

Immsi

PRESS RELEASE

Board of Directors meeting

IMMSI: FIRST QUARTER 2005¹

- **NET SALES AT €333.9 MLN**
- **POSITIVE EBITDA OF €33.2 MLN**
 - **NET RESULT: - €3.4 MLN**
- **PARENT COMPANY IMMSI S.P.A: NET PROFIT OF €6.7 MLN**

Mantua, 11 May 2005 – At a meeting today in Mantua chaired by Roberto Colaninno, the IMMSI S.p.A. Board of Directors examined and approved the figures for Group operations in the first quarter of 2005.

The period saw an expansion in the Group's industrial operations (Piaggio) after the acquisition of the Aprilia Group on 30 December 2004. The new structure gives Piaggio a complete, competitive two-wheeler offer on all world markets, making it one of the industry's top global players. In the shipbuilding business, the Rodriquez Cantieri Navali Group completed the most important part of its re-organisation and management restructuring, which included the appointment of Marco Ragazzini to the post of Chief Executive Officer.

IMMSI Group consolidated **net sales** for the first three months to 31 March 2005 totalled **€ 333.9 million**, of which € 312.3 million were from industrial operations (Piaggio Group), € 19.5 million from the shipbuilding business (Rodriquez Group) and the residue from the real estate/tourism business.

Ebitda amounted to **€ 33.2 million**, for a 9.9% return on net sales. This reflected € 24.7 million from industrial operations (including € 1.3 million from the Aprilia Group, a result that confirmed the importance of the recovery plan) and € 11.1 million from the real estate business, which posted significant income from disposals. The contribution of the shipbuilding business was a negative € 1.5 million.

After depreciation and amortisation of € 31.6 million, including amortisation of goodwill in respect of the acquisitions of Piaggio, Aprilia and Rodriquez, **Ebit** was positive at **€ 1.6 million**, or 0.5% of net sales.

After tax of € 9.5 million and negative minority interest of € 13.1 million, the Group posted a **net loss of € 3.4 million**.

¹ The consolidated figures for the first quarter of 2005 have no year-earlier comparatives, since the scope of the IMMSI Group consolidation has been significantly enlarged with the acquisition of the Rodriquez group (May 2004), Is Molas S.p.A. (October 2004) and the Aprilia group (December 2004).

Net debt at 31 March 2005 was **€ 615.7 million**, an increase of € 50 million on 31 December 2004. This arose largely from the rise in working capital due to the seasonal nature of the Group's industrial operations (€ 42.9 million), where the financial requirement tends to peak in the first quarter, and from first-quarter investments (€ 21.9 million), set off in part by real estate disposals (€ 12.8 million at net carrying amount).

Consolidated **shareholders' equity** was **€ 349.4 million**.

Post first-quarter events

On 27 April 2005, the Piaggio Group issued a € 150 million bond maturing in 2012 and reserved for institutional investors who specialise in high-yield bonds. The issue proceeds were used to repay the € 100 million Aprilia bond, which matured on 2 May 2005; some of the residual proceeds will be used to improve and re-schedule the Group's sources of finance.

Business outlook

In the industrial sector, the recovery of the Aprilia Group and integration with Piaggio will continue, to achieve the efficiency gains targeted in the business plan. In the light transport vehicles segment, the Group will enhance its production capacity in India; meanwhile, the Chinese joint venture Piaggio Foshan Motorcycle Co. Ltd. set up in 2004 is expected to begin production by the end of the summer.

In the shipbuilding business, the recovery and growth programme will get underway once the re-organisation has been completed.

In the real estate business, work will continue on the Is Molas golf resort development project assigned to architect Massimiliano Fuksas.

Immsi S.p.A.

The parent company posted net sales of € 1.6 million in the first quarter, with positive Ebitda of € 11.7 million and net profit of € 6.7 million.

