IMMSI Società per Azioni

Share capital 178.464.000 euro fully paid up
Registered office: P.zza Vilfredo Pareto, 3 – 46100 Mantova
Mantova register of companies – Tax-payer's code and VAT number 07918540019

Interim Management Report

31 March 2008

Index:

COMPANY BOARDS

The Board of Directors and the Board of Statutory Auditors were appointed by a shareholder resolution on 12 May 2006 and their term in office lasts expires on the date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2008.

BOARD OF DIRECTORS

Roberto Colaninno (1) - (2)	***Chairman***
Carlo d'Urso	***Vice Chairman***
Luciano La Noce (1)	***Managing Director***
Matteo Colaninno	***Director***
Michele Colaninno (3)	***Director***
Mauro Gambaro	***Director***
Marco Reboa	***Director***
Giovanni Tamburi	***Director***
Giorgio Cirla	***Director***

BOARD OF STATUTORY AUDITORS

Alessandro Lai	***Chairman***
Giovannimaria Seccamani Mazzoli	***Standing Auditor***
Marco Spadacini	***Standing Auditor***
Leonardo Losi	***Alternate auditor***
Giovanni Sala	***Alternate auditor***

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.	***2006 - 2011***

(1) Legal representative in legal and third party dealings, with power of signature and powers to supervise corporate operations; to that end, he is authorised to carry out all acts and transactions of ordinary management, as well as implement the resolutions of Shareholders' Meetings and the Board of Directors.

(2) Legal representative in legal and third party dealings, with power of signature and powers to carry out all acts and transactions of extraordinary management, advising the Board of Directors thereof at the following meeting.

(3) Nominated General Manager of the Board of Directors on 27 March 2008.

In accordance with the principles recommended by the Corporate Governance Code for Listed Companies, as well as in accordance with Ital.Legisl.Decree 231/01, the Board of Directors has established the following organs:

LEAD INDIPENDENT DIRECTOR

Marco Reboa

REMUNERATION COMMITEE

Carlo d'Urso	***Chairman***
Mauro Gambaro	
Giovanni Tamburi	

INTERNAL AUDIT COMMITTEE

Marco Reboa	***Chairman***
Carlo d'Urso	
Mauro Gambaro	

DIRECTOR APPOINTED

Luciano La Noce

PERSON IN CHARGE OF THE INTERNAL AUDIT

Pierantonio Piana

SUPERVISORY BOARD

Marco Reboa	***Chairman***
Alessandro Lai	
Alessandro Bertolini	

CHIEF FINANCIAL OFFICER (CFO)

Andrea Paroli

INVESTOR RELATOR

Andrea Paroli

Key figures of the Immsi Group

In thousands of euros	Property and holding sector	in %	Industrial sector	in %	Naval sector	in %	Immsi Group	in %
Net revenues	1,113		363,910		33,916		398,939	
Operating earnings before depreciation and amortisation (EBITDA)	-1,760	-158.1%	35,132	9.7%	-1,882	-5.5%	31,490	7.9%
Operating earnings (EBIT)	-1,988	-178.6%	13,120	3.6%	-2,681	-7.9%	8,451	2.1%
Earnings before taxation	2,200	197.7%	5,111	1.4%	-3,630	-10.7%	3,681	0.9%
Earnings for the period including minority interest	2,975	267.3%	3,169	0.9%	-2,960	-8.7%	3,184	0.8%
Group earnings for the period (consolidated)	3,445	309.5%	1,800	0.5%	-1,757	-5.2%	3,488	0.9%
Net financial position	-94,794		-311,823		-71,127		-477,744	
Personnel (number)	72		7,712		424		8,208	

The “property and holding company sector” consolidates the financial items of Immsi S.p.A., Is Molas S.p.A., Apuliae S.p.A., Pietra S.r.l. and RCN Finanziaria S.p.A..

Form and contents of the quarterly report

This Interim Management Report at 31 March 2008, drawn up in conformity with the provisions of art. 154-ter of the Ital. Legislative Decree 58/1998 (“Testo Unico della Finanza”) and of the Issuers Regulations emanated by *Consob*, contains the accounting statements and related consolidated Notes of the Group drawn up according to the IFRS accounting standards issued by the International Accounting Standards Board (“IASB”) and approved by the European Union, with particular reference to IAS 34 related to the interim financial report.
The principles applied in drawing up the Interim Management Report at 31 March 2008 have not been changed compared to the principles adopted in drawing up the consolidated financial statements at 31 December 2007.

The preparation of interim financial statements requires management to make estimates and assumptions that have an impact on the book values of revenues, costs, assets and liabilities, as well as on contingent asset and liability disclosures at the balance sheet date. If in the future these estimates and assumptions, that are based on management’s best evaluation, turn out to be different from reality, they are adjusted appropriately in the period when management realises that circumstances have changed.
It is also worth mentioning that certain valuation processes, especially the more complex ones such as the determination of impairment losses on non-current assets, are generally carried out in detail only when preparing the year-end accounts, when all of the information needed is available, except in cases where there are signs of impairment that require an immediate assessment of the potential loss in value.

The interim financial statements of the subsidiaries used in the consolidation have been suitably adjusted and reclassified, where necessary, to bring them into line with the accounting standards and the Group's standard classification methods.

These financial statements are expressed in euros as this is the currency in which the Group carries out most of its transactions.
Unless stated otherwise, the figures in the schedules and notes that follow are expressed in thousands of euros.
This Interim Management Report is not subjected to audit.

The income taxes are acknowledged on the basis of the best estimate of the expected weighted average rate for the whole year.
In the statement of assets and liabilities at 31 March 2007 the change in shareholders' equity has been transferred, equal to 10,296 thousand euros for dividends related to the year 2006 deliberated by the Board of Directors but not yet approved by the General Meeting of the Shareholders of Immsi S.p.A. set off against the current operative liabilities. This evaluation aims to answer the need for homogeneity in the accounting within the Group for operations having a similar nature.

