

PRESS RELEASE

IMMSI GROUP: BOARD APPROVES 2015 DRAFT FINANCIAL STATEMENTS

Net sales 1,362 million euro (1,274.6 mln in 2014)

**Ebitda 160.8 million euro (149 mln in 2014)
with Ebitda margin 11.8% of net sales**

**Ebit 54.1 million euro (57.6 mln in 2014)
with Ebit margin 4% of net sales**

Consolidated net loss of 9.6 million euro (from the loss of 70.8 mln in 2014)

**The parent Immsi S.p.A. posts a net profit for the year of approximately 15.5 million euro
(loss of 65.6 million euro for year to 31.12.2014)**

A decisive factor in the consolidated loss for the year was the adjustment of deferred tax assets and liabilities to the new nominal Ires tax rate ruling as from the 2017 tax period; net of this adjustment and the share attributable to minority interests, the Immsi Group would have reported a substantial break-even for the year.

Net financial debt 926.7 million euro (909.8 mln at 31.12.2014)

Industrial Sector (Piaggio Group): net sales 1,295.3 million euro, +6.8% from 2014. Leadership on the European two-wheeler market, with overall share of 15.2% and 24.1% share of scooter segment. Revenue growth on all lines of business (two-wheelers, commercial vehicles, spares and accessories) and in the main geographical areas (EMEA, India, Asia Pacific). In the scooter sector, revenue growth for the Vespa brand (+3.5%). In motorcycles, revenues rise 27.4% for Moto Guzzi and 36% for Aprilia. Commercial three-wheel vehicles: leadership in Cargo segment confirmed in India

Naval Sector (Intermarine): 9.4% growth in net sales to 61.8 million euro, from 56.5 million euro in 2014. Order backlog at 300 million euro at the end of 2015, with projection to approximately 500 million euro by the end of 2016

Is Molas Golf Resort: significant progress in construction of first batch of villas at the residential and hotel complex in Santa Margherita di Pula

Proposed dividend of 0,015 euro (equivalent to approximately 5,1 million euro)

Mantua, 23 March 2016 – The Immsi S.p.A. Board of Directors examined and approved the 2015 draft financial statements for presentation to the shareholders' meeting.

In 2015, the Immsi Group reported an **increase in net sales, Ebitda and the Ebitda margin** compared with 2014.

Consolidated net sales for the year to 31 December 2015 totalled 1,362 million euro – an improvement of 6.9% from 1,274.6 million euro in 2014 – of which 95.1% in the industrial sector (Piaggio Group), 4.5% in the naval sector (Intermarine S.p.A.) and the residual amount 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 the year to 31 December 2015 was 160.8 million euro, an **increase of 7.9%** from 149 million euro in 2014. The **Ebitda margin also showed a slight improvement**, from 11.7% to 11.8% of net sales at the end of 2015.

EBIT in 2015 amounted to 54.1 million euro, a small decrease of 6.2% from 57.6 million euro in 2014.

The Group posted a **loss before tax** of 1.8 million euro, an improvement from the loss of 68.8 million euro in 2014. The result reported in 2014 included the **impairment loss** totalling 64.35 million euro on **the equity investment in Alitalia - Compagnia Aerea Italiana S.p.A.**

The Immsi Group posted a **net loss for the year** ended 31 December 2015 – after tax and the share attributable to minority interests – of 9.6 million euro, a significant improvement of 61.3 million euro compared with the loss of 70.8 million euro for the year ended 31 December 2014.

A decisive factor in the loss for the year was the adjustment of deferred tax assets and liabilities to the new nominal Ires tax rate of 24% ruling as from the 2017 tax period, compared with the current tax rate of 27.5%, as required by the 2016 Stability Law; the adjustment generated an overall negative effect of approximately 14.4 million euro.

Net of this adjustment and the share attributable to minority interests, the Immsi Group would have reported a substantial break-even for the year.

Immsi Group **net financial debt** at 31.12.2015 totalled 926.7 million euro, from 909.8 million euro at 31.12.2014. This was largely due to the year's capital expenditure, of which 5.3 million euro related to the Piaggio group.

Immsi Group **total shareholders' equity** was 428.1 million euro at 31 December 2015, compared with 442.1 million euro at 31 December 2014.

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Industrial Sector

Analysing performance in the Immsi Group areas of operation in 2015, in the **industrial sector the Piaggio group** sold 322,500 two-wheelers (334,200 in 2014), generating net sales of 884.9 million euro, an improvement of 5.2% from 841 million euro in 2014. The figure includes spares and accessories, where sales totalled 123.9 million euro (+8.3% from 2014). In the two-wheeler business, the Piaggio group reported revenue growth in all the main geographical areas where it operates, with turnover of 665.5 million euro in the EMEA and Americas areas (+5% from 2014), 196.2 million euro in Asia Pacific (+3.8%) and 23.2 million euro in India (+26.2%).

