

PRESS RELEASE

IMMSI GROUP: 2016 DRAFT FINANCIAL STATEMENTS

**Consolidated net sales 1,383.8 million euro, up 1.6% (+3% at constant exchange rates)
(1,362 €/mln at 31 December 2015)**

**Ebitda 168.5 million euro, up 4.8% to the best figure since 2012
(+6.2% at constant exchange rates) (160.8 €/mln in 2015)
Ebitda margin 12.2% (11.8% in 2015)**

**Ebit 57 million euro, up 5.5% (54.1 €/mln in 2015)
Ebit margin 4.1% (4% in 2015)**

Profit before tax 4.5 million euro (loss of 1.8 €/mln in 2015),

**Consolidated net loss of 8.7 million euro, after tax of 12.8 €/mln
(an improvement from the loss of 9.6 €/mln in 2015)**

**Net financial debt of 906.9 million euro
(an improvement of 19.8 €/mln from 926.7 €/mln at 31 December 2015)**

Immsi S.p.A., net profit of 5.5 €/mln

Industrial sector (Piaggio Group): improvements in all the main financial indicators and reduction in debt. European two-wheeler leadership strengthened and sales offer enhanced with expansion of dealer network. The Piaggio Group also a protagonist of mobility for the future with the creation of Gita and Kilo, the first innovative products from Piaggio Fast Forward

Naval sector (Intermarine): significant improvement in Ebitda and consolidated order book at 314 million euro. 2016 cash inflows of 33.2 €/mln and, net of expense on completed orders, Ebit of 10.3 €/mln (16% of net sales)

Milan, 23 March 2017 - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Immsi S.p.A. examined and approved the 2016 draft financial statements.

The performance of the Immsi Group in 2016, compared with 2015, shows an increase in net sales, Ebitda, Ebit and a return to a pre-tax profit, as well as an improvement of approximately 20 million euro in the net financial position. The Group posted a consolidated net loss, but with an improvement of 9.3%.

Immsi Group financial and business performance in the year ended 31 December 2016

Consolidated net sales in the year ended 31 December 2016 were **1,383.8 million euro, an increase of 21.8 million euro or 1.6% (+3% at constant exchange rates)** from 1,362 million euro in 2015. Of total net sales, 94.9%, equivalent to 1,313.1 million euro, arose in the industrial sector (Piaggio Group), 4.7%, or 65.7 million euro, in the naval sector (Intermarine S.p.A.) and the residual amount of approximately 5.1 million euro 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** for 2016 amounted to **168.5 million euro, an increase of 4.8%, the best figure reported since 2012 (+6.2% at constant exchange rates)** compared with 160.8 million euro in 2015. The Ebitda margin was 12.2%, an improvement from 11.8% in 2015.

Ebit was **57 million euro**, an increase of 5.5% and 2.9 million euro from 54.1 million euro in 2015. The Ebit margin was substantially constant at 4.1% of net sales (4% in 2015).

The Group posted a **profit before tax** for 2016 of **4.5 million euro**, up from the pre-tax loss of 1.8 million euro in 2015. The improvement of 6.3 million euro was largely generated by the pre-tax improvement of 5.4 million euro in the industrial sector (Piaggio Group) and the containment of the pre-tax loss in the naval sector, which reported a recovery of approximately 6 million euro in 2016 compared with the loss in 2015.

After tax of 12.8 million euro, the Group posted a **consolidated net loss** for 2016 of **8.7 million euro**, an improvement from the loss of 9.6 million euro in 2015.

Immsi Group **net financial debt** at 31 December 2016 was **906.9 million euro**, an improvement of **19.8 million euro** from debt of 926.7 million euro at 31 December 2015.

Immsi Group **human resources** at 31 December 2016 numbered **7,054 employees worldwide**. The figure includes the Group's 3,866 Italian employees, substantially unchanged from the end of 2015.