As regards the Group, below can be found the income statement for the first quarter of 2008 compared with the same period in 2007, as well as the balance sheet at 31 March 2008 compared with the situation at 31 December 2007 and 31 March 2007 and the cash flow statement at 31 March 2008 compared with the situation at 31 March 2007. There is also a statement of changes in shareholders' equity at 31 March 2008 compared with the figures for the same period of the last year.
With reference to the *Consob* Resolution no. 15519 of 17 July 2006, it is specified that notes have been inserted at the foot of the consolidated income statement and balance sheet that give the extent of significant relations with related parties. For a closer examination please refer to the table given at the end of this Interim Management Report.
No non-recurrent, atypical or unusual operations have been found during the first quarter of 2008.

The executive (CFO) assigned to drawing up the company's accounting documents, Andrea Paroli, declares, in accordance with paragraph 2 of article 154-bis of the Consolidated Act of Finance ("Testo Unico della Finanza"), that the accounting report contained in this document corresponds to the evidence of the documents, books and accounting records.

Scope of consolidation

For consolidation purposes we have used the financial statements at 31 March 2008 of the companies included in the scope of consolidation, prepared according to Group accounting policies which are based on IFRS. The scope of consolidation includes the companies in which the Parent Company, directly or indirectly, holds more than half of the voting rights at Shareholders' Meetings, or has the power to influence or control the voting rights by contract or according to the articles of association, or can appoint a majority of Board of Directors. Dormant or near-dormant (and therefore insignificant) subsidiaries have not been consolidated on a line-by-line basis.

The area of consolidation has not changed compared to the consolidated financial statements at 31 December 2007 and the consolidated accounting situation at 31 March 2007.

Consolidated financial statements and explanatory notes

Consolidated reclassified income statement of the Immsi Group

In thousands of euros	1° Quarter 2008		1° Quarter 2007		Change	in %
Net revenues	**398,939**	**100%**	**420,898**	**100%**	**-21,959**	**-5.2%**
Costs for materials	230,607	57.8%	244,164	58.0%	-13,557	-5.6%
Costs for services and the use of third party assets	89,544	22.4%	86,918	20.7%	2,626	3.0%
Employee costs	72,723	18.2%	68,716	16.3%	4,007	5.8%
Other operating income	32,343	8.1%	27,443	6.5%	4,900	17.9%
Other operating costs	6,918	1.7%	6,812	1.6%	106	1.6%
OPERATING EARNINGS BEFORE AMORTIZATION/DEPRECIATION	**31,490**	**7.9%**	**41,731**	**9.9%**	**-10,241**	**-24.5%**
Depreciation of tangibile assets	10,894	2.7%	11,089	2.6%	-195	-1.8%
Amortization of goodwill	0	-	0	-	0	-
Amortization of finite life intangible assets	12,145	3.0%	8,844	2.1%	3,301	37.3%
OPERATING EARNINGS	**8,451**	**2.1%**	**21,798**	**5.2%**	**-13,347**	**-61.2%**
Earnings on equity investments	4	0.0%	9	0.0%	-5	-55.6%
Financial income	14,353	3.6%	3,252	0.8%	11,101	341.4%
Financial charges	19,127	4.8%	13,475	3.2%	5,652	41.9%
EARNINGS BEFORE TAXATION	**3,681**	**0.9%**	**11,584**	**2.8%**	**-7,903**	**-68.2%**
Taxation	497	0.1%	6,885	1.6%	-6,388	-92.8%
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS	**3,184**	**0.8%**	**4,699**	**1.1%**	**-1,515**	**-32.2%**
Profit (loss) from assets for disposal or sale	0	-	0	-	0	-
EARNINGS FOR THE PERIOD INCLUDING MINORITY INTEREST	**3,184**	**0.8%**	**4,699**	**1.1%**	**-1,515**	**-32.2%**
Minority interest earnings for the period	-304	-0.1%	2,668	0.6%	-2,972	-111.4%
GROUP EARNINGS FOR THE PERIOD	**3,488**	**0.9%**	**2,031**	**0.5%**	**1,457**	**71.7%**

- At 31 March 2008 the Costs for materials, services and use of third party assets include costs for operations with related parties for a total of 11.9 million euros (around 15.2 million euros at 31 March 2007) substantially referring to the purchase of components from companies associated with the Piaggio group (Piaggio Foshan Motorcycle);
- At 31 March 2008 the Other operating income include 0.5 million euros for income made with Piaggio Foshan Motorcycle, around 0.4 million euros less than at 31 March 2007.

Net revenues

Consolidated net revenues at 31 March 2008 amount to 398.9 million euros, of which over 91% (363.9 million) are attributable to the industrial sector (Piaggio group), 8% (33.9 million euros) to the naval sector (Rodriquez group) and the balance (1.1 million euros) to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A.).
The type of products sold and the sectors in which the Group operates means that revenues follow a seasonal trend during the year, the first half being more favourable than the second.