In the commercial vehicles sector, the group sold 197,200 vehicles (212,300 in 2014) for net sales of 410.4 million euro (+10.2% from 372.3 million euro in 2014). The figure includes spares and accessories, where sales totalled 42.7 million euro (+24.2% from 34.4 million euro in 2014). In commercial vehicles, in the EMEA and Americas area, the Piaggio group reported net sales of 79.8 million euro, with revenue growth of 21.1% from 2014, and 12,800 shipments, an increase of 27.1% from 2014.

In India, net sales for commercial vehicles at the subsidiary Piaggio Vehicles Private Limited (PVPL) amounted to 330.6 million euro (+7.9% on 306.3 million euro in 2014), despite a 3.3% slowdown in sales on the Indian three-wheeler market as a whole compared with 2014. On the Indian three-wheel commercial vehicle market, PVPL had an overall share of 30.9%; it strengthened its leadership in the Cargo segment with a market share rising to 54.1% (52.2% in 2014), and maintained a significant share (25.7%) of the Passenger segment. In 2015 the PVPL production hub also exported 26,100 three-wheel commercial vehicles worldwide. These sales arose in part in the EMEA and Americas area and in part in the India area, in connection with responsibility for management of the individual markets.

Naval Sector

The **naval sector (Intermarine S.p.A.)** reported an **increase in net sales** in 2015 – turnover and changes in contract work in progress – with growth of 9.4% to 61.8 million euro, against 56.5 million euro in 2014.

Production progress referred mainly to the **Defence division**, with 58.6 million euro (52 million euro in 2014), arising largely from progress on the revamping of the Italian Navy's Gaeta minehunters, on the construction and supply of logistics packages for the Guardia di Finanza police corps, on the construction of the remaining mine counter measures vessel for the Finnish Navy and on the Selex order for construction of an integrated minehunter platform as a subcontractor to a leading constructor in the sector; and, to a lesser extent, to the **Fast Ferries and Yacht divisions**, which reported aggregate turnover of 3.2 million euro (4.5 million euro in 2014), mainly for repair work.

The **Intermarine order backlog** stood at approximately 300 million euro at 31 December 2015, relating almost entirely to the Defence division.

Net sales in the **real estate and holding sector** totalled 4.9 million euro for the year ended 31 December 2015, substantially in line with 2014.

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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 15.5 million euro, compared with a net loss of approximately 65.6 million euro for the year to 31 December 2014.

The parent had net cash inflows of 14.6 million euro, arising chiefly from dividends of 13.2 million euro collected from Piaggio in 2015 and from the capital gain of 2.7 million euro on the sale of Piaggio shares (a sharp improvement from net cash outflows of 66.4 million euro in 2014, due to the impairment loss of 64.35 million euro on Alitalia – CAI).

At 31 December 2015, the parent Immsi S.p.A. had net financial debt of 78.2 million euro, a decrease of approximately 7.7 million euro from the figure at 31 December 2014 (85.8 million euro). The decrease arose chiefly from the collection in April 2015 of dividends of approximately 13.2 million euro from the subsidiary Piaggio & C. S.p.A. and from 5.2 million euro in May on the sale of 1.9 million Piaggio & C. S.p.A. shares; these inflows were offset only in part by cash flows used in operations and by amounts totalling approximately 1.8 million euro paid in 2015 for “future share capital increase”, in compliance with the stand-by equity commitment undertaken in September 2014 to subscribe and pay for a maximum amount of 10 million euro the share capital increase approved by the Alitalia - CAI shareholders’ meeting on 25 July 2014.

The Board of Directors will ask the Immsi Shareholders' Meeting, to be held on 29 April 2016 on first call and on 13 May 2016 on second call, to approve payment of a gross dividend of 0,015 euro per share, for an overall maximum amount of 5,1 million euro. The ex dividend date (coupon no.12) is 23 May 2016, the record date is 24 May 2016 and the payment date is 25 May 2016.

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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, which is due to expire during 2016. The proposal aims to provide the company with a valid strategic investment opportunity for all purposes allowed under current law, including the purposes contemplated in the “market practices” allowed by the Consob pursuant to art. 180, paragraph 1, lett c) of the Consolidated Finance Act with resolution no. 16839 of 19 March 2009 (“Market Practices”) and Regulation CE no. 2273/2003 of 22 December 2003 (the “Safe Harbour Regulation”), where applicable, and also for purchases of own shares for subsequent cancellation.

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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Outlook

In 2016, the subsidiary **Is Molas S.p.A.** expects to complete construction of the first group 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.

