PRESS RELEASE

IMMSI GROUP: FIRST HALF 2013

Net sales € 695.7 million (€ 799.8 mln in H1 2012)

Ebitda € 90.8 million (€ 95 mln in H1 2012)
with Ebitda margin up from 11.9% to 13% of net sales

Ebit € 46.3 million (€ 50.2 mln in H1 2012)
with Ebit margin up from 6.3% to 6.6% of net sales

Consolidated net profit of € 4.3 million (€ 6.3 mln in H1 2012)
Net debt of 840.5 million (€ 769.4 mln at 31.12.2012)

Immsi S.p.A. parent company:
Net profit of € 18.1 million (€ 15 mln in H1 2012)
Net debt of € 54,4 million,
a reduction of € 13 million compared to 31 December 2012

Mantua, 28 August 2013 – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of Immsi S.p.A. examined and approved the interim report as at 30 June 2013.

Immsi Group results for the first half of 2013, which were positive **and an improvement over the 2012 H1 figures in terms of profitability** (Ebitda margin rose from 11.9% to 13% and Ebit margin from 6.3% to 6.6%), were affected by the highly uncertain international economic situation, which continues to drive a prolonged slowdown in propensity to consume in motor vehicles, with particularly severe effects on the domestic European market, and, in the naval business, a sharp slowdown in investments among institutional and private customers.

Consolidated net sales at 30 June 2013 totalled 695.7 million euro – 799.8 million euro in 2012 H1 – of which 96.5% in the industrial sector (Piaggio Group), 3.1% in the naval sector (Intermarine S.p.A.) and the rest in the real estate and holding sector (Immsi S.p.A. and Is Molas S.p.A., net of intragroup eliminations).

Immsi Group consolidated Ebitda as at 30 June 2013 amounted to 90.8 million euro, compared to 95 million euro in the first half of 2012. **Ebitda margin recorded significant percentage growth**, increasing from 11.9% to 13% of net sales.

Consolidated Ebit in the first half of 2013 totalled 46.3 million euro, compared with 50.2 million euro in the year-earlier period. In percentage terms, **Ebit margin was up** from 6.3% to 6.6% of net sales.

Amortisation and depreciation expense for the period amounted to 44.5 million euro (a reduction of 0.2 million euro compared to the first half of 2012), consisting of depreciation on property, plant and equipment for 21.4 million euro and amortisation on intangible assets of 23.2 million euro.

The Immsi Group posted a **profit before tax** as at 30 June 2013 of 22.7 million euro, compared to the figure of 27.1 million euro in the year-earlier period. Taxes for the period amounted to approx. 12.3 million euro compared to 11.6 million as at 30 June 2012, with a tax rate increasing from 42.7% to 54.2%, mainly as a result of lower recognition of deferred tax assets by Group companies compared to the first half of 2012, only partially offset by the effect of lower consolidated pre-tax profit achieved during the first half of 2013.

After income tax and non-controlling interests, the Group posted a **consolidated profit for the period** as at 30 June 2013 of 4.3 million euro, compared to 6.3 million euro for the first half of the previous year.

Immsi Group **net debt** as at 30 June 2013 amounted to 840.5 million euro. In comparison with the figure at 31 December 2012, the increase – amounting to 71.1 million euro – is primarily due to the effect of seasonality of the two-wheeler business – which is known to absorb financial resources in the first half of the year – as well as the performance of the naval business, which resulted in an increase in working capital in connection with the important orders currently under completion.

Group **consolidated shareholders' equity** as at 30 June 2013 amounted to 541 million euro compared to 547.9 million euro as at 31 December 2012.

In terms of the **performance of the Immsi Group in the various business sectors:**

In the **industrial sector (Piaggio Group)** consolidated net sales in the first half of 2013 were 671.5 million euro – compared to 764.1 million euro in the first half of 2012 – mainly due to the performance of the two-wheeler sector in Europe which, in the first six months of the year, recorded a decrease of 16% (-20% in scooters and -8% in motorcycles): trends aggravated by the long period of bad weather that affected most European countries. The Piaggio Group recorded an Ebitda of 100.6 million euro (114.4 million in H1 2012) with an Ebitda margin of 15% (in line with the H1 2012 figure) and a net profit of 25 million euro (33.8 million in H1 2012).
In the first six months of 2013, the Piaggio Group sold worldwide a total of 298,500 vehicles (two wheelers and commercial vehicles) with a decrease in volumes of 5.4% compared to the first half 2012 and resulting from various situations such as the aforementioned drop in sales of two-wheelers in Europe, a slight decline in volumes in the Asia Pacific area in the scooter segment and growth of Vespa sales in India, which are accompanied by excellent results recorded by the Group in the North American market (+12.9% in volumes).
The Piaggio Group in the first half of 2013 maintained its position as European market leader of two-wheelers with an overall market share of 17% and 26.6% in the scooter segment. With a market share in excess of 22.5%, the Group maintained its position as the reference manufacturer in the North American scooter market, while in the Indian three-wheeler market, Piaggio Vehicles Private Ltd. (PVPL) was confirmed as the main player with a share of 34.1%.
Global Vespa sales in the first half of 2013 recorded an increase of 30.9%, reaching more than 105,500 units compared to approx. 80,600 in the first half of 2012. Also of major significance was the growth of the Moto Guzzi brand which, in contrast with the decline in the motorcycle market in Western countries, in the first half of 2013 recorded a growth of 11.2%.