With reference to the industrial sector the net revenues in the first three months of 2008 record a 7.7% drop compared to the same period in 2007 with the decrease in sales of the Two-Wheeler business only partially compensated for by the growth of the Light Commercial Vehicles business. Compared to the same period of the preceding year, the drop in the Two Wheeler business is essentially due to the decreases in sales recorded both in the scooter sector (-8.8 million euros equal to -4.9% compared to March 2007) and in the motorcycle sector (-14.8 million euros equal to -21%). The drop is concentrated in the Aprilia and Moto Guzzi brands, with a decrease of 19.8 million euros, Piaggio with -12.1 million euros and Vespa with -2.9 million euros, while Gilera and Derbi record an increase in revenues equal to 9 and 1.1 million euros respectively. In particular, the reduction in the BMW five-year order has an effect of 11 million euros on the motorcycle sector. In addition, it should be noted that the drop in Vespa sales, even though there is an increase in the volumes, is due to the concentration of sales in countries that have been heavily affected by the revaluation of the euro.
The Light Commercial Vehicles business records a growth in sales of 6 million euros (+6.4%). Also at 31 March 2008 there is a good performance for the Indian subsidiary that records growth in revenues of 12.1% compared to 31 March 2007.

As regards the naval sector, consolidated revenues come to 33.9 million euros at 31 March 2008, up by 31.8% on 25.7 million euros at 31 March 2007, thanks to considerable advances in production made on portfolio orders.

At 31 March 2008, the property sector is showing revenues that are basically in line with the first three months of 2007.

Operating earnings before depreciation and amortisation (EBITDA)

Consolidated operating earnings before depreciation and amortisation (EBITDA) amounts to 31.5 million euros at 31 March 2008 (7.9% of net sales). Compared with operating earnings before depreciation and amortisation (EBITDA) for the first three months of 2007, it has decreased by 10.2 million euros (-24.5%). At 31 March 2007 this figure amounted to 41.7 million euros (9.9% of net sales).

The portion attributable to the industrial sector amounts to 35.1 million euros, 9.3 million euros decrease compared to the balance at 31 March 2007 (44.4 million euros), mainly further to the above drop of net sales.

One of the main cost items is employee costs equal to 72.7 million euros, 18.2% of net sales incidence compared to 16.3% in the same period of last year basically due to the growth in the mean staffing level.

Operating income

Operating income amounts to 8.5 million euros (2.1% of net sales). The decrease on 2007 is 13.3 million euros. Consolidated operating income for the first three months of last year came to 21.8 million euros (5.2% of net sales).
Depreciation and amortisation for the period come to a total of 23 million euros (5.7% of sales), being made up of 10.9 million euros of depreciation and 12.1 million euros of amortisation.
No write-downs of goodwill were booked either in the first quarter of 2008 or in the same period last year. The impairment test carried out at 31 December 2007 confirmed that the amounts booked in the financial statements could all be recovered in full.

Income before taxation

Income before taxation amounts to 3.7 million euros at 31 March 2008 (0.9% of net sales). The corresponding figure for the previous year was 11.6 million euros (2.8% of net sales).

Net financial charges in 2008 come to 4.8 million euros (1.2% of net sales). At 31 March 2007 this figure amounted to 10.2 million euros negative, 2.4% incidence on revenues.

Net financial charges were 8 million euros for the Piaggio group (net of 7.6 million of income), 1 million euros for the Rodriquez group (net of 0.7 million of income) while with reference to the Parent Company the net financial proceeds amount to 4.9 million euros, mainly due to capital gains on the sale of Unicredit shares (5.9 million euros related to the sale of 1.5 million shares).

Net income

Net income after taxation and minority interests comes to 3.5 million euros at 31 March 2008 (0.9% of net sales). In the first three months of the previous year, this figure was 2 million euros (0.5% of net sales).
The pertinent taxes amount to 0.5 million euros with an effect on earnings before taxes equal to 13.5% (59.4% in the corresponding period of 2007) because of the low incidence in the first quarter of 2008 of the taxation on the financial capital gains recorded by the Parent Company.

Earnings per share

In euros

From continuing assets	1° Quarter 2008	1° Quarter 2007
Basic	0.010	0.006
Diluted	0.010	0.006
Average number of share:	343,200,000	343,200,000

Diluted EPS is the same as basic EPS as there are no potential shares outstanding that could have a dilutive effect.
At the closing date of the interim financial statements there are no profits or losses from non-current assets held for sale or to be discontinued.

Balance sheet of the Immsi Group

In thousands of euros	*31.03.2008*	*in %*	*31.12.2007*	*in %*	*31.03.2007*	*in %*
Current assets:						
Cash and cash equivalent	89,916	4.4%	134,673	6.8%	92,417	4.5%
Financial assets	22,388	1.1%	19,222	1.0%	3,367	0.2%
Operating assets	714,029	34.9%	615,556	31.0%	684,997	33.3%
Total current assets	**826,333**	**40.4%**	**769,451**	**38.7%**	**780,781**	**38.0%**
Non-current assets:						
Financial assets	0	0.0%	566	0.0%	1,015	0.0%
Intangible assets	817,841	40.0%	813,091	40.9%	806,219	39.2%
Tangible assets	300,833	14.7%	308,426	15.5%	312,611	15.2%
Other assets	100,588	4.9%	96,017	4.8%	155,128	7.5%
Total non-current assets	**1,219,262**	**59.6%**	**1,218,100**	**61.3%**	**1,274,973**	**62.0%**
TOTAL ASSETS	**2,045,595**	**100.0%**	**1,987,551**	**100.0%**	**2,055,754**	**100.0%**
Current liabilities:						
Financial liabilities	206,254	10.1%	198,316	10.0%	139,751	6.8%
Operating liabilities	645,046	31.5%	569,846	28.7%	651,238	31.7%
Total current liabilities	**851,300**	**41.6%**	**768,162**	**38.6%**	**790,989**	**38.5%**
Non-current liabilities:						
Financial liabilities	383,794	18.8%	384,316	19.3%	419,677	20.4%
Other non-current liabilities	165,662	8.1%	168,306	8.5%	188,345	9.2%
Total non-current liabilities	**549,456**	**26.9%**	**552,622**	**27.8%**	**608,022**	**29.6%**
TOTAL LIABILITIES	**1,400,756**	**68.5%**	**1,320,784**	**66.5%**	**1,399,011**	**68.1%**
TOTAL SHAREHOLDERS' EQUITY	**644,839**	**31.5%**	**666,767**	**33.5%**	**656,743**	**31.9%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,045,595**	**100.0%**	**1,987,551**	**100.0%**	**2,055,754**	**100.0%**

