

# **IMMSI Società per Azioni**

Share capital 178,464,000 euro fully paid-up

Registered office: P.zza Vilfredo Pareto, 3 – 46100 Mantova

Mantova register of companies – Tax-payer's code and VAT no. 07918540019

## ***Quarterly Management Report***

***30 September 2007***



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## COMPANY BOARDS

The Board of Directors and the Board of Statutory Auditors were appointed by the Shareholders' Meeting of 12 May 2006 and will remain in office up until the Shareholders' Meeting that will approve the financial statements at 31 December 2008.

### BOARD OF DIRECTORS

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Roberto Colaninno <sup>(1)</sup> - <sup>(2)</sup>	<b>Chairman</b>
Carlo d'Urso	<b>Vice Chairman</b>
Luciano La Noce <sup>(1)</sup>	<b>Managing Director</b>
Matteo Colaninno	<b>Director</b>
Michele Colaninno	<b>Director</b>
Mauro Gambaro	<b>Director</b>
Giovanni Tamburi	<b>Director</b>
Marco Reboa	<b>Director</b>
Giorgio Cirila	<b>Director</b>

### BOARD OF STATUTORY AUDITORS

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Alessandro Lai	<b>Chairman</b>
Giovannimaria Seccamani Mazzoli	<b>Statutory Auditor</b>
Marco Spadacini	<b>Statutory Auditor</b>
Leonardo Losi	<b>Deputy statutory auditor</b>
Giovanni Sala	<b>Deputy statutory auditor</b>

### INDEPENDENT AUDITORS

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Deloitte & Touche S.p.A.	<b>2006-2011</b>
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(1) Legal representative in legal and third party dealings, with power of signature and powers to supervise corporate operations; to that end, he is authorised to carry out all acts and transactions of ordinary management, as well as implement the resolutions of shareholders' meetings and the Board of Directors.

(2) Legal representative in legal and third party dealings, with power of signature and powers to carry out all acts and transactions of extraordinary management, advising the Board of Directors thereof at the following meeting.

In accordance with the principles recommended by the Corporate Governance Code for Listed Companies, as well as in accordance with D.Lgs. [Legislative Decree] no. 231/01, the Board of Directors has established the following organs:

**LEAD INDEPENDENT DIRECTOR**

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Marco Reboa

**REMUNERATION COMMITTEE**

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Carlo d'Urso

**Chairman**

Mauro Gambaro

Giovanni Tamburi

**INTERNAL AUDIT COMMITTEE**

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Marco Reboa

**Chairman**

Carlo d'Urso

**DIRECTOR APPOINTED**

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Luciano La Noce

**PERSON IN CHARGE OF THE INTERNAL AUDIT**

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Pierantonio Piana

**SUPERVISORY BOARD**

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Marco Reboa

**Chairman**

Alessandro Lai

**CHIEF FINANCIAL OFFICER (CFO)**

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Andrea Paroli

**INVESTOR RELATIONS MANAGER**

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Andrea Paroli

## Key figures of the Immsi Group

In thousands of euro	<i>Property and holding sector</i>	<i>in %</i>	<i>Industrial sector</i>	<i>in %</i>	<i>Naval sector</i>	<i>in %</i>	<i>Immsi Group</i>	<i>in %</i>
Net revenues	4,608		1,369,800		97,965		1,472,373	
Operating earnings before depreciation and amortisation (EBITDA)	-3,476	-75.4%	200,388	14.6%	-1,976	-2.0%	194,936	13.2%
Operating earnings (EBIT)	-3,996	-86.7%	138,263	10.1%	-4,836	-4.9%	129,431	8.8%
Earnings before taxation	-5,142	-111.6%	114,460	8.4%	-7,096	-7.2%	102,222	6.9%
Earnings for the period including minority interests	-3,489	-75.7%	66,386	4.8%	-8,016	-8.2%	54,881	3.7%
Group earnings for the period (consolidated)	-2,429	-52.7%	36,340	2.7%	-4,510	-4.6%	29,401	2.0%
Net financial position	-83,768		-259,451		-65,371		-408,590	
Personnel (number)	92		7,164		411		7,667	

The "property and holding sector" includes the income statement and balance sheet of IMMSI S.p.A., Is Molas S.p.A., Apuliae S.p.A., Pietra S.r.l. and RCN Finanziaria S.p.A..

## Form and contents of the quarterly report

This report has been prepared in accordance with Consob resolution 11971 of 14/5/1999 and subsequent amendments and includes the consolidated financial statements and notes of the Group. They have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), referred to collectively as "IFRS", in particular IAS 34 on Interim Financial Reporting, as required by Consob resolution 14990 of 14/4/2005.

The preparation of interim financial statements requires management to make estimates and assumptions that have an impact on the book values of revenues, costs, assets and liabilities, as well as on contingent asset and liability disclosures at the balance sheet date. If in the future these estimates and assumptions turn out to be different from reality, they are adjusted appropriately in the period when management realises that circumstances have changed.

It is also worth mentioning that certain valuation processes, especially the more complex ones such as the determination of impairment losses on non-current assets, as well as the discounting of Staff Severance Indemnity, are generally carried out in detail only when preparing the year-end accounts, when all of the information needed is available, except in cases where there are signs of impairment that require an immediate assessment of the potential loss in value.

The interim financial statements of the subsidiaries used in the consolidation have been suitably adjusted and reclassified, where necessary, to bring them into line with IFRS and the Group's standard classification methods.

This report consists of the reclassified consolidated financial statements accompanied by the explanatory notes. As regards the Group, below can be found the income statement for the third quarter of 2007 and the final at 30 September 2007 compared with the same periods in 2006, as well as the balance sheet at 30 September 2007 compared with the situation at 30 September and 31 December 2006 and the cash flow statement at 30 September 2007 compared with the situation at 30 September 2006. There is also a statement of changes in shareholders' equity at 30 September 2007 compared with the figures for the same period of the last year.

The accounting standards used in preparing this report are the same as those that were used to prepare the consolidated financial statements at 31 December 2006.

The quarterly report is not subjected to audit.

These financial statements are expressed in euros as this is the currency in which the Group carries out most of its transactions.

Unless stated otherwise, the figures in the schedules and notes that follow are expressed in thousands of euros.

