

PRESS RELEASE

IMMSI GROUP: BOARD APPROVES 2008 DRAFT FINANCIAL STATEMENTS

- Net sales € 1,736.7 mln (1,846.5 in 2007)
- EBITDA € 172.8 mln (220.4 in 2007)
- Net profit € 14.2 mln (32.7 in 2007)

Parent company IMMSI S.p.A.:

- Net profit € 17.2 mln (11.6 mln in 2007)

Milan, 24 March 2009 – At a meeting today in Milan chaired by Roberto Colaninno, the Immsi S.p.A. Board of Directors examined and approved the 2008 draft financial statements, to be presented to the Shareholders' Meeting convened for 24 and 29 April 2009, on first and second call respectively.

Overall, the Immsi Group's operating results for financial year 2008 were positive, despite the severe deterioration in macroeconomic conditions.

Trends in results varied among the Group core businesses – industrial sector, shipbuilding, real estate – reflecting the specific business dynamics that characterised 2008. More specifically, the Piaggio Group invested to expand its industrial and commercial operations on global markets by renewing all product ranges – scooters, motorcycles and commercial vehicles – through a high level of technological innovation and development of environment-friendly engines. At the Immsi Group's other core businesses, at Rodriquez Cantieri Navali contract management focused in particular on the military sector with a view to acquiring new contracts; in the real estate business, 2008 saw completion of the procedures for approval of the Is Molas project and start-up of approval procedures for Pietra Ligure. All the investments made by the Immsi Group in 2008, including the holding in Alitalia, were funded with internal resources and by strengthening Group assets, without recourse to the market.

Looking at the business and financial performance of the Subsidiaries, in the **industrial sector** Piaggio Group consolidated net sales were € 1,570.1 million, a drop of 7.2% compared to 2007. The decrease arose in the two-wheeler business, whose performance was affected by particularly difficult market conditions in the Piaggio Group's key areas of operation. It was counterbalanced in part by a 2.4% improvement in commercial vehicles, where 2008 turnover was € 389.4 million. The net sales downturn also arose from a reduction in the five-year BMW order, which was down € 18 million on 2007, and from the revaluation of the euro against the US dollar, the Indian rupee and the GB pound, with a negative effect on turnover of about € 38.4 million compared to 2007.

In the **shipbuilding sector**, where Immsi operates through the Rodriquez Cantieri Navali S.p.A. Group, thanks to orders acquired mainly in the military sector 2008 saw a significant YoY increase of approximately 8.5% in net sales, to € 161.3 million. However, margins on production in the fast ferries and mega yachts segments were not sufficient to absorb direct production costs and fixed costs, despite measures to improve progress management on current orders at these divisions. In addition, demand for pleasure craft declined in 2008.

In the **real estate sector**, in 2008 the subsidiary **Is Molas S.p.A.** successfully completed the approval procedure to obtain building licenses and permits for the Is Molas Golf Resort development project; this project envisages a tourist hotel and sports complex in Pula (Cagliari, Sardinia) designed by internationally renowned architect Massimiliano Fuksas for the residential area and golfer Gary Player for the golf course. In December 2008, the entire shareholding in Is Molas S.p.A. (60% of the capital) was sold to ISM Investimenti S.p.A. a company in which Immsi S.p.A. holds 71.43% and IMI Investimenti S.p.A. (a company in the Intesa Sanpaolo Group) holds 28.57%.

With regard to the project for the restructuring of the Rodriquez shipyard in **Pietra Ligure**, which, following the purchase of an area of 15,300 m², will include a tourist port, a yacht building and maintenance yard, residences and a hotel as well as areas and facilities for the local community, the technical and legal staff at Rodriquez Cantieri Navali initiated procedures for the approval of the project by the Liguria Regional Authority and the other agencies involved, in order to obtain the necessary licences.

With reference to the investments in the project for the re-launch of **Alitalia**, in 2008 Immsi S.p.A. paid € 55.6 million of a total investment of € 80 million to purchase a holding in the company **Compagnia Aerea Italiana (CAI)**. The transaction was completed, with payment of the outstanding amount of € 24.4 million, in January 2009. The share held by the Immsi Group in **Alitalia-Compagnia Aerea Italia**, after the transaction in January and the acquisition of an equity interest in Alitalia-CAI by Air France-Klm currently stands at 7.08%.