In the **naval sector** (**Intermarine S.p.A.**) consolidated net sales at 30 June 2013 totalled 21.9 million euro, from 33.5 million at 30 June 2012. The reduction was largely due to slower production progress in the Defence division. The total value of the company's backlog stood at approx. 118 million euro at 30 June 2013, coming almost entirely from the Defence business, and is related to the refitting of eight Gaeta minehunters for the Italian Navy, construction programmes and related logistics packages for the Finance Police, and residual progress relating to the construction programme of three minehunters for the Finnish Navy, which on 20 August last – in La Spezia – saw the official delivery of the second ship The remainder of the backlog is attributable to the Fast Ferries business and primarily concerns completion of the contract for the Sultanate of Oman.

Finally, net sales in the **real estate and holding sector** at 30 June 2013 amounted to € 2.3 million, an improvement (+4%) compared to the first half of 2012, thanks to increased revenues from the tourist-hotel operations of the subsidiary **Is Molas S.p.A.** in Pula (Cagliari). At the same time the marketing activities of the residential component of the **Is Molas Golf Resort** project continued for which, in the month of March, works were assigned with the opening of sites for construction of a first batch of 15 villas and the first stage of urbanization works.

Immsi S.p.A. parent company

The parent company Immsi S.p.A. reported a **net profit** for the first six months of 2013 of approx. 18.1 million euro, an improvement over the first six months of the previous year (approx. 15 million euro). The parent company's **net debt** as at 30 June 2013 amounted to 54.4 million euro, a reduction of approx. 13 million euro compared to 31 December 2012.

Events after 30 June 2013 and foreseeable outlook

With reference to the **naval sector**, on 20 August 2013 in Porto Lotti (La Spezia) the delivery ceremony of the ship "Purunpää" - the second of the three 52.5 metre "Katanpää" class minehunters built by **Intermarine** for the **Finnish Navy** - took place. The successful conclusion of tests allowed the Intermarine shipyard to complete delivery of the second of the three highly sophisticated ships. Confirming its international leadership in this sector of Defence ships, Intermarine has already built **41 minehunters**, in 8 different configurations, for the **Navies of 7 countries**, including the USA, Australia and Italy.

With regard to the **industrial sector**, in its meeting of 26 July 2013, the Board of Directors of Piaggio & C. S.p.A. approved the procedures via which it will develop the **Vespa for Children charity project** which intends to pursue humanitarian objectives and implement social solidarity initiatives in the fields of health and social-health care for children in the most disadvantaged areas of the planet and in developing countries. Piaggio intends to assign funds corresponding to an amount of not less than 1% of net profits of the previous year to the project. In order to assess future charity initiatives and coordinate activities related to the Vespa for Children project, a special committee has been appointed. The Vespa for Children project was announced for the first time on 24 April 2013, during the inauguration of the collaboration between the National Hospital for Pediatrics in Hanoi and the Bambino Gesù Paediatric Hospital in Rome, with the aim of treating more than two thousand Vietnamese children aged between 0 and 18 years, thanks to the contribution of Piaggio Vietnam.

With regard to the subsidiary **Is Molas S.p.A.**, it is pointed out that on 26 July 2013 the company's Board of Directors requested execution of a second tranche of capital increase with an option offer to entitled shareholders of 400,000 newly-issued common shares, at a subscription price of 4.00 euro each (of which 3.00 euro as premium) for a total of 1,600 thousand euro, inclusive of premium: during the month of August, the shareholder ISM Investimenti S.p.A. fully exercised its option right, also informing of its intention to avail itself of the right of first refusal on any unsubscribed shares.

With reference to the other companies belonging to the **real estate and holding sector**, so far there have been no significant events after 30 June 2013.

Regarding the **foreseeable outlook** for 2013, the subsidiary **Is Molas S.p.A.** expects work to continue on the residential component of the project and – depending on market trends – will proceed with the construction of additional residential lots and begin the tourist-hotel investment.