## **Scope of consolidation**

For consolidation purposes we have used the financial statements at 30 September 2007 of the companies included in the scope of consolidation, prepared according to Group accounting policies which are based on IAS/IFRS. The scope of consolidation includes the companies in which the Parent Company, directly or indirectly, holds more than half of the voting rights at Shareholders' Meetings, or has the power to influence or control the voting rights by contract or according to the articles of association, or can appoint a majority of Board members. Dormant or near-dormant (and therefore insignificant) subsidiaries have not been consolidated on a line-by-line basis.

As regards the income statement figures compared with those at 30 September 2006, the scope of consolidation has changed following the liquidation of Motocross Company S.r.l. and Aprilia Research & Development S.A., the sale of Piaggio Holding Netherlands B.V. and the acquisition of Pietra S.r.l.

The scope of consolidation did not change during the first nine months of 2007 compared with the consolidated financial statements at 31 December 2006.

# Consolidated financial statements and explanatory notes

## Consolidated reclassified income statement of the Immsi Group

In thousands of euro	3 <sup>rd</sup> quarter 2007		3 <sup>rd</sup> quarter 2007		30 September 2007		30 September 2006	
<b>Net revenues</b>	<b>439,093</b>	<b>100%</b>	<b>405,562</b>	<b>100%</b>	<b>1,472,373</b>	<b>100%</b>	<b>1,351,595</b>	<b>100%</b>
Costs for materials	254,715	58.0%	228,809	56.4%	864,083	58.7%	758,984	56.2%
Costs for services and the use of third party assets	87,909	20.0%	93,416	23.0%	285,665	19.4%	293,748	21.7%
Employee costs	65,755	15.0%	60,717	15.0%	201,979	13.7%	197,014	14.6%
Other operating income	31,797	7.2%	28,356	7.0%	99,590	6.8%	98,836	7.3%
Other operating costs	8,754	2.0%	5,784	1.4%	25,300	1.7%	24,689	1.8%
<b>OPERATING EARNINGS BEFORE AMORTIZATION/DEPRECIATION</b>	<b>53,757</b>	<b>12.2%</b>	<b>45,192</b>	<b>11.1%</b>	<b>194,936</b>	<b>13.2%</b>	<b>175,996</b>	<b>13.0%</b>
Depreciation on tangible assets	10,624	2.4%	10,769	2.7%	32,895	2.2%	33,032	2.4%
Amortization of goodwill	0	-	0	-	0	-	0	-
Amortization of finite life intangible assets	13,133	3.0%	13,263	3.3%	32,610	2.2%	35,705	2.6%
<b>OPERATING EARNINGS</b>	<b>30,000</b>	<b>6.8%</b>	<b>21,160</b>	<b>5.2%</b>	<b>129,431</b>	<b>8.8%</b>	<b>107,259</b>	<b>7.9%</b>
Loss on equity investments	3	0.0%	0	-	2	0.0%	-2	0.0%
Financial income	6,590	1.5%	139,705	34.4%	14,484	1.0%	148,244	11.0%
Financial charges	14,733	3.4%	12,216	3.0%	41,695	2.8%	36,461	2.7%
<b>EARNINGS BEFORE TAXATION</b>	<b>21,860</b>	<b>5.0%</b>	<b>148,649</b>	<b>36.7%</b>	<b>102,222</b>	<b>6.9%</b>	<b>219,040</b>	<b>16.2%</b>
Taxation	10,473	2.4%	5,025	1.2%	47,341	3.2%	21,457	1.6%
<b>EARNINGS AFTER TAXATION FROM ONGOING OPERATIONS</b>	<b>11,387</b>	<b>2.6%</b>	<b>143,624</b>	<b>35.4%</b>	<b>54,881</b>	<b>3.7%</b>	<b>197,583</b>	<b>14.6%</b>
Profit (loss) from assets intended for disposal or sale	0	-	0	-	0	-	0	-
<b>EARNINGS FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>11,387</b>	<b>2.6%</b>	<b>143,624</b>	<b>35.4%</b>	<b>54,881</b>	<b>3.7%</b>	<b>197,583</b>	<b>14.6%</b>
Minority interests	5,605	1.3%	76,701	18.9%	25,480	1.7%	111,232	8.2%
<b>GROUP EARNINGS FOR THE PERIOD</b>	<b>5,782</b>	<b>1.3%</b>	<b>66,923</b>	<b>16.5%</b>	<b>29,401</b>	<b>2.0%</b>	<b>86,351</b>	<b>6.4%</b>

- At 30 September 2006, net revenues include 36.5 million euros of non-recurring revenues that relate to the supply contract between Piaggio & C. S.p.A. and Poste Italiane.

- At 30 September 2007, the item "Other operating income" includes 3.2 million euros for non-consolidated transactions concluded with Piaggio Foshan Motorcycles compared to 1.7 million euros at 30 September 2006.

- At 30 September 2006 costs for materials, services and use of third party assets include non-recurring charges associated in the *Borsa Italiana* stock exchange listing of Piaggio & C. S.p.A. for 9.9 million euros.

- At 30 September 2007 costs for materials, services and use of third party assets include 35.7 million euros for non-consolidated transactions concluded with intragroup and related party compared to 22.5 million euros at 30 September 2006.

### *Net revenues*

Consolidated net revenues at 30 September 2007 amount to 1,472.4 million euros (+8.9% in 2006), of which 93% (1,369.8 million) are attributable to the industrial sector (Piaggio group), 6.7%

(98 million euros) to the naval sector (Rodriquez group) and the balance (4.6 million euros) to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A.).

The type of products sold and the sectors in which the Group operates means that revenues follow a seasonal trend during the year, the first half being more favourable than the second.

The Piaggio group has recorded an increase in consolidated revenues to 1,369.8 million euros, a growth of 6.5% up on the consolidated revenues of the first nine months of 2006 that had been positively influenced by the supply contract to Poste Italiane of motorcycles for 36.5 million euros that Piaggio & C. S.p.A. had won in late 2005.

Analyzing the course of revenues of the two reference sub-segments, the increase is to be attributed to the better performance of both the Two Wheeler business and the Light Transport Vehicles business. The growth in the Two Wheeler sub-segment, compared to the same period of the preceding year, is due to the increases in sales recorded in the scooter sector (718.1 million euros equal to +3%) over the motorcycle sector (231.7 million euros equal to +12.2%). Vespa and Gilera have contributed for 29.9 million euros, Aprilia and Moto Guzzi for 25.5 million euros, while Derbi still records a slight reduction because of the different mix of products sold.