Business and financial highlights

Immsi Group **consolidated net sales** for financial year 2008 totalled € 1,736.7 million, compared with € 1,846.5 million in 2007. The main contributors were the Piaggio Group with € 1,570.1 million and the Rodriguez Cantieri Navali Group with € 161.3 million.

EBITDA in 2008 was € 172.8 million, compared to € 220.4 million in 2007. **EBIT** amounted to € 73.9 million, compared with € 126.2 million in 2007.

Net cash flows from financial operations in 2008 were negative at € 39.8 million.

Profit before tax, including minority interests, amounted to € 34 million at 31 December 2008, compared to € 91.5 million at 31 December 2007.

After tax of € 9 million, the **net profit** for the Group amounted to € 14.2 million compared to € 32.7 million in 2007.

Net debt at 31 December 2008 totalled € 608.9 million, an increase of € 180.7 million compared with net debt of € 428.2 million at 31 December 2007, due mainly to net investments for the period totalling € 203.6 million, and dividends paid to third parties by the parent company (€ 10.3 million) and by Piaggio (€ 10 million), counterbalanced in part by net cash flows on operations of € 122.4 million.

In addition to the afore-mentioned cash flows, outlays for the period included:

- share buy-backs on the market by Immsi S.p.A. for € 2.1 million;
- share buy-backs on the market by Piaggio & C. S.p.A. for € 26.1 million;

Key cash outflows for the year included the outlay arising from the decision of Piaggio & C. S.p.A. to settle the Piaggio 2004-2009 warrants in cash, for a total amount of € 64.2 million, rather than issue new shares (a € 63.9 million cash settlement was made in July 2008).

Additionally, Immsi sold 1.5 million Unicredit securities on the market, raising proceeds of € 8 million.

Immsi Group total **shareholders' equity** at 31 December 2008 was € 585.4 million, including € 190.7 million of minority interests, compared with € 666.8 million at 31 December 2007.

Significant events after 31 December 2008

With reference to the parent company, in January 2009 the purchase of the shareholding in the company Compagnia Aerea Italiana (CAI) was completed, with payment of the outstanding amount of € 24.4 million with respect to the overall investment of € 80 million (see above).

The share held by the Immsi Group in Alitalia-Compagnia Aerea Italia, after the transaction in January and the acquisition of an equity interest in Alitalia-CAI by Air France-Klm, currently stands at 7.08%.

With regard to parent company investments, in the first few months of 2009, Piaggio & C. S.p.A. equities were sold on the MTA market for a total of € 9.2 million, equal to about 7.8 million shares; Piaggio & C. S.p.A. equities were bought on the MTA for a total of € 2.6 million (2.5 million shares).

With reference to the Piaggio Group:

- on 6 February 2009 the Italian Council of Ministers approved a decree/law providing an incentive of € 500 for the purchase of Euro3 motorcycles up to 400cc with simultaneous scrapping of a Euro0 or Euro1 vehicle, as well as incentives for the purchase of low-emission commercial vehicles;
- in January and February, Piaggio & C. S.p.A. continued to buy back shares to service the ordinary share purchase and allocation plan approved by the Shareholders' Meeting on 24 June 2008. On 23

March 2009, the total number of own shares in portfolio amounted to 27,432,542, at an average purchase price of € 1.9662.

Outlook for 2009

As far as the outlook for the Immsi Group is concerned, in the industrial sector the **Piaggio Group** will focus on continuous improvement of competitiveness in all segments and markets. Quality, product costs and productivity will be the drivers for 2009 operations, which will aim to increase sales of three/four-wheel commercial vehicles in India and in Europe. Furthermore, particular attention will be paid to re-launching the Moto Guzzi brand and consolidating the scooter business in Europe and America.

Through the completion of the Aprilia motorbike range, the Piaggio Group intends to improve its positioning in this segment and simultaneously expand its presence on international markets. 2009 will also see the Piaggio Group committed to future development and new investments, notably the launch of the first hybrid engines, the launch of the marketing campaign for Vespa scooters produced by the Vietnamese subsidiary and the completion of the new engine plant in India.