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Immsi Group reclassified income statement for the first quarter to 31 March 2005

Amounts in thousands of euro	1° quarter 2005		1° quarter 2004		Change	
Net sales	333,941	100.0%	235,164	100.0%	98,777	42.0%
Operating costs						
Labour	(61,479)	-18.4%	(39,213)	-16.7%	(22,266)	56.8%
Materials and services	(262,262)	-78.5%	(175,620)	-74.7%	(86,642)	49.3%
Grants	783	0.2%	1,825	0.8%	(1,042)	-57.1%
Adjustments and provisions to the reserve for risks and charges	(4,649)	-1.4%	(6,123)	-2.6%	1,474	-24.1%
Other (expense) income, net	16,787	5.0%	7,853	3.3%	8,934	113.8%
EBITDA (before non-recurring income and expense)	23,121	6.9%	23,886	10.2%	(765)	-3.2%
Non-recurring income						
Capital gains and prior-year income	13,845	4.1%	4,348	1.8%	9,497	218.4%
Non-recurring expense						
Capital losses and other expense	(3,784)	-1.1%	(1,198)	-0.5%	(2,586)	215.9%
EBITDA	33,182	9.9%	27,036	11.5%	6,146	22.7%
Depreciation tangible assets	(12,337)	-3.7%	(10,593)	-4.5%	(1,744)	16.5%
Amortisation intangible assets:						
Consolidation goodwill	(6,475)	-1.9%	(5,150)	-2.2%	(1,325)	25.7%
Other	(12,782)	-3.8%	(5,663)	-2.4%	(7,119)	125.7%
EBIT	1,588	0.5%	5,630	2.4%	(4,042)	-71.8%
Net income from equity investments	0	0.0%	3	0.0%	(3)	-100.0%
Financial income and expense, net	(8,494)	-2.5%	(5,156)	-2.2%	(3,338)	64.7%
Adjustments to financial asset values	(52)	0.0%	(718)	-0.3%	666	-92.8%
Result before tax	(6,958)	-2.1%	(241)	-0.1%	(6,717)	2787.1%
Tax	(9,471)	-2.8%	(4,381)	-1.9%	(5,090)	116.2%
Result after tax before minority interest	(16,429)	-4.9%	(4,622)	-2.0%	(11,807)	255.5%
Minority interest	13,067	3.9%	3,846	1.6%	9,221	239.8%
Net result for the period	(3,362)	-1.0%	(776)	-0.3%	(2,586)	333.3%

Immsi Group assets and liabilities at 31 March 2005

Amounts in thousands of euro	31.03.2005	in %	31.12.2004	in %	31.03.2004	in %
Current assets						
Cash and cash equivalents	47,897	2.5%	62,389	3.4%	30,075	2.6%
Operating assets	866,734	44.7%	748,895	40.2%	339,184	29.1%
TOTAL CURRENT ASSETS	914,631	47.2%	811,284	43.6%	369,259	31.7%
Medium/long-term assets						
Intangible assets	638,866	33.0%	647,164	34.8%	461,933	39.7%
Tangible assets	309,909	16.0%	324,013	17.4%	275,192	23.6%
Other assets	74,895	3.9%	78,921	4.2%	58,164	5.0%
TOTAL MEDIUM/LONG-TERM ASSETS	1,023,670	52.8%	1,050,098	56.4%	795,289	68.3%
TOTAL ASSETS	1,938,301	100.0%	1,861,382	100.0%	1,164,548	100.0%
Current liabilities						
Financial payables	347,148	17.9%	291,990	15.7%	114,763	9.9%
Operating liabilities	731,986	37.8%	657,031	35.3%	340,955	29.3%
TOTAL CURRENT LIABILITIES	1,079,134	55.7%	949,021	51.0%	455,718	39.1%
Medium/long-term liabilities						
Financial payables	316,506	16.3%	336,085	18.1%	326,710	28.1%
Other medium/long-term liabilities	193,190	10.0%	202,734	10.9%	140,614	12.1%
MEDIUM/LONG-TERM LIABILITIES	509,696	26.3%	538,819	28.9%	467,324	40.1%
TOTAL LIABILITIES	1,588,830	82.0%	1,487,840	79.9%	923,042	79.3%
TOTAL SHAREHOLDERS' EQUITY	349,471	18.0%	373,542	20.1%	241,506	20.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,938,301	100.0%	1,861,382	100.0%	1,164,548	100.0%