- At 31 March 2008 current trade and other receivables include receivables for transactions with related parties totalling 5.0 million euros, substantially related to the sale of vehicles, spare parts and the recovery of miscellaneous costs with regard to Piaggio Foshan Motorcycles (5.8 million euros at 31 March 2007);
- Trade and other payables include payables arising from transactions with related parties amounting to 13.4 million euros, mainly resulting from the purchase of parts and vehicles by companies associated to the Group (17.6 million euros at 31 March 2007).

Analysis of capital employed by the Immsi Group

In thousands of euros	*31.03.2008*	*in %*	*31.12.2007*	*in %*	*31.03.2007*	*in %*
Current operating assets	714,029	55.4%	615,556	48.7%	684,997	52.4%
Current operating liabilities	-645,046	-50.1%	-569,846	-45.1%	-651,238	-49.8%
Net operating working capital	**68,983**	**5.4%**	**45,710**	**3.6%**	**33,759**	**2.6%**
Intangible assets	817,841	63.5%	813,091	64.4%	806,219	61.7%
Tangible assets	300,833	23.4%	308,426	24.4%	312,611	23.9%
Other assets	100,588	7.8%	96,017	7.6%	155,128	11.9%
Invested capital	**1,288,245**	**100.0%**	**1,263,244**	**100.0%**	**1,307,717**	**100.0%**
Non-current non-financial liabilities	165,662	12.9%	168,306	13.3%	188,345	14.4%
Minority interest capital and reserves	257,229	20.0%	262,175	20.8%	0	0.0%
Consolidated shareholders' equity of the Group	387,610	30.1%	404,592	32.0%	656,743	50.2%
Total non-financial sources	**810,501**	**62.9%**	**835,073**	**66.1%**	**845,088**	**64.6%**
Net financial debt	**477,744**	**37.1%**	**428,171**	**33.9%**	**462,629**	**35.4%**

Invested capital

Invested capital amounts to 1,288.2 million euros at 31 March 2008, for an increase on 31 December 2007 of 25 million euros and for a decrease of 19.5 million euros on 31 March 2007 (1,263.2 million euros and 1,307.7 million euros respectively). Compared with the beginning of the year, net working capital has risen by 23.3 million euros, in particular because of the influence of the seasonal trend in the industrial sector's business. The decrease in the tangible assets altogether amounts to 7.6 million euros compared to 31 December 2007, while intangible assets have grown by 4.8 million euros compared to 31 December 2007.

Net financial debt

The Group's net financial debt at 31 March 2008 amounted to 477.7 million euros, an increase over 31 December 2007 of 49.6 million euros and over 31 March 2007 of 15.1 million euros. In addition, with reference to the composition of the debt it is possible to note, compared to 31 December 2007, an increase in the short-term financial debt passing from a negative balance equal to 44.4 million euros to a negative balance equal to 94 million euros, while the financial debt over the medium and long term is basically unchanged compared to 31 December 2007 equal to 383.8 million euros and less than the balance at 31 March 2007 (equal to 418.7 million euros). The worsening in the Group's financial position compared to 31 December 2007 is referable to the above mentioned seasonality of the business that in this period of the year concentrates its greatest financial needs.

Capital investment

Gross capital investment during the period to 31 March 2008 totalled 28.1 million euros, divided among tangible assets for 6.3 million euros (of which 5.4 million euros by Piaggio group), intangible assets for 11.6 million euros (of which 11.2 million euros by Piaggio group), and investments in financial fixed assets for 10.3 million euros related to the purchase by the Parent Company, Immsi S.p.A. of 5,359,909 shares of Piaggio & C. S.p.A. on the *MTA* (Electronic Share Market).

Net Financial Debt of the Immsi Group

In thousands of euros	*31.03.2008*	*31.12.2007*	*31.03.2007*
Short-term liquidity			
Cash and cash equivalent	-89,916	-134,673	-92,417
Financial assets	-22,388	-19,222	-3,367
Total short-term financial assets	**-112,304**	**-153,895**	**-95,784**
Shot-term financial payables			
Bonds	0	0	0
Amounts due to bank	168,343	165,975	127,495
Amounts due under finance leases	745	736	924
Amounts due to other lenders	37,166	31,605	11,332
Total short-term financial payables	**206,254**	**198,316**	**139,751**
Total short-term financial debt	**93,950**	**44,421**	**43,967**
Medium/long-term financial assets			
Receivables for loans	0	-566	-1,015
Other financial assets	0	0	0
Total medium/long-term financial assets	**0**	**-566**	**-1,015**
Medium/long-term financial payables			
Bonds	145,380	145,380	144,628
Amounts due to bank	202,885	203,170	227,280
Amounts due under finance leases	9,863	9,883	10,529
Amounts due to other lenders	25,666	25,883	37,240
Total medium/long-term financial payables	**383,794**	**384,316**	**419,677**
Total medium/long-term financial debt	**383,794**	**383,750**	**418,662**
Net financial debt	**477,744**	**428,171**	**462,629**