At the **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 emerging countries, 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:

- a further strengthening of the product range, to grow sales and margins in the high-wheel scooter sector with the new Liberty and Medley and in the motorcycle sector, with the renewed Moto Guzzi and Aprilia ranges;
- entry on to the e-bike market, with the new Piaggio Wi-Bike, leveraging the Group’s leadership in technology and design;
- maintenance of current positions on the European commercial vehicle market;
- consolidation in the Asia Pacific region by exploring new opportunities in mid-range motorcycles and replicating the premium strategy in Vietnam throughout the region, with a special focus on the Chinese market;
- strengthening sales on the Indian scooter market by extending the offer of Vespa products and introducing new models in the premium scooter and motorcycle segments for the other group brands;
- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

In the **naval sector (Intermarine S.p.A.)**, 2016 will see significant developments in activities on the contract with the Asian builders for the construction of the floating platform at Sarzana. The sector also expects to start up and develop construction work on further two special units.

On the contract with the Finnish Navy, operations are underway for the issue of the final acceptances on the two units that have been delivered, and work will continue on the third unit, delivery of which is scheduled by the end of September 2016.

Every opportunity will be taken to cut direct and indirect costs in order to report positive earnings figures and consequently increase shareholders’ equity and reduce financial exposure.

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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 2014 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 financial receivables (current and non-current). 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 report on operations at 31 December 2015 include a table illustrating the composition of net financial debt. In this regard, in compliance with CESR recommendation of 10 February 2005 “Recommendation for uniform enactment of the European Commission regulation on disclosures”, attention is drawn to the fact that the indicator determined as described represents the amount as monitored by Group management and differs with respect to Consob Communication no. 6064293 of 28 July 2006, since it also includes non-current financial receivables.

In order to permit comparison of the results of 2015 with those of 2014, net earnings and net earnings per share for 2014 have been restated, excluding the effect of non-recurring events (which are disclosed in the report on operations and the financial statements and relate entirely to the Piaggio Group). These additional productivity measures are referred to as adjusted net profit and adjusted earnings per share.

The report on operations and financial statements as at and for the year ended 31 December 2015 will be available to the public at the company head office, on the Borsa Italiana S.p.A. website www.borsaitaliana.it, in the www.emarketstorage.com centralised storage mechanism and on the issuer’s website www.immsi.it (section “Governance/General Meeting/Archive/2016” and section “Investors/Financial Reports/2016”) as from 8 April 2016.

The Immsi Group consolidated statement of financial position and consolidated income statement and the Immsi S.p.A. statement of financial position and income statement are set out below. At the time of publication of this press release, the audit of the Immsi Group consolidated financial statements and of the Immsi S.p.A. separate financial statements as at and for the year ended 31 December 2015 had not been completed.

For further information:
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

In thousands of euro

ASSETS	31 December 2015	31 December 2014
NON-CURRENT ASSETS		
Intangible assets	852,211	846,575
Property, plant, equipment	343,465	344,450
Investment property	85,965	85,848
Equity investments	9,546	8,831
Other financial assets	36,812	29,461
Tax receivables	5,477	3,641
Deferred tax assets	122,493	116,065
Trade and other receivables	15,820	16,071
- of which vs related parties	153	197
TOTAL NON-CURRENT ASSETS	1,471,789	1,450,942
DISCONTINUED OPERATIONS	27,307	24,727
CURRENT ASSETS		
Trade and other receivables	204,342	236,969
- of which vs related parties	5,306	6,497
Tax receivables	23,396	39,262
Inventories	287,859	306,021
Other financial assets	16,495	14,876
Cash and cash equivalents	124,510	103,942
TOTAL CURRENT ASSETS	656,602	701,070
TOTAL ASSETS	2,155,698	2,176,739
LIABILITIES	31 December 2015	31 December 2014
SHAREHOLDERS' EQUITY		
Group consolidated shareholders' equity	265,634	268,188
Capital and reserves of minorities	162,460	173,923
TOTAL SHAREHOLDERS' EQUITY	428,094	442,111
NON-CURRENT LIABILITIES		
Financial liabilities	648,793	591,136
- of which vs related parties	2,900	2,900
Trade and other payables	6,503	5,592
Provisions for severance liabilities and similar obligations	54,046	60,743
Other non-current provisions	10,331	11,247
Deferred tax	21,949	24,769
TOTAL NON-CURRENT LIABILITIES	741,622	693,487
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
Financial liabilities	429,104	440,483
- of which vs related parties	226	55
Trade payables	468,641	507,511
- of which vs related parties	9,533	15,502
Income tax liabilities	15,880	15,775
Other payables	55,629	58,611
- of which vs related parties	1,634	1,797
Current portion of other non-current provisions	16,728	18,761
TOTAL CURRENT LIABILITIES	985,982	1,041,141
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,155,698	2,176,739