The Light Transport Vehicles (LTV) business has recorded an increase in sales equal to 18.6 million euros (+7.1%). Also at September 30th 2007 the performance of the Indian associate company Piaggio Vehicles Private Limited was good with revenues for 174.2 million euros, a growth of 15.3% compared to 30 September 2006.

As regards the naval sector, consolidated revenues come to 98 million euros at 30 September 2007, up by 59% on 61.4 million euros at 30 September 2006, mainly thanks to advances in production on the major orders acquired during the preceding period and to the completion and delivery of prior orders. The order book of the Rodriquez Cantieri Navali group at 30 September 2007 amounts to 429 million euros.

At 30 September 2007, the property sector is showing revenues that are significantly higher compared to the first nine months of 2006.

### ***Operating earnings before depreciation and amortisation (EBITDA)***

Consolidated operating earnings before depreciation and amortisation (EBITDA) amounts to 194.9 million euros at 30 September 2007 (13.2% of net sales). Compared with operating earnings before depreciation and amortisation (EBITDA) for the first nine months of 2006, it has increased by 18.9 million euros (+10.8%). At 30 September 2006 this figure amounted to 176 million euros (13% of net sales).

The portion attributable to the industrial sector amounts to 200.4 million euros, up 16.9 million euros on the balance at 30 September 2006 (183.5 million euros). Note that costs for the first nine months of 2006 included 9.9 million euros of non-recurring charges incurred for the listing of Piaggio & C. S.p.A..

One of the main cost items is employee costs of 202 million euros, increasing by approximately 5 million euros compared to 2006 (+2.5%), 13.7% of net sales compared with 14.6% in the same period last year.

### ***Operating income***

Operating income amounts to 129.4 million euros (8.8% of net sales). The increase on 2006 is 22.2 million euros. Consolidated operating income for the first nine months of last year came to 107.3 million euros (7.9% of net sales).

Depreciation and amortisation for the period come to a total of 65.9 million euros (4.4% of net sales), being made up of 32.9 million euros of depreciation and 32.6 million euros of amortisation. No write-downs of goodwill were booked either in 2007 or in the same period last year. The impairment test carried out at 31 December 2006 confirmed that the amounts booked in the financial statements could all be recovered in full.

### *Income before taxation*

Income before taxation amounts to 102.2 million euros at 30 September 2007 (6.9% of net sales). The corresponding figure for the previous year was 219 million euros (16.2% of net sales).

Net financial charges in 2007 come to 27.2 million euros (1.8% of net sales). The same period of the previous year, had a positive balance of 111.8 million euros by virtue of the capital gain equal to 136.1 million euros registered by Piaggio Holding Netherlands B.V. against the listing process on the *Mercato Telematico Azionario* [Telematic Stock Market] of no. 117,537,840 Piaggio & C. S.p.A. shares. With the exclusion of this income component, at 30 September 2006 the balance amounted to 24.3 million euros negative, 1.8% of revenues.

Net financial charges were 23.8 million euros for the Piaggio group (net of 10.5 million of income), 2.3 million euros for the Rodriguez group (net of 1.5 million of income) and 1.1 million euros for the rest of the Group.

### *Net income*

Net income after taxation and minority interests comes to 29.4 million euros at 30 September 2007 (2% of net sales). In the first nine months of the previous year, this figure was 86.4 million euros (6.4% of net sales). The taxes for the period amount to 47.3 million euros compared to 21.5 million euros in 2006, mainly depending on Piaggio's registration of deferred tax assets in the course of 2006, in compliance with IAS 12.

## **Earnings per share**

In euros

	30 September 2007	30 September 2006
From continuing and discontinued operations:		
Basic	0.086	0.302
Diluted	0.086	0.302
From continuing operations:		
Base	0.086	0.302
Diluted	0.086	0.302
Average number of shares:	343,200,000	286,000,000

Diluted EPS is the same as basic EPS as there are no potential shares outstanding that could have a dilutive effect.

At the closing date of the interim financial statements there are no profits or losses from non-current assets held for sale or to be discontinued.

## Balance sheet of the Immsi Group

In thousands of euro	30.09.2007	in %	31.12.2006	in %	30.09.2006	in %
<b>Current assets:</b>						
Cash and cash equivalents	124,604	6.1%	101,941	5.2%	143,424	6.8%
Financial assets	9,147	0.4%	12,594	0.6%	58,421	2.8%
Operating assets	750,798	36.5%	565,250	28.9%	663,596	31.2%
<b>Total current assets</b>	<b>884,549</b>	<b>43.0%</b>	<b>679,785</b>	<b>34.8%</b>	<b>865,441</b>	<b>40.8%</b>
<b>Non-current assets:</b>						
Financial assets	1,015	0.0%	1,015	0.1%	1,015	0.0%
Intangible assets	809,382	39.3%	802,112	41.1%	808,911	38.1%
Tangible assets	309,179	15.0%	318,135	16.3%	310,795	14.6%
Other assets	54,191	2.6%	151,752	7.8%	137,412	6.5%
<b>Total non-current assets</b>	<b>1,173,767</b>	<b>57.0%</b>	<b>1,273,014</b>	<b>65.2%</b>	<b>1,258,133</b>	<b>59.2%</b>
<b>TOTAL ASSETS</b>	<b>2,058,316</b>	<b>100.0%</b>	<b>1,952,799</b>	<b>100.0%</b>	<b>2,123,574</b>	<b>100.0%</b>
<b>Current liabilities:</b>						
Financial liabilities	147,338	7.2%	120,039	6.1%	179,414	8.4%
Operating liabilities	688,181	33.4%	591,558	30.3%	636,435	30.0%
<b>Total current liabilities</b>	<b>835,519</b>	<b>40.6%</b>	<b>711,597</b>	<b>36.4%</b>	<b>815,849</b>	<b>38.4%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	396,018	19.2%	409,827	21.0%	434,887	20.5%
Other non-current liabilities	160,023	7.8%	185,772	9.5%	203,563	9.6%
<b>Total non-current liabilities</b>	<b>556,041</b>	<b>27.0%</b>	<b>595,599</b>	<b>30.5%</b>	<b>638,450</b>	<b>30.1%</b>
<b>TOTAL LIABILITIES</b>	<b>1,391,560</b>	<b>67.6%</b>	<b>1,307,196</b>	<b>66.9%</b>	<b>1,454,299</b>	<b>68.5%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>666,756</b>	<b>32.4%</b>	<b>645,603</b>	<b>33.1%</b>	<b>669,275</b>	<b>31.5%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,058,316</b>	<b>100.0%</b>	<b>1,952,799</b>	<b>100.0%</b>	<b>2,123,574</b>	<b>100.0%</b>

- At 30 September 2007 current trade and other receivables include receivables for transactions with non-consolidated associated companies totalling 2.1 million euros, substantially related to the sale of vehicles, spare parts and the recovery of miscellaneous costs (5.0 million euros at 30 September 2006).