Cash flow statement of the Immsi Group

In thousands of euros	*1° Quarter 2008*	*1° Quarter 2007*
Operations		
Earnings for the period	3,488	2,031
Minority interest	(304)	2,668
Taxation	497	6,885
Depreciation of tangible assets (including property investments)	10,894	11,089
Amortisation of intangible assets	12,145	8,844
Provisions for risks and for severance indemnity and similar obligations	7,321	5,914
Write-downs / (Revaluations)	962	386
Losses / (Gains) on disposal of tangible assets (including property investments)	(28)	(4)
Losses / (Gains) on disposal of intangible assets	0	(170)
Losses / (Gains) on disposal of securities	(5,884)	0
Interest receivable	(882)	(636)
Dividend income	0	0
Interest payable	11,755	10,449
Depreciation of grants	(1,249)	(233)
Change in working capital:		
(Increase) / Decrease in trade receivables	(75,048)	(70,715)
(Increase) / Decrease in inventories	(51,879)	(46,647)
Increase / (Decrease) in trade payables	62,083	35,808
(Increase) / Decrease in contract work in progress	20,548	3,855
Increase / (Decrease) in provisions for risks	(6,067)	(6,054)
Increase / (Decrease) reserves for severance indemnity similar obligations	(3,674)	(1,572)
Other changes	(15,949)	5,500
Cash generated from operations	(31,271)	(32,602)
Interest paid	(4,413)	(1,958)
Taxation paid	(190)	(4,742)
Cash flow from operations	(35,874)	(39,302)

In thousands of euros	1° Quarter 2008	1° Quarter 2007
Investments		
Acquisition of subsidiaries, net of cash and cash equivalents	(10,264)	0
Investments in tangible assets	(6,191)	(6,745)
Sale price, or repayment value, of tangible assets (including property investments)	255	136
Investments in intangible assets	(11,552)	(11,728)
Sale price, or repayment value, of intangible assets	0	170
Sale price of non-consolidated equity investments	1	20
Loans provided	(24)	(5)
Repayment of loans	671	499
Purchase of financial assets	(3,247)	0
Sale price of financial assets	8,041	8,733
Interest received	4,665	388
Other flows from assets intended for disposal or sale	(78)	(143)
Public grants received	985	0
Cash flow from investments	(16,738)	(8,675)
Financing		
Increase in share capital by third parties	0	9,261
Loans received	35,186	66,336
Outflow for repayment of loans	(24,459)	(38,444)
Finance leases received	173	23
Repayment of finance leases	(184)	(290)
Cash flow from financing	10,716	36,886
Increase / (Decrease) in cash and cash equivalents	(41,896)	(11,091)
Opening balance	106,470	80,420
Exchange differences	657	(34)
Closing balance	65,231	69,295

This schedule illustrates the changes in cash and cash equivalents, net of short-term bank overdrafts totalling 24.7 million euros at 31 March 2008.

Total shareholders' equity and equity pertaining to the Immsi Group

In thousands of euros	Group Consolidated Shareholders' Equity	Minority interests' capital & reserves	Total Consolidated Shareholers' Equity (Group&Minority Interest)
Balances at 1st January 2007	**401,819**	**243,784**	**645,603**
Translation differences	74	54	128
Measurement of financial assets at fair value, net of taxation	(4,169)	1,221	(2,948)
Figurative cost of stock options	0	0	0
Other changes	16	9,245	9,261
Net income for the period	2,031	2,668	4,699
Balances at 31 March 2007	**399,771**	**256,972**	**656,743**

In thousands of euros	Group Consolidated Shareholders' Equity	Minority interests' capital & reserves	Total Consolidated Shareholders' Equity (Group&Minority Interest)
Balances at 1st January 2008	**404,592**	**262,175**	**666,767**
Translation differences	(1,459)	(1,068)	(2,527)
Measurement of financial assets at fair value, net of taxation	(20,456)	999	(19,457)
Figurative cost of stock options	252	185	437
Other changes	1,193	(4,758)	(3,565)
Net income for the period	3,488	(304)	3,184
Balances at 31 March 2008	**387,610**	**257,229**	**644,839**

Human resources

At 31 March 2008, Immsi Group employed 8,208 staff, of which 72 in the property sector, 7,712 in the industrial sector (Piaggio group) and 424 in naval (Rodriquez group).

The following tables divide resources by category and geographical area:

Human resources by category

Numbers	31/03/2008			
	Property sector	Industrial sector	Naval sector	Immsi Group
Senior managers	5	111	21	137
Middle managers and clerical staff	37	2,346	169	2,552
Manual workers	30	5,255	234	5,519
TOTAL	**72**	**7,712**	**424**	**8,208**

Human resources by geographical area

Numbers	31/03/2008			
	Property sector	Industrial sector	Naval sector	Immsi Group
Italy	72	4,981	424	5,477
Rest of Europe	0	695	0	695
Rest of the World	0	2,036	0	2,036
TOTAL	**72**	**7,712**	**424**	**8,208**

Human resources by category

Numbers	31/03/2008	31/12/2007	Change
Senior managers	137	138	-1
Middle managers and clerical staff	2,552	2,507	45
Manual workers	5,519	4,696	823
TOTAL	**8,208**	**7,341**	**867**

Human resources by geographical area

Numbers	31/03/2008	31/12/2007	Change
Italy	5,477	4,734	743
Rest of Europe	695	588	107
Rest of the World	2,036	2,019	17
TOTAL	**8,208**	**7,341**	**867**

The increase in the number of employees (+867) is almost exclusively attributable to the industrial sector because of the seasonal nature of production, which involves hiring personnel on short-term contracts.

Directors' comments on the results of operations

In the first three months of 2008 the Immsi Group has net revenues and operating results down on the corresponding period of the preceding year, recording nevertheless a net profit up on 31 March 2007.
The results of the various sectors making up the Group differ according to their business trends and the impact of seasonality.

