



## **PRESS RELEASE**

*Board of Directors approves quarterly report at 30 September 2006*

### **NEW APPOINTMENTS**

**LUCIANO LA NOCE NEW CHIEF EXECUTIVE OFFICER  
MICHELE COLANINNO JOINS BOARD**

### **FIRST NINE MONTHS 2006**

- **NET SALES €1,351.6 MLN (+9.5% YoY)**
- **EBITDA €176 MLN, 13% OF NET SALES**
- **NET PROFIT €86.4 MLN, 6.4% OF NET SALES**

*Milan, 13 November 2006* – At a meeting today in Milan chaired by Roberto Colaninno, the Board of Directors of **IMMSI S.p.A.** examined and approved the quarterly report at 30 September 2006.

At the start of the meeting, the Board noted that the chief executive officer Rocco Sabelli had presented his resignation last 25 October, with effect from today. The directors accepted the proposal of **chairman Roberto Colaninno** to name director **Luciano La Noce** to the post of **chief executive officer** for the full term of the mandate, that is, until the date of approval of the financial statements as at and for the year to 31 December 2008.

The Board also co-opted **Michele Colaninno**, to replace Rocco Sabelli. The new director's curriculum vitae will be posted on the corporate website, [www.immsi.it](http://www.immsi.it).

The Group continued its business operations in the first nine months of 2006, reporting performance improvements compared with the corresponding year-earlier period. In July 2006, Piaggio & C. S.p.A. successfully completed its initial public offering, with the placement of more than 137 million shares representing 35.36% of company capital, at a per-share price of € 2.3. The Is Molas Golf Resort tourism project was completed and presented to the authorities for approval. In the meantime, marketing operations began to promote the complex on European markets. In the boat-building business, the restructuring of the Rodriguez Cantieri Navali Group continued and two contracts were signed, one with the Sultanate of Oman for the supply of 5 catamarans (for 90 million USD) and one, in partnership with EFFEBI of Viareggio, for the construction of 22 coast guard vessels for the general headquarters of Italy's Guardia di Finanza tax police (for € 139 million).

**Consolidated net sales** in the first nine months of 2006 amounted to **€1,351.6 million**, for a year-on-year improvement of 9.5%. This reflected net sales in the manufacturing business (Piaggio) for € 1,285.8 million, boat building (RCN) for € 61.4 million and the real estate business for € 4.4 million.

Consolidated **EBITDA** was positive at **€ 176 million**, up from € 163.1 million in the year-earlier nine months. The EBITDA margin was 13%.

After depreciation and amortisation of € 68.7 million, **consolidated EBIT** was **€ 107.3 million**, with a return of 7.9% on net sales, and gained +17.3 million compared with the year-earlier period.

The Group had net financial income of € 111.8 million. Financial income included capital gains of € 136.1 million at Piaggio Holding Netherlands B.V., from placement of 117,537,840 Piaggio & C. S.p.A. shares at 2.3 € per share.

After tax of € 21.5 million and minority interests of € 111.2 million, **consolidated net profit** amounted to **€86.4 million**, up from €20.8 million in the first nine months of 2005.

**Net debt** was **€411.4 million**, down from € 426.6 million at 30 June 2006 and from € 510.9 million at 31 December 2005.

Consolidated **shareholders' equity** was **€669.3 million**, up from € 580.5 million at 30 June 2006 and € 512.5 million at 31 December 2005.

The figures in the quarterly report at 30 September 2006 do not undergo an audit.

#### **Events after 30 September 2006**

At the end of October IMMSI S.p.A. completed its share capital increase for an amount of € 80.08 million.

With the rights offer completed, the share capital of Immsi S.p.A. currently stands at € 178.464 million, represented by 343,200,000 ordinary shares with a par value of € 0.52 each.

On 18 October 2006, in accordance with the agreements among the shareholders of Piaggio Holding Netherlands B.V. and after admission to trading of Piaggio & C. S.p.A. ordinary shares, Piaggio Holding Netherlands B.V. distributed Piaggio & C. S.p.A. shares to its shareholders.

As a result of these operations, IMMSI now holds directly 56.188% of the capital of Piaggio & C. S.p.A.

Piaggio Holding Netherlands B.V. no longer holds any shares in Piaggio & C. S.p.A.

#### **Outlook**

The results reported by the IMMSI Group for the first nine months of 2006 indicate that the Group will post a net profit for the full year.

For more information:

**IMMSI Press Office**

Via Vivaio, 6 - 20122 Milan

Massimiliano Levi

Tel. +39 0276212620

Fax. +39 0276212629

[massimiliano.levi@immsi.it](mailto:massimiliano.levi@immsi.it)

[www.immsi.it](http://www.immsi.it)

