



PRESS RELEASE

Board of Directors meeting today

IMMSI GROUP APPROVES 2006 DRAFT FINANCIAL STATEMENTS

- **NET SALES €1,708.8 MLN (+10.4% YoY)**
- **EBITDA €180.8 MLN, EBITDA MARGIN 10.6% (+4.8% YoY)**
- **NET PROFIT €65.6 MLN FROM €8.4 MLN IN 2005**
- **NET DEBT €414.3 MLN**
(down by €96.6 mln from 31.12.05)

PARENT COMPANY IMMSI S.P.A.:

- **NET PROFIT €28 MLN**
- **PROPOSED DIVIDEND €0.03 PER SHARE**

Milan, 26 March 2007 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of IMMSI S.p.A. examined and approved the 2006 draft financial statements, to be presented at the Shareholders' Meeting called for 27 April 2007 (first call) and 9 May 2007 (second call).

During 2006, the **IMMSI Group** continued normal operations in its core businesses.

Specifically:

- in the **real estate business**, work was completed on the **Is Molas Golf Resort** project and the project was presented to the authorities for the necessary approvals. Meanwhile, marketing activities began to promote the complex.
- in 2006 the **Piaggio Group** was admitted to the Milan Stock Exchange, with the share price gaining more than 65% in the first few months of trading (percentage determined with reference to the closing price on 23 March 2007). On the business side, the Pontedera-based group made positive progress in 2006 in both the two-wheel sector (net sales +8.7%, volumes +6.3%) and in light transport vehicles (net sales +17.3%, volumes +32%). IMMSI currently holds a direct interest of 55.02% in Piaggio & C. S.p.A.
- the **Rodriquez Cantieri Navali Group** completed its industrial re-organisation to improve management and control in each line of business. During 2006, it acquired a number of important orders (including 5 fast ferries for the Sultanate of Oman and 3 minesweepers for the Finnish Navy), bringing its year-end order book to € 500 million, for an increase in production volumes over the next few years.

Business and financial figures

IMMSI Group 2006 **consolidated net sales** totalled € 1,708.8 million, a YoY increase of 10.4%. Net sales reflected € 1,607.4 million at the Piaggio group, € 5.4 million in the real estate business and € 95.9 million at the Rodriquez group.

Specifically, the Piaggio group reported a net sales increase of € 155.6 million from 2005 (+10.7%), driven by a general strengthening in its two-wheel brands and a further improvement in the light transport vehicles business in Europe (volumes +4.6%) and in India (volumes +37.4%). Noteworthy events in the two-wheeler sector included particularly satisfactory results at Vespa and Moto Guzzi, which topped 100,000 units and 10,000 units respectively, the production start-up of the MP3, the world's first three-wheel scooter, and a score of motor-racing successes by Aprilia in the various world championships.

In the ship-building business, 2006 consolidated net sales amounted to € 95.9 million, up by 5.9% from € 90.6 million in 2005. 2006 net sales reflected only to a marginal extent the orders acquired during the year, whose impact will develop over the next few years beginning in 2007.

EBITDA amounted to € 180.8 million, with an EBITDA margin of 10.6% and a YoY improvement of 4.9%. The Piaggio group, which contributed EBITDA of € 204 million, had non-recurring expenses relating to IPO procedures (€ 10.2 million). RCN had negative EBITDA of € 16.1 million as a result both of low net sales in 2006, and the impact on income of guarantee expenses and prior-year charges relating to supply contracts agreed and completed in previous years.

After depreciation and amortisation charges of € 94.8 million, EBIT amounted to € 86 million, or 5% of net sales, for a YoY gain of 11.7%.

The Group posted net financial income of € 106 million, reflecting financial charges for approximately € 50.9 million and financial income of approximately € 157 million; financial income included € 136.1 million of capital gains at Piaggio Holding Netherlands B.V. from the market placement of 117,537,840 Piaggio C. S.p.A. shares at a per-share price of € 2.3, for the IPO.

After tax of € 24.4 million and minority interests of € 102 million, the Group posted a net profit of € 65.6 million for 2006, compared with € 8.4 million in 2005.