Property and holding sector

With reference to the Parent Company Immsi S.p.A. it is noted that in the first three months of 2008 operations were carried out on the *MTA* to purchase Piaggio stock for a total of 10.3 million euros (for 5,359,909 shares) and sell Unicredit stock for a total of 8 million euros (1.5 million shares) with gross capital gains equal to 5.9 million euros.
The net result is therefore positive in the first quarter at 4.4 million euros compared to the negative balance of 0.6 million euros at 31 March 2007.
The net financial debt passes from 73.6 million euros at 31 December 2007 to 77.3 million euros (3.7 million euros the change), mainly due to the net balance of the financial investments, equal to 2.2 million euros.

With reference to the subsidiary Is Molas S.p.A., in February 2008 the Regional Council decided not to apply a further procedure of Environmental Impact Evaluation (*V.I.A.*) to the works of the project for "completion of the agreed Is Molas lotting" related to the advancement and completion of the tourist-hotel complex, the construction of the remaining residential volumes and the completion of the urbanization of the lotting, provided that the prescriptions to submit to preventive authorization are respected. Otherwise, the resolution requires applying a further procedure of *V.I.A.* to the works related to the Rio Tintioni and the new golf course.

With reference to the Pietra Ligure project, in the month of January the authorization arrived from the relevant Office in Rome of the purchase, made by deed on 18 December 2007, of the Property of 15,300 sq.m. situated in the Municipality of Pietra Ligure; regarding the area, in January the Services Conference was held, in which the technicians and the attorneys of RCN have illustrated a new planimetric version that has assimilated the informal directions given by the relevant offices following the first Conference.

Industrial sector

In the first quarter of 2008 the Piaggio group altogether throughout the world sold 150,600 vehicles, of which 104,400 in the Two Wheeler business, 45,800 in the Light Commercial Vehicle business and 400 for the BMW five-year order.
As concerns the Two Wheeler business, this performance has been accomplished in a European market that has recorded a 6.8% drop compared to the corresponding period in 2007, a year that had profited from exceptionally favourable climatic conditions with a consequent advance on the seasonality of the business.
In particular, the sales of the Vespa brand have passed 22,500 units (+3.2% compared to the first quarter of 2007) confirming the success of the trademark at international level. There has been growth also in the sales of Derbi (+4.6%) and Gilera (+9.5%) that profited from the launch of the new Fuoco and GP 800 models. Whereas the volumes of the Piaggio brand were down (-14.3%), that last year benefited from the launch of some new models in late 2006, Aprilia (- 9.6%) and Moto Guzzi (-40.2%).

As concerns the Light Commercial Vehicles, in India the growth of the business has continued with an increase of 7.1% in the units sold equal to 40,500 vehicles.
In the light of the above dynamics, in the first quarter of 2008 the consolidated proceeds were accordingly 363.9 million euros (-7.7% compared to the same period of 2007).
By analyzing the trend of the proceeds in the sub-segments of reference, the decrease is to attributed to the lower sales of the Two Wheeler business and the reduction in the BMW five-year order, that has recorded a decrease of 11 million euros compared to the same period of last year, only partially attenuated by the growth in the business of Light Commercial Vehicles. Compared to the same period of the preceding year, the drop in the Two Wheeler sub-segment is essentially due to the decreases in sales recorded both in the scooter sector (-8.8 million euros, namely -4.9% compared to March 2007) and in the motorcycle sector (-14.8 million euros, -21.0%). The drop is concentrated in the Aprilia and Moto Guzzi brands, with a decrease of 19.8 million euros, Piaggio -12.1 million euros and Vespa -2.9 million euros, while Gilera and Derbi record an increase in revenues equal to 9 and 1.1 million euros respectively. It should be noted that the decrease in Vespa sales is due to the concentration of its sales in countries that have been heavily affected by the revaluation of the euro.
From a geographical point of view, the group's growth continues within areas of strong economic development, such as Singapore, Japan and Vietnam, where the work continues on the construction of the new production factory that will come into operation next year.
The Light Commercial Vehicle division closed the first quarter with 45,800 units sold, a growth of 6.6% compared to the first three months of 2007. In particular, the growth of the Indian subsidiary continues, which in spite of the signals of this strongly expanding market settling down, has seen its volumes grow further by 7.1% (40,500 vehicles) and sales of 12.1% compared to 31 March 2007.

In the light of the above dynamics the earnings before interest, taxes, depreciation and amortisation (Ebitda) are equal to 35.1 million euros, a reduction of 20.9% compared to the 44.4 million euros of the same period of the preceding year. As a percentage of sales, the Ebitda for the first quarter of 2008 is 9.7% compared to 11.3% of the same period in 2007.
The operating result at 31 March 2008 is positive for 13.1 million euros, a drop of 12.5 million euros compared to 25.6 million of the same period in 2007 (-48.8%). Profitability was also down (measured as the operating result in relation to the net revenues), equal to 3.6%, against 6.5% of the same period in 2007.
In the first three months of 2008 the Piaggio group has recorded earnings before taxes equal to 5.1 million euros. The worsening is correlated to the reduction in the operating result.
The taxes for the period altogether amount to 1.9 million euros, (7.7 million euros at 31 March 2007), with an incidence on the earnings before taxes of 38%.
The net profit at 31 March 2008 is equal to 3.2 million euros (-67.5% compared to the same period in 2007), of which 1.8 million euros is the consolidatable portion.

