PRESS RELEASE

IMMSI GROUP: FIRST QUARTER 2017

Consolidated net sales 331.7 million euro, up 4.6%
(317.2 €/mln in Q1 2016)

Ebitda 45.5 million euro, up 30% year on year (35 €/mln in Q1 2016) and the best Q1 figure since 2003
Ebitda margin (also the best since 2003) of 13.7% (11% in Q1 2016)

Ebit 14.5 million euro, up 79%
(8.1 €/mln in Q1 2016)
Ebit margin 4.4% (2.5% in Q1 2016)

Profit before tax 4.7 million euro (-5.7 €/mln in Q1 2016)

Consolidated net profit of 2.7 million euro
(an improvement from the loss of 3.4 €/mln in Q1 2016)

Net financial debt of 950.9 million euro,
(an improvement of 26.3 €/mln from -977.2 €/mln at 31 March 2016)

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Industrial sector (Piaggio Group): improvements in all the main financial indicators and reduction in debt. Consolidated net sales up 0.7%, Ebitda +10.2% and stable Ebit, net profit +17.9%. Further strengthening of European two-wheeler market share and enhancement of sales offer with expansion of dealer network.

Naval sector (Intermarine): company turnaround completed, with return to net profit and significant improvement in all key financial indicators. Debt reduction and consolidation of order book for 293 million euro, guaranteeing production operations for the next three years. International commercial activity continues, with specific focus on Asia and Europe

Mantua, 12 May 2017 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of **Immsi S.p.A.** examined and approved the interim report on operations for the quarter ended 31 March 2017.

In the first quarter of 2017, compared with the year-earlier period, the Immsi Group achieved positive performance, an improvement in all the main indicators and a reduction in debt.

Immsi Group financial and business performance in the quarter to 31 March 2017

Consolidated net sales in the first quarter to 31 March 2017 were **331.7 million euro, an increase of 14.5 million euro, +4.6%** from 317.2 million euro in the year-earlier period.

Immsi Group consolidated **Ebitda** in the first quarter to 31 March 2017 amounted to **45.5 million euro, the best first-quarter figure since 2003, with an increase of 30%** from 35 million euro in the first quarter of 2016. Th**e Ebitda margin** was 13.7%, also the best first-quarter performance since 2003 (11% at 31 March 2016).

Ebit was **14.5 million euro, an increase of 79%** from 8.1 million euro in the first quarter of 2016. An improvement was also reported in the Ebit margin, to 4.4% of net sales (2.5% in the first quarter of 2016).

The Group posted a **profit before tax** for the first quarter of 2017 of **4.7 million euro**, up from the pre-tax loss of 5.7 million euro in the year-earlier period.

The first quarter of 2017 closed with a **consolidated net profit** of **2.7 million euro**, compared with the loss of 3.4 million euro in the year-earlier period.

Immsi Group **net financial debt** at 31 March 2017 was **950.9 million euro, an improvement of 26.3 million euro** from debt of 977.2 million euro at 31 March 2016. At 31 December 2016, the Group had net financial debt of 906.9 million euro. The increase in the figure at 31 March 2017 from 31 December 2016 was chiefly due to the typical seasonal nature of the two-wheeler business (Piaggio Group), which absorbs funds in the first three months of the year.

Immsi Group **human resources** at 31 March 2017 numbered **6,823 employees worldwide.** The figure includes the Group's 3,862 Italian employees, substantially unchanged from the end of 2016.

Business performance in the first quarter to 31 March 2017

Industrial Sector: Piaggio Group

In the industrial sector, in the first quarter of 2017 the **Piaggio Group reported a positive performance compared with the year-earlier period, with improvements in all the main indicators and a reduction in debt. Consolidated net sales totalled 309.1 million euro, up by 0.7%;** consolidated **Ebitda was 41.2 million euro, up 10.2%, the best first-quarter result since 2008; Ebit was 10.9 million euro**; **net profit was 1.5 million euro, an improvement of 17.9%.**

The Piaggio Group also reduced **net financial debt**: at 31 March 2017 it had debt of **532.4 million euro,** an improvement of 22 million euro from 554.4 million euro at 31 March 2016.

In 2017, the **Piaggio Group sold 121,200 vehicles worldwide**. Analysis of the **two-wheeler** segment shows that the **Group strengthened its position on the European market,** with an overall share of **14.2%**, **rising to 26.4% in the scooter segment alone.**

Naval Sector: Intermarine S.p.A.

In the naval sector, **for the first quarter of 2017 Intermarine reported consolidated net sales of 21.8 million euro, an increase of 137% (+12.6 million euro) over 9.2 million euro in the year-earlier period.**

Ebitda in the quarter to 31 March 2017 was **4.8 million euro**, **a sharp improvement from** negative Ebitda of 0.9 million euro in **the year-earlier period**.