Business performance in the year ended 31 December 2016

Industrial Sector: Piaggio Group

In the industrial sector, for the year ended 31 December 2016 the **Piaggio Group reported positive performance, with improvements in all the main indicators and a reduction in debt compared with 2015. Consolidated net sales were 1,313.1 million euro, up 17.8 million euro or 1.4%, consolidated Ebitda was 170.7 million euro (up 5.6%, the best figure reported since 2013), Ebit was 60.9 million euro (+7.4%), and net profit was 14 million euro, an improvement of 18.3%.**

The Piaggio Group also reduced **net financial debt**: at 31 December 2016 it had debt of **491 million euro**, an improvement of 7.2 million euro from 498.1 million euro at 31 December 2015. In 2016, the **Piaggio Group sold 532,000 vehicles worldwide** (an increase of 2.4% from 519,700 in 2015).

Analysis of the **two-wheeler** segment shows that the **Group strengthened its leadership position on the European market**, with an overall share of **15.4%** (15.2% in 2015), rising to **25.4%** (24.1% in 2015) **in the scooter segment**. In 2016, the Group sold **344,000 two-wheelers** (an increase of 6.7%), generating **net sales of 916.5 million euro, an improvement of 3.6%** from 2015.

In the **commercial vehicles** sector, the Group sold **188,000 vehicles, for net sales of 396.6 million euro.**

An important new chapter has opened **in the history of the Piaggio Group with the presentation of Gita and Kilo, the first innovative products from Piaggio Fast Forward, robots that make the Group a leader in mobility of the future.**

Naval Sector: Intermarine S.p.A.

In the naval sector, **Intermarine S.p.A. reported net sales of 65.7 million euro for 2016** (61.9 million euro in 2015), and a **significant improvement in Ebitda to 2.7 million euro**, a strong increase from negative Ebitda of 0.6 million euro in 2015. **2016 cash inflows were 33.2 million euro**; net of expense on completed orders, **Ebit was 10.3 million euro (16% of net sales).**

Ebit was 1.5 million euro (negative Ebit of 1.8 million euro in 2015), while the **consolidatable loss for the year of 1.3 million euro was a strong improvement** compared with the loss of 7.5 million euro in 2015.

An improvement was also reported in net financial debt, which decreased by 32.5 million euro to 67.3 million euro, compared with 99.9 million euro at 31 December 2015, largely as a result of the inflows on the order for the Asian shipyard and those following the delivery of the third vessel to the Finnish Navy, with the consequent reimbursement of bank lines.

Production progress, including R&D work and completion of construction and deliveries, was particularly strong in the **Defence division**, at **63.6 million euro** (58.5 million euro in 2015), and in the **Fast Ferries and Yacht divisions**, whose aggregate revenues totalled **2.1 million euro** (3.3 million euro in 2015), mainly for repair work.

At 31 December 2016 **the Intermarine S.p.A. order book stood at 314 million euro.**

Real Estate and Holding sector

Net sales in the Real Estate and Holding sector in 2016 amounted to approximately 5.1 million euro, an improvement of 3% from 4.9 million euro in 2015.

The subsidiary **Is Molas S.p.A.**, which manages the project for the development of a large luxury Golf Resort in the Sardinian province of Cagliari, completed about 70% of work on the first lot of residences and initial urbanisation works. Construction of the 4 showhomes is substantially complete and landscaping of the gardens is underway.

The company has agreed new terms with the sub-contractor for the construction of the 15 residences in the first lot and urbanisation works, with work scheduled for completion in December 2017.

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Immsi S.p.A. parent company

The parent Immsi S.p.A. posted a net profit for the year of approximately 5.5 million euro (15.5 million euro in 2015), largely as a result of net financial management.

At 31 December 2016, the parent Immsi S.p.A. had net financial debt of 79.6 million euro, substantially in line with the figure at 31 December 2015 (78.2 million euro).

The Board of Directors will ask the Shareholders' Meeting to be held on first call on 28/04/2017 and on 12/05/2017 on second call, to not distribute dividends for financial year 2016 (a similar proposal was approved for financial year 2014).

