PRESS RELEASE

IMMSI GROUP: FIRST NINE MONTHS 2018[1]

At 30 September 2018, the Immsi Group reported an improvement in performance from the year-earlier period, with progress on all the main earnings indicators, a strong increase in Ebit and net profit, and a reduction in debt.

Consolidated net sales 1,151.6 million euro, up 1.5% (+5.5% at constant exchange rates) (1,134.1 €/mln at 30.09.17)

Ebitda 176.2 million euro, up 1.9% (173 €/mln at 30.09.17)
Ebitda margin 15.3% (15.3% at 30.09.2017)

Ebit 92.4 million euro, up 14.1% (81 €/mln at 30.09.2017)
Ebit margin 8% (7.1% at 30.09.2017)

Profit before tax 60.9 million euro, up 31.4% (46.3 €/mln at 30.09.2017)

Net profit including minority interests 29.2 million euro, up 27.4% (22.9 €/mln at 30.09.17)

Consolidated net profit 14.9 million euro, up 20.1% (12.4 €/mln at 30.09.2017)

Net financial position -821.7 million euro
an improvement of 37.2 €/mln from -858.9 €/mln at 31 December 2017 and an improvement of 21.3 €/mln from -843 €/mln at 30 September 2017

13 November 2018 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of **Immsi S.p.A.** (IMS.MI) examined and approved the interim report on operations as at and for the nine months to 30 September 2018.

Immsi Group financial and business performance at 30 September 2018

The Immsi Group is continuing its strategic focus on geographical expansion consistent with product strategies and with world macro-economic trends.
This management model significantly reduces the risks of an excessive concentration of production and sources of income in a single country, and enables the Group to maximise returns in countries with the highest economic growth rates.
At the same time, on-going analysis of the latest international trade policies and current socio-political developments confirms that geographical diversification enables the Group to meet the growing demand for quality among all the customers of its subsidiaries without increasing production costs, while simultaneously improving time to market.

[1] As from 1 January 2018, the Immsi Group has applied IFRS 15 (Revenue from Contracts with Customers). In this press release, the 2017 figures at 30 September have been re-stated to permit comparison with the corresponding 2018 figures.

Consolidated net sales for the first nine months of 2018 amounted to **1,151.6 million euro** (up 1.5% from 1,134.1 million euro in the year-earlier period). **At constant exchange rates, consolidated net sales would have been 1,196.6 million euro, an increase of 5.5% on the year-earlier period.**

Immsi Group consolidated **Ebitda** amounted to **176.2 million euro, an improvement of 1.9%** from 173 million euro in the first nine months of 2017. The **Ebitda margin** was stable at **15.3%.**

Ebit was **92.4 million euro, an increase of 14.1%** from 81 million euro in the first nine months of 2017. The **Ebit margin** also improved, to **8%** (7.1% in the first nine months of 2017).

The Group posted a **profit before tax** for the nine months of **60.9 million euro, an increase of 31.4%** (46.3 million euro in the year-earlier period).

Net profit including minority interests totalled **29.2 million euro, up 27.4%** (22.9 €/mln in the year-earlier period).

The consolidated net profit was 14.9 million euro, a significant increase of 20.1% from 12.4 million euro at 30 September 2017.

At 30 September 2018, the Immsi Group had **net debt** of **821.7 million euro**, an improvement of 37.2 million euro from 858.9 million euro at the end of 2017, arising largely from self-financing of 123 million euro offset in part by gross investments of 74 million euro, and an improvement of 21.3 million euro from 30 September 2017 (843 million euro).

Immsi Group **human resources** at 30 September 2018 numbered **7,125 employees worldwide**. The figure includes the Group's 3,754 Italian employees.

The Group's operations present seasonal variations in sales over the course of the year, especially in the industrial sector.

Performance of the Immsi Group businesses at 30 September 2018

Industrial Sector: Piaggio Group

In the industrial sector, in the first nine months of 2018 the Piaggio Group reported an improvement in performance from the year-earlier period, with progress on all the main earnings indicators, higher capital expenditure and a reduction in debt.

Compared with 30 September 2017, Piaggio Group consolidated net sales for the first nine months of 2018 totalled 1,093.7 million euro, for growth of 4.1% (+8.4% at constant exchange rates); consolidated Ebitda was 166 million euro, up 4.4%, with an Ebitda margin of 15.2%. Ebit was 84.9 million euro, up 22.9%, with an Ebit margin of 7.8%; net profit rose 40.7% to 36.3 million euro.

