



The shareholders' meeting of Biesse S.p.A. is convened for 28 April 2009 at 10.00 in first calling or, alternatively, for the same time on 29 April 2009 in second calling.

Illustrative report of the Board of Directors of Biesse S.p.A. in accordance with article 3 of Ministerial Decree no. 437 of 5 November 1998

Premise

Ministerial Decree no.437 of 5 November 1998, contains regulations governing the terms and procedures for the convocation of meetings of shareholders of quoted companies, article 3 of which provides that, all other obligations regarding public announcements required by legal or regulatory provisions, the directors of the quoted company must make available to the public at its registered office and at the managing body of the market for listed securities, at least fifteen days before the date set for the shareholders' meeting, a report on the proposals regarding the items to be included in the agenda for the meeting.

The present report therefore will outline the resolutions to be included in the agenda of the Shareholders' meeting of Biesse S.p.A. convened in ordinary sitting for the 28 April 2009, at 10.00, in first calling, and, alternatively, at the same time on 29 April 2009, in second calling.

It should be noted that the present report has been sent to Borsa italiana S.p.A. and deposited at the registered office in accordance with the law, and has been made available to shareholders who may request a copy of it. The same document is also available on the website of the company www.biessegroup.com in the *Investor Relations* section.

"Dear Shareholders,

The Board of Directors of Biesse S.p.A. has issued an invitation to you to attend the ordinary shareholders' meeting, through a notice of meeting published in the Official Gazette (Gazzetta Ufficiale) no. 34 of 24 March 2009 and simultaneously in the daily newspaper, Il Corriere della Sera, which will take place at the registered office of the company in via della Meccanica 16, Pesaro, at 10.00 on 28 April in first convocation and, if required, in second convocation, at the same place and time on the following day. The agenda for this shareholders' meeting is as follows:

- 1. Approval of the Financial Statements to 31 December 2008, Directors' Report, Statutory Auditors' Report, Independent Auditors' Report; all discussions pertaining and subsequent thereto, presentation of the Consolidated Financial Statements to 31 December 2008**

2. **Appointment of members of the Board of Directors**
3. **Appointment of members of the Board of Statutory Auditors**

With regard to **resolution one on the agenda** the shareholders are requested to analyse and approve the Financial Statements to 31 December 2008 deposited in accordance with the law at the registered office and at Borsa Italiana S.p.A. The results achieved in 2008 show the first signs of a change in the macro-economic trend which is reflected in a marginal reduction in sales and consequent profitability. From a financial perspective, the Net Financial Position of the Group at 31 December 2008 was negative for Euro 26.7 million and was impacted by extraordinary factors such as the dividend payment of Euro 12 million and the buy-back of Biesse shares for over Euro 6.8 million.

With regard to the above, Shareholders are invited to consider the following

AGENDA

“The Shareholders’ Meeting of Biesse:

- having examined the report of the Board of Directors on operations;
- taking into consideration the reports of the Board of statutory auditors and the Independent Auditors;
- having examined the Financial Statements to 31 December 2008
- having examined the Consolidated Financial Statements to 31 December 2008

RESOLUTIONS

- **the approval of the Report of the Board of Directors on operations and the approval of the Financial Statements to 31 December 2008,**
- **the approval of the note of the presentation of the consolidated financial statements of the Group to 31 December 2008 accompanied by the report of the Board of Directors and the controlling bodies.**

With regard to the **second resolution on the agenda** it should be noted that the mandate of the Board of Directors of Biesse S.p.A. expires with the approval of the financial statements to 31 December 2008 and shareholders are therefore invited to approve the appointment of the members of the Board of Directors and to determine the number of board members, the duration of their mandate and their remuneration.

It should be noted that the appointment of the Board of Directors will be conducted on the basis of lists in accordance with article 16 of the Articles of Association reproduced below:

“The Company is administered by a Board of Directors which will be composed of between 2 and 15 members, even if not shareholders.

The Board of Directors is appointed by the Shareholders’ meeting on the basis of lists presented by shareholders in which the number of candidates presented must not exceed the number to be elected and must be listed by number.

Each candidate may present himself or herself in a single list at the risk of ineligibility.

Only those shareholders who, individually or together with other shareholders, represent at least 2.5% (two point five percent) of the share capital, have the right to present lists of candidates.

No shareholder may present or combine with others to present, not even through third parties or fiduciary companies, more than one list.

Shareholders who belong to a voting syndicate may present or combine with others to present one single list. In the event of violation of this regulation, no consideration will be given to the vote of the shareholder with respect to any of the lists presented.

Each shareholder may vote for one list only.

The lists, accompanied by exhaustive information regarding the personal and professional characteristics of candidates, with eventual indications of the suitability of the same to be qualified as independent directors, are to be deposited at the registered office of the Company at least fifteen days before the date of the Shareholders' meeting.

The lists of candidates, accompanied by information on the characteristics of the candidates, should be promptly published on the Company's website.

Together with each list, within the above stated time, there should be deposited the declarations with which each individual candidate accepts their nomination and assumes personal responsibility to testify that there are no reasons for their ineligibility or incompatibility as provided by law and that they satisfy the requirements for members of the Board of Directors provided by law and by the regulations.

Any list which fails to respect the aforementioned affirmation is considered not to have been presented.