Immsi S.p.A. reclassified income statement

Amounts in thousands of euro	1° quarter		Full year		1° quarter	
	2005		2004		2004	
Net sales	1,613	100.0%	12,478	100.0%	3,745	100.0%
Operating costs:						
Labour	-357	-22.1%	-1,428	-11.4%	-292	-7.8%
Materials and services	-1,982	-122.9%	-8,906	-71.4%	-1,747	-46.6%
Adjustments and provisions to the reserve for risks and charges	-386	-23.9%	-546	-4.4%	-	-
Other (expense) income, net	234	14.5%	1,556	12.5%	264	7.0%
EBITDA (before non-recurring income and expense)	-878	-54.4%	3,154	25.3%	1,970	52.6%
Non-recurring income						
Capital gains and prior-year income	12,666	785.2%	33,895	271.6%	2,459	65.7%
Non-recurring expense						
Capital losses and other expense	-92	-5.7%	-13,202	-105.8%	-248	-6.6%
EBITDA	11,696	725.1%	23,847	191.1%	4,181	111.6%
Depreciation tangible assets	-379	-23.5%	-2,346	-18.8%	-1,277	-34.1%
Amortisation intangible assets	-74	-4.6%	-1,002	-8.0%	-100	-2.7%
EBIT	11,243	697.0%	20,499	164.3%	2,804	74.9%
Net income from equity investments	-	-	462	3.7%	-	-
Financial income and expense, net	-403	-25.0%	-3,750	-30.1%	-912	-24.4%
Result before tax	10,840	672.0%	17,211	137.9%	1,892	50.5%
Tax	-4,131	-256.1%	-5,375	-43.1%	-835	-22.3%
Net result for the period	6,709	415.9%	11,836	94.9%	1,057	28.2%

Immsi S.p.A. assets and liabilities

Amounts in thousands of euro	31.03.2005	in %	31.12.2004	in %	31.03.2004	in %
Current assets						
Cash and cash equivalents	14,643	5.0%	11,491	3.8%	22,094	8.7%
Operating assets	6,128	2.1%	7,141	2.3%	5,642	2.2%
TOTAL CURRENT ASSETS	20,771	7.1%	18,632	6.1%	27,736	10.9%
Medium/long-term assets						
Medium/long-term financial assets	9,000	3.1%	9,000	3.0%	-	-
Intangible assets	1,082	0.4%	1,125	0.4%	999	0.4%
Tangible assets	30,212	10.3%	43,357	14.3%	99,636	39.3%
Other assets	232,080	79.2%	232,091	76.3%	125,091	49.4%
TOTAL MEDIUM/LONG-TERM ASSETS	272,374	92.9%	285,573	93.9%	225,726	89.1%
TOTAL ASSETS	293,145	100.0%	304,205	100.0%	253,462	100.0%
Current liabilities						
Financial payables	5,464	1.9%	2,000	0.7%	2,000	0.8%
Operating liabilities	17,593	6.0%	10,925	3.6%	14,432	5.7%
TOTAL CURRENT LIABILITIES	23,057	7.9%	12,925	4.2%	16,432	6.5%
Medium/long-term liabilities						
Financial payables	40,777	13.9%	63,650	20.9%	107,479	42.4%
Other medium/long-term liabilities	12,671	4.3%	9,927	3.3%	1,019	0.4%
MEDIUM/LONG-TERM LIABILITIES	53,448	18.2%	73,577	24.2%	108,498	42.8%
TOTAL LIABILITIES	76,505	26.1%	86,502	28.4%	124,930	49.3%
TOTAL SHAREHOLDERS' EQUITY	216,640	73.9%	217,703	71.6%	128,532	50.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	293,145	100.0%	304,205	100.0%	253,462	100.0%