In the first nine months of 2018, Piaggio Group capital expenditure amounted to 72.2 million euro, an increase of 16.6 million euro from 55.6 million euro at 30 September 2017.

Piaggio Group net financial debt at 30 September 2018 stood at 405.1 million euro, an improvement of 46.9 million euro from 452 million euro at 31 December 2017 and an improvement of 29.7 million euro from 434.8 million euro at 30 September 2017.

In the first nine months of 2018, the Piaggio Group sold 469,400 vehicles worldwide, an increase of 10%.

Naval Sector: Intermarine S.p.A.

In the naval sector, Intermarine S.p.A. reported consolidated net sales of 53.9 million euro in the first nine months of 2018. The figure largely arose from stronger production progress at the Defence division, an example of state-of-the-art engineering with a high technology content, which is winning growing recognition from international navies. The Immsi Group strategy for the recovery and consolidation of the naval sector targeting the growth of the Defence division enabled Intermarine to report a net profit of 6 million euro, and a return on revenue of 11.2%, for the nine months to 30 September 2018.

Intermarine net financial debt at 30 September 2018 stood at 47 million euro, an improvement of 6.5 million euro from 30 September 2017 (53.5 million euro).

Real Estate and Holding sector

Net sales in the Real Estate and Holding sector totalled 4 million euro for the first nine months to 30 September 2018, an improvement of 1.5% from 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, substantially completed the first lot of residences and initial urbanisation works. During the period, the 4 finished showhomes were delivered, as well as the remaining 11 residences in an advanced stage of construction to enable future buyers to choose the finishes. The company examined the possibility of leasing the showhomes in order to enable end customers, including investors, to become familiar with the product and related services on offer.
Commercial operations are underway to identify possible national/international purchasers.

Significant events in and after the first nine months

During the conference call with analysts on 23 October 2018 after the approval of the financial statements for the first nine months, Piaggio Group top management confirmed its full-year guidance, projecting Ebitda of approximately 200 million euro (up from 192.3 million euro in 2017), and a net financial position of around 430 million euro, down from 446.7 million euro at 31 December 2017.

On 6 November 2018, the Piaggio Group presented a number of new products at the EICMA tradeshow in Milan. The main new entries were the Vespa Elettrica (whose marketing in Europe began concurrently with the opening of EICMA), the Moto Guzzi V85 TT, the eagerly awaited all-terrain mid-range model, to be marketed as from February 2019, the supersports model Aprilia RSV4 1100 Factory, the fastest, lightest and most powerful bike ever with its V4 217 hp engine, and the Aprilia RS 660 Concept, one of the most admired two-wheelers at the show, which presents a new concept in sports bikes, with premium content that can also be used on the road. The Group also presented the Piaggio MP3 300 hpe, an agile lightweight version of the highly regarded Piaggio three-wheeler, powered by a new 300 hpe engine with more than 24 hp, and the Piaggio MP3 500 hpe Sport Advanced, with reverse gear. New style and technical content were introduced for the models in the Vespa GTS range.

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Outlook

In the industrial sector (Piaggio Group), against a strengthening on global markets, from a commercial and industrial viewpoint the Group is committed to:

- confirming its leadership position on the European two-wheeler market, through:
  - further strengthening of its product range;
  - maintenance of its current positions on the European commercial vehicle market;
- consolidating its presence in Asia Pacific, by exploring new opportunities in countries in the region, with a particular focus on the premium segment of the market;
- increasing sales on the Indian scooter market thanks to the Vespa offer and the Aprilia SR;
- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements.

At a more general level, the Group maintains its commitment – a characteristic of recent years and continuing in 2018 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with its ethical principles.

In the **naval sector**, during 2018 Intermarine S.p.A. will:

- continue positive management of current orders in order to consolidate the improvement in its financial position over the last few years;
- maintain intense international commercial activity, with a specific focus on Asia and Europe;
- pursue every opportunity to contain direct and indirect costs.

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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 2017 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, fair value adjustments of the related hedged items and interest expense accrued on loans received. The schedules in the Immsi Group interim report on operations for the first nine months to 30 September 2018 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 preparing the interim report on operations as at and for the three months to 30 September 2018, the Immsi Group applied the accounting policies used in preparing the consolidated financial statements as at and for the year ended 31 December 2017 with the exception of the adoption as from 1 January 2018 of IFRS 15 "Revenue from contracts with customers".