Group net debt at 31 December 2006 amounted to € 414.3 million, a decrease of € 96.6 million from € 510.9 million at 31 December 2005.

IMMSI Group total shareholders' equity at 31 December 2006 was € 645.6 million, including minority interests for € 243.8 million.

Significant events subsequent to year-end 2006

On 21 March 2007 Is Molas S.p.A received the approval of the Scenic Planning Office for its project; ratification by the Regional Council and subsequent publication in the regional gazette is pending, after which the company will obtain a final building licence from the Pula town council. Construction work is therefore expected to begin fairly shortly.

2007 outlook

With regard to the foreseeable outlook for Group operations, the Piaggio group will focus on maintaining its leadership in the scooter segment and consolidating the renewed success of

the Aprilia and Guzzi brands. In the Light Transport Vehicles business, it will give priority to optimising growth on the Indian market.

At the Rodriguez Cantieri Navali group, the important contracts acquired last year indicate that 2007 production volumes will be significantly higher than in 2006. The new organisational structure will focus on improving contract management with a view to reporting positive EBIT for 2007.

Work is expected to begin on the Is Molas Golf Resort project by Massimiliano Fuksas.

IMMSI S.p.A.

For 2006, the parent company reported **net sales** of €6.3 million, negative **EBITDA** of €0.5 million and profit before tax of €34.6 million. This is not comparable with 2005 profit before tax, since it arose on the Piaggio & C. share dividend for a gross amount of €37.8 million paid by Piaggio Holding Netherlands BV. **Net profit** for 2006 therefore totalled €28 million, compared with €2.8 million in 2005.

Given the net profit for the year, the Board of Directors will ask the Shareholders' Meeting to approve payment of a **dividend** of €0.03 per share, for a total payout of €10,296,000 million. Coupon tear-off will be 28 May 2007, with payment as from 31 May 2007.

The Board of Directors also carried a number of resolutions regarding corporate governance, in compliance with the Voluntary Code of Conduct: they named Independent Director Marco Reboa as Lead Independent Director and appointed Directors Marco Reboa, Mauro Gambaro and Carlo d'Urso to form an Internal Control Committee, with Mr Reboa acting as committee chairman.

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The auditors have not yet issued an opinion on the figures set out in this release

IMMSI Group reclassified income statement

In thousands of euro	<i>FY 2006</i>		<i>FY 2005</i>	
Net sales	1,708,777	100%	1,547,573	100%
Cost of materials	980,388	57.4%	883,405	57.1%
Cost of services and use of third-party assets	381,845	22.3%	349,457	22.6%
Staff costs	259,133	15.2%	247,875	16.0%
Other operating income	138,896	8.1%	155,289	10.0%
Other operating costs	45,541	2.7%	49,776	3.2%
EBITDA	180,766	10.6%	172,349	11.1%
Depreciation tangible assets	44,626	2.6%	46,751	3.0%
Goodwill amortisation	0	-	0	-
Amortisation intangible assets with finite life	50,187	2.9%	48,655	3.1%
EBIT	85,953	5.0%	76,943	5.0%
Result of equity investments	-17	0.0%	-10	0.0%
Financial income	156,955	9.2%	17,952	1.2%
Financial costs	50,906	3.0%	52,799	3.4%
PROFIT BEFORE TAX	191,985	11.2%	42,086	2.7%
Tax for the period	24,425	1.4%	23,770	1.5%
RESULT FROM ASSETS IN USE	167,560	9.8%	18,316	1.2%
Gain (loss) from assets to be discontinued	0	-	5,242	0.3%
NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	167,560	9.8%	23,558	1.5%
Net profit attributable to minority interests	101,997	6.0%	15,193	1.0%
GROUP NET PROFIT	65,563	3.8%	8,365	0.5%