In the shipbuilding sector, in consideration of production progress on current contracts scheduled for 2009, **Rodriquez Cantieri Navali** expects to report a reduction in the value of production at consolidated level for the current financial year and results still below breakeven. There are good prospects for the acquisition of new military contracts, whose economic and financial effects will emerge in future years.

With reference to the subsidiary **Is Molas**, the Immsi Group expects the Pula municipal authority to complete the administrative procedure for the issue of building licenses and permits during 2009. Once these permits have been obtained, marketing of the Project residences will begin and work will commence on the residential, tourist and hotel complex.

IMMSI S.p.A.

The **Parent Company Immsi S.p.A.** presented a net profit for the period of € 17.2 million compared with € 11.6 million at 31 December 2007.

In light of the duration and repercussions of the international market crisis, in order to further strengthen Immsi Group assets, at the Shareholders' Meeting the Board of Directors will propose that no dividend be distributed on the result for 2008.

Ordinary share buy-back and disposal plan

The Board of Directors also decided to ask the Shareholders' Meeting to authorise an **ordinary share buy-back disposal plan**, subject to revocation of the unexecuted portion of the authorisation given by the Shareholders' Meeting on 13 May 2008, which expires on 13 November 2009.

As of today, the Parent Company holds 2,670,000 shares, representing 0.778% of share capital.

The purchase and sale of own shares may have the following objectives: (i) to proceed with own-share buy-backs and/or sales for investment purposes and to stabilise the share price and liquidity on the stock exchange; or (ii) to permit use of own shares in connection with transactions relating to current operations or projects consistent with company strategy.

Authorisation is requested for the buy-back, in one or more transactions, of ordinary shares with a par value of € 0.52 each, for a maximum amount such that, including ordinary shares in portfolio held from time to time by the parent company and its subsidiaries, the total number of own shares does not exceed the maximum limit established by applicable pro-tempore regulations for a period of eighteen months as from the resolution date. Purchases may be made in accordance with art. 144-*bis*, paragraph 1, letter a), b) and d) of the Consob Regulation 11971/99 (and subsequent amendments) and in accordance with applicable dispositions, in such a manner to ensure equitable treatment of shareholders as provided by art. 135 of the Consolidated Financial Act. The Board of Directors proposes to effect the buy-backs for a consideration that is not more than 20% below and 10% above

the average Immsi official share price in the ten stock market days before each purchase transaction or, in the event that the buy-backs are made through a public tender offer or public exchange offer, for a consideration that is not more than 10% above or below the average Immsi official share price on the stock market day preceding the day of publication of the offer.

The Board of Directors also proposes to authorise the use at any time, without time limits, in full or in part, of any own shares purchased under the above authorisation or held in portfolio, through the sale of such shares or the sale of any real and/or personal rights relating to such shares.

Proposal for the renewal of rights issue mandate

The Board of Directors also decided to ask the Extraordinary Shareholders' Meeting to be held on 24 April 2009 on first call, or 29 April 2009 on second call, to approve a new mandate delegating the following powers to the Directors, pursuant to Article 2443 of the Italian Civil Code:

- i) the power to issue, in one or more tranches, new rights, severally and for payment, raising the share capital over a period of five years starting from the resolution date, for a maximum nominal amount of € 500 million, via the issue, with or without a premium, of new ordinary shares with the same characteristics as outstanding share capital, to be optioned to entitled shareholders; and alternatively,
- ii) the power to issue, in one or more tranches, new rights, severally and for payment, raising the share capital over a period of five years starting from the resolution date, for a maximum nominal amount of € 500 million, of which a maximum of € 250 million to service bonds convertible into ordinary shares and/or with warrants issued pursuant to Article 2420-ter of the Italian Civil Code, within the limits of pre-emption rights attaching to entitled shareholders; and a maximum nominal amount of € 250 million plus any residual amounts, in the event that the convertible bonds issued do not exhaust the amount of the mandate, via the issue, with or without a premium, of new ordinary shares with the same characteristics as outstanding ordinary shares, to be optioned to entitled shareholders.

Today's resolution follows the expiry, on 17 March 2008, of a similar mandate for the Board of Directors approved by the Immsi Extraordinary Shareholders' Meeting on 17 March 2003.

