



PRESS RELEASE

Board of Directors approves the quarterly report at 30 September 2007

FIRST NINE MONTHS 2007

- **NET SALES €1472.4 MLN (+8.9% YoY)**
- **EBITDA €194.9 MLN (+10.8% YoY), 13.2% RETURN ON NET SALES**
 - **NET PROFIT €29.4 MLN, 2% RETURN ON NET SALES**
(compared with €19.5 mln net of the €66.5 mln capital gain from the Piaggio IPO)
- **NET DEBT DOWN TO €408.6 MLN**

Mantua, 8 November 2007 – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of **IMMSI S.p.A.** examined and approved the quarterly report at 30 September 2007.

In the first nine months of 2007 operations continued in the various sectors of activity of the Immsi Group, with results up on those of the year-earlier period. The Piaggio Group reported strong improvements in all lines of business and the Rodriguez Cantieri Navali Group boosted net sales by 59%, thanks to production progress on the important orders acquired in 2006 and completion and delivery of orders acquired previously.

Consolidated net sales in the first nine months of 2007 amounted to **€ 1472.4** million, a YoY improvement of 8.9%. The main contributions were from the Piaggio Group with € 1369.8 million and the Rodriguez Cantieri Navali Group for € 98.0 million. The growth reported at Piaggio reflected healthy progress in the two-wheeler business (+6.1%) and the light transport vehicles business (+7.1%). At Rodriguez Cantieri Navali, the YoY increase of more than € 36 million in net sales in the first nine months (+59%) reflected ongoing production progress on orders acquired mainly in 2006. At 30 September 2007 the Rodriguez Group order book stood at € 429 million.

Consolidated **EBITDA** amounted to **€ 194.9 million**, an increase of 10.8% from € 176 million in the year-earlier period. The EBITDA margin also improved, from 13% to 13.2%.

After depreciation and amortisation totalling € 65.5 million, **consolidated EBIT** amounted to **€ 129.4 million**, a YoY rise of 20.7%. The EBIT margin gained almost one percentage point, rising from 7.9% in the first nine months of 2006 to 8.8% this year.

Finance income and expense reflected net expense of € 27.2 million. This compared with net finance income of € 111.8 million in the year-earlier period, which included capital gains of € 136.1 million at Piaggio Holding Netherlands B.V. (PHN), from placement of 117,537,840 Piaggio & C. S.p.A. shares at € 2.3 per share.

After tax and minority interests, **consolidated net profit** was **€ 29.4 million**, or 2% of net sales. This compared with € 19.5 million in the year-earlier period, not including the € 66.9 million capital gain from the Piaggio IPO, for a total net profit of € 86.4 million.

Net debt amounted to **€ 408.6 million** (2.1 times EBITDA for the period), down from € 417.5 million at 30 June 2007 and € 414.3 million at the end of 2006.

Consolidated **shareholders' equity** totalled **€ 666.8 million**, up from € 645.6 million at 31 December 2006.

The data in the quarterly report at 30 September 2007 is not audited.

Significant events after 30 September 2007

On 9 October the Piaggio Group obtained a manufacturing licence for Vespa scooters in Vietnam. The production facility will have an annual capacity of approximately 100,000 scooters once it is fully operational; the projected investment is approximately \$ 25-30 million.

At the Rodriguez Group, in October RCN Finanziaria S.p.A. approved a € 10 million share capital increase to take place by 5 December 2007. The shareholders Immsi and Intesa Sanpaolo have already subscribed and paid their respective quotas. The new funds will be used to strengthen the equity structure of Rodriguez Cantieri Navali S.p.A.

With regard to Is Molas S.p.A., on 22 June 2007 the documentation required for the official assessment of the project, compatibly with Sardinia's new regional natural environment plan, was presented to the Sardinian Regional Authority. On 3 August 2007 the Authority requested additional information, which was delivered on 3 October 2007. A response is pending.

Outlook

The 2007 full-year results are in line with the projections in the various lines of business. Piaggio's nine-month results were on target and the Group is confident that it will maintain the growth program set out in the 2007-2009 three-year plan and thus achieve its targets. The Rodriguez Group confirms that full-year production volumes will reflect a growth trend in line with performance in the first nine months of 2007, and consequently expects to achieve operating breakeven (Ebitda).

With reference to art. 18-*sexies* of the Market Regulation approved by Consob resolution no. 11768 of 23 December 1998 and subsequent amendments, with regard to indirect subsidiaries headquartered in non-EU countries monitored directly by the issuer Piaggio & C. S.p.A., reference should be made to the disclosure provided by Piaggio & C. S.p.A. in its Quarterly Report at 30 September 2007 approved by the Board of Directors on 5 November 2007.

