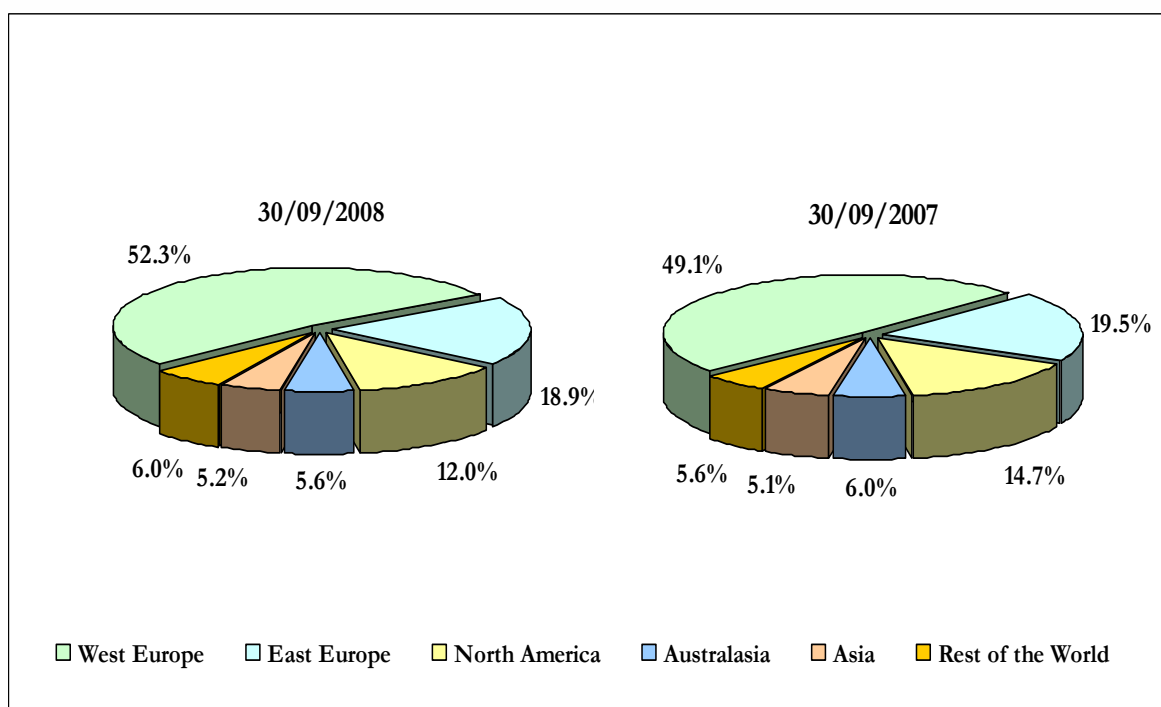
Revenues by division

Euro 000	30 September 2008	%	30 September 2007	%	Change % 2007/2008
Wood Division	255,474	74.1%	254,288	75.6%	0.5%
Glass & Marble Divison	61,244	17.8%	55,499	16.5%	10.4%
Mechatronics Division	39,328	11.4%	35,991	10.7%	9.3%
Other	40,892	11.8%	36,327	10.8%	12.6%
Interdivisional eliminations	(52,191)	(15.1%)	(45,745)	(13.6%)	14.1%
Total	344,746	100.00%	336,360	100.0%	2.5%



Revenues by geographical area

Geographical area <i>Euro 000</i>	30 September 2008	%	30 September 2007	%	Change % 2007/2008
Western Europe	180,284	52.3%	165,153	49.1%	9.2%
Eastern Europe	64,987	18.9%	65,590	19.5%	(0.9%)
North America	41,535	12.0%	49,445	14.7%	(16.0%)
Australasia	19,329	5.6%	20,182	6.0%	(4.2%)
Asia	18,044	5.2%	17,154	5.1%	5.2%
Rest of the World	20,568	6.0%	18,836	5.6%	9.2%
Group Total	344,746	100.0%	336,360	100.0%	2.5%



Pesaro, 12 November 2008

Chairman of the Board of Directors
Roberto Selci



DECLARATION OF COMPLIANCE TO ARTICLE 36 OF CONSOB REGULATION REGARDING MARKET'S

Due to changes in the regulatory disciplines relating to conditions for the quotation of issuers controlling non-EU companies, the company declares that it is in compliance with the provisions laid down in articles 36 and 37 of Consob Regulation no. 16191 in application of the regulations of the Decree Law of 24 February 1998, no. 58 regarding markets.

DECLARATION OF THE NOMINATED MANAGER REGARDING THE PREPARATION OF THE COMPANY ACCOUNTING DOCUMENTS IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58/1998 (TESTO UNICO DELLA FINANZA – CONSOLIDATED FINANCIAL LAW)

The undersigned Stefano Porcellini, Chief Financial Officer and Board Director of Biesse S.p.A., in his capacity as nominated manager responsible for the preparation of the company accounts, declares that the consolidated quarterly report at 30 September 2008 of Biesse S.p.A., unaudited, - prepared in compliance with the indications provided by CONSOB (in accordance with the provisions of article 82 and article 82-bis of the “Regulations governing rules of implementation of Legislative Decree 24 February 1998, n° 58 regarding issuers”) and conforming to the valuation and measurement criteria established *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* (IASB) and adopted by the European Commission according to the procedures referred to in article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and by the Council of 19th July 2002-, as far as he is aware, corresponds to the results contained in the group's records, books and accounts.

12 November 2008

/signature/
Stefano Porcellini
Chief Financial Officer