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The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, in accordance with paragraph 2 Art. 154-bis of Legislative Decree no. 58/1998 (Consolidated Financial Act), that the accounting disclosures in this press release correspond to the documentation, the ledgers and the accounting records.

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IMMSI GROUP INCOME STATEMENT

In thousands of euros

	<i>FY 2008</i>	<i>FY 2007</i>
<i>Net sales</i>	1,736,668	1,846,472
<i>Cost of materials</i>	1,020,277	1,088,605
- vs related parties	43,854	51,202
<i>Cost of services and use of third-party assets</i>	363,147	371,290
- vs related parties	553	612
<i>Employee expenses</i>	277,168	263,646
<i>Depreciation tangible assets</i>	42,177	43,890
<i>Goodwill amortisation</i>	0	0
<i>Amortisation intangible assets with finite life</i>	56,799	50,301
<i>Other operating income</i>	141,068	139,586
- vs related parties	1,965	4,274
<i>Other operating expense</i>	44,302	42,138
EBIT	73,866	126,188
<i>Share of result of associates</i>	12	79
<i>Finance income</i>	44,341	27,214
<i>Finance expense</i>	84,196	62,030
- vs related parties	246	0
PROFIT BEFORE TAX	34,023	91,451
<i>Income tax expense</i>	8,986	34,963
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	25,037	56,488
<i>Profit (loss) from discontinued operations</i>	0	0
NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	25,037	56,488
<i>Minority interests</i>	10,825	23,772
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE GROUP	14,212	32,716

IMMSI GROUP BALANCE SHEET

In thousands of euros

ASSETS	31 December 2008	31 December 2007
NON-CURRENT ASSETS	827,472	813,091
<i>Intangible assets</i>	299,500	308,426
<i>Property, plant and equipment</i>	71	92
- vs related parties	72,349	0
<i>Investment property</i>	255	751
<i>Equity investments</i>	100,164	743
<i>Other financial assets</i>	0	58
- vs related parties	12,208	12,509
<i>Tax receivables</i>	50,751	47,525
<i>Deferred tax assets</i>	21,163	14,001
<i>Trade and other receivables</i>	799	830
- vs related parties	1,383,862	1,197,046
TOTAL NON-CURRENT ASSETS	827,472	813,091
ASSETS ON DISCONTINUED OPERATIONS	21,482	21,054
CURRENT ASSETS		
<i>Trade and other receivables</i>	260,988	233,652
- vs related parties	3,668	4,153
<i>Tax receivables</i>	32,747	25,076
<i>Inventories</i>	328,071	291,647
<i>Other financial assets</i>	24,114	84,403
- vs related parties	45	0
<i>Cash and cash equivalents</i>	55,353	134,673
TOTAL CURRENT ASSETS	701,273	769,451
TOTAL ASSETS	2,106,617	1,987,551
LIABILITIES	31 December 2008	31 December 2007
SHAREHOLDERS' EQUITY		
<i>Group consolidated shareholders' equity</i>	394,679	404,592
<i>Capital and reserves attributable to minorities</i>	190,704	262,175
TOTAL SHAREHOLDERS' EQUITY	585,383	666,767
NON-CURRENT LIABILITIES		
<i>Financial liabilities</i>	338,187	384,316
<i>Trade and other payables</i>	7,220	21,436
<i>Provisions for severance liabilities and similar obligations</i>	69,469	67,288
<i>Other non-current provisions</i>	28,859	28,440
<i>Deferred tax liabilities</i>	54,613	51,142
TOTAL NON-CURRENT LIABILITIES	498,348	552,622
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
<i>Financial liabilities</i>	332,752	198,316
<i>Trade payables</i>	499,878	447,702
- vs related parties	10,612	6,089
<i>Income tax liabilities</i>	21,453	11,926
<i>Other payables</i>	142,965	84,061
- vs related parties	218	180
<i>Current portion of other non-current provisions</i>	25,838	26,157
TOTAL CURRENT LIABILITIES	1,022,886	768,162
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,106,617	1,987,551

