



The Business Description of the Group

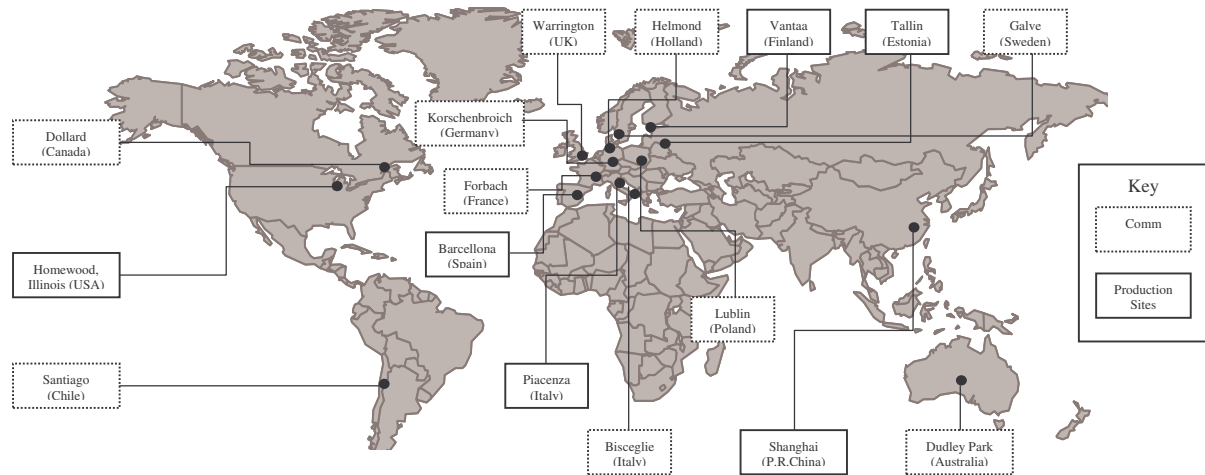
Since the early 1950s the Company has been active in the design, production and distribution of lift truck attachments and industrial material handling equipment, a sub-division of the broader logistics division. The latter, due to the current process of globalisation, shows significant growth margins.

Today Bolzoni is present in over forty countries worldwide. Its products hold the leading position in the European market for lift truck attachments and it is the second largest worldwide manufacturer in this sector.

The Group offers a wide range of products utilized in the industrial material handling and, in particular, lift truck attachments, lifting platforms and hand pallet trucks.

The Company controls, either directly or indirectly, 15 companies, all of which are included in the Group consolidating area, located in several countries throughout the world. Six of the companies (including the Company) carry out manufacturing activities and have plants in Italy, Finland, United States of America, Estonia, Spain and China whereas the remaining ten companies carry out exclusively commercial and distribution activities, directly aimed at serving the principal global logistics and material handling markets.

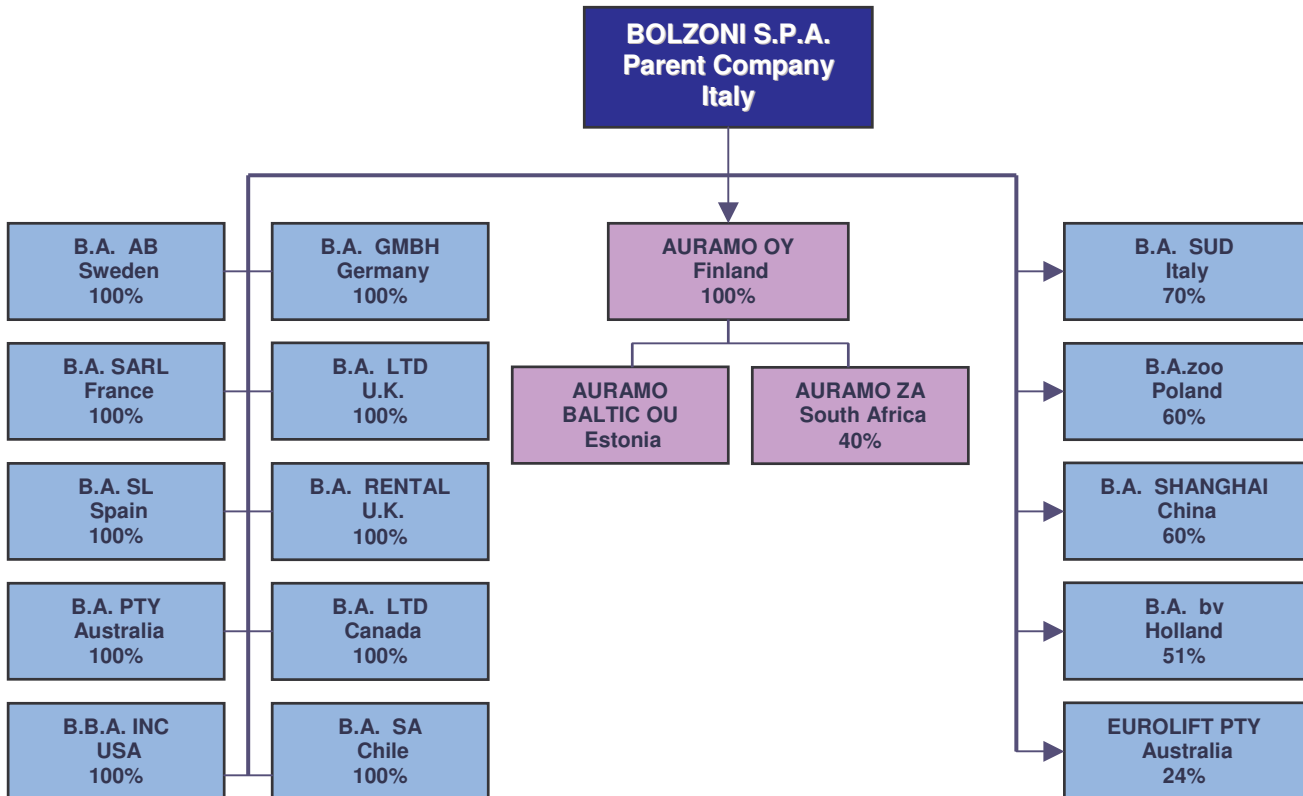
The following diagrams show the various locations of the companies of the Group throughout the world.