- Trade and other payables include payables arising from transactions with non-consolidated related parties and other Group companies amounting to 5.5 million euros at 30 September 2007, mainly resulting from the purchase of parts and vehicles, and services rendered by non-consolidated associated companies (5.7 million euros at 30 September 2006).

## Analysis of capital employed by the Immsi Group

In thousands of euro	<b>30.09.2007</b>	<i>in %</i>	<b>31.12.2006</b>	<i>in %</i>	<b>30.09.2006</b>	<i>in %</i>
Current operating assets	750,798	60.8%	565,250	45.4%	663,596	51.7%
Current operating liabilities	-688,181	-55.7%	-591,558	-47.5%	-636,435	-49.6%
<b>Net operating working capital</b>	<b>62,617</b>	<b>5.1%</b>	<b>-26,308</b>	<b>-2.1%</b>	<b>27,161</b>	<b>2.1%</b>
Intangible assets	809,382	65.5%	802,112	64.4%	808,911	63.0%
Tangible assets	309,179	25.0%	318,135	25.5%	310,795	24.2%
Other assets	54,191	4.4%	151,752	12.2%	137,412	10.7%
<b>Invested capital</b>	<b>1,235,369</b>	<b>100.0%</b>	<b>1,245,691</b>	<b>100.0%</b>	<b>1,284,279</b>	<b>100.0%</b>
Non-current non-financial liabilities	160,023	13.0%	185,772	14.9%	203,563	15.9%
Minority interests' capital and reserves	259,054	21.0%	243,784	19.6%	303,121	23.6%
Consolidated Group Shareholders' equity	407,702	33.0%	401,819	32.3%	366,154	28.5%
<b>Total non-financial sources</b>	<b>826,779</b>	<b>66.9%</b>	<b>831,375</b>	<b>66.7%</b>	<b>872,838</b>	<b>68.0%</b>
<b>Net financial debt</b>	<b>408,590</b>	<b>33.1%</b>	<b>414,316</b>	<b>33.3%</b>	<b>411,441</b>	<b>32.0%</b>

### *Invested capital*

Invested capital amounts to 1,235.4 million euros at 30 September 2007, for a decrease on 31 December 2006 of 10.3 million euros and 48.9 million euros on 30 September 2006 (1,245.7 million euros and 1,284.3 million euros respectively). Compared with the beginning of the year, net working capital has risen by 88.9 million euros, both because of the seasonal trend in the industrial sector's business and because of the transfer between the current assets of the equity investment in Unicredit (formerly Capitalia) by Immsi S.p.A. following the availability for sale due to the winding up of the syndicate to which it was bound. As a consequence, the medium long term assets have decreased significantly (-99.2 million euros) mainly due to the aforesaid reclassification, equal to 79.9 million euros.

### *Net financial debt*

Group net debt at 30 September 2007 amounts to 408.6 million euros, which is both higher than at 31 December 2006 (by 5.7 million euros) and than at 30 September 2006 (by 2.9 million euros). The improvement in the financial position of the Group is mainly referable to the positive performance of the cash flow of the operating assets, equal to 100.3 million euros in the first nine months of the year. The aforesaid positive cash flows, to which the payments in capital account made by minority shareholders of the Group are added for 8.2 million euros, have allowed financing the distribution of dividends for a total of 15.6 million euros, investments in fixed assets for 63.3 million euros, purchase of treasury stock (by Piaggio & C. S.p.A.) for 26.8 million euros.

### *Capital investment*

Capital investment during the period to 30 September 2007 totalled 63.3 million euros, of which tangible assets for 23.7 million euros, intangible assets for 37.2 million euros, mainly by the Piaggio group (21.3 million euros and 36.6 million euros, respectively), and for investments in financial fixed assets, equal to 2.4 million euros, made by the group leader Immsi S.p.A. against the purchase of no. 842,500 shares of Piaggio & C. S.p.A. on the stock market.

## Total shareholders' equity and equity pertaining to the Immsi Group

In thousands of euro	Group Shareholders' Equity	Minority interests' capital & reserves	Total Equity (Group&Minority Interest)
<b>Balances at 1<sup>st</sup> January 2006</b>	<b>236,748</b>	<b>275,706</b>	<b>512,454</b>
Distribution of dividends	(28,119)	(20,371)	(48,490)
Increases in Parent company share capital against payment	0	0	0
Differences in the rate of exchange	(1,093)	(1,543)	(2,636)
Measurement of financial assets at fair value, net of taxation	17,848	1,418	19,266
Figurative cost of stock options	1,027	1,534	2,561
Other changes	53,393	(64,856)	(11,463)
Net income for the period	86,351	111,232	197,583
<b>Balances at 30<sup>th</sup> September 2006</b>	<b>366,154</b>	<b>303,121</b>	<b>669,275</b>

In thousands of euro	Group Shareholders' Equity	Minority interests' capital & reserves	Total Equity (Group&Minority Interest)
<b>Balances at 1<sup>st</sup> January 2007</b>	<b>401,819</b>	<b>243,784</b>	<b>645,603</b>
Distribution of dividends	(10,296)	(5,344)	(15,640)
Increases in Parent company share capital against payment	0	0	0
Differences in the rate of exchange	162	133	295
Measurement of financial assets at fair value, net of taxation	(4,919)	2,440	(2,479)
Figurative cost of stock options	779	636	1,415
Other changes	(9,243)	(8,076)	(17,319)
Net income for the period	29,401	25,480	54,881
<b>Balances at 30<sup>th</sup> September 2007</b>	<b>407,702</b>	<b>259,054</b>	<b>666,756</b>

The net equity of the Immsi Group amounted on 30 September 2007 to 407.7 million euros with a growth of 5.9 million euros compared to 31 December 2006, mainly because of the result of the period, equal to 29.4 million euros partially compensated for by the dividends paid out to shareholders for 10.3 million euros and the purchase of treasury stock by Piaggio & C. S.p.A. for 26.8 million euros (of which 14.8 million euros as a reduction in the Group's net equity). Compared to 30 September 2006 the Group's net equity has increased by 41.5 million euros.