During the first three months of 2008 the absorbed financial resources have been equal to 42.1 million euros, while compared to 31 March 2007 the variation is positive for 33 million euros after the buy back and the distribution of dividends for a total of 38.7 million euros.
The revenue flow, or the net earnings plus amortizations, is equal to 25.2 million euros. The positive effect of this flow has been absorbed by the increase in capital that, also because of the seasonality of the Two Wheeler sector that concentrates most of its financial needs in this period of the year, has passed from -0.4 million euros at 31 December 2007 to 50 million euros at 31 March 2008, by investments for 14.4 million euros and by the variation in the funds.
The net financial position at 31 March 2008 is negative for 311.8 million euros compared to 269.7 million at 31 December 2007 and compared to 344.8 million euros in the same period of 2007. The increase of 42.1 million euros over 31 December 2007 is connected with the seasonality of the Two Wheeler business that absorbs financial resources in the early part of the year and generates them in the later part.

Naval sector

With reference to the economic data of the Rodriquez group, the trend of growth in revenues already highlighted during the preceding year continues, with an increase equal to 8.2 million euros from 25.7 million euros at 31 March 2007 to 33.9 million euros in March 2008.
The progress in production and the completion of the constructions and deliveries have in particular concerned the Fast Ferries division with 6.6 million euros, the Yacht division with 8.7 million euros and the military division with 18.6 million euros.
This production has again been characterized by margins not altogether able to absorb the direct costs and those of the fixed structures, particularly for the Oman order of the Fast Ferries division the effect of the negative variations in the order estimates made in relation to technical matters of construction of the catamarans, while for the Yacht division the Conam company has lower marginality than expected for orders of construction accounted for at cost while awaiting customers to sign contracts.
In light of the above, it is underlined that the portion of consolidatable net earnings for the Immsi Group is basically unchanged compared to 2007 with a negative value equal to 1.8 million euros.

The orders portfolio at 31 March 2008 amounts to 401 million euros.
In the month of March construction contracts have been signed with the customer Yacht Plus for Mega Yachts no. 3 and no. 4 for a total of 18 million euros within the Master Agreement that includes the possibility of building up to 10 boats.

From the point of view of assets and liabilities, the net financial debt of the group is at 71.1 million euros with a slight worsening compared to the 68 million of the end of 2007 (-3.1 million euros) mainly due to the negative cash flow for 2.1 million euros that moreover suffers from delays in collecting from the customer Guardia di Finanza (Revenue Tax Corps), whose overdue payment has exceeded 28 million euros because of changes in the procedures of payment introduced by the relevant Ministry.

Events following 31 March 2008 and predictable evolution of management

With reference to the warrants of Piaggio & C. S.p.A. 2004/2009 issued by the company within the operation of acquisition of Aprilia S.p.A., it is made known that almost the entirety of the banks holding these warrants has, in accordance with the Regulations, exercised the warrants. Please note that 9,959 warrants have been exercised compared to the total of 10,000 warrants in circulation.
In conformity with the regulations, the company, in agreement with the common representative of the holders of the warrants, will identify the third valuer appointed to determine the value of realization of the warrants.

With reference to the Parent Company, it is noted that purchases were made in the month of April for 250,000 shares of Piaggio & C. S.p.A. for a total of 0.4 million euros.

Regarding the predictable evolution of the management the Group will continue its efforts in the consolidation of what has already begun in the preceding years.
With reference to the industrial sector (Piaggio group) the aim will be to improve competitiveness in traditional markets and extend its presence in developing markets, particularly with the construction of the new hybrid engine and the new factories in India and Vietnam.
With reference to the naval sector, in the light of the important contracts in being and the effects that the military division will bring to the Rodriquez group with the order of the 3 minesweepers for the Finnish Navy, it is possible to forecast further growth for the year in the volume of production compared to 2007 that, jointly with the marginality of the other orders, makes a positive operational profitability surmisable.

Segment reporting

In accordance with IAS 14, information is provided below by business areas (primary sector) and by geographical areas (secondary sector).
In this respect, as regards business areas, where possible information is provided relating to the property/holding company, industrial and naval sectors.

Primary sector: business areas

Income statement

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Net revenues to third parties	1,113	363,910	33,916	398,939
Net intercompany revenues				0
NET REVENUES	**1,113**	**363,910**	**33,916**	**398,939**
OPERATING EARNINGS	**-1,988**	**13,120**	**-2,681**	**8,451**
Earnings on equity investments	0	4	0	4
Financial income				14,353
Financial charges				19,127
EARNINGS BEFORE TAXATION				**3,681**
Taxation				497
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS				**3,184**
Gain (loss) from assets intended for disposal or sale				0
EARNINGS FOR THE PERIOD INCLUDING MINORITY INTEREST				**3,184**
Minority interest earnings for the period				-304
GROUP EARNINGS FOR THE PERIOD				**3,488**

Balance sheet

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Sector business	275,220	1,517,653	251,974	2,044,847
Equity investments in associated companies	0	725	23	748
TOTAL ASSETS	**275,220**	**1,518,378**	**251,997**	**2,045,595**
TOTAL LIABILITIES	**120,543**	**1,042,905**	**247,604**	**1,411,052**

Other information

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Investments in tangible and intangible assets	**277**	**16,630**	**836**	**17,743**
Depreciation, amortisation and write-downs	**399**	**22,803**	**799**	**24,001**
Cash flow from operations	**-1,867**	**-30,539**	**-3,468**	**-35,874**
Cash flow from investments	**-2,445**	**-15,089**	**796**	**-16,738**
Cash flow from financing	**-1,833**	**7,572**	**4,977**	**10,716**

Secondary sector: geographical areas

Income statement

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net revenues to third parties	134,367	163,998	62,243	14,015	24,316	398,939
Net intercompany revenues						0
NET REVENUES	**134,367**	**163,998**	**62,243**	**14,015**	**24,316**	**398,939**

Balance sheet

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Sector business	1,691,587	210,749	87,360	34,167	20,984	2,044,847
Equity investments in associated companies	700	3			45	748
TOTAL ASSETS	**1,692,287**	**210,752**	**87,360**	**34,167**	**21,029**	**2,045,595**

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Total receivables	**115,841**	**166,466**	**10,960**	**10,639**	**14,444**	**318,350**
Total payables	**484,484**	**67,726**	**47,645**	**1,620**	**26,663**	**628,138**

Other information

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Investments in tangible and intangible assets	**15,513**	**600**	**1,200**	**100**	**330**	**17,743**
Depreciation, amortisation and write-downs	**21,622**	**1,448**	**838**	**60**	**33**	**24,001**

Group and Related Party transactions

As regards the information to be provided on related party transactions in accordance with IAS 24 (Related Party Disclosures), we would like to point out that such transactions take place as part of normal operations at market conditions or as laid down under specific laws.