## IMMSI Group reclassified income statement for the year to 30 September 2006

In thousands of euro	3 Q 2006		3 Q 2005		30 september 2006		30 september 2005	
<b>Net sales</b>	<b>405.562</b>	<b>100%</b>	<b>370.626</b>	<b>100%</b>	<b>1.351.595</b>	<b>100%</b>	<b>1.233.437</b>	<b>100%</b>
Costs for materials	228.809	56,4%	204.964	55,3%	758.984	56,2%	689.329	55,9%
Costs for services and use of third-party assets*	93.416	23,0%	85.927	23,2%	293.748	21,7%	272.210	22,1%
Staff costs	60.717	15,0%	55.253	14,9%	197.014	14,6%	188.638	15,3%
Other income from operations**	28.356	7,0%	25.571	6,9%	98.836	7,3%	115.547	9,4%
Other costs from operations	5.784	1,4%	3.960	1,1%	24.689	1,8%	35.709	2,9%
<b>EBITDA</b>	<b>45.192</b>	<b>11,1%</b>	<b>46.093</b>	<b>12,4%</b>	<b>175.996</b>	<b>13,0%</b>	<b>163.098</b>	<b>13,2%</b>
Depreciation of PPE	10.769	2,7%	10.906	2,9%	33.032	2,4%	36.044	2,9%
Amortisation of goodwill	0	-	0	-	0	-	0	-
Amortisation of intangible assets with a finite life	13.263	3,3%	14.118	3,8%	35.705	2,6%	37.134	3,0%
<b>EBIT</b>	<b>21.160</b>	<b>5,2%</b>	<b>21.069</b>	<b>5,7%</b>	<b>107.259</b>	<b>7,9%</b>	<b>89.920</b>	<b>7,3%</b>
Profit on equity investments	0	-	549	0,1%	-2	0,0%	549	0,0%
Financial income	139.705	34,4%	2.940	0,8%	148.244	11,0%	13.930	1,1%
Financial charges	12.216	3,0%	11.585	3,1%	36.461	2,7%	40.592	3,3%
<b>INCOME BEFORE TAX</b>	<b>148.649</b>	<b>36,7%</b>	<b>12.973</b>	<b>3,5%</b>	<b>219.040</b>	<b>16,2%</b>	<b>63.807</b>	<b>5,2%</b>
Tax for the period***	5.025	1,2%	5.634	1,5%	21.457	1,6%	17.075	1,4%
<b>NET RESULT FROM OPERATIONS</b>	<b>143.624</b>	<b>35,4%</b>	<b>7.339</b>	<b>2,0%</b>	<b>197.583</b>	<b>14,6%</b>	<b>46.732</b>	<b>3,8%</b>
Gain (loss) from operations held for sale or to be discontinued	0	-	723	0,2%	0	-	6.157	0,5%
<b>NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>143.624</b>	<b>35,4%</b>	<b>8.062</b>	<b>2,2%</b>	<b>197.583</b>	<b>14,6%</b>	<b>52.889</b>	<b>4,3%</b>
Minority interests	76.701	18,9%	6.499	1,8%	111.232	8,2%	32.078	2,6%
<b>GROUP NET PROFIT FOR THE PERIOD</b>	<b>66.923</b>	<b>16,5%</b>	<b>1.563</b>	<b>0,4%</b>	<b>86.351</b>	<b>6,4%</b>	<b>20.811</b>	<b>1,7%</b>

\* At 30 September 2006, "Costs for services and use of third-party assets" includes non-recurring charges totalling 9.9 million euro for the admission to trading of Piaggio & C. S.p.A.

\*\* At 30 September 2005, "Other income from operations" includes non-recurring income totalling 18.6 million euro for eco-incentives received by Piaggio & C. S.p.A. from the Ministry for the Environment.

\*\*\* At 30 September 2006, "Tax for the period" includes non-recurring charges totalling 2.3 million euro for recognition of prior-year tax by Immsi S.p.A.

## IMMSI Group balance sheet at 30 September 2006

in thousands of euro	30.09.2006	in %	31.12.2005	in %	30.09.2005	in %
<b>Current assets:</b>						
Cash and cash equivalents	143.424	6,8%	59.372	3,4%	83.386	4,5%
Financial assets	58.421	2,8%	1.260	0,1%	672	0,0%
Operating assets	663.596	31,2%	524.854	29,6%	667.929	35,9%
<b>Total current assets</b>	<b>865.441</b>	<b>40,8%</b>	<b>585.486</b>	<b>33,1%</b>	<b>751.987</b>	<b>40,4%</b>
<b>Non-current assets:</b>						
Financial assets	1.015	0,0%	10.805	0,6%	11.850	0,6%
Intangible assets	808.911	38,1%	737.429	41,6%	674.450	36,2%
Property, plant and equipment	310.795	14,6%	323.008	18,2%	319.840	17,2%
Other assets	137.412	6,5%	114.595	6,5%	103.961	5,6%
<b>Total non-current assets</b>	<b>1.258.133</b>	<b>59,2%</b>	<b>1.185.837</b>	<b>66,9%</b>	<b>1.110.101</b>	<b>59,6%</b>
<b>TOTAL ASSETS</b>	<b>2.123.574</b>	<b>100,0%</b>	<b>1.771.323</b>	<b>100,0%</b>	<b>1.862.088</b>	<b>100,0%</b>
<b>Current liabilities:</b>						
Financial liabilities	179.414	8,4%	122.057	6,9%	123.668	6,6%
Operating liabilities	636.435	30,0%	465.790	26,3%	580.866	31,2%
<b>Total current liabilities</b>	<b>815.849</b>	<b>38,4%</b>	<b>587.847</b>	<b>33,2%</b>	<b>704.534</b>	<b>37,8%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	434.887	20,5%	460.273	26,0%	467.026	25,1%
Other non-current liabilities	203.563	9,6%	210.749	11,9%	209.452	11,2%
<b>Total non-current liabilities</b>	<b>638.450</b>	<b>30,1%</b>	<b>671.022</b>	<b>37,9%</b>	<b>676.478</b>	<b>36,3%</b>
<b>TOTAL LIABILITIES</b>	<b>1.454.299</b>	<b>68,5%</b>	<b>1.258.869</b>	<b>71,1%</b>	<b>1.381.012</b>	<b>74,2%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>669.275</b>	<b>31,5%</b>	<b>512.454</b>	<b>28,9%</b>	<b>481.076</b>	<b>25,8%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2.123.574</b>	<b>100,0%</b>	<b>1.771.323</b>	<b>100,0%</b>	<b>1.862.088</b>	<b>100,0%</b>