

PRESS RELEASE

IMMSI GROUP: MEETING OF BOARD OF DIRECTORS

**Appointment of officers: Chairman Roberto Colaninno,
Deputy Chairman Daniele Discepolo, CEO Michele Colaninno**

Approval of corporate governance resolutions

APPROVAL OF 2018 FIRST-QUARTER RESULTS

**Consolidated net sales 332.6 million euro (+5.5% at constant exchange rates)
(331.7 €/mln in Q1 2017)**

**Ebitda 45.5 million euro (45.5 €/mln in Q1 2017)
Ebitda margin 13.7% (13.7% in Q1 2017)**

**Ebit 16.1 million euro, up 11.2%
(14.5 €/mln in Q1 2017)
Ebit margin 4.9% (4.4% in Q1 2017)**

Profit before tax 4.4 million euro (4.7 €/mln in Q1 2017)

Consolidated net profit 0.3 million euro (2.7 €/mln in Q1 2017)

**Net financial position -926.6 million euro
(an improvement of 24.3 €/mln from -950.9 €/mln at 31 March 2017)**

Mantua, 10 May 2018 - At a meeting held after today's Annual General Meeting, the Board of Directors of **Immsi S.p.A.** (IMS.MI) appointed the following officers: **Chairman of the Board of Directors Roberto Colaninno, Deputy Chairman Daniele Discepolo and Chief Executive Officer Michele Colaninno** (who is also **General Manager** of the company).

The Board of Directors verified that the independence requirements pursuant to art. 148, paragraph 3, Legislative Decree 58/1998, as per art. 147-ter, paragraph 4, Legislative Decree 58/1998 and article 3 of the Code of Conduct promoted by the Corporate Governance Committee, were met by the directors Daniele Discepolo, Rita Ciccone, Paola Mignani, Patrizia De Pasquale and Devis Bono.

Having noted the declarations of the Standing Auditors Alessandro Lai, Giovanni Barbara and Maria Luisa Castellini and considered the information in its possession, the Board of Directors also ascertained, to the best of its knowledge, that said standing auditors met the independence requirements as per art. 148, paragraph 3, Legislative Decree 58/1998 and art. 3 of the Code of Conduct. At the meeting, as required, the Board of Directors examined disapplication of criterion 3.C.1 point e) of the Code of Conduct with respect to the Chairman of the Board of Statutory Auditors, Alessandro Lai.

The Board of Directors also carried a number of corporate governance resolutions with the following appointments:

- independent director Daniele Discepolo as Lead Independent Director;
- the members of the Remuneration Committee in the persons of the directors Daniele Discepolo (Chair), Rita Ciccone and Paola Mignani;

- the members of the Committee for the approval of transactions with related parties in the persons of the directors Rita Ciccone (Chair), Patrizia De Pasquale and Paola Mignani;
- the members of the Appointments Committee in the persons of the directors Daniele Discepolo (Chair), Rita Ciccone and Paola Mignani;
- the members of the Control & Risks Committee in the persons of the directors Daniele Discepolo (Chair), Rita Ciccone and Paola Mignani.

The Board of Directors confirmed CEO Michele Colaninno as head of the internal control and risk management system, and Maurizio Strozzi, CEO of Immsi Audit S.c. a r.l., as head of the Internal Audit function.

The Board of Directors appointed the Compliance Committee pursuant to Legislative Decree 231/2001, as follows: Marco Reboa (Chair), Giovanni Barbara and Maurizio Strozzi.

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IMMSI GROUP: FIRST QUARTER 2018

At today's meeting, the Board of Directors of Immsi S.p.A. (IMS.MI), also examined and approved the interim report on operations as at and for the three months to 31 March 2018.

Immsi Group financial and business performance at 31 March 2018

In the first quarter of 2018, the Immsi Group reported positive performance and a reduction in debt from the first quarter of 2017.

Net sales for the first three months of 2018 amounted to **332.6 million euro** (331.7 million euro in Q1 2017). **At constant exchange rates, net sales would have risen by 5.5% from the first quarter of 2017.**

Immsi Group consolidated **Ebitda** was **45.5 million euro** (unchanged from 45.5 million euro in Q1 2017). The **Ebitda margin** was 13.7% (unchanged from 13.7% at 31 March 2017).

Ebit was **16.1 million euro, an increase of 11.2%** from 14.5 million euro in the first quarter of 2017. Growth was also reported in the **Ebit margin**, from 4.4% in Q1 2017 to **4.9%**.

The Group posted a **profit before tax** for the first quarter of 2018 of **4.4 million euro** (4.7 million euro in the year-earlier period).

Consolidated net profit for the first quarter was 0.3 million euro (2.7 million euro in the year-earlier period).