Group structure

As at 30.06.2006, there are no variations to the consolidating area with respect to the situation as at 31.12.2005 and as at 31.03.2006.



Either through its subsidiaries or its associated companies the Group is present in several countries representing all together 80% of the specific world market.

Five of the companies also carry out manufacturing activities (Italy, Spain, Finland, USA, China), in addition to marketing activities.

Only one company (Auramo Baltic OU Estonia) has an exclusively manufacturing activity and works as sub-supplier to the Finnish company Auramo Oy.



Notes to the Consolidated Financial statement for the second quarter and the first semester of 2006

The amounts reported in the following notes are expressed in thousands of Euro, except otherwise specified.

Fundamental elements

Below are the main figures of the Consolidated Financial Statement for the second quarter of 2006, compared with the same period in 2005 and the first semester of 2006, again compared to the same period in 2005.

	Q2 2005	Q2 2006	% Var.
Revenues	25,268	25,531	+1.0%
Ebitda	3,203	3,468	+8.3%
Ebit	2,375	2,510	+5.9%

	30.06. 2005	30.06.2006	% Var.
Revenues	47,316	50,855	+7.5%
Ebitda	5,198	6,623	+27.4%
Ebit	3,599	4,984	+38.5%
Inventory	19,731	18,908	-4.2%
Net financial position	(23,181)	(5,741)	-75.2%
Sales (booked orders)	48,122	54,814	+13.9%

Revenue

During the second quarter of 2006 consolidated revenues amounted to 25,531 Euro, an increase of 1% compared to the 25,268 Euro of the same period of the previous year.

The 2006 figure is compared to an excellent quarter last year (even higher than the average trend for second semester 2005) and is in line with the budgeted figures for 2006 (-1.2% for the quarter and +0.4% for the semester).

We would like to underline the growth in sales (orders booked) during the first semester, which was 13.9% higher than the same period last year, totalling 54,814 Euro, against a turnover of 50,855 Euro. The increased order stock makes the achievement of the budgeted turnover targets even more predictable.

Trend of the benchmark market

According to statistics issued by the Associations of Fork Lift Truck Producers, the market we use as our benchmark during the first semester of 2006 recorded the following variations, with respect to the 2005 figures for the same period:

- Western Europe (inc. Italy)	+ 6.7%
- North America	+11.8%
- World (inc. Europe & USA)	+14.4%

Consequently the positive trend recorded in Europe is confirmed, with excellent growth percentages in the rest of the world.

This statistic is based on the fork lift trucks sold and should therefore be compared to the consolidated sales of the Bolzoni Group during the same period.

**Market share**

During the first semester turnover grew by 7.5% and is therefore in line with the market trend, considering the large impact the European market has on the overall group turnover.

Dollar exchange rate

The Dollar, whose exchange rate against the Euro on 31.12.2005 was 1.18, fell to 1.27 on 30.06.2006, with an average exchange rate of 1.23.

The second quarter of 2006 and, in general, the first semester, show considerable fluctuations due to the exchange rate with the dollar, despite the effect of the protective measures adopted.

The second quarter recorded a negative fluctuation of 347 Euro rising to an overall 631 Euro for the semester.

During the same periods of 2005 fluctuations were practically inexistent (respectively 18 and 13 Euro).