## Net Financial Debt of the Immsi Group

In thousands of euro	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2006</b>
<b>Short-term liquidity</b>			
Cash and cash equivalents	-124,604	-101,941	-143,424
Financial assets	-9,147	-12,594	-58,421
<b>Total short-term financial assets</b>	<b>-133,751</b>	<b>-114,535</b>	<b>-201,845</b>
<b>Short-term financial payables</b>			
Bonds	0	0	0
Payables to banks	122,169	98,228	158,892
Payables under finance leases	768	963	937
Payables to other lenders	24,401	20,848	19,585
<b>Total short-term financial payables</b>	<b>147,338</b>	<b>120,039</b>	<b>179,414</b>
<b>Total short-term financial debt</b>	<b>13,587</b>	<b>5,504</b>	<b>-22,431</b>
<b>Medium-long-term financial assets</b>			
Receivables for loans	-1,015	-1,015	-1,015
Other financial assets	0	0	0
<b>Total medium-long-term financial assets</b>	<b>-1,015</b>	<b>-1,015</b>	<b>-1,015</b>
<b>Medium-long-term financial payables</b>			
Bonds	144,929	144,628	144,216
Payables to banks	216,541	217,305	233,949
Payables under finance leases	10,109	10,757	10,911
Payables to other lenders	24,439	37,137	45,811
<b>Total medium-long-term financial payables</b>	<b>396,018</b>	<b>409,827</b>	<b>434,887</b>
<b>Total medium-long-term financial debt</b>	<b>395,003</b>	<b>408,812</b>	<b>433,872</b>
<b>Net financial debt</b>	<b>408,590</b>	<b>414,316</b>	<b>411,441</b>

## Cash flow statement of the Immsi Group

In thousands of euro	30 September 2007	30 September 2006
<b><i>Operating activities</i></b>		
Earnings for the period	29,401	86,351
Minority interests	25,480	111,232
Taxation	47,341	21,457
Depreciation on tangible assets (including property investment)	32,895	33,032
Amortisation of intangible assets	32,610	35,705
Provisions for risks and for severance indemnity and similar obligations	22,954	22,767
Write-downs/ (Revaluations)	2,375	1,542
Losses / (Gains) on disposal of tangible assets (including investment property)	(61)	(457)
Losses / (Gains)/ on disposal of consolidated equity investment	0	(136,081)
Interest receivable	(3,659)	(1,782)
Dividend income	(2,450)	(2,228)
Interest payable	32,657	25,509
Amortisation of public grants	(1,674)	(429)
Change in working capital	(53,760)	25,899
Change of non-current reserves and other variations	(11,222)	(50,369)
<b><i>Cash generated from operating activities</i></b>	<b>152,887</b>	<b>172,148</b>
Interest paid	(22,794)	(19,405)
Taxes paid	(29,753)	(15,951)
<b><i>Cash flow from operations</i></b>	<b>100,340</b>	<b>136,792</b>
<b><i>Investment activities</i></b>		
Acquisition of subsidiaries, net of cash and cash equivalents	(2,422)	(103,846)
Sale price of subsidiaries, net of cash and cash equivalents	0	265,471
Investment in tangible assets	(23,665)	(24,138)
Sale price, or repayment value, of tangible assets (including investment property)	786	1,007
Investment in intangible assets	(37,172)	(34,483)
Sale price, or repayment value, of intangible assets	41	470
Interest received	1,388	3,178
Public grants received	0	1,288
Dividends from equity investment	2,450	2,228
Other changes	2,994	(39,103)
<b><i>Cash flow from investment activities</i></b>	<b>(55,600)</b>	<b>72,072</b>
<b><i>Financing activities</i></b>		
Increase in share capital by Group shareholders	0	0
Increase/Decrease in share capital by third parties	8,246	(100,025)
Outflow for dividends paid to Parent company shareholders	(10,296)	(8,580)
Outflow for dividends paid to Minority interest	(5,344)	(39,910)
Other changes	(15,198)	26,786
<b><i>Cash flow from financing activities</i></b>	<b>(22,592)</b>	<b>(121,729)</b>
<b><i>Increase/(Decrease) in cash and cash equivalents</i></b>	<b>22,148</b>	<b>87,135</b>
<b><i>Opening balance</i></b>	<b>80,420</b>	<b>40,989</b>
Exchange difference	(1,297)	540
<b><i>Closing balance</i></b>	<b>101,271</b>	<b>128,664</b>

This table shows the various items that caused changes in cash and cash equivalents, net of bank overdrafts which at 30 September 2007 amounted to 23.3 million euros.

## Human resources

At 30 September 2007, the IMMSI Group had 7,667 employees, split between the property sector with 92, the industrial sector (Piaggio group) with 7,164 and the naval sector (Rodriquez group) with 411.

The breakdown by category and geographical area is shown in the following tables:

### Human resources by category

numbers	30/09/2007			
	Property and holding sector	Industrial sector	Naval sector	Immsi Group
Senior managers	6	114	21	141
Middle managers and clerical staff	36	2,267	165	2,468
Manual workers	50	4,783	225	5,058
<b>TOTAL</b>	<b>92</b>	<b>7,164</b>	<b>411</b>	<b>7,667</b>

### Human resources by geographical area

numbers	30/09/2007			
	Property and holding sector	Industrial sector	Naval sector	Immsi Group
Italy	92	4,507	407	5,006
Rest of Europe	0	661	0	661
Rest of the World	0	1,996	4	2,000
<b>TOTAL</b>	<b>92</b>	<b>7,164</b>	<b>411</b>	<b>7,667</b>

### Human resources by category

numbers	30/09/2007	31/12/2006	Change
Senior managers	141	137	4
Middle managers and clerical staff	2,468	2,366	102
Manual workers	5,058	4,716	342
<b>TOTAL</b>	<b>7,667</b>	<b>7,219</b>	<b>448</b>

### Human resources by geographical area

numbers	30/09/2007	31/12/2006	Change
Italy	5,006	4,748	258
Rest of Europe	661	591	70
Rest of the World	2,000	1,880	120
<b>TOTAL</b>	<b>7,667</b>	<b>7,219</b>	<b>448</b>

The increase in the number of employees (+ 448) is all attributable to the industrial sector because of the seasonal nature of production, which involves hiring personnel on short-term contracts.

