

Immsi

PRESS RELEASE

Board of Directors approves quarterly report at 30 September 2004

IMMSI: FIRST NINE MONTHS OF 2004¹

- **NET SALES € 915 MLN
GROWTH AT PIAGGIO (+7.8%)**
- **EBITDA € 144.8 MLN
HELPED BY EFFICIENCY GAINS**
- **NET INCOME € 22.1 MLN**
- **€ 79.2 MLN SHARE CAPITAL INCREASE
TO FINANCE GROUP GROWTH**
- **IMMSI S.P.A. PARENT: NET INCOME € 15.7 MLN**

Mantua, 12 November 2004 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of Immsi S.p.A. examined and approved the quarterly report at 30 September 2004.

During the third quarter, Immsi continued to:

- consolidate and expand operations at the Piaggio Group, which reported healthy progress in the two-wheeler business and in the light commercial vehicles business;
- implement its new business model in the property sector, where it proceeded with the disposals program launched at the end of 2003 and focused on major development schemes including the Is Molas tourism and golf resort in Pula near Cagliari (Sardinia);
- introduce measures to achieve a financial and business recovery at the Rodriquez Cantieri Navali Group, in preparation for major orders.

Consolidated net sales in the first nine months of 2004 totalled € 915 million. This included € 863.4 million at Piaggio (an improvement of 7.8% on the year-earlier period), € 41.5 million at the Rodriquez Cantieri Navali Group (consolidated since June 2004) and a residual € 10.1 million in the property business.

Ebitda (net of non-recurring charges) was positive at € 144.8 million, for a return on net sales of 15.8%. Of this, approximately € 112.5 million came from industrial operations (Piaggio), approximately € 30 million from real estate and the remaining € 2.5 million from shipbuilding. Although the figure has no year-earlier comparative, there was a sharp improvement on the negative consolidated Ebitda of € 46.1 million posted in full financial 2003. The turnaround was accomplished essentially through higher sales and efficiency improvements, as well as through the

¹ The consolidated figures at 30 September 2004 are not comparable with the year-earlier results, given that Immsi presented its first consolidated financial statements at the end of financial 2003, following the acquisition of the Piaggio Group on 23 October 2003. The Rodriquez Cantieri Navali Group was acquired by Immsi at the end of May and has been included in the consolidation since June 2004.

absence of the non-recurring charges taken in 2003 in connection with the restructuring and recovery of the Piaggio Group.

Ebit was € 75.6 million, for an 8.3% margin on net sales, after depreciation and amortisation of € 69.2 million, including goodwill (€ 15.8 million) in respect of the Piaggio Group and Rodriguez Group acquisitions

After taxes of € 20.6 million and minority interest of € 15.1 million, Immsi posted **net income** of € 22.1 million.

Net debt amounted to € 395.4 million, compared with € 377.5 million at 30 June 2004.

Consolidated **shareholders' equity** totalled € 297.6 million, in line with equity at 30 June 2004 (€ 295.1 million).

Events subsequent to 30 September 2004

After closure of the third quarter, during which, in September, Immsi's 60% owned Is Molas subsidiary acquired a tourist and golf resort in Pula (Cagliari, Sardinia), Immsi arranged a pro quota share capital increase for up to € 15 million and a borrowing for an additional € 15 million.

On 27 October the Immsi S.p.A. Board of Directors decided to provide the company with fresh funds to finance Group development, through a share capital increase for an amount totalling € 79.2 million. As part of its plans, and subject to closing of the Aprilia acquisition, Immsi also intends to subscribe the rights issue of its Piaggio & C. S.p.A. subsidiary for an amount between 20 and 30 million euro and to raise its holding in Piaggio Holding Netherlands BV (which holds 100% of Piaggio & C. S.p.A.) for a maximum outlay of € 45 million.

Foreseeable outlook

The net income posted by the Group for the first nine months demonstrates the success of the action taken in its industrial and property businesses. Immsi confirms the positive full-year earnings projection announced at the time of the half-year report. The size of the result will be subject to the seasonal trends in its industrial business and to progress on its property disposal programme.

The Parent Company Immsi S.p.A.

For the first nine months, the Parent Company reported **net sales** of € 10.1 million, positive **Ebitda** of € 30 million, **pre-tax income** of € 23.6 million and **net income** of € 15.7 million.

For more information:

FC Partners

Via G. Rasori, 14 - 20145 Milan

Tel. +39 0243981743

Fax +39 0243994666

info@fcpartners.it