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Significant events after 31 December 2016

On 19 January 2017, the Piaggio Group announced the strengthening of its distribution network after reaching the important milestone of 200 Motoplex stores in Europe, the Americas, Oceania, Asia and India. Launched only two years ago, the Group multibrand stores flank the traditional distribution network.

On 2 February, the GITA and KILO projects were presented in Boston, the first initiatives developed by Piaggio Fast Forward (PFF). GITA is a smart autonomous vehicle designed to assist people. It carries up to 18 kg, observes and communicates. It can follow a person, reaching a speed of 35 km/h, and can move autonomously in a mapped environment. Its spherical shape and clean design are distinguishing characteristics of its personality. KILO is GITA's "big brother", with a 120 lt loading capacity for weights up to 100 kg. It offers outstanding stability, thanks to its three wheels.

The two projects reflect the Group's exploration of future-oriented developments in mobility and the broadening of its vision to technological solutions ranging way beyond its current core business.

Outlook

During 2017, the subsidiary **Is Molas S.p.A.** will continue construction of the first lot of 15 residential units and the first lot of urbanisation works, which will enable it to verify the response of the market and to draw up the first preliminary sales agreements, and thus move the Is Molas project forward.

In the **industrial sector** (Piaggio Group), in a general economic context likely to see a strengthening of the global economic upturn, where uncertainty will nonetheless remain with regard to the speed of European growth and the risk of a slowdown in some Asian countries in the Far East, Group commercial and industrial operations will focus on:

- confirming the leadership position on the European two-wheeler market, taking full advantage of the expected recovery through:
 - further strengthening of its product range;
 - maintenance of current positions on the European commercial vehicle market;
- consolidating its presence in Asia Pacific, in part through the opening of new Motoplex stores, the exploration of new opportunities in mid-size motorcycles and boosting penetration of the premium segment on the Chinese market;
- increasing sales on the Indian scooter market thanks to the Vespa offer and the success of the new Aprilia SR 150;
- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

From the technological viewpoint, the Piaggio Group will continue research on new solutions to current and future mobility problems, through the work of Piaggio Fast Forward (Boston) and new advances in design at PADc (Piaggio Advanced Design center) in Pasadena.

In Europe, the Group R&D centres with a more traditional approach to new product development and production start-ups, will work on technologies and platforms that enhance the functional and emotional aspects of vehicles, through continuous advances in power trains, in particular electric power trains, where Piaggio boasts a pioneering tradition dating back to the mid-1970s.

At a more general level, the Group maintains its constant commitment – a characteristic of recent years and continuing in 2017 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with the ethical principles adopted by the Group.

In 2017, the **naval sector** (Intermarine S.p.A.) will achieve significant production progress on current orders, enabling the company to report positive results and consequently increase shareholders' equity and further reduce financial exposure. The company is also involved in a number of negotiations, in the Defence sector in particular, to win new orders that would enable it to expand its order book and consequently optimise its production capacity over the coming years.

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Authorisation for the purchase and sale of own shares

At today's meeting, the Board of Directors also agreed to ask the ordinary session of the shareholders' meeting to renew the authorisation for the purchase and disposal of Immsi own shares granted by the AGM of 29 April 2016, which is due to expire during 2017. The proposal aims to provide the company with a useful strategic investment opportunity for all purposes allowed under current regulations, including the purposes contemplated in art. 5 of EU Regulation 596/2014 (Market Abuse Regulation, hereinafter "MAR") and in the practices allowed under art. 13 MAR, including purchases of own shares for subsequent cancellation, on the terms and conditions that will be approved by the relevant governance bodies.

All information relating to the terms and procedures of the authorisation will be set out in the Report on the purchase and disposal of own shares, which will be made available to shareholders as required by law.

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The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2015 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current), less cash and cash equivalents, and other current financial receivables. Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges and fair value adjustments of the related hedged items. The schedules in the Immsi Group interim report on operations for the nine months to 31 December 2016 include a table illustrating the composition of net financial debt. In compliance with the CESR “Recommendation for consistent implementation of the European Commission regulation on prospectus” of 10 February 2005, the indicator as formulated reflects the values monitored by Group management.