IMMSI S.p.A. INCOME STATEMENT

In euros

	FY 2008	FY 2007
<i>Finance income</i>	25,940,355	14,421,335
- vs related parties and intragroup	15,836,992	7,349,275
<i>Finance expense</i>	(6,720,815)	(4,058,299)
- vs related parties and intragroup	(29,247)	(32,813)
<i>Results of associates</i>	0	0
<i>Operating income</i>	4,242,069	4,254,653
- vs related parties and intragroup	1,824,701	1,812,306
<i>Cost of materials</i>	(60,887)	(60,428)
<i>Cost of services and use of third-party assets</i>	(4,355,955)	(3,638,256)
- vs related parties	(387,750)	(418,293)
<i>Employee expenses</i>	(1,427,056)	(1,403,062)
<i>Depreciation tangible assets</i>	(426,878)	(366,866)
<i>Goodwill amortisation</i>	0	0
<i>Amortisation intangible assets with finite life</i>	0	(187)
<i>Other operating income</i>	301,255	636,776
- vs related parties and intragroup	90,333	93,630
<i>Other operating expense</i>	(705,029)	(338,387)
- vs related parties and intragroup	(747)	(14,354)
PROFIT BEFORE TAX	16,787,059	9,447,279
<i>Income tax expense</i>	458,483	2,103,290
- vs related parties and intragroup	(217,881)	183,782
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	17,245,542	11,550,569
<i>Profit (loss) from discontinued operations</i>	0	0
NET PROFIT FOR THE PERIOD	17,245,542	11,550,569

IMMSI S.p.A. BALANCE SHEET

In euros

ASSETS	31 December 2008	31 December 2007
NON-CURRENT ASSETS		
<i>Intangible assets</i>	0	0
<i>Property, plant and equipment</i>	581,304	11,631,058
- vs related parties and intragroup	71,257	91,810
<i>Investment property</i>	72,349,120	0
<i>Equity investments</i>	382,310,815	366,752,717
<i>Other financial assets</i>	126,349,999	12,000,000
- vs related parties and intragroup	26,350,000	12,000,000
<i>Tax receivables</i>	3,885,028	4,315,360
<i>Deferred tax assets</i>	0	0
<i>Trade and other receivables</i>	2,751,821	1,384,774
- vs related parties and intragroup	2,747,986	1,380,937
TOTAL NON-CURRENT ASSETS	588,228,087	396,083,909
ASSETS ON DISCONTINUED OPERATIONS	0	0
CURRENT ASSETS		
<i>Trade and other receivables</i>	13,864,948	1,314,264
- vs related parties and intragroup	2,388,899	1,154,394
<i>Tax receivables</i>	136,530	216,305
<i>Other financial assets</i>	35,427,150	79,881,794
- vs related parties and intragroup	18,020,000	14,701,278
<i>Cash and cash equivalents</i>	9,149,587	8,219,899
TOTAL CURRENT ASSETS	58,578,215	89,632,262
TOTAL ASSETS	646,806,302	485,716,171
LIABILITIES	31 December 2008	31 December 2007
SHAREHOLDERS' EQUITY		
<i>Share capital</i>	177,075,600	178,464,000
<i>Reserves and retained earnings</i>	238,542,106	176,721,015
<i>Net profit for the period</i>	17,245,542	11,550,569
TOTAL SHAREHOLDERS' EQUITY	432,863,248	366,735,584
NON-CURRENT LIABILITIES		
<i>Financial liabilities</i>	45,917,633	45,862,758
<i>Trade and other payables</i>	0	0
<i>Provisions for severance liabilities and similar obligations</i>	201,526	158,278
<i>Other non-current provisions</i>	0	0
<i>Deferred tax liabilities</i>	21,531,884	5,574,184
TOTAL NON-CURRENT LIABILITIES	67,651,043	51,595,220
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
<i>Financial liabilities</i>	92,412,850	62,698,000
- vs related parties and intragroup	360,000	540,000
<i>Trade payables</i>	1,501,296	1,059,018
- vs related parties and intragroup	384,173	238,191
<i>Income tax liabilities</i>	397,266	310,079
<i>Other payables</i>	51,860,141	3,197,812
- vs related parties and intragroup	49,926,236	2,324,678
<i>Current portion of other non-current provisions</i>	120,458	120,458
TOTAL CURRENT LIABILITIES	146,292,011	67,385,367
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	646,806,302	485,716,171