With reference to the **industrial sector**, despite the slowdown in global growth and in Western economies in particular, the Piaggio Group is committed to continue along the lines outlined in the business plan presented in December 2011.
Therefore, both the commitment to generate growth in productivity (leveraging on increased international presence to increase the competitiveness of product cost in key processes such as purchasing, manufacturing, design) as well as the strategy of industrial and commercial development in the Asian region and consolidation of the position of leadership in Western markets are confirmed. As far as commercial and industrial operations are concerned, the Piaggio Group plans to:

- continue growth in the Asia Pacific region through the expansion of its two-wheeler ranges and growth on local markets, where it can also leverage an industrial presence enhanced during 2012 with the start-up of the engine production factory in Vietnam;
- progressively accelerate sales growth on the Indian scooter market, a high-growth market where the Group began operations in the spring of 2012 with the introduction of the Vespa premium brand, in part through the expansion of the sales network and the enhancement of the product offer;
- confirm its leadership position on the European two-wheeler market by further strengthening its product range and boosting motorcycle sales and margins through the Moto Guzzi and Aprilia ranges;
- grow commercial vehicle sales in India, in part through entry into new segments of the Indian three-

wheeler market with the new Apé City and the introduction of the new models in the four-wheeler segment, and in the emerging countries by targeting further growth in exports on African, Asian and South American markets;
- maintain its current positions on the European commercial vehicles market.

From a technological point of view, the Piaggio Group confirms its commitment to the development of two-wheeler and commercial vehicle ranges, as well as internal combustion and hybrid engines characterised by significant reductions in fuel consumption and polluting emissions.
In light of the continuing difficulties in the general economic situation, by the end of the year the company will present a new 2014-2018 Business Plan, before the expiry of the previous 2011-2014 Plan.

With regard to the **naval sector** (**Intermarine S.p.A.**), given the current international and industry crisis, the company is targeting significant growth in the Defence segment, where the situation appears less critical than on the fast ferries and yacht markets. This objective will be pursued with the completion of orders, the successful finalisation of negotiations currently in place and participation in further important tenders, increasingly at an international level. The main objectives of the second half of 2013 will be to:
- continue with the construction of the third minehunter for the Finnish Navy, the delivery of which is scheduled for the first quarter of 2014. In this regard it should be noted that delivery of the second minehunter on 20 August, with the resulting proceeds (expected during the month of September 2013), will allow partial reimbursement of the credit lines in place and release of the work in progress;
- complete and deliver to the Sultanate of Oman the last units under construction, allowing release of the guarantees provided to the customer which will therefore remain in place only for the post delivery part: in this regard it is pointed out that the penultimate unit of that order was delivered to Muscat and accepted by the customer in May 2013.

Pending a market upturn and developments of a commercial nature – essential to absorb indirect costs and general expenses – Intermarine will continue to take all opportunities to contain its overheads in order to minimise losses and align its cost structure with production progress. In the light of the above and of foreseeable progress in production during the second half 2013 on outstanding contracts, the forecast for 2013 is for a result not yet in line with the expectations of financial breakeven but nevertheless an improvement compared to the previous year.

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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.

This press release may contain forward-looking statements regarding future events and operating, economic and financial results for the Immsi Group. These forward-looking statements are by their nature subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or not occur or exist in the future. Actual results may differ materially from those expressed, due to a variety of factors.

This press release includes some Non-GAAP measures, which, though not envisaged by the IFRS, are based on financial amounts contemplated by the IFRS. These measures – presented in order to assist a better assessment of Group performance – should not be regarded as alternatives to those contemplated by the IFRS and are consistent with those in the Immsi Group 2012 Annual Report and quarterly reports. Since the measures in question are not specifically regulated by the reference accounting policies, the methods used to determine such measures, where applied, may differ from those used by other organisations and may therefore not be fully comparable. Specifically, the Group has used the following alternative performance indicators:

- <u>EBITDA</u>: defined as earnings before depreciation and amortisation;

- <u>Net debt</u>: financial liabilities (current and non-current) less cash and cash equivalents and other financial receivables (current and non-current). Computation of net debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges and the adjustment of the related hedged postings to fair value. The financial statements in the Immsi Group Interim Report at 30 June 2013 include a table providing a breakdown of this aggregate. In this connection, in compliance with CESR recommendation of 10 February 2005

“Recommendation for uniform implementation of the European Commission regulation on disclosure schedules”, the indicator formulated in the manner described is that monitored by the Group management and differs from that suggested by Consob communication no. 6064293 of 28 July 2006 since it also includes the non-current portion of financial receivables.

The reclassified consolidated income statement and reclassified statement of financial position of the Immsi Group are set out below. In compliance with Consob communication no. 9081707 of 16 September 2009 the reclassified statements are not subject to auditing by the independent auditors.