Immsi S.p.A. said that the report on operations and financial statements as at and for the year ended 31 December 2016 will be available to the public at the company head office, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.immsi.it (section “Governance/General Meeting/Archive/2017” and section “Investors/Financial Reports/2017”) as from 7 April 2017.

The Immsi Group reclassified consolidated income statement and reclassified consolidated statement of financial position are set out below. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that these reclassified statements have not been audited by the independent auditors.

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SCHEDULES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 December 2016

In thousands of euro

ASSETS	31 December 2016	31 December 2015
NON-CURRENT ASSETS		
<i>Intangible assets</i>	847,059	852,211
<i>Property, plant, equipment</i>	336,467	343,465
<i>Investment property</i>	85,765	85,965
<i>Equity investments</i>	7,464	9,546
<i>Other financial assets</i>	33,205	36,812
<i>Tax receivables</i>	15,680	5,477
<i>Deferred tax assets</i>	126,640	122,493
<i>Trade and other receivables</i>	15,587	15,820
<i>- of which vs related parties</i>	133	153
TOTAL NON-CURRENT ASSETS	1,467,867	1,471,789
DISCONTINUED OPERATIONS	27,183	27,307
CURRENT ASSETS		
<i>Trade and other receivables</i>	134,382	204,342
<i>- of which vs related parties</i>	7,487	5,306
<i>Tax receivables</i>	29,386	23,396
<i>Inventories</i>	294,057	287,859
<i>Other financial assets</i>	14,693	16,495
<i>Cash and cash equivalents</i>	197,919	124,510
TOTAL CURRENT ASSETS	670,437	656,602
TOTAL ASSETS	2,165,487	2,155,698
LIABILITIES		
SHAREHOLDERS' EQUITY		
<i>Group consolidated shareholders' equity</i>	232,787	265,634
<i>Capital and reserves of minorities</i>	159,771	162,460
TOTAL SHAREHOLDERS' EQUITY	392,558	428,094
NON-CURRENT LIABILITIES		
<i>Financial liabilities</i>	548,512	648,793
<i>- of which vs related parties</i>	2,900	2,900
<i>Trade and other payables</i>	6,907	6,503
<i>- of which vs related parties</i>	162	0
<i>Provisions for severance liabilities and similar obligations</i>	53,482	54,046
<i>Other non-current provisions</i>	11,739	10,331
<i>Deferred tax</i>	23,110	21,949
TOTAL NON-CURRENT LIABILITIES	643,750	741,622
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
<i>Financial liabilities</i>	582,096	429,104
<i>- of which vs related parties</i>	12	226
<i>Trade payables</i>	469,314	468,641
<i>- of which vs related parties</i>	10,298	9,533
<i>Income tax liabilities</i>	9,314	15,880
<i>Other payables</i>	52,267	55,629
<i>- of which vs related parties</i>	215	1,634
<i>Current portion of other non-current provisions</i>	16,188	16,728
TOTAL CURRENT LIABILITIES	1,129,179	985,982
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,165,487	2,155,698

CONSOLIDATED INCOME STATEMENT AT 31 December 2016

In thousands of euro

	31.12.2016	31.12.2015
<i>Net sales</i>	1,383,848	1,362,012
- of which vs related parties	855	895
<i>Cost of materials</i>	786,766	785,366
- of which vs related parties	23,289	25,616
<i>Cost of services and use of third-party assets</i>	272,674	268,669
- of which vs related parties	955	781
<i>Employee expense</i>	232,808	231,868
<i>Depreciation tangible assets</i>	46,337	47,157
<i>Goodwill amortisation</i>	0	0
<i>Amortisation intangible assets with finite life</i>	63,745	59,566
<i>Other operating income</i>	110,675	114,066
- of which vs related parties	3,042	648
<i>Other operating expense</i>	35,185	29,398
EBIT	57,008	54,054
<i>Results of associates</i>	568	165
<i>Finance income</i>	15,612	20,577
<i>Finance costs</i>	68,692	76,605
- of which vs related parties	134	157
PROFIT (LOSS) BEFORE TAX	4,496	(1,809)
<i>Income tax</i>	12,841	11,863
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(8,345)	(13,672)
<i>Profit (loss) for the period from discontinued operations</i>	0	0
LOSS FOR THE PERIOD INCLUDING MINORITY INTERESTS	(8,345)	(13,672)
<i>Minority interests</i>	318	(4,118)
GROUP LOSS FOR THE PERIOD	(8,663)	(9,554)