## Directors' comments on the results of operations and their outlook for the future

In the first nine months of 2007, the IMMSI Group turned in operating results that were better than in the same period last year.

The results of the various sectors making up the Group differ according to their business trends and the impact of seasonality.

### Property and holding sector

As regards IMMSI S.p.A., the Parent Company, it is worth pointing out that the net result for the period (6.7 million euros) is higher than in the same period last year (-1.3 million euros) because of growth in the dividends from shareholding, which amount to 9 million euros in 2007 (of which 6.5 million euros from Piaggio & C. S.p.A.) compared to 2.2 million euros in 2006.

The component of income tied to the services provided to the subsidiary companies produced a significant decrease chiefly following the management fees charged in the preceding year to the subsidiary company Piaggio & C. S.p.A. and connected to the backing provided in the process of listing, which were not repeated in the course of 2007. The total value of the *management fees* charged in the course of the first nine months of 2007 amounts to 1.3 million euros compared to 3.9 million in the same period of 2006.

At a financial level, the net indebtedness of the company passes from 32.9 million euros at 31 December 2006 to 64.2 million euros at 30 September 2007, with the payments made for dividends equal to 10.3 million euros, the payment on account of increase in capital for 10.4 million euros to the subsidiary company Pietra S.r.l., for the purchase of no. 842,500 shares of Piaggio & C. S.p.A. for 2.4 million euros and for the change in circulating capital following the payment of the balance of the income taxes relating to 2006 and the 1<sup>st</sup> prepayment of 2007 for a total of 13.2 million euros.

As regards Is Molas S.p.A., the project in the tourism property sector has been completed and presented to the authorities for approval. In particular, the company has accordingly prepared the necessary documentation for the investigation of the evaluation of the project in conformity with the requirements of the new Regional Country Plan issued in the last few months of last year. Following the delivery of the documentation to the Councillors of the Region of Sardinia, to the Province of Cagliari and the Municipality of Pula, the request for an integration has been received from the Region of Sardinia to which the company replied on 3rd October. An answer on this is currently being awaited.

The company has consequently had to revise the schedule for the activities of selling the villas following the lengthening of the time for issuing the building permission.

In the month of July the preliminary contract for the transfer of the "Le Ginestre" property was undersigned for a total of 9.1 million euros.

With reference to the subsidiary company Pietra S.r.l. and in particular to the state of progress of the reconversion project of the site of Pietra Ligure in a state concession for a surface of 44,148 s.q. destined as a shipbuilding yard it should be remembered that the above-mentioned project started in 2005 and comprises two phases:

- the application to free the surface area of 15,630 sq.m. of land of the dwellings,
- the urban planning variation of the whole complex and variation of the state concession of the surface area not freed, equal to 28,518 sq.m. (Burlando decree).

Regarding the first phase the General Administrative Department of the State has completed the process of evaluation and approval of the economic values identified for the sale of the area and

the tender announcement with the associated auction for the adjudication of the area set for 19 November 2007.

As regards the second phase, following the presentation of the project it was published in the Italian Official Gazette (Gazzetta Ufficiale) by the Municipal Administration of Pietra Ligure for any observations or other proposals from third parties.

In addition, the Municipality as the Principal body, suggested by the Region, must call the services meeting in September for referring admissibility, in which the competent Organisms will have to officially submit their observations on the project. Any changes that may become necessary must be defined before the convocation of the deliberating meeting (180 days).

Lastly, as regards Apuliae S.p.A., restructuring of the building was suspended in March 2005 as the result of a judicial enquiry. The work is still in suspense, so for prudence sake it was decided in the previous year to write-down the investment in proportion to IMMSI's share of the subsidiary's share capital (85%).

## **Industrial sector**

The Piaggio group has increased its sales to 1,369.8 million euros, + 6.5% on the first nine months of 2006, a period that was also positively affected by the 36.5 million euros contract won by Piaggio & C. S.p.A. at the end of 2005 to supply scooters to Poste Italiane.

The growth in consolidated revenue to 1,369.8 million euros is mainly contributed for 352.3 million euros by the trademarks Aprilia and Guzzi and for 1,003.4 million euros by the brands Piaggio, Gilera, Vespa, Derbi and the LTV Business Unit. As regards the Two Wheeler sub-segment, the revenue for the sale of vehicles, spare parts and accessories related to the Piaggio, Gilera, Vespa and Derbi brands has grown by 684.9 million euros in the first nine months of 2006 (including 36.5 million euros related to the supply to Poste Italiane) to 720.9 million euros in the first nine months of 2007 (+5.1%), while the sales related to the trademarks of Aprilia and Guzzi altogether pass from 326.4 million euros of the first nine months of 2006 to 352.3 million euros of the same period in 2007 (+7.8%).

The revenue related to the LTV sub-segment amounts to 282.6 million euros at September 30th 2007 compared to 263.9 million euros at 30 September 2006 (+7.1%) with a 15.3% increase on the Indian market. The revenue related to spare parts and accessories, equal to 150.3 million euros has grown by 12.4% compared to the first nine months of 2006.

Operating income before depreciation and amortisation (EBITDA) is up by 9.2% in the first nine months of 2007, coming in at 200.4 million euros (14.6% of sales) compared with 183.5 million in the same period of 2006 (14.3% of income). Note that at 30 September 2006 there were costs of 9.9 million euros that were incurred as part of the listing process of Piaggio & C. S.p.A..

Operating income in 2007 amounts to 138.3 million euros compared with 118.5 million in the first nine months of 2006 (+19.8 million euros equal to 16.7%), respectively 10.1% and 9.2% of sales.

In terms of the net result available for consolidation by the IMMSI Group, in the first nine months of 2007 the Piaggio group made a profit of 36.3 million euros, which compares with one of 30 million euros in 2006.

The net financial position at 30 September 2007 is negative for 259.5 million euros, compared with 318 million euros at the end of the previous year and 295.2 million euros at the end of the same period in 2006. The difference compared with 31 December 2006 is attributable for 124.3 million euros to self-financing, for 23.6 million euros to a reduction in working capital, for 6.3 million euros to the proceeds of the increase in capital to service *stock options*, partially compensated for by the investments sustained in the period in tangible fixed assets (21.3 million euros) and intangible fixed

assets (36.6 million euros), the dividends distributed for 11.9 million euros and the purchase of treasury stock for 26.8 million euros.