Intermarine **Ebit** in the first quarter of 2017 was **4.2 million euro,** compared with negative Ebit of 1.2 million euro in the year-earlier period.

The company posted **net profit** of **2.1 million euro for the first quarter to 31 March 2017**, a strong improvement from the loss of 2.1 million euro in the first quarter to 31 March 2016. The return to profit marks the **completion of Intermarine's turnaround** and reflects the successful management action taken in the past few years and growing international appreciation, above all for the military division, an example of state-of-the-art hi-tech engineering.

The **Intermarine order book** at 31 March 2017 stood at **approximately 293 million euro, guaranteeing production operations for at least the next three years.**

Net financial debt at 31 March 2017 was **67.9 million euro**, an improvement of 18.9 million euro from 86.8 million euro at the end of the first quarter 2016 and in line with the net financial position at 31 December 2016 (67.3 million euro).

Intense international commercial activity will continue in 2017, with a specific focus on **Asia and Europe**. Positive **management of the orders acquired in Mediterranean Basin countries** will also continue.

Real Estate and Holding sector

The real estate and holding sector reported **net sales of approximately 0.7 million euro** in the first quarter of 2017 (0.9 million euro in the year-earlier period) and a **consolidatable net profit of 0.4 million euro,** an improvement from the loss of 2.7 million euro in the year-earlier period.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the Sardinian province of Cagliari, is completing work on the first lot of residences and initial urbanisation works. The construction of the 4 showhomes has been substantially completed and commercial operations are underway to identify possible national/international purchasers.

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Outlook

In the **industrial sector** (Piaggio Group), in a general economic context likely to see a strengthening of the global economic upturn, where uncertainty will nonetheless remain with regard to the speed of European growth and the risk of a slowdown in some Asian countries in the Far East, Group commercial and industrial operations will focus on:

- confirming the leadership position on the European two-wheeler market and the trend in commercial vehicles;
- consolidating its presence in Asia Pacific, in part through the opening of new Motoplex stores, and boosting penetration of the premium segment on the Chinese market;
- increasing sales on the Indian scooter market thanks to the Vespa offer and the success of the new Aprilia SR 150;
- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

The **naval sector** (Intermarine S.p.A.) will **continue intense international commercial activity** in 2017, with a specific focus on **Asia and Europe**.

Positive management of the orders acquired in Mediterranean Basin countries will also continue.

Management will also continue to pursue every opportunity to contain direct and indirect costs and overheads.

In light of the production advances that will take place on current contracts in 2017 and the developments expected on new contracts, for full-year 2017 the naval sector expects to report increased value of production and significantly improved positive operating results compared with 2016, as well as a further reduction in net financial debt.

During 2017 the **Is Molas S.p.A.** subsidiary will continue urbanisation works, work to complete the first batch of 15 residences and commercial operations for the sale of the residences.

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Own-share buyback program

During the meeting, in connection with the authorisation for the purchase and disposal of own shares given by the Immsi S.p.A. AGM today, the Board of Directors also approved the launch of a share buyback program, which represents a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, “MAR”), among which the purchase of own shares for subsequent cancellation, and in the practices allowed under art. 13 MAR.

Share purchase transactions under the program will be performed in the manner and in compliance with the limits set out in the aforementioned shareholder resolution, specifically:

- the purchase may be for a maximum of 10,000,000 Immsi no-par ordinary shares, for a maximum amount set at 7 million euro;
- share buybacks shall take place within the limits of distributable earnings and available reserves as reflected in the most recent financial statements (including interim financial statements) approved at the time of implementation of the transaction;
- share buybacks shall be effected on the regulated market in a manner that ensures equality of treatment of shareholders as envisaged by art. 132 of Law 58/1998, with the graduality deemed to be in the interests of the company and in accordance with current laws, adopting the procedures envisaged by art. 144-bis, paragraph 1, head b) of Consob Regulation 11971/1999, as amended, and taking into account the conditions relating to trading as per art. 3 of the Delegated Regulation (EU) 2016/1052 (“**Regulation 1052**”) enacting the MAR (i) for a consideration that shall not be higher than the greater of the price of the most recent independent transaction and the price of the highest independent offer on the trading markets where the buyback is made, without prejudice to the condition that the per-share consideration shall not in any case be more than 20% below or 10% above the mean official Immsi share price in the ten trading days before each single purchase transaction; (ii) for volumes not exceeding 25% of the average daily volume of Immsi S.p.A. shares traded on the regulated market where the buyback is made, determined on the basis of the parameters as per art. 3 of Regulation 1052;
- the buyback program may be implemented, in one or more tranches, through 12 November 2018.

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The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2016 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current), less cash and cash equivalents, and other current financial receivables. Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges and fair value adjustments of the related hedged items. The schedules in the Immsi Group interim report on operations for the first quarter to 31 March 2017 include a table illustrating the composition of net financial debt. In compliance with the CESR “Recommendation for consistent implementation of the European Commission regulation on prospectus” of 10 February 2005, the indicator as formulated reflects the values monitored by Group management.