Immsi S.p.A. said that the interim report on operations for the nine months ended 30 September 2018 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 "Investor/Financial Reports/2018") as from 14 November 2018.

The Immsi Group reclassified consolidated income statement and reclassified consolidated statement of financial position are set out below. In compliance with the Instructions to the Regulation for markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

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Immsi Group reclassified consolidated income statement

In thousands of euro	*30.09.2018*		*30.09.2017*		*Change*	
Net sales	**1,151,599**	**100%**	**1,134,136**	**100%**	**17,463**	**1.5%**
Cost of materials	658,429	57.2%	641,590	56.6%	16,839	2.6%
Cost of services and use of third-party assets	196,863	17.1%	197,998	17.5%	-1,135	-0.6%
Employee expense	180,368	15.7%	178,927	15.8%	1,441	0.8%
Other operating income	81,128	7.0%	78,599	6.9%	2,529	3.2%
Impairment reversals (losses) net of trade and other receivables	-1,625	-0.1%	-2,241	-0.2%	616	27.5%
Other operating expense	19,249	1.7%	19,018	1.7%	231	1.2%
EBITDA	**176,193**	**15.3%**	**172,961**	**15.3%**	**3,232**	**1.9%**
Depreciation and impairment property, plant and equipment	31,053	2.7%	34,943	3.1%	-3,890	-11.1%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	52,769	4.6%	57,049	5.0%	-4,280	-7.5%
EBIT	**92,371**	**8.0%**	**80,969**	**7.1%**	**11,402**	**14.1%**
Results of associates	757	0.1%	778	0.1%	-21	-
Finance income	18,979	1.6%	18,417	1.6%	562	3.1%
Finance costs	51,229	4.4%	53,820	4.7%	-2,591	-4.8%
PROFIT BEFORE TAX	**60,878**	**5.3%**	**46,344**	**4.1%**	**14,534**	**31.4%**
Income tax	31,722	2.8%	23,456	2.1%	8,266	35.2%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**29,156**	**2.5%**	**22,888**	**2.0%**	**6,268**	**27.4%**
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	**29,156**	**2.5%**	**22,888**	**2.0%**	**6,268**	**27.4%**
Minority interests	14,271	1.2%	10,499	0.9%	3,772	35.9%
GROUP PROFIT (LOSS) FOR THE PERIOD	**14,885**	**1.3%**	**12,389**	**1.1%**	**2,496**	**20.1%**

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	*30.09.2018*	*in %*	*31.12.2017*	*in %*	*30.09.2017*	*in %*
Current assets:						
Cash and cash equivalents	202,058	9.4%	138,949	6.8%	190,460	8.8%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	546,768	25.5%	484,439	23.7%	546,969	25.3%
Total current assets	**748,826**	**34.9%**	**623,388**	**30.5%**	**737,429**	**34.2%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	823,771	38.4%	826,198	40.5%	826,366	38.3%
Property, plant, equipment	291,417	13.6%	307,343	15.1%	309,529	14.3%
Other assets	280,863	13.1%	284,650	13.9%	285,046	13.2%
Total non-current assets	**1,396,051**	**65.1%**	**1,418,191**	**69.5%**	**1,420,941**	**65.8%**
TOTAL ASSETS	**2,144,877**	**100.0%**	**2,041,579**	**100.0%**	**2,158,370**	**100.0%**
Current liabilities:						
Financial liabilities	464,536	21.7%	426,527	20.9%	486,404	22.5%
Operating liabilities	651,315	30.4%	577,028	28.3%	646,213	29.9%
Total current liabilities	**1,115,851**	**52.0%**	**1,003,555**	**49.2%**	**1,132,617**	**52.5%**
Non-current liabilities:						
Financial liabilities	559,220	26.1%	571,342	28.0%	547,083	25.3%
Other non-current liabilities	91,584	4.3%	95,993	4.7%	99,838	4.6%
Total non-current liabilities	**650,804**	**30.3%**	**667,335**	**32.7%**	**646,921**	**30.0%**
TOTAL LIABILITIES	**1,766,655**	**82.4%**	**1,670,890**	**81.8%**	**1,779,538**	**82.4%**
TOTAL SHAREHOLDERS' EQUITY	**378,222**	**17.6%**	**370,689**	**18.2%**	**378,832**	**17.6%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,144,877**	**100.0%**	**2,041,579**	**100.0%**	**2,158,370**	**100.0%**