Immsi S.p.A. hereby gives notice that the Interim Financial Report at 30 June 2013 will be available to the public at the company registered office in Mantua and at Borsa Italiana S.p.A., and may also be viewed on the website www.immsi.it (“investors/bilanci e relazioni/2013” section) as from 29 August 2013.

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Immsi Group reclassified consolidated income statement

In thousands of euro	*H1 2013*		*H1 2012*		*Change*	
Net sales	**695,695**	**100%**	**799,754**	**100%**	**-104,059**	**-13.0%**
Cost of materials	396,519	57.0%	464,617	58.1%	-68,098	-14.7%
Cost of services and use of third-party assets	119,647	17.2%	147,968	18.5%	-28,321	-19.1%
Employee expenses	125,628	18.1%	128,862	16.1%	-3,234	-2.5%
Other operating income	52,049	7.5%	58,010	7.3%	-5,961	-10.3%
Other operating expense	15,174	2.2%	21,351	2.7%	-6,177	-28.9%
EBITDA	**90,776**	**13.0%**	**94,966**	**11.9%**	**-4,190**	**-4.4%**
Depreciation tangible assets	21,364	3.1%	20,103	2.5%	1,261	6.3%
Goodwill amortisation	0	-	0	-	0	-
Amortisation intangible assets with finite life	23,157	3.3%	24,665	3.1%	-1,508	-6.1%
EBIT	**46,255**	**6.6%**	**50,198**	**6.3%**	**-3,943**	**-7.9%**
Share of result of associates	1,000	0.1%	2,550	0.3%	-1,550	-60.8%
Finance income	8,554	1.2%	6,155	0.8%	2,399	39.0%
Finance costs	33,120	4.8%	31,816	4.0%	1,304	4.1%
PROFIT (LOSS) BEFORE TAX	**22,689**	**3.3%**	**27,087**	**3.4%**	**-4,398**	**-16.2%**
Income tax	12,291	1.8%	11,564	1.4%	727	6.3%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**10,398**	**1.5%**	**15,523**	**1.9%**	**-5,125**	**-33.0%**
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING NON-CONTROLLING INTERESTS	**10,398**	**1.5%**	**15,523**	**1.9%**	**-5,125**	**-33.0%**
Non-controlling interests	6,079	0.9%	9,205	1.2%	-3,126	-34.0%
GROUP PROFIT (LOSS) FOR THE PERIOD	**4,319**	**0.6%**	**6,318**	**0.8%**	**-1,999**	**-31.6%**

Immsi Group reclassified statement of financial position

In thousands of euro	*30.06.2013*	*in %*	*31.12.2012*	*in %*	*30.06.2012*	*in %*
Current assets:						
Cash and cash equivalents	106,410	4.6%	96,623	4.4%	110,510	4.6%
Financial assets	12,770	0.6%	1,292	0.1%	37	0.0%
Operating assets	714,523	31.0%	617,239	28.1%	789,608	32.9%
Total current assets	**833,703**	**36.2%**	**715,154**	**32.6%**	**900,155**	**37.5%**
Non-current assets:						
Financial assets	0	0.0%	2,893	0.1%	2,753	0.1%
Intangible assets	835,170	36.2%	839,146	38.2%	830,504	34.6%
PPE and investment property	354,882	15.4%	360,062	16.4%	342,051	14.3%
Other assets	282,206	12.2%	276,657	12.6%	323,811	13.5%
Total non-current assets	**1,472,258**	**63.8%**	**1,478,758**	**67.4%**	**1,499,119**	**62.5%**
TOTAL ASSETS	**2,305,961**	**100.0%**	**2,193,912**	**100.0%**	**2,399,274**	**100.0%**
Current liabilities:						
Financial liabilities	473,160	20.5%	459,763	21.0%	356,787	14.9%
Operating liabilities	689,797	29.9%	657,822	30.0%	798,446	33.3%
Total current liabilities	**1,162,957**	**50.4%**	**1,117,585**	**50.9%**	**1,155,233**	**48.1%**
Non-current liabilities:						
Financial liabilities	486,488	21.1%	410,387	18.7%	493,841	20.6%
Other non-current liabilities	115,556	5.0%	118,002	5.4%	150,531	6.3%
Total non-current liabilities	**602,044**	**26.1%**	**528,389**	**24.1%**	**644,372**	**26.9%**
TOTAL LIABILITIES	**1,765,001**	**76.5%**	**1,645,974**	**75.0%**	**1,799,605**	**75.0%**
TOTAL SHAREHOLDERS' EQUITY	**540,960**	**23.5%**	**547,938**	**25.0%**	**599,669**	**25.0%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,305,961**	**100.0%**	**2,193,912**	**100.0%**	**2,399,274**	**100.0%**