EARNINGS PER SHARE

In euro

	31.12.2016	31.12.2015
From continuing and discontinued operations:		
<i>Basic</i>	(0.025)	(0.028)
<i>Diluted</i>	(0.025)	(0.028)
From continuing operations:		
<i>Basic</i>	(0.025)	(0.028)
<i>Diluted</i>	(0.025)	(0.028)
 Average number of shares:	340,530,000	340,530,000

Immsi S.p.A. Statement of Financial Position

In thousands of euro

ASSETS	31/12/2016	31/12/2015
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, plant, equipment	119	175
- of which vs related parties and intragroup	5	10
Investment property	74,055	74,004
Investments in subsidiaries and associates	322,332	322,332
Other financial assets	13,997	12,115
- of which vs related parties and intragroup	0	0
Tax receivables	0	0
Deferred tax assets	0	0
Trade and other receivables	6	7
TOTAL NON-CURRENT ASSETS	410,509	408,633
DISCONTINUED OPERATIONS	0	0
CURRENT ASSETS		
Trade and other receivables	55,954	52,167
- of which vs related parties and intragroup	55,373	51,416
Tax receivables	120	502
Inventories	0	0
Contract work in progress	0	0
Other financial assets	184,677	176,553
- of which vs related parties and intragroup	177,054	162,234
Cash and cash equivalents	792	18,702
TOTAL CURRENT ASSETS	241,543	247,924
TOTAL ASSETS	652,052	656,557
LIABILITIES	31/12/2016	31/12/2015
SHAREHOLDERS' EQUITY		
Share capital	178,464	178,464
Reserves and retained earnings	186,816	182,863
Profit (loss) for the period	5,492	15,496
TOTAL SHAREHOLDERS' EQUITY	370,771	376,823
NON-CURRENT LIABILITIES		
Financial liabilities	0	117,311
Trade and other payables	422	674
Provisions for severance liabilities and similar obligations	302	342
Other non-current provisions	0	0
Deferred tax	19,128	17,485
TOTAL NON-CURRENT LIABILITIES	19,852	135,812
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
Financial liabilities	257,453	141,780
Trade payables	1,918	913
- of which vs related parties and intragroup	361	84
Income tax liabilities	281	425
Other payables	1,776	803
- of which vs related parties and intragroup	2	2
Current portion of other non-current provisions	0	0
TOTAL CURRENT LIABILITIES	261,429	143,921
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	652,052	656,557

Immsi S.p.A. Income Statement

In thousands of euro

	2016	2015
Finance income	18,688	24,811
- of which vs related parties and intragroup	18,346	21,793
Finance costs	(10,478)	(10,188)
Results of associates	0	0
Operating income	4,277	4,434
- of which vs related parties and intragroup	1,949	1,982
Cost of materials	(34)	(35)
Cost of services and use of third-party assets	(3,426)	(3,395)
- of which vs related parties and intragroup	(435)	(408)
Employee expense	(1,245)	(1,321)
Depreciation tangible assets	(78)	(86)
Goodwill amortisation	0	0
Amortisation intangible assets with finite life	0	0
Other operating income	124	150
- of which vs related parties and intragroup	92	86
Other operating expense	(697)	(769)
PROFIT BEFORE TAX	7,131	13,601
Income tax	(1,639)	1,895
- of which vs related parties and intragroup	0	1,868
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	5,492	15,496
Profit (loss) for the period from discontinued operations	0	0
PROFIT FOR THE PERIOD	5,492	15,496