## **Naval sector**

Looking at the income statement of the Rodriguez group, on income that are up by 36.5 million euros (98 million euros in the first nine months of 2007 compared with 61.4 million in 2006), the portion of the net result that is available for consolidation by the IMMSI Group has gone from a loss of 7.2 million euros in the first nine months of 2006 to one of 4.5 million euros in 2007.

Given the important new contracts acquired in the latter part of 2006, efforts to raise output were stepped up, resulting in a considerable increase during the same period of the previous year. However, the output during the period had margins that were still insufficient to absorb all of the fixed costs.

The operating result in 2007 was a loss of 4.8 million euros compared with one of 8.3 million euros in the first three months of 2006.

It is also noted that there have been positive developments in the plan to reorganise the Pietra Ligure shipyard, which is currently going through the process of being approved by the authorities with estimated tender for the sale of the area set for 19 November 2007.

From a capital point of view, the Group's net financial debt comes to 65.4 million euros, which is higher than at the end of 2006 when it stood at 33.9 million (-31.4 million euros), mainly to finance the change in working capital (28.7 million euros) and to settle past due trade payables.

## **Events following 30 September 2007 and predictable evolution of management**

With reference to the Piaggio group, on 9th October the manufacturing licence was obtained that will allow the production of the Vespa in Vietnam. The industrial installation includes a working production capacity of around 100,000 units a year and the expected investment is of around 25-30 million U.S. dollars.

With reference to the Rodriguez group, in the month of October RCN Finanziaria S.p.A. deliberated an increase in capital of 10 million euros to be implemented by 5 December 2007. The shareholders Immsi and Intesa Sanpaolo have already undersigned and paid up their respective quotas of increase in capital. The increase in capital is entirely destined to strengthen the asset structure of Rodriguez Cantieri Navali S.p.A..

With reference to Is Molas S.p.A., on 22 June 2007 the councillors of the Region of Sardinia received the necessary documentation for the investigation into the evaluation of the project, in compliance with the new Sardinian regional landscape plan. On 3 August 2007 the Region of Sardinia sent a request for integration, which was answered on 3 October 2007. We are currently awaiting an answer.

The results expected for 2007 are in line with the forecasts at the level of the different business sectors. The Piaggio group, following results in the first nine months of 2007 in line with the targets, believes it is able to continue the growth estimated in the three-year plan 2007 - 2009, with the consequent attainment of the set objectives. Concerning the Rodriguez group, it is possible to confirm also for the whole year a growth in the volumes of production in line with that recorded in the first nine months of 2007, that makes it possible to accomplish an operational balance (Ebitda).

## Segment reporting

In accordance with IAS 34, the following is information by business area (primary segment) and by geographical area (secondary segment). As regards the business areas, information is provided, where available, for the property, industrial and naval sectors.

### Primary segment: business areas

#### Income statement

	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
In thousands of euro				
Net revenues to third parties	4.608	1.369.800	97.965	1.472.373
Net intercompany revenues				0
<b>NET REVENUES</b>	<b>4.608</b>	<b>1.369.800</b>	<b>97.965</b>	<b>1.472.373</b>
<b>OPERATING EARNINGS</b>	<b>-3.996</b>	<b>138.263</b>	<b>-4.836</b>	<b>129.431</b>
Results of equity investments	0	2	0	2
Financial income				14.484
Financial charges				41.695
<b>EARNINGS BEFORE TAXATION</b>				<b>102.222</b>
Taxation				47.341
<b>NET INCOME FROM ONGOING OPERATIONS</b>				<b>54.881</b>
Gain (loss) from assets intended for disposal or sale				0
<b>NET INCOME INCLUDING MINORITY INTERESTS</b>				<b>54.881</b>
Minority interests				25.480
<b>GROUP NET INCOME FOR THE PERIOD</b>				<b>29.401</b>

#### Balance sheet

	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
In thousands of euro				
Sector business	302,248	1,565,184	190,136	2,057,568
Equity investments in associated companies	0	725	23	748
<b>TOTAL ASSETS</b>	<b>302,248</b>	<b>1,565,909</b>	<b>190,159</b>	<b>2,058,316</b>
<b>TOTAL LIABILITIES</b>	<b>107,301</b>	<b>1,087,898</b>	<b>196,361</b>	<b>1,391,560</b>

## Other information

In thousands of euro	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
Investments in tangible and intangible assets	753	57,850	2,234	60,837
Depreciation, amortisation and write-downs	527	64,482	2,871	67,880
Cash flow from operating activities	-18,997	148,552	-29,215	100,340
Cash flow from investment activities	-538	-53,317	-1,745	-55,600
Cash flow from financing activities	19,738	-50,682	8,352	-22,592

## Secondary segment: geographical areas

### Income statement

In thousands of euro	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Net revenues to third parties	1,051,583	123,461	174,194	51,518	71,617	1,472,373
Intercompany net revenues						0
<b>NET REVENUES</b>	<b>1,051,583</b>	<b>123,461</b>	<b>174,194</b>	<b>51,518</b>	<b>71,617</b>	<b>1,472,373</b>

### Balance sheet

In thousands of euro	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Sector business	1,673,795	251,997	68,743	34,446	28,587	2,057,568
Equity investments in associated companies	700	3			45	748
<b>TOTAL ASSETS</b>	<b>1,674,495</b>	<b>252,000</b>	<b>68,743</b>	<b>34,446</b>	<b>28,632</b>	<b>2,058,316</b>

In thousands of euro	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
<b>Total receivables</b>	<b>109,394</b>	<b>186,844</b>	<b>9,836</b>	<b>8,600</b>	<b>22,824</b>	<b>337,498</b>
<b>Total payables</b>	<b>496,484</b>	<b>86,236</b>	<b>44,786</b>	<b>3,461</b>	<b>14,005</b>	<b>644,972</b>

## Other information

In thousands of euro	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
<b>Investments in tangible and intangible assets</b>	<b>50,204</b>	<b>5,443</b>	<b>4,532</b>	<b>658</b>	<b>0</b>	<b>60,837</b>
<b>Depreciation, amortisation and write-downs</b>	<b>60,896</b>	<b>4,549</b>	<b>2,118</b>	<b>249</b>	<b>68</b>	<b>67,880</b>

## Group and related party transactions

As regards the information to be provided on related party transactions in accordance with IAS 24 (Related Party Disclosures), we would like to point out that such transactions take place as part of normal operations at market conditions or as laid down under specific laws. No atypical or unusual transactions were carried out during the first nine months of 2007.