Immsi Group **net financial debt** at 31 March 2018 was **926.6 million euro, an improvement of 24.3 million euro** from debt of **950.9 million euro** at 31 March 2017. At 31 December 2017, the Group had net financial debt of 858.9 million euro. The increase in the figure at 31 March 2018 from 31 December 2017 was chiefly due to the typical seasonal nature of the two-wheeler business (Piaggio Group), which absorbs funds in the first half of the year and generates funds in the second half.

Immsi Group **human resources** at 31 March 2018 numbered **6,981 employees worldwide**. The figure includes the Group's 3,784 Italian employees, unchanged from the end of 2017.

The Group's operations present seasonal variations in sales over the course of the year, especially in the industrial sector.

Performance of the Immsi Group businesses at 31 March 2018

Industrial Sector: Piaggio Group

In the industrial sector, in the first quarter of 2018 the Piaggio Group reported an improvement in performance from the year-earlier period, with significant progress on all the main earnings indicators and a reduction in debt. Piaggio Group consolidated net sales were 312.3 million euro; consolidated Ebitda was 43.2 million euro, up 4.9%, with an Ebitda margin of 13.8%; Ebit was 14.5 million euro, with an Ebit margin of 4.6%; net profit was 4 million euro; Piaggio Group net financial debt at 31 March 2018 stood at 502.9 million euro, an improvement of 29.5 million euro from 31 March 2017 (532.4 million euro).

In the first quarter of 2018, the Piaggio Group sold 129,700 vehicles worldwide, an increase of 7%.

Naval Sector: Intermarine S.p.A.

In the naval sector, Intermarine S.p.A. reported consolidated net sales of 19.6 million euro in the first three months of 2018. The figure largely arose from stronger production progress at the Defence division, an example of state-of-the-art engineering with a high technology content, which is winning growing recognition from international navies. The Immsi Group strategy for the recovery and consolidation of the naval sector targeting the growth of the Defence division enabled Intermarine to close the first quarter of 2018 with a profit of 1.5 million euro, and a return on revenue of 7.6%.

Real Estate and Holding sector

Net sales in the real estate and holding sector totalled approximately 0.7 million euro for the quarter to 31 March 2018, in line with the year-earlier period.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the Sardinian province of Cagliari, substantially completed the first lot of residences and initial urbanisation works. In recent weeks, the 4 finished showhomes were delivered, as well as the remaining 11 residences in an advanced stage of construction to enable future buyers to choose the finishes. Meanwhile, commercial operations are underway to identify possible national/international purchasers.

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Outlook

With regard to the **industrial sector** (Piaggio Group), in a general economic context reflecting a strengthening of the global economic upturn, where uncertainty nonetheless remains with regard to the speed of European growth, 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 countries in the region, with a particular focus on the premium segment of the market;
- increasing sales on the Indian scooter market thanks to the Vespa offer and the Aprilia SR 150;

- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements.

At a more general level, the Group maintains its commitment – a characteristic of recent years and continuing in 2018 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with its ethical principles.

With regard to events after 31 March 2018 in the **naval sector** (Intermarine S.p.A.), in view of the serious defaults at the Asian shipyard, Intermarine has decided to terminate existing contracts.

At financial level, the company collected significant amounts totalling approximately 27 million euro in April 2018, in relation to progress on contract work.

2018 will see important advances in production work on contracts, in order to strengthen the financial consolidation that has been underway in recent years. Intermarine S.p.A. 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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Share buyback program

During the meeting, in connection with the authorisation for the purchase and disposal of own shares given by the Immsi S.p.A. AGM today, the Board of Directors also approved the launch of a share buyback program, which represents a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, “MAR”), among which the purchase of own shares for subsequent cancellation, and in the practices allowed under art. 13 MAR.

Share purchase transactions under the program will be performed in the manner and in compliance with the limits set out in the aforementioned shareholder resolution, specifically:

- the purchase may be for a maximum of 10,000,000 Immsi no-par ordinary shares, for a maximum amount set at 10,000,000 million euro;
- share buybacks shall take place within the limits of distributable earnings and available reserves as reflected in the most recent financial statements (including interim financial statements) approved at the time of implementation of the transaction;
- share buybacks shall be effected on the regulated market in a manner that ensures equality of treatment of shareholders as envisaged by art. 132 of Law 58/1998, with the graduality deemed to be in the interests of the company and in accordance with current laws, adopting the procedures envisaged by art. 144-bis, paragraph 1, head b) of Consob Regulation 11971/1999, as amended, and taking into account the conditions relating to trading as per art. 3 of the Delegated Regulation (EU) 2016/1052 (“**Regulation 1052**”) enacting the MAR (i) for a consideration that shall not be higher than the greater of the price of the most recent independent transaction and the price of the highest independent offer on the trading markets where the buyback is made, without prejudice to the condition that the per-share consideration shall not in any case be more than 20% below or 10% above the mean official Immsi share price in the ten trading days before each single purchase transaction; (ii) for volumes not exceeding 25% of the average daily volume of Immsi S.p.A. shares traded on the regulated market where the buyback is made, determined on the basis of the parameters as per art. 3 of Regulation 1052;
- the buyback program may be implemented, in one or more tranches, through 10 November 2019.