The election of members of the Board of Directors will be conducted as follows: a) from the list which has received the largest number of votes in the Shareholders' meeting, will be drawn, on the basis of the numerical order in which they are presented in the list, such number of directors as will represent the total of those to be elected less one; b) from the second list which has received the largest number of votes will be drawn the remaining director, in the person of the candidate occupying the first position on this list.

The candidate who occupies the first place on the list that has received the greatest number of votes in the Shareholders' meeting will assume the position of Chairman of the Board of Directors.

In the event that just one list has been presented or voted, all the directors will be drawn from this list.

In the absence of lists, the Board of Directors will be appointed by the Shareholders' meeting with the majority established by law.

The Board of Directors will remain in office for three years and may be re-elected".

Given the aforementioned, Shareholders are therefore invited to attend to the appointment of the Board of Directors, having been informed of the number of directors, by registering their own vote, in favour of the list presented, individually or collectively, or, in the event that they have not presented or combined to present a list, in favour of one of the lists presented. Shareholders are also invited to approve the remuneration of the Board of Directors.

With regard to the **third resolution on the agenda** it should be remembered that the mandate of the Board of Statutory Auditors of Biesse S.p.A. also expires with the approval of the financial statements to 31 December 2008 and shareholders are therefore invited to discuss the appointment of members of the Board of Statutory Auditors and to determine their remuneration.

It should be noted that the appointment of the Board of Statutory Auditors will be carried out on the basis of lists in accordance with article 19 bis of the Articles of Association reproduced below:

"The Board of Statutory Auditors is composed of three Serving Auditors and two substitutes elected by the Shareholders' Meeting, which will also establish their remuneration. The election of one Serving Auditor and one substitute is reserved for minority shareholders.

The appointment of the Board of Statutory Auditors will take place on the basis of lists presented by Shareholders in which candidates will be listed by number.

The number of candidates presented may not exceed the number of candidates to be elected. Shareholders who belong to a voting syndicate have the right to present one list.

The list is composed of two sections: one for candidates for the post of Serving Auditor and the other for candidates for the position of Substitute Auditor.

Only those shareholders who, individually or together with others, represent at least 2% (two percent) of the capital with rights to vote in shareholders' meetings, have the right to present lists. Each shareholder, including shareholders belonging to the same group, may not present, not even through third parties or fiduciary

companies, more than one list, nor may they vote for several different lists. In the event of violation of this rule, no consideration will be given to the vote of the shareholder with respect to any of the lists presented.

Each candidate may present himself or herself in a single list at the risk of ineligibility.

Candidates who occupy the position of Statutory auditor in five other publicly quoted companies may not be included in the list of candidates, with the exception of companies controlling or controlled by the Company. Nor may candidates be included who fail to meet the requirements of suitability or professionalism established by the applicable laws.

In compliance with the provisions of article 1, paragraph 2, section b), and c) and paragraph 3 of ministerial decree no.162 of 30 March 2000 regarding the professional requirements of the members of the Board of Statutory Auditors of quoted companies, by subject and sector of activity typically pertaining to the those of the business carried out by the Company, i.e. commercial and company law, corporate economics, financial and statistical sciences as well as the other analogous or similar disciplines even if with different names, while by sector of activity strictly connected or pertaining to the sectors in which the company operates, i.e. the sector of production, distribution and marketing of machinery and tools, automation systems, software and precision components.

Outgoing auditors may be re-elected.

The lists presented must be deposited at the registered office of the Company at least fifteen days before the date fixed for the Shareholders' meeting in first convocation, and must be included in the published notice of meeting. Together with each list, within the aforementioned timeframe, must be deposited the professional resume of each candidate and the declarations with which each candidate accepts his or her candidacy and assumes personal responsibility to testify that there are no reasons for their ineligibility or incompatibility, as well as the existence of legal or statutory requirements prescribed for their respective positions.

The lists of candidates accompanied by the information regarding the characteristics of candidates should be promptly published on the Company's website.

Any list which fails to respect the aforementioned affirmation is considered not to have been presented.

The election of Statutory Auditors will proceed as follows: from the list which has obtained the greatest number of votes at the Shareholders' meeting will be drawn on the basis of the numerical order in which they are presented on the list, two Serving auditors and one substitute; from the second list which has received the greatest number of votes in the shareholders' meeting will be drawn, on the basis of the numerical order in which they are presented on the list, the remaining Serving member, who will assume the position of Chairman, and the other substitute member.

In the event of a hung vote between two or more lists the eldest candidates on the list will be considered to have been elected in competition for the posts to be assigned."

It must also be noted that in accordance with the provisions of article 144 sexies, fifth paragraph, of the Issuers Regulations, if within the aforementioned term of fifteen days just one list has been presented, Shareholders that represent, individually or together with other shareholders, 1% of the share capital have the right to present lists up until the fifth day following such date and, therefore, up to ten days prior to the shareholders meeting.

Given the aforementioned, Shareholders are therefore invited to attend to the appointment of the Board of Statutory Auditors by registering their vote in favour of the list presented, individually or collectively, or, in the event that they have not presented or combined to present a list, in favour of one of the lists presented. Shareholders are also invited to approve the remuneration of the Board of Statutory Auditors.

Pesaro, 3 April 2009

For the Board of Directors

Roberto Selci, Chairman