In drafting the interim report on operations for the first quarter ended 31 March 2017, the Immsi Group applied the same principles as those used to draw up the consolidated financial statements as at and for the year ended 31 December 2016 with the exception of the early adoption as from 1 January 2017 of IFRS 9 “Financial Instruments”.

Immsi S.p.A. said that the interim report on operations for the first quarter ended 31 March 2017 will be available to the public at the company head office, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.immsi.it (section “Investors/Financial Reports/2017”) as from 15 May 2017.

The Immsi Group reclassified consolidated income statement and reclassified consolidated statement of financial position are set out below. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that these reclassified statements have not been audited by the independent auditors.

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Immsi Group reclassified consolidated income statement

In thousands of euro	*31.03.2017*		*31.03.2016*		*Change*	
Net sales	**331,675**	**100%**	**317,189**	**100%**	**14,486**	**4.6%**
Cost of materials	182,238	54.9%	179,406	56.6%	2,832	1.6%
Cost of services and use of third-party assets	60,365	18.2%	62,903	19.8%	-2,538	-4.0%
Employee expense	59,347	17.9%	58,139	18.3%	1,208	2.1%
Other operating income	22,851	6.9%	23,163	7.3%	-312	-1.3%
Other operating expense	7,119	2.1%	4,911	1.5%	2,208	45.0%
EBITDA	**45,457**	**13.7%**	**34,993**	**11.0%**	**10,464**	**29.9%**
Depreciation and impairment tangible assets	11,960	3.6%	11,678	3.7%	282	2.4%
Goodwill amortisation	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	18,988	5.7%	15,230	4.8%	3,758	24.7%
EBIT	**14,509**	**4.4%**	**8,085**	**2.5%**	**6,424**	**79.5%**
Results of associates	352	0.1%	0	-	352	-
Finance income	5,178	1.6%	4,253	1.3%	925	21.7%
Finance costs	15,333	4.6%	18,036	5.7%	-2,703	-15.0%
PROFIT (LOSS) BEFORE TAX	**4,706**	**1.4%**	**-5,698**	**-1.8%**	**10,404**	**182.6%**
Income tax	2,219	0.7%	-822	-0.3%	3,041	370.0%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**2,487**	**0.7%**	**-4,876**	**-1.5%**	**7,363**	**151.0%**
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**2,487**	**0.7%**	**-4,876**	**-1.5%**	**7,363**	**151.0%**
Minority interests	-176	-0.1%	-1,525	-0.5%	1,349	88.5%
GROUP PROFIT (LOSS) FOR THE PERIOD	**2,663**	**0.8%**	**-3,351**	**-1.1%**	**6,014**	**179.5%**

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	*31.03.2017*	*in %*	*31.12.2016*	*in %*	*31.03.2016*	*in %*
Current assets:						
Cash and cash equivalents	137,769	6.3%	197,919	9.1%	118,550	5.4%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	552,109	25.4%	472,518	21.8%	592,142	26.9%
Total current assets	**689,878**	**31.7%**	**670,437**	**31.0%**	**710,692**	**32.3%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	841,126	38.7%	847,059	39.1%	849,879	38.6%
Property, plant, equipment	332,598	15.3%	336,467	15.5%	339,631	15.4%
Other assets	310,912	14.3%	311,524	14.4%	302,471	13.7%
Total non-current assets	**1,484,636**	**68.3%**	**1,495,050**	**69.0%**	**1,491,981**	**67.7%**
TOTAL ASSETS	**2,174,514**	**100.0%**	**2,165,487**	**100.0%**	**2,202,673**	**100.0%**
Current liabilities:						
Financial liabilities	465,588	21.4%	575,022	26.6%	436,036	19.8%
Operating liabilities	580,138	26.7%	554,157	25.6%	582,387	26.4%
Total current liabilities	**1,045,726**	**48.1%**	**1,129,179**	**52.1%**	**1,018,423**	**46.2%**
Non-current liabilities:						
Financial liabilities	623,124	28.7%	529,749	24.5%	659,703	30.0%
Other non-current liabilities	110,716	5.1%	114,001	5.3%	115,855	5.3%
Total non-current liabilities	**733,840**	**33.8%**	**643,750**	**29.7%**	**775,558**	**35.2%**
TOTAL LIABILITIES	**1,779,566**	**81.8%**	**1,772,929**	**81.9%**	**1,793,981**	**81.4%**
TOTAL SHAREHOLDERS' EQUITY	**394,948**	**18.2%**	**392,558**	**18.1%**	**408,692**	**18.6%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,174,514**	**100.0%**	**2,165,487**	**100.0%**	**2,202,673**	**100.0%**