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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 2017 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, fair value adjustments of the related hedged items and interest expense accrued on loans received. The schedules in the Immsi Group interim report on operations for the first quarter to 31 March 2018 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.

In preparing the interim report on operations as at and for the three months to 31 March 2018, the Immsi Group applied the accounting policies used in preparing the consolidated financial statements as at and for the year ended 31 December 2017 with the exception of the adoption as from 1 January 2018 of IFRS 15 “Revenue from contracts with customers”.

Immsi S.p.A. said that the interim report on operations for the first quarter ended 31 March 2018 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 “Investors/Financial Reports/2018”) as from 15 May 2018.

The Immsi Group reclassified consolidated income statement and reclassified consolidated statement of financial position are set out below. In compliance with the Instructions to the Regulation for markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

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Immsi Group reclassified consolidated income statement

In thousands of euro	31.03.2018		31.03.2017		Change	
Net sales	332,619	100%	331,675	100%	944	0.3%
Cost of materials	185,836	55.9%	182,238	54.9%	3,598	2.0%
Cost of services and use of third-party assets	60,245	18.1%	60,365	18.2%	-120	-0.2%
Employee expense	57,548	17.3%	59,347	17.9%	-1,799	-3.0%
Other operating income	21,436	6.4%	22,851	6.9%	-1,415	-6.2%
Other operating expense	4,923	1.5%	7,119	2.1%	-2,196	-30.8%
EBITDA	45,503	13.7%	45,457	13.7%	46	0.1%
Depreciation and impairment tangible assets	11,386	3.4%	11,960	3.6%	-574	-4.8%
Goodwill amortisation	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	17,984	5.4%	18,988	5.7%	-1,004	-5.3%
EBIT	16,133	4.9%	14,509	4.4%	1,624	11.2%
Results of associates	67	0.0%	352	0.1%	-285	-
Finance income	4,309	1.3%	5,178	1.6%	-869	-16.8%
Finance costs	16,153	4.9%	15,333	4.6%	820	5.3%
PROFIT BEFORE TAX	4,356	1.3%	4,706	1.4%	-350	-7.4%
Income tax	3,528	1.1%	2,219	0.7%	1,309	59.0%
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	828	0.2%	2,487	0.7%	-1,659	-66.7%
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	828	0.2%	2,487	0.7%	-1,659	-66.7%
Minority interests	521	0.2%	-176	-0.1%	697	396.0%
GROUP PROFIT FOR THE PERIOD	307	0.1%	2,663	0.8%	-2,356	-88.5%

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	31.03.2018		31.12.2017		31.03.2017	
		in %		in %		in %
Current assets:						
Cash and cash equivalents	129,659	6.1%	138,949	6.8%	137,769	6.3%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	592,010	27.8%	484,439	23.7%	552,109	25.4%
Total current assets	721,669	33.9%	623,388	30.5%	689,878	31.7%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	823,090	38.7%	826,198	40.5%	841,126	38.7%
Property, plant, equipment	298,422	14.0%	307,343	15.1%	332,598	15.3%
Other assets	284,169	13.4%	284,650	13.9%	310,912	14.3%
Total non-current assets	1,405,681	66.1%	1,418,191	69.5%	1,484,636	68.3%
TOTAL ASSETS	2,127,350	100.0%	2,041,579	100.0%	2,174,514	100.0%
Current liabilities:						
Financial liabilities	426,972	20.1%	426,527	20.9%	465,588	21.4%
Operating liabilities	609,037	28.6%	577,028	28.3%	580,138	26.7%
Total current liabilities	1,036,009	48.7%	1,003,555	49.2%	1,045,726	48.1%
Non-current liabilities:						
Financial liabilities	629,284	29.6%	571,342	28.0%	623,124	28.7%
Other non-current liabilities	95,113	4.5%	95,993	4.7%	110,716	5.1%
Total non-current liabilities	724,397	34.1%	667,335	32.7%	733,840	33.7%
TOTAL LIABILITIES	1,760,406	82.8%	1,670,890	81.8%	1,779,566	81.8%
TOTAL SHAREHOLDERS' EQUITY	366,944	17.2%	370,689	18.2%	394,948	18.2%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,127,350	100.0%	2,041,579	100.0%	2,174,514	100.0%