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2015

In thousands of euro

	31 December 2015	31 December 2014
Net sales	1,362,012	1,274,577
- of which vs related parties	895	301
Cost of materials	785,366	728,406
- of which vs related parties	25,616	20,674
Cost of services and use of third-party assets	268,669	240,775
- of which vs related parties	931	1,017
Employee expense	231,868	229,684
Depreciation tangible assets	47,157	43,128
Goodwill amortisation	0	0
Amortisation intangible assets with finite life	59,566	47,990
Other operating income	114,066	101,282
- of which vs related parties	648	2,385
Other operating expense	29,398	28,251
EBIT	54,054	57,625
Results of associates	165	(113)
Finance income	20,577	14,680
Finance costs	76,605	140,957
- of which vs related parties	157	388
PROFIT (LOSS) BEFORE TAX	(1,809)	(68,765)
Income tax	11,863	2,579
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(13,672)	(71,344)
Profit (loss) for the period from discontinued operations	0	0
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	(13,672)	(71,344)
Minority interests	(4,118)	(530)
GROUP PROFIT (LOSS) FOR THE PERIOD	(9,554)	(70,814)

EARNINGS PER SHARE

In euro

From continuing and discontinued operations:	31 December 2015	31 December 2014
Basic	(0.028)	(0.208)
Diluted	(0.028)	(0.208)
From continuing operations:	31 December 2015	31 December 2014
Basic	(0.028)	(0.208)
Diluted	(0.028)	(0.208)
Average number of shares:	340,530,000	340,530,000

Immsi S.p.A. Statement of Financial Position

In thousands of euro

ASSETS	31/12/2015	31/12/2014
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, plant, equipment	175	247
- of which vs related parties and intragroup	10	16
Investment property	74,004	73,887
Investments in subsidiaries and associates	322,332	322,359
Other financial assets	12,115	11,449
- of which vs related parties and intragroup	0	1,100
Tax receivables	0	411
Deferred tax assets	0	0
Trade and other receivables	7	22
- of which vs related parties and intragroup	0	15
TOTAL NON-CURRENT ASSETS	408,633	408,375
DISCONTINUED OPERATIONS	0	0
CURRENT ASSETS		
Trade and other receivables	52,167	44,988
- of which vs related parties and intragroup	51,416	44,246
Tax receivables	502	1,443
Inventories	0	0
Contract work in progress	0	0
Other financial assets	176,553	164,734
- of which vs related parties and intragroup	162,234	149,857
Cash and cash equivalents	18,702	2,651
TOTAL CURRENT ASSETS	247,924	213,816
TOTAL ASSETS	656,557	622,191
LIABILITIES	31/12/2015	31/12/2014
SHAREHOLDERS' EQUITY		
Share capital	178,464	178,464
Reserves and retained earnings	182,863	246,607
Profit (loss) for the period	15,496	(65,628)
TOTAL SHAREHOLDERS' EQUITY	376,823	359,443
NON-CURRENT LIABILITIES		
Financial liabilities	117,311	70,025
Trade and other payables	674	947
Provisions for severance liabilities and similar obligations	342	344
Other non-current provisions	0	0
Deferred tax	17,485	19,624
TOTAL NON-CURRENT LIABILITIES	135,812	90,940
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
Financial liabilities	141,780	169,405
Trade payables	913	1,152
- of which vs related parties and intragroup	84	291
Income tax liabilities	425	404
Other payables	803	847
- of which vs related parties and intragroup	2	2
Current portion of other non-current provisions	0	0
TOTAL CURRENT LIABILITIES	143,921	171,808
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	656,557	622,191

Immsi S.p.A. Income Statement

In thousands of euro

	2015	2014
Finance income	24,811	7,841
- of which vs related parties and intragroup	21,793	7,538
Finance costs	(10,188)	(74,200)
Results of associates	0	0
Operating income	4,434	4,549
- of which vs related parties and intragroup	1,982	2,049
Cost of materials	(35)	(40)
Cost of services and use of third-party assets	(3,395)	(3,479)
- of which vs related parties and intragroup	(408)	(548)
Employee expense	(1,321)	(1,295)
Depreciation tangible assets	(86)	(78)
Goodwill amortisation	0	0
Amortisation intangible assets with finite life	0	0
Other operating income	150	230
- of which vs related parties and intragroup	86	86
Other operating expense	(769)	(838)
PROFIT (LOSS) BEFORE TAX	13,601	(67,309)
Income tax	1,895	1,681
- of which vs related parties and intragroup	1,868	968
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	15,496	(65,628)
Profit (loss) for the period from discontinued operations	0	0
PROFIT (LOSS) FOR THE PERIOD	15,496	(65,628)