EBITDA

During the two periods under examination, the Ebitda has had the following trend:

	Q 2	30.06
% Ebitda on turnover - 2005	12.68%	10.99%
% Ebitda on turnover - 2006	13.58%	13.02%

The result is perfectly according to budget.

The expected growth for the second quarter has been confirmed.

The Ebitda of the second quarter of 2006 is already in line with the targeted Ebitda for the second semester of 2006 and which is necessary to the achievement of the budgeted objectives.

Earnings before tax

The negative impact of exchange rate fluctuations produced a reduction in the earnings before tax for the second quarter of 2006, compared to the same period of 2005, and which amounted to Euro 1,897 against the result of the previous year corresponding to Euro 2,264.

On the whole, during the first semester, the earnings before tax amounted to Euro 4,078 compared to Euro 3,247 of the previous year.

The above result, together with an increase in order stock as at 30.06.2006 to approximately 4,000 Euro, confirm the budgeted results for the end of the year, even in the event of the Euro/Dollar exchange rate at 30th June (1.27) being confirmed.



CONSOLIDATED STATEMENT OF INCOME FOR THE SECOND QUARTER OF 2006

STATEMENT OF INCOME <i>(in thousand of Euro)</i>	Q2 2006	Q2 2005	Var % 2005 vs 2006
Net sales	25,531	25,268	1,0%
Other income	158	218	(27,5%)
Total revenues	25,689	25,486	0,8%
Cost of raw material and purchased goods	(9,152)	(9,869)	(7,3%)
Cost of services	(6,564)	(5,546)	18,4%
Labour costs	(6,385)	(6,150)	3,8%
Other operating expenses	(133)	(718)	(81,5%)
Share of profit of associates accounted for under equity method	13	0	100%
EBITDA	3,468	3,203	8,3%
Depreciation and amortisation	(913)	(788)	15,9%
Accruals and impairment losses	(45)	(40)	12,5%
EBIT	2,510	2,375	5,7%
Financial income and (expenses), net	(266)	(93)	186,0%
Gain / (loss) from foreign currency translation	(347)	(18)	1.827,8%
Income before income taxes	1,897	2.264	(16,2%)

CONSOLIDATED STATEMENT OF INCOME FOR THE FIRST SEMESTER OF 2006

STATEMENT OF INCOME <i>(in thousand of Euro)</i>	30/06/2006	30/06/2005	Var % 2005 vs 2006
Net sales	50,855	47,316	7,5%
Other income	351	394	(10,9%)
Total revenues	51,206	47,710	7,3%
Cost of raw material and purchased goods	(19,383)	(18,356)	5,6%
Cost of services	(12,815)	(11,006)	16,4%
Labour costs	(12,151)	(11,799)	3,0%
Other operating expenses	(264)	(1,351)	(80,5%)
Share of profit of associates accounted for under equity method	30	0	100%
EBITDA	6,623	5,198	27,4%
Depreciation and amortisation	(1,555)	(1,526)	1,9%
Accruals and impairment losses	(84)	(73)	15,1%
EBIT	4,984	3,599	38,5%
Financial income and (expenses), net	(275)	(339)	(18,9%)
Gain / (loss) from foreign currency translation	(631)	(13)	4753,8%
Income before income taxes	4,078	3.247	25,6%

**NOTES TO THE SPECIFIC CONSOLIDATED QUARTERLY REPORT****1. Basis of presentation**

This consolidated quarterly report as of June 30 2006 has been drawn up in accordance with appendix 3D of the "Regolamento Emittenti" (Italian regulation for Issuers).

The same principal accounting standards adopted for the preparation of the consolidated financial statement for the Bolzoni Group at December 31 2005 have also been applied to the consolidated quarterly report as of June 30 2006 without any modification.

The Quarterly Report as of June 30 2006 should be read in conjunction with the consolidated financial statement for the Bolzoni Group at December 31st 2005.

The net income for the quarter which ended June 30 2006 is not representative of the Group's result for the year ending December 31st 2006.

The amounts reported in the following notes are expressed in thousands of Euro, except otherwise specified.

2. Segment information

The Company has identified its segment of business as the primary segment. On the other hand the Company operates in a single segment consisting in design, production and development of lift truck attachments, lift tables and hand pallet trucks. Consequently, secondary information is reported geographically and is provided below.

The geographical areas are identified as: "Europe", "North America" and "Others". Sales to external customers disclosed in geographical segments are based on the geographical location of the customers.

The following tables supply figures on income and information on some activities related to the Group's geographical areas for the quarters which ended on June 30 2006 and 2005 and for the semesters ended on June 30 2006 and 2005.

It should also be noted that revenues are not subject to any seasonal trends.