All intercompany transactions and balances have been eliminated in the consolidated figures.

The following table shows the impact of related party transactions on the income statement (excluding revenues from amounts recharged to subsidiaries and parent companies in accordance with IAS 18) and on the balance sheet of the IMMSI Group at 30 September 2007:

Main income statement and balance sheet items	Amounts in €000	Description of the transactions
<b>Transactions with related parties:</b>		
Current trade payables	285	Legal advice provided to the Group by St. d'Urso Munari Gatti
Costs for services	180	Legal advice provided to the Group by St. d'Urso Munari Gatti
<b>Transactions with parent companies:</b>		
Tangible assets	97	Fittings and motor vehicles provided by Omniainvest S.p.A.
Costs for services and the use of third party assets	182	Lease of offices in Mantua made available by Omniaholding S.p.A. to the Group
<b>Transactions with subsidiaries:</b>		
Other non-current financial assets and receivables	13,204	Convertible loan granted to RCN Finanziaria S.p.A. and interest
Current trade receivables and other receivables	283	Amounts due by the Piaggio group for recharged costs, rental of offices in Roma and Milano, consultancy contract and repayment of emoluments
	746	Amounts due by the Rodriguez group for recharged costs, rental of offices in Roma, interest, fees and consultancy contract
	398	Amounts due by Is Molas S.p.A. for recharged costs, consultancy contract and repayment of emoluments
Other current financial assets	850	Loans granted to RCN Finanziaria S.p.A.
	400	Loan granted to Rodriguez Cantieri Navali S.p.A.
Current financial liabilities	720	Interest-bearing deposit granted by Apuliae S.p.A.
Current trade payables and other payables	9	Interest on interest-bearing deposit granted by Apuliae S.p.A.
	151	Deferred income to Is Molas S.p.A.
	18	Deferred income to Piaggio & C. S.p.A.
	12	Deferred income to the Rodriguez group
Net revenues	750	Consultancy contract and assistance with Piaggio & C. S.p.A.
	450	Consultancy contract and assistance with Is Molas S.p.A.
	75	Consultancy contract and assistance with Rodriguez Cantieri Navali S.p.A.
	71	Rental of offices in Rome and Milan to Piaggio & C. S.p.A.
	10	Rental of offices in Rome to Rodriguez Cantieri Navali S.p.A.
Costs for services and the use of third party assets	8	Lease of offices in Milan made available by Piaggio & C. S.p.A.
Other operating costs	13	Charges for anticipated termination of lease contract with Piaggio & C. S.p.A.
Financial charges	24	Interest on the deposit granted by Apuliae S.p.A.
Financial income	6,537	Dividends from Piaggio & C. S.p.A.
	575	Interest income and guarantee fees from the Rodriguez group
Other operating income	38	Accrued income for repayment of emoluments from Piaggio group
	27	Accrued income for repayment of emoluments from Is Molas S.p.A.
	5	Accrued income for repayment of emoluments from Apuliae S.p.A.

Figures including non-deductible VAT.

In addition, Immsi, as part of the contract for the supply of 5 catamarans to the Sultanate of Oman for which the Rodriguez group stipulated an endorsement credit contract with a pool of banks for an amount of 84.4 million U.S. dollars to guarantee payment of the consideration envisaged in the contract signed with the Sultanate of Oman for 90 million US dollars, counter-guaranteed the “performance bond” and the “advanced payment bond” issued by the above banks for an amount of 60 million U.S. dollars with the issue of a fidejussory guarantee and for any excess part with a letter of patronage in relation to Rodriguez Cantieri Navali S.p.A.’s obligations to channel payments.

Immsi S.p.A. has also signed a guarantee for Rodriguez Cantieri Navali S.p.A. in favour of Intesa San Paolo, to guarantee that the company will pay a liability worth 15 million euros.

To supplement the above, the following chart gives the value of the operations with related and infragroup party not eliminated, included in the consolidated financial statements at 30 September 2007 as well as their incidence on the respective items of the financial statements.

	Amounts in thousands of euros	% Incidence on item of financial statements
	Amounts in thousands of euros	% Incidence on item of financial statements
<b>Balance Sheet:</b>		
Other financial assets	2,118	0.6%
Trade receivables and other receivables	5,516	0.9%
Trade and other payables		
<b>Income Statement:</b>	35,293	4.1%
Costs for materials	383	0.1%
Costs for services and use of third-party assets	3,229	3.2%

### **Other information: Plan to adjust the systems of internal control for the companies in the Group with headquarters in countries outside the EU**

With reference to the provisions of art. 18-sexies of the Markets Regulation approved by Consob with deliberation no. 11768 dated 23 December 1998 and subsequent amendments, as regards the indirect subsidiary companies outside the EU monitored directly by the issuer Piaggio & C. S.p.A., reference is made to what it communicated in the Quarterly Report at 30 September 2007 approved by the Board of Directors on 5 November 2007.

**DECLARATION OF THE CFO APPOINTED TO DRAW UP THE COMPANY ACCOUNT DOCUMENTS IN COMPLIANCE WITH THE PROVISIONS OF ART. 154-BIS PARAGRAPH 2 OF ITALIAN LEGISLATIVE ORDER D.LGS. 58/1998 (FINANCE ACT)**

The undersigned Andrea Paroli, Finance Manager of Immsi S.p.A., as the CFO assigned to drawing up the company accounts documents, declares that the consolidated quarterly report at 30 September 2007 of the Immsi Group corresponds to the documentary results, bookkeeping and accounts.

The quarterly report at 30 September 2007, not subjected to audit, has been drawn up following the indications supplied by the National Committee for Companies and the Stock Exchange (CONSOB) in the Issuers Regulations and in conformity with the criteria of evaluation and measurement established by the International Financial Reporting Standard (IFRS) emanated by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure of art. 6 of the Regulations (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

8 November, 2007

**Andrea Paroli**  
Finance Manager  
Chief Financial Officer  
**Immsi S.p.A.**