The following table shows the impact of related party transactions on the income statement (excluding revenues from recharged amounts in accordance with IAS 18) and on each single item of the balance sheet resulting from the consolidated data of the Immsi Group at 31 March 2008. It is noted that the effects on the income statement and balance sheet have been eliminated.

Financial statements classification	Amounts in €/000	% incidence on balance sheet items	Related Companies
Transactions with Related Parties:			
Current trade payables	*925*	*0.2%*	*St. d'Urso Gatti e Associati*
Costs for services and use of third party assets	*61*	*0.1%*	*St. d'Urso Gatti e Associati*
Transactions with Parent Companies:			
Tangible assets	*87*	*0.0%*	*Omniainvest S.p.A.*
Costs for services and the use of third party assets	*62*	*0.1%*	*Omniaholding S.p.A*
Transactions with Associated Companies:			
Other non-current receivables	*830*	*5.0%*	*Fondazione Piaggio and AWS do Brasil*
Other current financial assets	*58*	*0.1%*	*Fondazione Piaggio*
Current trade receivables and other receivables	*1,170* *2,997*	*1.4%*	*Fondazione Piaggio and Piaggio Foshan* *Consorzio CTMI and Armas Ocean Jets*
Current trade payables	*11,714* *1,282*	*2.4%*	*Fondazione Piaggio,Piaggio Cina and Piaggio Foshan*
Other current payables	*180*	*0.2%*	*Fondazione Piaggio*
Costs for materials	*11,750*	*5.1%*	*Piaggio Foshan*
Other operating income	*510*	*1.6%*	*Piaggio Foshan*

The following table shows the impact of related party transactions on the income statement (excluding revenues from recharged amounts to subsidiaries in accordance with IAS 18) and on the balance sheet of Immsi S.p.A. at 31 March 2008.

Financial statements classification	Amounts in €/000	Related Companies
Transactions with Related Parties:		
Current trade payables	*129*	*Studio d'Urso Gatti e Associati*
Costs for services and use of third party assets	*26*	*Studio d'Urso Gatti e Associati*
Transactions with Parent Companies:		
Tangible assets	*87*	*Omniainvest S.p.A.*
Costs for services and the use of third party assets	*44*	*Omniaholding S.p.A.*
Transactions with Subsidiaries:		
Other non-current financial assets and receivables	*13,578*	*RCN Finanziaria S.p.A.*
Current trade receivables and other receivables	*332* *1,129* *223*	*Piaggio group* *Rodriquez group* *Is Molas S.p.A*
Other current financial assets	*850* *13,851*	*RCN Finanziaria S.p.A.* *Rodriquez Cantieri Navali S.p.A.*
Current financial liabilities	*540*	*Apuliae S.p.A.*
Current trade payables	*20* *25*	*Piaggio & C. S.p.A* *Is Molas S.p.A.*
Other current payables	*2,636*	*Payables from national tax consolidation agreement 2007-2009*
Financial income	*439*	*Rodriquez group*
Operating income	*274* *150* *25*	*Piaggio & C. S.p.A.* *Is Molas S.p.A.* *Rodriquez Cantieri Navali S.p.A.*
Costs for services and the use of third party assets	*18*	*Piaggio & C. S.p.A.*
Other operating income	*12* *10*	*Piaggio group* *Is Molas S.p.A.*

Figures including non-deductible VAT.

Immsi, as part of the contract for the supply of 5 catamarans to the Sultanate of Oman for which the Rodriquez group stipulated an endorsement credit contract with a pool of banks for an amount of 84.4 million USD. to guarantee payment of the consideration envisaged in the contract signed with the Sultanate of Oman for 90 million USD., counter-guaranteed the “performance bond” and the “advanced payment bond” issued by the above banks for an amount of 60 million USD. with the issue of a fidejussory guarantee and for any excess part with a letter of patronage in relation to Rodriquez Cantieri Navali S.p.A.’s obligations to channel payments.

Immsi S.p.A. has also signed a guarantee for Rodriquez Cantieri Navali S.p.A. in favour of Intesa Sanpaolo S.p.A., to guarantee that the company will pay a liability worth 15 million euros.

It should be also noted that with reference to the contract stipulated between the Finnish Navy and the subsidiary Intermarine S.p.A., regarding the job order for the construction of three minesweepers, the Finnish Navy paid three advance payments foreseen by the contract for 32 million euros, 16.3 million euros and 600 thousand euros. These accounts are guaranteed, for an amount equal to 115% of the sum received, by insurance guarantees issued by SACE and by the co-obligation of Immsi S.p.A. for a total amount equal to 56.2 million euros.

Other information: Plan to adjust the systems of internal control for the companies in the Group with headquarters in countries outside the EU

With reference to the provisions of art. 36 and follow of the Markets Regulation adopted by *Consob* with deliberation no. 16191 dated 29 October 2007, as regards the indirect subsidiary companies outside the EU monitored directly by the issuer Piaggio & C. S.p.A., reference is made to what it communicated in the Interim Management Report at 31 March 2008 approved by the Board of Directors on 7 May 2008.