Q2 2006	Europe	North America	Others	Total
Segment revenues	19,827	3,935	1,769	25,531

Q2 2005	Europe	North America	Others	Total
Segment revenues	19,872	3,887	1,509	25,268

June 30 2006	Europe	North America	Others	Total
Segment revenues	39,375	8,556	2,924	50,855

June 30 2005	Europe	North America	Others	Total
Segment revenues	37,445	7,429	2,442	47,316



<i>Sales (orders booked)</i>	<i>30.06.2005</i>	<i>30.06.2006</i>	<i>% var.</i>
Europe	39,985	44,925	+ 12.3%
North America	7,432	8,329	+ 12.1%
Total	48,122	54,814	+ 13.9%

3. Long term debt (incl.current portion) and liabilities due to banks

	<i>Effective interest rate %</i>	<i>Maturity</i>	<i>30.06.06</i>	<i>31.12.05</i>
Short term				
Bank overdraft		Upon request	60	99
Advance to collectable bills subject to final payment		30-90 days	1,574	2,263
Subsidiaries' loans			4,583	3,391
Euro 7.000.000 bank loan	Euribor +0.90	2006	2,333	2,333
Euro 7.750.000 bank loan	Euribor +0.70	2006	1,107	1,107
Euro 2.000.000 bank loan	Euribor +0.40	2006	666	333
Euro 2.000.000 bank loan	Euribor +0.40	2006	385	380
Euro 1.000.000 bank loan	Euribor +0.40	2006	188	0
Euro 2.800.000 bank loan	2.93	2006	2,800	2,800
Financial loan - Law 394/81	1.72	2006	303	303
Other minor financial liabilities		2006	88	135
			14,088	13,144
Medium-long term				
Euro 7.000.000 bank loan	Euribor +0.90	2007	0	1,167
Euro 7.750.000 bank loan	Euribor +0.70	2010	3,875	4,429
Euro 2.000.000 bank loan	Euribor +0.40	2009	1,333	1,667
Euro 2.000.000 bank loan	Euribor +0.40	2010	1,426	1,620
Euro 1.000.000 bank loan	Euribor +0.40	2011	812	0
Financial loan - Law 394/81	1.72	2009	759	911
Other minor financial liabilities			316	284
			8,521	10,078

Bank overdrafts and advances subject to final payment

Bank overdrafts and advances subject to final payment refer mainly to Bolzoni S.p.A.

Euro 7.000.000 bank loan

The loan is unsecured and repayable in half-year instalments with constant capital.

Euro 7.750.000 bank loan

The loan, secured by the property in Podenzano, is repayable in half-year instalments with constant capital.

Euro 2.000.000 bank loans

The two loans are unsecured and are repayable in half-year instalments with constant capital.

Euro 1.000.000 bank loan

The loan is unsecured and is repayable in half-year instalments with constant capital.

Euro 2.800.000 bank loan

The loan is unsecured and is repayable in a single instalment due on 30 June 2006.



Government loan according to Law 394/81

This loan, secured by a bank guarantee specifically obtained for the purpose, is repayable in half-year instalments with constant capital.

Foreign subsidiaries' loans

These include:

- ❖ two loans obtained by the subsidiary Auramo OY amounting to approximately Euro 1.2 million and Euro 1.3 million having maturity within the current period. The second loan is secured by a pledge on the interest capitalization policy guaranteeing a 4.5% minimum yield and is booked in the financial activities held until maturity.
- ❖ Loan of US \$ 0.5 million obtained by the subsidiary Brudi Bolzoni Auramo Inc.
- ❖ Loan of Euro 0.5 million obtained by the subsidiary Bolzoni Auramo GmbH

All loans are secured by comfort letters given by parent, except for the Auramo OY loan of Euro 1.3 million.

The negative balance of the net financial position has been reduced from 23.2 million Euro at 30.06.2005 (18.5 million Euro at 31.12.2005) to 5.7 million Euro at the end of June 2006.

This improvement is the result of both the cash flow produced during the period, amounting to 3,6 million Euro, and the proceeds of the listing operation amounting to 12.4 million Euro (already net of the commission given to the investment dealers and the consultancy fees paid as at 30.6.2006).

During the second quarter dividends were also paid out for the amount of 2 million Euro, as well as advance payments to suppliers involved in the fork project (amounting to approx. 1.3 million Euro).

4. Listing in the Star segment of Borsa Italiana

On June 8th 2006 the shares of Bolzoni S.p.A. were listed for the first time in the Star segment of Borsa Italiana.

The listing price was 3.2 Euro per share.

The market has reacted very positively to our offering by subscribing 2.9 times the shares on sale for the institutional investors and 3.5 times those on sale for retail.

The costs related to the IPO have been deducted from net equity.

The Income Statement for the second quarter includes costs for Euro 135 covering the fair value based evaluation of the managers' stock option according to IFRS/IAS accounting principles.

5. Events occurred after June 30 2006

No important events occurred during the month of July 2006.