



## **Report of the Directors of Biesse S.p.A. on the proposal to distribute an extraordinary dividend as of the first point on the agenda of the Ordinary Shareholders' Meeting of 14 November 2007.**

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Written pursuant to article 3 of Ministerial Decree 437 of 5 November 1998

“Dear Shareholders,

The Board of Directors of the company has convened you to attend the Ordinary Shareholders' Meeting, to present, from the items on the agenda, the **proposal to distribute company reserves in the form of an extraordinary dividend.**

The Board of Directors would like to state, first and foremost, that:

1. the proposed operation does not affect the financial stability of the company, as Biesse can rely, inter alia, on continual self-financing in order to achieve its objectives for growth and put in place scheduled investment plans;
2. Biesse has achieved positive economic results, in terms of scale and consistency
3. Biesse's financial statements report available, significant reserves, sufficient to cover the outlay for the extraordinary dividend

In particular, at 30 June 2007, the capital and reserves of the parent company Biesse S.p.A. were as follows:

- subscribed, paid up capital amounted to EUR 27,393,042
- the legal reserve amounted to EUR 5,478,608.4
- the extraordinary reserve amounted to EUR 17,617,772.6
- shareholders' equity amounted to EUR 134.984.499,66

The above situation will allow for the distribution of an extraordinary dividend equal to EUR 0.50 for each Biesse share, taking account of the 27,393,042 shares in circulation, involving a total outlay of EUR 13,696,521 to come from the extraordinary reserve.

Dear Shareholders, in light of the above, we request that you approve the following resolution:

"The ordinary shareholders' meeting of Biesse S.p.A. considering that adequate available reserves exist

### **resolves**

to distribute an extraordinary dividend of EUR 0.50 for each share, for a total of 27,393,042 ordinary shares of a par value of EUR 1 each, in circulation, carrying rights to profits relative to the profits reserve;  
to establish that payment of the extraordinary dividend will commence from 20 December 2007, with dividend no. 8 registered on 17 December 2007."

**Pesaro, September 15th 2007**

**For the Board of Directors**  
*The Chairman Roberto Selci*

**Biesse S.p.A.**

Via della Meccanica, 16 61100 Pesaro (PU) Italy Tel. +39 0721 439100 Fax +39 0721 439150 gruppobiesse@biesse.it www.biesse.com

C.F. e P.IVA IT00113220412 - Registro Imprese Pesaro Urbino Nr. 1682 - Tribunale di Pesaro - R.E.A. 56612 - Commercio Estero PS 000605 Capitale Sociale €27.393.042 i.v.