The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2, art. 154 bis of Legislative Decree no. 58/1998

(Consolidated Law on Financial Intermediation), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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IMMSI Group reclassified income statement for the year to 30 September 2007

In thousands of euro	3Q 2007		3Q 2006		Year to 30 September 2007		Year to 30 September 2006	
Net sales	439,093	100%	405,562	100%	1,472,373	100%	1,351,595	100%
Cost of materials	254,715	58.0%	228,809	56.4%	864,083	58.7%	758,984	56.2%
Cost of services and use of third-party assets	87,909	20.0%	93,416	23.0%	285,665	19.4%	293,748	21.7%
Employee expenses	65,755	15.0%	60,717	15.0%	201,979	13.7%	197,014	14.6%
Other operating income	31,797	7.2%	28,356	7.0%	99,590	6.8%	98,836	7.3%
Other operating expense	8,754	2.0%	5,784	1.4%	25,300	1.7%	24,689	1.8%
EBITDA	53,757	12.2%	45,192	11.1%	194,936	13.2%	175,996	13.0%
Depreciation tangible assets	10,624	2.4%	10,769	2.7%	32,895	2.2%	33,032	2.4%
Amortisation goodwill	0	-	0	-	0	-	0	-
Amortisation intangible assets with finite life	13,133	3.0%	13,263	3.3%	32,610	2.2%	35,705	2.6%
EBIT	30,000	6.8%	21,160	5.2%	129,431	8.8%	107,259	7.9%
Share of results of associates	3	0.0%	0	-	2	0.0%	-2	0.0%
Finance income	6,590	1.5%	139,705	34.4%	14,484	1.0%	148,244	11.0%
Finance expense	14,733	3.4%	12,216	3.0%	41,695	2.8%	36,461	2.7%
PROFIT BEFORE TAX	21,860	5.0%	148,649	36.7%	102,222	6.9%	219,040	16.2%
Income tax expense	10,473	2.4%	5,025	1.2%	47,341	3.2%	21,457	1.6%
NET RESULT FROM ON-GOING OPERATIONS	11,387	2.6%	143,624	35.4%	54,881	3.7%	197,583	14.6%
Profit (loss) from discontinued operations	0	-	0	-	0	-	0	-
NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	11,387	2.6%	143,624	35.4%	54,881	3.7%	197,583	14.6%
Net profit attributable to minority interests	5,605	1.3%	76,701	18.9%	25,480	1.7%	111,232	8.2%
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO GROUP	5,782	1.3%	66,923	16.5%	29,401	2.0%	86,351	6.4%

IMMSI Group balance sheet at 30 September 2007

In thousands of euro	30.09.2007	in %	31.12.2006	in %	30.09.2006	in %
Current assets:						
Cash and cash equivalents	124,604	6.1%	101,941	5.2%	143,424	6.8%
Financial assets	9,147	0.4%	12,594	0.6%	58,421	2.8%
Operating assets	750,798	36.5%	565,250	28.9%	663,596	31.2%
Total current assets	884,549	43.0%	679,785	34.8%	865,441	40.8%
Non-current assets:						
Financial assets	1,015	0.0%	1,015	0.1%	1,015	0.0%
Intangible assets	809,382	39.3%	802,112	41.1%	808,911	38.1%
Tangible assets	309,179	15.0%	318,135	16.3%	310,795	14.6%
Other assets	54,191	2.6%	151,752	7.8%	137,412	6.5%
Total non-current assets	1,173,767	57.0%	1,273,014	65.2%	1,258,133	59.2%
TOTAL ASSETS	2,058,316	100.0%	1,952,799	100.0%	2,123,574	100.0%
Current liabilities:						
Financial liabilities	147,338	7.2%	120,039	6.1%	179,414	8.4%
Operating liabilities	688,181	33.4%	591,558	30.3%	636,435	30.0%
Total current liabilities	835,519	40.6%	711,597	36.4%	815,849	38.4%
Non-current liabilities:						
Financial liabilities	396,018	19.2%	409,827	21.0%	434,887	20.5%
Other non-current liabilities	160,023	7.8%	185,772	9.5%	203,563	9.6%
Total non-current liabilities	556,041	27.0%	595,599	30.5%	638,450	30.1%
TOTAL LIABILITIES	1,391,560	67.6%	1,307,196	66.9%	1,454,299	68.5%
TOTAL SHAREHOLDERS' EQUITY	666,756	32.4%	645,603	33.1%	669,275	31.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,058,316	100.0%	1,952,799	100.0%	2,123,574	100.0%