

Immsi

Board of Directors meeting today

IMMSI: FIRST HALF OF 2005¹

- **NET SALES OF € 862.8 MLN**
- **POSITIVE EBITDA OF €117.0 MLN**
- **NET PROFIT OF €19.2 MLN**
- **NET DEBT €523.3 MLN
(DOWN €108 MLN FROM 31 DECEMBER 2004)**
- **PARENT COMPANY IMMSI S.P.A.: NET PROFIT OF €10.4 MLN²**

Mantua, 29 September 2005 – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of Immsi S.p.A. examined and approved the figures on Group performance in the first six months of 2005, which, for the first time, were drawn up in compliance with the IAS/IFRS international financial accounting and reporting standards.

The half year saw the Immsi Group fully operational after the **re-structuring** of its industrial operations (Piaggio) with the acquisition of the Aprilia-Moto Guzzi Group (December 2004), its shipyard operations with the acquisition of the Rodriquez Cantieri Navali Group (May 2004) and its real estate operations, with the completion of the disposals plan that began in July 2003 and the start-up of new property development initiatives, in part through the purchase (October 2004) of the Is Molas company.

The Group closed the 2005 half year with positive **EBITDA** of € 117 million, for a return on net sales of 13.6%, and **consolidated profit** after tax and minority interest of € 19.2 million (2.2% of net sales).

The results for the first six months reflected:

- the positive performance and continuing efficiency gains of the Piaggio Group which, as part of the current turnaround, has moved into a new phase of consolidation and growth marked by the successful launch of two-wheel products for its various brands and additional growth in light commercial vehicles in Europe and India;
- the gradual recovery at Aprilia-Moto Guzzi, in terms of market presence and efficiency improvements;
- the on-going business and organisational re-structuring of the Rodriquez Cantieri Navali Group drawn up by the new management to enable RCN to match profitability levels with its objectives;

¹ The 2005 half-year consolidated figures are based, for the first time, on the IAS/IFRS international standards. They are not comparable with the year-earlier first results due to changes in the consolidation perimeter, with the inclusion in the first half of 2005 of the Aprilia Group, the Rodriquez Cantieri Navali Group and Is Molas S.p.A.. The 2004 consolidated figures set out in the attached schedules have been re-stated for compliance with IAS/IFRS.

² The 2005 half-year figures of the parent company Immsi S.p.A. were drawn up in accordance with Italian GAAP, as the company has elected to introduce the IAS/IFRS principles as from 2006.

- the capital gains generated by the completion of the property disposals plan;
- the start-up of real estate planning and development operations at the Is Molas complex in Pula (Cagliari, Sardinia).

Immsi Group **consolidated net sales** for the first six months of 2005 amounted to € 862.8 million; of the total, the industrial sector (Piaggio-Aprilia) accounted for € 814.3 million, the real estate sector for € 2.6 million and the shipyard business (Rodriquez Group) for € 45.9 million. Industrial net sales improved by € 217.8 million from the first half of 2004, due not only to the acquisition of Aprilia, but also to the sales growth achieved by Piaggio & C.. At constant size, the industrial sector gained approximately 7%, thanks to the strong performance of the two-wheel business as a whole and light commercial vehicles.

EBITDA was positive at € 117 million, for a return on net sales of 13.6%, against a 12.7% return on net sales in the year-earlier first half. More specifically, the industrial sector contributed € 123.9 million, a significant year-on-year improvement (2004 pro-forma at € 35.3 million) arising largely from constant improvements in operating efficiency and also from reimbursement of prior-year state eco-incentives totalling € 18.6 million.

After industrial depreciation and amortisation charges of € 48.2 million, **EBIT** was € 68.9 million, or 8% of net sales.

The Group posted a **pre-tax profit** of € 50.8 million (5.9% of net sales) thanks to the operating progress described above.

After tax of € 11.4 million and recognition, as required by the IAS/IFRS principles, of the net effect (€ 5.4 million) of the real estate disposals plan, **consolidated net profit** after minority interest of € 25.6 million was € 19.2 million.

Consolidated **net debt** at 30 June 2005 was € 523.3 million, a decrease of € 108 million (-17%) from 31 December 2004 (€ 631.3 million). The reduction was due chiefly to cash flows on operating activities and efficiency gains in working capital management in the industrial sector, and to income on real estate disposals: these components together were more than sufficient to cover the half-year requirement for investments and the Parent Company dividend pay-out.

Consolidated **shareholders' equity** at 30 June 2005 totalled € 471.8 million, an increase of approximately € 55 million on 31 December 2004.

Outlook

For the rest of the year, attention in the industrial sector will focus on the re-launch of the Aprilia and Guzzi brands and completion of the Piaggio-Aprilia merger.

In the shipyard sector, RCN will complete the re-organisation in preparation for the start-up of the 2006-2008 Industrial Plan.

The Group's 2005 half-year results indicate that a consolidated net profit can be expected for the full year, even after the impact of the typical seasonal trends on the two-wheel market and the conclusion of the real estate disposals programme.

The Parent Company IMMSI S.p.A.

The Parent Company half-year financial statements have been drawn up in accordance with Italian GAAP, since the company has elected to adopt the IAS/IFRS standard as from 2006. In the first half of 2005, IMMSI S.p.A. reported **net sales** of € 3.2 million, positive **EBITDA** of € 17.1 million, a **pre-tax profit** of € 16.5 million and a **net profit** of € 10.4 million.

For more information:

FC Partners

Via G. Rasori 14

20145 Milan - Italy

Tel. +39 0243981743

Fax +39 0243994666

info@fcpartners.it

www.fcpartners.it