IMMSI Group balance sheet

In thousands of euro	31.12.2006	in %	31.12.2005	in %
Current assets:				
Cash and cash equivalents	101,941	5.2%	59,372	3.4%
Financial assets	12,594	0.6%	1,260	0.1%
Operating assets	565,250	28.9%	524,854	29.6%
Total current assets	679,785	34.8%	585,486	33.1%
Non-current assets:				
Financial assets	1,015	0.1%	10,805	0.6%
Intangible assets	802,112	41.1%	737,429	41.6%
Property, plant and equipment	318,135	16.3%	323,008	18.2%
Other assets	151,752	7.8%	114,595	6.5%
Total non-current assets	1,273,014	65.2%	1,185,837	66.9%
TOTAL ASSETS	1,952,799	100.0%	1,771,323	100.0%
Current liabilities:				
Financial liabilities	120,039	6.1%	122,057	6.9%
Operating liabilities	591,558	30.3%	465,790	26.3%
Total current liabilities	711,597	36.4%	587,847	33.2%
Non-current liabilities:				
Financial liabilities	409,827	21.0%	460,273	26.0%
Other non-current liabilities	185,772	9.5%	210,749	11.9%
Total non-current liabilities	595,599	30.5%	671,022	37.9%
TOTAL LIABILITIES	1,307,196	66.9%	1,258,869	71.1%
TOTAL SHAREHOLDERS' EQUITY	645,603	33.1%	512,454	28.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,952,799	100.0%	1,771,323	100.0%

IMMSI S.p.A. reclassified income statement

	FY 2006		FY 2005	
In thousands of euro				
Net sales *	6,305	100%	6,296	100%
Cost of materials	98	1.6%	73	1.2%
Cost of services and use of third-party assets	5,011	79.5%	5,858	93.0%
Staff costs	1,762	27.9%	1,707	27.1%
Other operating income	740	11.7%	783	12.4%
Other operating costs	698	11.1%	2,373	37.7%
EBITDA	-524	-8.3%	-2,932	-46.6%
Depreciation tangible assets	421	6.7%	578	9.2%
Goodwill amortisation	0	-	0	-
Amortisation intangible assets with finite life	29	0.5%	28	0.4%
EBIT	-974	-15.4%	-3,538	-56.2%
Result of equity investments	0	-	0	-
Financial income	41,504	658.3%	2,095	33.3%
Financial costs	5,911	93.8%	2,609	41.4%
PROFIT BEFORE TAX	34,619	549.1%	-4,052	-64.4%
Tax for the period	6,647	105.4%	-1,634	-26.0%
RESULT FROM ASSETS IN USE	27,972	443.6%	-2,418	-38.4%
Gain (loss) from assets to be discontinued	0	-	5,242	83.3%
NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	27,972	443.6%	2,824	44.9%
Net profit attributable to minority interests	0	-	0	-
GROUP NET PROFIT FOR THE PERIOD	27,972	443.6%	2,824	44.9%

IMMSI S.p.A. balance sheet

In thousands of euro	31.12.2006	in %	31.12.2005	in %
Current assets:				
Cash and cash equivalents	4,444	1.0%	13,381	4.2%
Financial assets	1,100	0.2%	900	0.3%
Operating assets	1,205	0.3%	3,952	1.2%
Total current assets	6,749	1.5%	18,233	5.7%
Non-current assets:				
Financial assets	12,000	2.7%	21,000	6.6%
Intangible assets	0	0.0%	29	0.0%
Property, plant and equipment	11,599	2.6%	11,832	3.7%
Other assets	421,351	93.3%	268,827	84.0%
Total non-current assets	444,950	98.5%	301,688	94.3%
TOTAL ASSETS	451,699	100.0%	319,921	100.0%
Current liabilities:				
Financial liabilities	4,608	1.0%	900	0.3%
Operating liabilities	12,487	2.8%	3,94	1.1%
Total current liabilities	17,095	3.8%	4,294	1.3%
Non-current liabilities:				
Financial liabilities	45,814	10.1%	45,766	14.3%
Other non-current liabilities	12,659	2.8%	15,011	4.7%
Total non-current liabilities	58,473	12.9%	60,777	19.0%
TOTAL LIABILITIES	75,568	16.7%	65,071	20.3%
TOTAL SHAREHOLDERS' EQUITY	376,131	83.3%	254,850	79.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	451,699	100.0%	319,921	100.0%